

Senior School Certificate Examination March 2010

Marking Scheme- Accountancy (Delhi) Code No. 67/1/1

General Instructions

1. The Marking scheme provides general guidelines to reduce subjectivity in the marking. The answers given in the marking scheme are suggested answers. The content is thus indicative. If a student has given any other answer which is different from the one given in the marking scheme but conveys the same meaning, such answers should be given full weightage.
2. Some of the questions may relate to higher order thinking ability. These questions have been indicated to you separately by a star mark and are to be evaluated carefully to judge the students understanding/analytical ability.
3. Evaluation is to be done as per instructions provided in the Marking Scheme. Marking Scheme should be strictly adhered to and religiously followed.
4. The Head-Examiner has to go through the first five answer scripts evaluated by each evaluator to ensure that evaluation has been carried out as per the instructions given in the marking scheme. The remaining answer scripts meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.
5. If a question has parts, please award marks on the right hand side for each part. Marks awarded for different parts of the question should then be totalled up and written in the left hand margin and circled.
6. If a question does not have any parts, marks must be awarded in the left hand margin.
7. If a student has attempted an extra question, answer of the question deserving more mark should be retained and other answer scored out.
8. No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
9. Deductions up to 25% of the marks must be made if the student has not drawn formats of the journal and ledger and has not given the narrations.
10. A full scale of marks 1-80 has to be used. Please do not hesitate to award full marks if the answer deserves it.
11. No marks are to be deducted or awarded for writing / not writing 'TO and BY' while preparing journal and ledger accounts.
12. In theory questions, credit is to be given for the content and not for the format.
13. Separate Marking scheme for all the three sets has been given.

SET (67/1/1) - DELHI

Part 'A'

Expected Answers / Value points

Marks
Dist.

Q1. State the basis..... not for profit organization.

1 mark

Ans. Cash Basis

Q2. What is liability of a partner”?

Ans. Unlimited liability means the liability of a partner is joint and several

1 mark

OR

The personal assets of the partner can be utilized for paying firm's debts.

Q3. State the need on the admission of a partner.

1 mark

Ans. To compensate the old partners for their sacrifice.

Q4. What are expenses?

1 mark

Ans. These are the expenses incurred prior to the incorporation of a company.

Q5. How doesgoodwill of a firm?

1 mark

Ans. Location as factor enhances better business & sales.

Q6. From the following additional information is provided.

Ans.	Subscription received during the year(2008-09)		2,65,000	
	Add received in advance for the year(2008-09)		12,000	1 mark
	Less Received for the period (2007-08)	40,000		
	Less Received for the year (2009-10)	30,000	70,000	1 mark
	Subscription Received for the year		2,07,000	
	Outstanding for the year(2008-09)		43,000	1 mark

3 marks

(Total Subscription Rs. 2,50,000)

OR

Subscription A/c

To o/s subs	40,000	By adv. (big)	12,000	
To Income & Expenditure A/c	2,50,000	By cash	2,65,000	
To adv. (end)	30,000	By o/s (end)	43,000	
Total	3,20,000	Total	3,20,000	

Q7. S.S.S. Ltd. has can be utilized. (Any 3)

Ans. U/s 78 of the Companies Act 1956 the amount of Securities Premium may be utilized for (Any 3)

- (a) Issue fully paid bonus share.
- (b) Write off preliminary expenses.
- (c) Write off the expenses or the commission paid or discount allowed on any issue of share or debentures of the company.
- (d) Provide for the premium payable on the redemption of any redeemable preference shares or of any debentures of the company.
- (e) For Buy Back of Shares (purchase of its own shares).

1x3 =
3marks

8. DN Ltd. has received on allotment.

3 marks

Ans. Application Received	->	70,000 shares	Allotted	
Rejected	->	10,000 shares		
Mohan		20,000 (Applied)	20,000 (Allotted)	
Others		40,000 (Applied)	30,000 (4:3) (Allotted)	
Allotment Money due		(50,000 x 3)	1,50,000	½ mark
Less recd. In advance (pro rata issue)		(10,000 x 2)	20,000	1 mark
Less Calls in arrears (Mohan)		(20,000 x 3)	60,000	½ mark
Add Calls in advance		(3,000 x 4)	12,000	½ mark
Allotment money received			82,000	½ mark

Note :- In case the candidate has arrived at the correct answer through a different presentation full credit may be given.

Q9. A, B & C were workings clearly.

Ans.	Due to partners	A	B	C	
	Interest on capital	1,500	1,000	500	½ mark
	Salary @ 500 per month		6,000		½ mark
	Commission			1,350	½ mark
	Share of profits	7,860	7,860	3,930	1 mark
	Total	9,360	14,860	5,780	
	Actually Distributed	15,000	10,000	5,000	½ mark
	Adjustment	(5,640) Dr	4,860 Cr	780 Cr	

Adjustment Entry

A's Capital / Current Account	Dr	5,640		
	To B's Capital / Current Account		4,860	
	To C's Capital / Current Account		780	
(being Adjustment entry passed)				

4 marks

Alternative Answer

A's Capital A/c Dr.	5820		
	To B's Capital A/c	4930	1 Mark
	To C's Capital A/c	890	
(being adjustment entry passed)			

Working Note:-

	Cr Int on Cap.	Cr. Sal.	Cr. Comm.	Dr. Profit	2:2:1 Cr Profit	Dr.	Cr.
A	750			15,000	8,430	5,820	
B	500	6,000		10,000	8,430		4,930
C	250		1,425	5,000	4,215		890

3 marks

	A	B	C
Closing Capital	30,000	20,000	10,000
Less Profits (3:2:1)	15,000	10,000	5,000
Opening Capital	15,000	10,000	5,000

NOTE: Working in any form should be given full weightage)

Q10. A, B & C were partners good will on B's retirement.

1 mark

Ans. Gaining Ratio = New Ratio – old Ratio

$$A = \frac{11}{15} - \frac{6}{15} = \frac{5}{15} \quad (\text{Gain})$$

1 mark

$$C = \frac{4}{15} - \frac{5}{15} = -\frac{1}{15} \quad (\text{Sacrifice})$$

A's share of Goodwill = $180000 \times \frac{5}{15} = 60000$

B's share of Goodwill = $180000 \times \frac{4}{15} = 48000$

C's share of Goodwill = $180000 \times \frac{1}{15} = 12000$

A's Capital A/c Dr	60,000		
	To B's Capital A/c	48,000	2 marks
	To C's Capital A/c	12,000	

1+1+2=
4 marks

(Treatment of Good will on B's retirement)

Q11. X ltd. had Rs. 8,00,000 time of redemption.

Ans.	P & L Appropriation Account Dr	3,86,000	
1	To Debenture Redemption Reserve A/c (Being the required amount transferred to DRR)	3,86,000	1 mark
2	9 % Debentures Account Dr Premium on Redemption of Debenture A/c Dr To Debenture holders A/c (Being the required amount due to debenture holder on redemption)	8,00,000 40,000 8,40,000	1 mark
3	Debenture Holders A/c Dr To Bank A/c (Being the required amount paid to debenture holder)	8,40,000 8,40,000	1 mark 4 marks
4	Debenture Redemption Reserve A/c Dr To General Reserve A/c [Being Debenture Redemption Reserve transferred to General Reserve]	8,00,000 8,00,000	1 mark

Q12 From the following information were no cash purchases made.

Ans. Income & Expenditure A/c for the year ending on 31st March 2009

To sports Material	1,07,800			2 marks for working & 1 mark for correct amount
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Working:- Creditors for sports Material A/c

Advance to supp.	15,000	By Balance b/d	7800
To Bank	1,20,000	By Advance	25000
To balance c/d	9,200	By purchases	111400
Total	144200	Total	144200

Opening stock 2200

Add: Purchases 111400

1,13,600

Less: Cl. Stock 5800

Consumption of sports Material 1,07,800

(NOTE:- Working may be given in any form, full weightage should be allotted.)

Balance Sheet as on 31st March 2008

6 mark

Liabilities	Amount	Assets	Amount
Creditors for sports material	7800	Stock of material	2200
		Advance to supp	15000

1 ½ mark

Balance Sheet as on 31st March 2009

Liabilities	Amount	Assets	Amount
Creditors for sports material	9200	Stock of material	5800
		Advance to supp	25000

1 ½ mark

Q13 (a) X, Y and Z are partners or to be paid to the partners.

Ans. Total Capital in the ratio of 2:1 2,10,000

Share of Y	1,40,000		
Share of Z	70,000		
Y to withdraw (1,45,000 - 1,40,000)			5,000
Z to bring in (70,000 - 63,000)			7,000

½ mark

½ mark

1 mark

1 mark

3
marks

Alternative Answer:

	Y	Z
Capital of the new firm	1,40,000	70,000
Actual Capital's	1,45,000	63,000
Cash paid /Brought in	5,000(Paid)	7,000(brought in)

½ + ½ mark

1+ 1 mark

Q13 (b).A, B and C are partners death and pass necessary journal entry.

Ans. Average profits $14,000+18,000+16,000-10,000+16,000 = 54,000/5 = 10,800$

1 mark

Decreased partner's share $(10800 \times 3/12 \times 1/3) = \text{Rs. } 900$

1 mark

P & L suspense account	Dr	900	
			900
To A's Capital's account			

1 mark

(Being distribution of profit to the deceased partner)

= 3marks

Q14. Suresh Ltd. On 1st April 2006.....including redemption of debentures.

Ans Assets A/c	Dr	6,00,000	
Goodwill A/c	Dr	20,000	
			70,000
To Liabilities			
			5,50,000
To P & Company.			
(Being the purchase of assets & liabilities of P& Co.)			
P & Co. A/c	Dr	5,50,000	
Loss on issue of Debentures A/c	Dr	25,000	
			5,00,000
To 12 % Debentures A/c			
			50,000
To Securities Premium A/c			
			25,000
To Premium on redemption of Debentures A/c			
(Being debentures issued)			
P/L Appropriation A/c	Dr	2,50,000	
			2,50,000
To Debenture Redemption Reserve A/c			
(Being debentures redemption reserve created out of profits)			
12 % debentures A/c	Dr	5,00,000	
Premium on Redemption A/c	Dr	25,000	
			5,25,000
To & Co. / Debenture Holders			
(Being issue of debentures @ 12% premium due)			

2 marks

2 marks

½ mark

½ mark

6 Marks

Alternative Answer:

	Y	Z
Capital of the new firm	1,40,000	70,000
Actual Capital's	1,45,000	63,000
Cash paid /Brought in	5,000(Paid)	7,000(brought in)

½ + ½ mark

1+ 1 mark

Q13 (b).A, B and C are partners death and pass necessary journal entry.

Ans. Average profits $14,000+18,000+16,000-10,000+16,000 = 54,000/5 = 10,800$

1 mark

Decreased partner's share $(10800 \times 3/12 \times 1/3) = \text{Rs. } 900$

1 mark

P & L suspense account	Dr	900	
			900
To A's Capital's account			900

1 mark

= 3marks

(Being distribution of profit to the deceased partner)

Q14. Suresh Ltd. On 1st April 2006.....including redemption of debentures.

Ans Assets A/c	Dr	6,00,000	
Goodwill A/c	Dr	20,000	
To Liabilities			70,000
To P & Company.			5,50,000
(Being the purchase of assets & liabilities of P& Co.)			
P & Co. A/c	Dr	5,50,000	
Loss on issue of Debentures A/c	Dr	25,000	
To 12 % Debentures A/c			5,00,000
To Securities Premium A/c			50,000
To Premium on redemption of Debentures A/c			25,000
(Being debentures issued)			
P/L Appropriation A/c	Dr	2,50,000	
To Debenture Redemption Reserve A/c			2,50,000
(Being debentures redemption reserve created out of profits)			
12 % debentures A/c	Dr	5,00,000	
Premium on Redemption A/c	Dr	25,000	
To & Co. / Debenture Holders			5,25,000
(Being issue of debentures @ 12% premium due)			

2 marks

2 marks

½ mark 6 Marks

½ mark

P & Co. /Debenture Holders A/c	Dr	5,25,000		
To Bank			5,25,000	½ mark
(Being debentures holders paid)				
Debenture Redemption Reseve A/c	Dr.	2,50,000		
To General Reserve			2,50,000	
(Being debentures Redemption Reserve transferred to general reserve)				½ mark

Note : If an examinee had created DRR more than 50% full credit is to be given.

[This DRR may be created in three instalments over a period of three year also]

Due consideration is to be given if split entry had been passed by an examinee for 2nd entry.

Q15. X Ltd. issued 50,000 shares.....for the above transactions.

Ans.	Bank Account	Dr	2,25,000			
	To Share Application Account (Being application money received)			2,25,000		½ mark
	Share Application Account	Dr	2,25,000			
	To Share Capital			1,50,000		
	To Share Allotment			75,000		1 mark
	(Being application money transferred to share capital & excess money adjusted to allotment)					
	Share Allotment Account	Dr	3,00,000			
	To Share Capital			2,00,000		
	To Securities Premium (Being allotment money due)			1,00,000		1 mark
	Bank Account		2,20,500			
	To Share Allotment OR			2,20,500		1 mark
	Bank A/c Dr Call in Arrears Dr		2,20,500 4,500			
	To share allotment (Allotment money received)			2,25,000		8 mark
	Share 1 st & Final Call A/c	Dr	1,50,000			
	To Share Capital (1 st Call due)			1,50,000		½ mark
	Bank	Dr	1,47,300			
	To Share 1 st & Final Call OR			1,47,300		1 mark
	Bank A/c Dr Call in Arrears Dr		1,47,300 2,700			
	To Share Capital (1 st call received)			1,50,000		
	Share Capital A/c	Dr	9,000			
	Securities Premium A/c Dr		1,800			1 mark
	To Share forfeited			3,600		
	To Allotment			4,500		
	To First & Final Call OR			2,700		
	Share Capital A/c	Dr	9,000			
	Securities Premium A/c	Dr	18,000			
	To Share Forfeited			3,600		
	To Calls in arrears			7,200		
	(Shares being forfeited)					
	Bank A/c	Dr	6,300			1 mark

Share Forfeited A/c To share capital (Shares reissued)	Dr	2,700	9,000
Share Forfeited A/c To Capital Reserve (Balance of forfeited transferred to Capital Reserve)	Dr	900	900

1 mark

OR

Q15 Janta Ltd.....transactions.

Ans.	Bank A/c To share application (Being received application money)	Dr	360000	360000	½ mark
	Share application A/c To share capital (Application money transferred to share capital)	Dr	3,60,000	3,60,000	½ mark
	Share allotment A/c Discount on issue of shares To share capital (Allotment money due & discount allowed)	Dr	5,40,000 1,80,000	7,20,000	1 mark
	Bank A/c Calls in arrears A/c To share allotment A/c To calls in advance A/c	Dr	5,40,300 4,500	5,40,000 4,800	1 mark
	OR				
	Bank A/c To Share Allotment To Calls in advance (Allotment money received with calls in advance)		5,40,300	5,35,500 4,800	
	Share 1st & Final call A/c To share capital (Share first call amount due)	Dr	7,20,000	7,20,000	1 mark
	Bank A/c Calls in Advance A/c Calls in Arrears A/c	Dr	7,09,200 4,800 6,000		1 mark

8 marks

To share First and Final A/c			7,20,000	
OR				
Bank A/c		7,09,200		
Calls in advance		4800	7,14,000	
To Share first & Final A/c (First call amount received)				
Share Capital A/c	Dr	15,000		1 mark
To Share Forfeited A/c			3000	
To Share Allotment A/c			4500	
To Share 1st & Final call A/c			6000	
To discount on issue of shares			1500	
OR				
Share Capital		15,000		
To Share Forfeited			3,000	
To Calls in arrears			10,500	
To Discount on issue of Shares (Being shares, forfeited)			1,500	
Bank A/c	Dr	12000		
Discount on issue of shares A/c	Dr	1500		1 mark
Share Forfeited A/c	Dr	1500		
To share capital (Forfeited shares being reissued)			15000	
Share Forfeited A/c	Dr.	1500		1 mark
To Capital Reserve (Being gain on re-issue transfer to Capital Reserve)			1500	

Q 16. A, B and C Partners capital A/c's and cash a/c.

Ans.

Realisation Account

To Sundry Assets	17,000	By Provision for bad debts	1200
To Debtors	24,200	By Creditors	6000
To Stock in Trade	7,800	By loan	1500
To B/R	1,000	By A's Capital	
To A's Capital A/c (Creditors)	6,000		B/R 800
To C's Capital A/c			Debtors 17200
		By B's Capital	18000
(Loan 1,500)			Stock in Trade 7000
(Acc. Int. 300)	1,800		Sundry Assets 7200
To Cash A/c (Realisation Expenses)	270	By C's Capital	
		Sundry Assets	8100
		By Cash A/c (Debtors)	2100
		By Capital A/c(Loss Trf)	
			A 4182
			B 1394
			C 1394
			6970
	58070		58070

4 marks

4+3+1=

8 marks

Partner's Capital Account

	A	B	C		A	B	C
To Realisation	18,000	14,200	8,100	By Balance b/d	27,500	10,000	7,000
To realisation (loss)	4182	1394	1394	By Realisation	6,000		1,800
To cash	11318			By Cash		5594	694
	33,500	15594	9494		33,500	15594	9494

3 marks

Cash Account

To balance b/d	3,200	By realization	270
To realisation	2100	By A's Capital	11318
To B's Capital	5594		
To C's Capital	694		
	11,588		11,588

1 mark

OR

Q 16. 31st Mar 2009 the balance sheetof the new firm.

Ans.

Revaluation Account

To investments	500	By Accrued Interest	100
		By Cash A/c / Bad Debts Recovered A/c	400
	500		500

1 ½ mark

Partner's Capital Accounts

	Ram	Shyam	Mohan		Ram	Shyam	Mohan
To balance c/d	12,000	6,000	4,500	By Balance b/d	6,000	4,000	
				By Reserves	1,500	500	
				By Premium	4,500	1,500	
				By cash			4,500
	12,000	6,000	4,500		12,000	6,000	4,500

3 mks

Balance Sheet as on 1st Apr, 2009

liabilities	Amount(Rs.)	Assets	Amount (Rs.)
Creditors	2,800	Cash	12,900
Employees Provident Fund	1,200	Accrued Income	100
Capital Ram	12,000	Debtors (6500-500)	6,000

3 ½ marks

1 ½ + 3
+ 3 ½ =
8 marks

Shyam	6,000	Stock	3,000
Mohan	4,500	Investments	4,500
	26,500		26,500

Part 'B'

Expected Answers / Value points

Marks
Dist.

Q17 State any one analysis.

Ans. Any one objective of FSA.

- a) To know profitability.
- b) To know solvency.
- c) To know operating efficiency.
- d) To know liquidity.

1 mark

Q18 Under which Cash flow statement.

Ans. Financing Activity.

1 mark

Q19 Declaration of answer with reason.

Ans. No flow of cash as dividend is declared only, not yet paid .

1 mark

Q20 From the following 2008 & 2009.

Ans.	2008	2009	Abs Cha	%
Sales	6,00,000	9,00,000	3,00,000	50
Cost of goods sold	3,60,000	4,50,000	90,000	25
Gross Profit	2,40,000	4,50,000	2,10,000	87.5
Less Adm Exp.	48,000	67,500	19,500	40.6
Net Profit before Tax	1,92,000	3,82,500	190,500	99.2
Less Income Tax	96,000	1,91,250	95,250	99.2
Net profit after tax	96,000	1,91,250	95,250	99.2

$\frac{1}{2} \times 6 =$

3 marks

Q21 (a) A business has value of stock.

Ans. CR 3:1 QR 1.2:1 Stock = CA-QA WC = 1,80,000 CA = 2,70,000 CL = 90,000

Quick Assets = $90,000 \times 1.2 = 1,08,000$

Stock = CA-QA = $2,70,000 - 1,08,000 = \text{Rs. } 1,62,000$ OR Stock $90,000 \times 1.8 = 1,62,000$

2 marks

Note :- Current assets = $\frac{1}{2}$, value of stock = $\frac{1}{2}$, formula = $\frac{1}{2}$, current liabilities = $\frac{1}{2}$

Q21 (b) From the given 30% of sales.

Ans. Sales 2,00,000 GP @ 25% on cost = 40,000 CGS = 1,60,000 CL stock 30% of Sales = 60,000
OP stock $\frac{1}{3}$ of C.St. = 20,000 AV Stock = 40,000 STR = $1,60,000 / 40,000 = 4$ times

1+1
=2marks

Note :- Formula $\frac{1}{2}$, STR = $\frac{1}{2}$, COGS = $\frac{1}{2}$, average stock = $\frac{1}{2}$

Q22 Assuming that the Debt - Equitycases. (Any four)

Ans.

Effect	Reason
a) No Change	Neither the equity nor the debts are affected.
b) Increase	As the Debts are increasing.
c) Decrease	As Share holders fund will increase.
d) No Change	As both remain un effected.

$\frac{1}{2} \times 8 = 4$
marks

e) Increase	As Equity will be decreased.
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Note:- ½ for the answer and ½ for the reason.

Q23 From the following as per AS-3 (revised).

Ans. Calculation of Profit before interest & Tax

Profit earned : Rs. 1,000

Add : Dividend: Rs. 3,000

4,000

Particulars	Amount (Rs.)	Amount (Rs.)
(A) Cash Flow from OP Activities		
Net Profit before Interest & tax	4,000	
Add: Decrease in stock	2,000	
Add: Decrease in Debtors	2,000	
Less: Decrease in Creditors	(4,000)	
Net Cash flow from operating activities after working capital changes but before tax	4,000	
Less: Tax Paid		
Net Cash flow from operating activities after tax		4,000
(B) Cash flow from Investing Activity		
Purchase of Furniture	(3,000)	
Cash used in investing activities		(3,000)
(C) Cash flow from Financing activity		
Issue of Share Capital	3,000	
Dividend Paid	(3,000)	
Net cash generated from financing activities		NILL
Net increase in cash / cash equivalent (A+B+C)		1,000
Opening balance of Cash & cash equivalents		11,000
Closing Balance of Cash & cash equivalents		12,000

½ X 12=6 marks

PART C- COMPUTERISED ACCOUNTING

Q17. What is meant by computerized accounting system?

Ans. CAS refers to a system that consists of human and computer resources for recording, processing and reporting the accounting events of an organization.

1 mark

Q18. List any two specific areas of accounting the spreadsheet lends support to.

Ans. It lends support to payroll accounting, Depreciation Schedules and Loan repayment details.

1 mark

Q19. What are master files and index files?

Ans. Master Files contain information to books of original entry such as suppliers, customers etc and index files are used for references.

2 marks

Q20. Briefly explain the types of Data Processing.

Ans. The types of data processing are

- Batch Processing: A technique used for regular processing of large amounts of data.
- Online Processing: Creates a delay between the occurrence of the transaction and the actual processing.

3 marks

Q21. Classify the types of database at the backend.

Ans. Types of data at the backend are :

3 marks

- Standalone

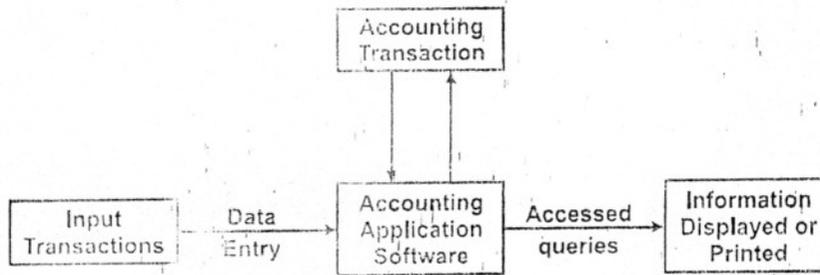
(b) Server based client server or file sharing system

(c) Partitioned or non partitioned distributed systems

Q22. Explain the structure of computerized accounting system?

Ans. The structure involves Accounting Framework, Operating Framework, and Front End interface, Back end interface, processing and reporting.

Basic flow of Accounting Transaction



4 marks

Q23. Calculate the formula on excel for the following

Ans. Dearness Allowance

= if (A2<10000,MAX(44*A2,2000),MAX(35 * A2,4400))

House Rent Allowance

= if (A2 <=8000,2000,if(A2<=15000,6000,9000) OR if(A2>15000,9000,if(A2>8000,6000,2000))

City Compensatory Allowance

= min(10 * A2,1000)

6 marks

3 * 2 = 6
marks

Note:- Here A2 is cell reference which can differ, if any other narration is used full credit should be given.
