

GOVERNMENT OF KARNATAKA
DEPARTMENT OF PRE-UNIVERSITY EDUCATION
II PUC SUPPLEMENTARY EXAMINATION AUGUST – 2022
SCHEME OF EVALUATION

SUBJECT: ACCOUNTANCY

SUBJECT CODE: 30

Q. No.	SUGGESTED ANSWER			Marks Allotted
SECTION – A				
1.	Government schools / Government hospitals/ Clubs/ Charitable institutions/ Public libraries. (or any other, any one)			01
2.	Unlimited			01
3.	c) Old partner's capital account			01
4.	True			01
5.	4:3			01
6.	Executor is the legal representative of a deceased partner in partnership firm.			01
7.	b) owners			01
8.	DRR: Debenture Redemption Reserve			01
9.	Reserves and surplus			01
10	d) All of the above			01
11.	Debt-equity ratio/ Debt to capital employed ratio/ Proprietary ratio/ Interest coverage ratio/Total assets to debt ratio (or any one)			01
12.	A cash flow statement is a statement showing inflows and outflows of cash and cash equivalents operating, investing and financing activities of a company during a particular period.			01
SECTION – B				
13.	Sl. No.	Receipts and Payments A/c	Income and Expenditure A/c	1 1 (or any two)
	01	It is the summary of the cash book.	It is the summary of income and expenditure.	
	02	It records income and expenditure of revenue & capital nature.	It records receipts and payments of revenue nature only.	
14.	Section 4 of the Indian Partnership Act 1932, defines partnership as “the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all”.			2
15.	The ratio in which the old partners agree to sacrifice their share of profit in favour of the incoming partner is called sacrifice ratio. Sacrifice ratio=Old share - New share			2
16.	Partner's capital A/c To Realisation A/c (Assets taken over by the partner)		Dr	2
17.	(a) Issue of shares at par (b) Issue of shares at a premium (c) Issue of shares at a Discount (any two)			1 + 1

18.	Financial statements are the basic and formal annual reports through which the corporate management communicates financial information to its owners and various other external parties which include investors, tax authorities, government, employees etc.	2
19.	(a) To ascertain the relative importance of different components of the financial position of the firm. (b) To identify the reasons for change in the profitability / financial position of the firm. (or any other, or two)	1+1
20.	(a) Operating activities (b) Investing activities (c) Financial activities (any two)	1 + 1

SECTION – C

21.	Dr Profit & Loss appropriation A/c for the year ending 31.03.2021			Cr	6
	Particular	₹	Particular	₹	
	Interest on capital		Profit & Loss A/c	40200	
	Manju = 100000 X 10/100	10000	(Net profit)		
	Mohan = 80000 X 10/100	8000	Interest on drawings		
	Annual salary to Manju	4000	Manju => 1000		
	Annual commission to Mohan	3000	Mohan => 800	1800	
	Partners capital a/c				
	Manju 17000 X 1/2 = 8500				
	Mohan 17000 X 1/2 = 8500	17000			
		42000		42000	
22.	Calculation of interest on Gireesh's Drawings under product method.				3
	Date	Amount (₹)	Period (in months)	Product (₹)	
	01-06-2020	2000	10	20000	
	30-09-2020	5000	06	30000	
	30-11-2020	3000	04	12000	
	01-01-2021	6000	03	18000	
	Total Product			80,000	
Interest = Total Product X Rate X 1/12				1	
= 80,000 X $\frac{12}{100}$ X $\frac{1}{12}$					
= ₹ 800					2
23.	Gain Ratio = New share – Old share				1
	Gain Ratio of Aruna = $\frac{4}{7} - \frac{1}{3} = \frac{12-7}{21} = \frac{5}{21}$				2
	Gain Ratio of Tharuna = $\frac{3}{7} - \frac{1}{3} = \frac{9-7}{21} = \frac{2}{21}$				2
	Gain Ratio of Aruna & Tharuna = $\frac{5}{21} : \frac{2}{21}$ or 5:2				1

24.	Dr	Y's Capital Account		Cr	
	Particulars	₹	Particulars	₹	
	Y's Executor's A/c	113100	Balance b/d	60000	
			Interest on capital (60000 X 10/100 X 9/12)	4500	
			Salary A/c (2000X9)	18000	
			X 's capital A/c (Goodwill)	14400	
			Z 's capital A/c (Goodwill)	7200	6
			Profit & Loss suspense A/c (Accrued profit) (30000X2/5X9/12)	9000	
		113100		113100	
25.	Journal Entries in the books of Moonlight Company Ltd:				
	Date	Particulars	L.F	Debit (₹)	Credit (₹)
	1	Bank A/c (12,000X20) Dr To 6% Debenture application A/c (Application money received on 12,000 debentures at ₹20 per debenture)		2,40,000	2,40,000
	2	Debenture Application A/c Dr To 6% Debentures A/c (Application money transferred to Debenture A/c on allotment)		2,40,000	2,40,000
	3	6% Debenture Allotment A/c (12,000 X 50) Dr To 6% Debentures A/c (Allotment money due on 12000 Debentures at ₹50 per debenture)		6,00,000	6,00,000
	4	Bank A/c Dr To 6% Debenture allotment A/c (Debenture allotment money received)		6,00,000	6,00,000
	5	6% Debenture First & Final call A/c(12000 X 30) Dr To 6% Debentures A/c (Debenture first and final call money due on 12000 Debentures at ₹30 per debenture)		3,60,000	3,60,000
	6	Bank A/c Dr To 6% Debenture First & Final call A/c (Debenture first and final call money received)		3,60,000	3,60,000

26.	Statement of Profit and Loss for the year ending 31-03-2021				
	Particulars	Note No.	Amount ₹		
	I Revenue from operations	1	600000		
	II Other Incomes		-----		
	III Total Revenues (I+II)		600000		
	IV Expenses:-		3		
	Cost of materials consumed				100000
	Employee benefit expenses				50000
	Depreciation and Amortization				50000
	Total expenses				
V Profit before tax (PBT) (III-IV)			200000		
VI Tax			400000		
VII Profit after tax (PAT) (V-VI)		120000			
		280000			

Notes to Accounts:

Note-1: Employee benefit expenses

Particulars	Amount ₹	1
Salaries to employees	30,000	
Leave encashment	20000	
Total	50,000	

27	Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1
	Current Ratio = $\frac{240000}{60000} = \frac{4}{1}$ or 4:1	2
	Quick Ratio = $\frac{\text{Quick Assets}}{\text{Current Liabilities}}$	1
	= $\frac{120000}{60000} = \frac{2}{1}$ or 2:1	2

28	Cash Flows from Financing activities for the year ending 31.03.2021			4
	Particulars	Amount ₹		
	1. Issue of equity share (3000000 – 2000000)	(+)1000000		
	2. Long term loan borrowed	(+)1100000		
	3. Long term loan repaid	(-) 400000		
	4. Interest paid on long term loan	(-) 20000		
5. Dividend paid	(-) 50000			
Net Cash inflow from financing activities		(+)1630000		

Dr						Long-term Loan Account						Cr					
Date	Particulars		₹	Date	Particulars		₹										
31.03.2021	Cash A/c		400000	1-4-2020	Balance b/d		900000										
	(Loan repaid)				Interest A/c		20000										
	Cash A/c		20000		Cash A/c (Bal.fig)		1100000										
	(Interest paid)				(Loan taken)												
	Balance c/d		1600000														
			2020000				2020000										

30.	Dr		Revaluation Account				Cr		3
	Particulars			₹	Particulars			₹	
	Stock A/c (47000 X 10/100)			4700	Buildings A/c			16000	
	Furniture A/c (20000 X 10/100)			800	(80000 X 20/100)				
	PDD A/c			2000					
	Partners Capital A/c								
	P (8500 X 1/2 = 4250)								
	Q (8500 X 1/2 = 4250)			8500					
				16000				16000	
	Dr		Partner's Capital Account				Cr		
Particulars	P ₹	Q ₹	R ₹	Particulars	P ₹	Q ₹	R ₹		
P's Capital A/c (Goodwill)			10000	Balance B/d	80000	60000	-----		
Q's Capital A/c (Goodwill)			10000	Revaluation A/c	4250	4250	-----		
Balance c/d	94250	74250	50000	Cash A/c (50000 + 20000)	-----	-----	70000		
				R's Capital A/c (Goodwill)	10000	10000	-----		
	94250	74250	70000		94250	74250	70000		
				Balance b/d	94250	74250	50000		
New Balance Sheet of P, Q & R as on 01-04-2021								4	
Liabilities	₹	₹	Assets		₹	₹			
Bills Payable		13200	Cash			73800			
Creditors		25600	(3800+50000+20000)						
Capitals :			Stock		47000				
P	94250		Less: Decrease		<u>4700</u>	42300			
Q	74250		Debtors		50000				
R	50000	218500	Less: PBD (10000+2000)		<u>12000</u>	38000			
			Furniture		8000				
			Less: Depreciation		<u>800</u>	7200			
			Buildings		80000				
			Add: Appreciation		<u>16000</u>	96000			
		257300				257300			

31.	Dr Revaluation Account							Cr	3
	Particulars			₹	Particulars			₹	
	Machinery A/c (20000 X 5/100)			1000	Buildings A/c			20000	
	PDD A/c [(30000 X 10/100) – 2000]			1000	(80000-60000)				
	Partners Capital A/c Ajay (18000 X 3/6) = 9000 Vijay (18000X 2/6) = 6000 Sanjay (18000X1/6) = 3000			18000					
			20000				20000		
Dr Partner's Capital Account								Cr	5
Particulars	Ajay ₹	Vijay ₹	Sanjay ₹	Particulars	Ajay ₹	Vijay ₹	Sanjay ₹		
Vijay's Capital A/c (Goodwill)	3750	---	1250	Balance b/d	40000	30000	20000		
Vijay's Loan A/c		46000		Revaluation a/c	9000	6000	3000		
Balance c/d	52750	----	24250	General Reserve	7500	5000	2500		
	56500	46000	25500	Ajay's Capital A/c		3750			
				Sanjay's Capital A/c		1250			
				Balance b/d	52750	----	24250		
New Balance Sheet of Ajay & Sanjay as on 31-03-2021									
Liabilities	₹	₹	Assets	₹	₹				
Creditors		30000	Cash		10000				
Bills Payable		10000	Stock		17000				
Vijay's Loan		46000	Machinery	20000	19000				
			Less: Depreciation	1000					
Capitals :			Debtors	30000					
Ajay	52750	77000	Less: PBD	3000	27000				
Sanjay	24250			Furniture		10000			
			Buildings	60000					
			Add: Appreciation	20000	80000				
Total		163000	Total		163000	4			

32.	Dr Realisation Account					Cr	
	Particulars	₹	₹	Particulars	₹	₹	
	To Bills Receivable	4000		Bills payable	12000		
	To Debtors	30000		Creditors	20000	32000	
	To Stock	35000		Bank A/c			
	To Investments	12000		(Assets Realised)			
	To Furniture	14000		Bills Receivable	3500		
	To Machinery	20000		Debtors	25000		
	To Building	40000	155000	Stock	32000		
	To Bank A/c (Liabilities Paid)			Machinery	18000		
Bills payable	12000		Building	50000	128500		
Creditors	20000	32000	Gandhana's capital A/c (Investment taken over)		10000		
To Bank A/c (Dissolution Expenses Paid)		2000	Ganavi's capital A/c (Furniture taken over)		12000		
			Partners Capital A/c (Loss)				
			Gandhana (6500X 3/5)	3900			
			Ganavi (6500X2/5)	2600	6500		
		189000			189000		
							6
Dr Partner's Capital Account					Cr		
Particulars	Gandhana (₹)	Ganavi (₹)	Particulars	Gandhana (₹)	Ganavi (₹)		
Realisation A/c (Asset Taken over)	10000	12000	Balance b/d	60000	40000		
Realisation A/c(Loss)	3900	2600	Reserve Fund	18000	12000		
Bank A/c (Final Balance paid)	64100	37400					
	78000	52000		78000	52000		
							4
Dr Bank Account					Cr		
Particulars	₹		Particulars	₹			
Balance b/d	12000		Realisation A/c	32000			
Realisation A/c (Assets Realised)	128500		Realisation A/c	2000			
			Gandhana's Loan A/c	5000			
			Gandhana's capital A/c	64100			
			Ganavi's capital A/c	37400			
	140500			140500			
							2

33. Journal entries in the books of SLR Co. Ltd					
Date	Particulars	LF	Debit (₹)	Credit (₹)	
1	Bank A/c (20000 X 20) Dr To Equity Share Application A/c (Share application money received on 20000 shares at ₹ 20 per share)		400000	400000	1
2	Equity Share Application A/c Dr To Equity Share Capital A/c (Share application money transferred to share capital account)		400000	400000	1
3	Equity Share Allotment A/c (20000 X 50) Dr To Equity Share Capital A/c (20000 X 40) To Securities Premium Reserve A/c (20000 X 10) (Share allotment money due on 20000 shares at ₹ 50 per share including premium)		1000000	800000 200000	2
4	Bank A/c Dr To Equity share Allotment A/c (Share allotment money received on 20000 shares at ₹ 50 per share)		1000000	1000000	1
5	Equity Share First & Final call A/c (2000X40) Dr To Equity Share Capital A/c (First & final call money due on 20000 shares at ₹40 per share)		800000	800000	1
6	Bank A/c (18000 X 40) Dr To Equity Share first and final call A/c (Share First & final call money received on 18000 shares at ₹ 40 per share)		720000	720000	1
7	Equity Share Capital A/c (2000 X 100) Dr To Share Forfeiture A/c (2000X 60) To Equity Share first and final call A/c (2000X40) (Forfeiture of 2000 shares for the non-payment of first & final call money of ₹ 40 per share)		200000	120000 80000	1
8	Bank A/c (2000X 80) Dr Share Forfeiture A/c (2000 X 20) Dr To Equity Share Capital A/c (Reissue of 2000 forfeited shares at ₹80 per share as fully paid up)		160000 40000	200000	2
9	Share Forfeiture A/c Dr To Capital Reserve A/c (120000 - 40000) (Balance in share forfeiture account, transferred to Capital Reserve A/c after the re-issue)		80000	80000	

34. Journal entries in the books of ABC Company Ltd.,					
Date	Particulars	L F	Debit ₹	Credit ₹	
a.	Bank A/c Dr To Debenture Application and Allotment A/c (Debenture application money received)		100000		1
	Debenture Application & Allotment A/c Dr To 9% Debentures A/c (Debenture application money transferred to Debenture account)		100000	100000	1
b	Bank A/c (100000X5%) Dr To 9% Debenture Application and Allotment A/c (Debenture application money received)		105000	105000	1
	9% Debenture Application & Allotment A/c Dr To 9% Debentures A/c To Securities premium reserves A/c (Debenture application money transferred to debenture & security premium reserves Account)		105000	100000 5000	2
c	Bank A/c (100000-5%) Dr To 9% Debenture Application and Allotment A/c (Being Debenture application & allotment money received)		95000	95000	1
	9% Debenture Application & Allotment A/c Dr Discount on issue of Debentures A/c Dr To 9% Debentures A/c (Debenture application money transferred to debentures account)		95000 5000	100000	2
d	Bank A/c Dr To 9% Debenture Application and Allotment A/c (Debenture application & allotment money received)		100000	100000	1
	Debenture Application & Allotment A/c Dr Loss on issue of Debenture A/c Dr To 9% Debentures A/c To Premium on Redemption of Debentures A/c (Debenture application money transferred to debentures account)		100000 5000	100000 5000	3

35.	Vismaya Company Ltd., Common Size Balance Sheet as at 31-03-2020 & 31-03-2021					
	Particulars	Absolute Amount		% of each item to total assets		
		31-03-2020 ₹	31-03-2021 ₹	31-03-2020 %		31-03-2021 %
I. Equity and Liabilities						
1. Shareholders Fund						
a. Share capital	750000	600000	36.14	36.93	6	
b. Reserves and Surplus		250000	12.05	15.38		
2. Non-current Liabilities	250000					
Long term borrowings		250000	14.46	15.38		
3. Current Liabilities	300000					
Trade Payables		525000	37.35	32.31		
	775000					
Total	2075000	1625000	100.00	100.00		
II Assets						
1. Non-current Assets						
a. Fixed assets						
Tangible assets	700000	400000	33.73	24.62	6	
Intangible assets	800000	600000	38.55	36.92		
b. Non Current Investments	500000	500000	24.10	30.77		
2. Current Assets						
Inventories	75000	125000	3.62	7.69		
Total	2075000	1625000	100.00	100.00		
36.	Calculation of Accounting Ratio					
a.	Inventory turnover ratio = $\frac{\text{Cost of revenue from operation (COGS)}}{\text{Average Inventory (Stock)}} = \frac{220000}{40000} = 5.5 \text{ times}$				2	
	Note: Cost of revenue from operation = Revenue from operation - Gross profit = 400000 - 180000 = 220000 Average inventory = $\frac{\text{Opening stock} + \text{Closing stock}}{2}$ = $\frac{20000 + 60000}{2} = 80000/2 = 40000$					
b.	Trade receivable turnover ratio = $\frac{\text{Net credit revenue from operation}}{\text{Average trade receivables}} = \frac{400000}{110000} = 3.64 \text{ times}$				2	
	Note: Average Trade Receivable = Debtors + Bills Receivable = 60000 + 50000 = 110000					
c.	Trade payable turnover ratio = $\frac{\text{Net credit purchase}}{\text{Average trade payables}} = \frac{260000}{160000} = 1.625 \text{ times}$				2	
	Note: Average Trade Payable = Creditors + Bills Payable = 100000 + 60000 = 160000					

36.	d. Gross profit ratio = $\frac{\text{Gross Profit} \times 100}{\text{Net revenue from operation}} = \frac{180000 \times 100}{400000} = 45\%$	2
	e. Net profit ratio = $\frac{\text{Net Profit} \times 100}{\text{Net revenue from operation}} = \frac{40000 \times 100}{400000} = 10\%$	2
	f. Operating ratio = $\frac{\text{Cost of revenue from operations} + \text{operating expenses} \times 100}{\text{Net revenue from operation}}$ $\frac{220000 + 120000 \times 100}{400000} = \frac{340000 \times 100}{400000} = 85\%$ Note: Operating expenses = Administrative expenses + Selling expenses = 70000 + 50000 = 120000	2

SECTION – E

37	Dr. Partner's capital A/c					Cr.	5
	Particulars	Anil ₹	Sunil ₹	Particulars	Anil ₹	Sunil ₹	
	Drawings A/c	20000	10000	Balance b/d	150000	100000	
	Interest on Drawings A/c	2000	1000	Interest on capital A/c	15000	10000	
	Balance c/d	173000	109000	Anil's salary A/c	10000	-----	
			Profit & Loss App. A/c	20000	10000		
	195000	120000		195000	120000		
			Balance b/d	173000	109000		
38	Dr. Z's Executor's Loan A/c					Cr.	5
	Date	Particulars	Amount ₹	Date	Particulars	Amount ₹	
	31.3.2021	Bank A/c (100000+20000)	120000	01.4.2020	Z's capital A/c	200000	
	31.3.2021	Balance c/d	100000	31.3.2021	Interest A/c (20000X10/100)	20000	
			220000			220000	
31.03.2022	Bank A/c (100000+10000)	110000	01.04.2021	Balance b/d	100000		
		110000	31.03.2022	Interest a/c (100000X10/100)	10000		
					110000		

39	a. Shareholders fund					1
	b. Non current Liabilities (Long term borrowings)					1
	c. Current Liabilities (Short term provisions)					1
	d. Non current assets (Fixed assets – Tangible assets)					1
	e. Current assets (Trade receivable)					1
40	XYZ Company Ltd., Comparative Statement of Profit and Loss as on 31/03/2021 & 31/03/2022					
	Particulars	31-03-2021 ₹	31-03-2022 ₹	Increase/ Decrease ₹	Percentage of Increase/ Decrease %	
	I. Revenue from operations	500000	750000	250000	50%	5
	II. Expenses	300000	450000	150000	50%	
	III. Profit before Tax (I–II)	200000	300000	100000	50%	
	IV. Income Tax at 30%	60000	90000	30000	50%	
	V. Profit after tax (III–IV)	140000	210000	70000	50%	
