

**GOVERNMENT OF KARNATAKA**

**KARNATAKA STATE PRE-UNIVERSITY EDUCATION BOARD, BANGALORE**

**II PUC EXAMINATION March-2017**

**SCHEME OF VALUATION**

**SUBJECT: ACCOUNTANCY**

**SUBJECT CODE :30**

Qn. No.	Suggested Answer	Marks Allotted										
<b>SECTION-A</b>												
<b>1</b>	<b>Reserve</b> is the amount set aside out of profits to meet any particular unknown liability or contingency, on the date of Balance Sheet. It is created only when there is a profit.	<b>02</b>										
<b>2</b>	<b>Profit and Loss Appropriation Account</b> is an extension of profit and loss account. It shows the appropriation of profits of the firm among the partners.	<b>02</b>										
<b>3</b>	<b>Methods of Valuation of Goodwill:</b> a. Average Profit Method b. Super Profit Method c. Capitalisation Method (Any two)	<b>1+1</b>										
<b>4</b>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Deceased Partner's Capital A/c</td> <td style="width: 10%; text-align: center;">Dr</td> <td style="width: 10%; text-align: center;">xxx</td> <td style="width: 10%; text-align: center;">-</td> <td style="width: 10%;"></td> </tr> <tr> <td style="padding-left: 20px;">To Deceased Partner's Executors A/c</td> <td></td> <td style="text-align: center;">-</td> <td style="text-align: center;">xxx</td> <td></td> </tr> </table> (Being transfer of balance of Deceased Partner's Capital A/c )	Deceased Partner's Capital A/c	Dr	xxx	-		To Deceased Partner's Executors A/c		-	xxx		<b>1+1</b>
Deceased Partner's Capital A/c	Dr	xxx	-									
To Deceased Partner's Executors A/c		-	xxx									
<b>5</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"><b>Dissolution of Partnership</b></td> <td style="width: 50%;"><b>Dissolution of Partnership Firm</b></td> </tr> <tr> <td>a. Business of the firm is not terminated.</td> <td>a. Business of the firm is terminated.</td> </tr> <tr> <td>b. Books of accounts are not closed.</td> <td>b. Books of accounts are closed.</td> </tr> </table> Or Any other two relevant distinctions	<b>Dissolution of Partnership</b>	<b>Dissolution of Partnership Firm</b>	a. Business of the firm is not terminated.	a. Business of the firm is terminated.	b. Books of accounts are not closed.	b. Books of accounts are closed.	<b>1+1</b>				
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b. Books of accounts are not closed.	b. Books of accounts are closed.											
<b>6</b>	<b>Authorised Capital</b> is the maximum amount of capital which a company is authorised to raise from the public by issue of shares. It is mentioned in the 'capital clause' of Memorandum of Association of a Company.	<b>02</b>										
<b>7</b>	<b>Dividend Distribution Tax</b> is the tax on dividend paid by the company on the dividend declared. It should be remitted to Central Government within fourteen days from the date of declaration of dividend.	<b>02</b>										

<b>8</b>	<b>Techniques of Financial Statement Analysis:</b> a. Comparative statements.                                      b. Common Size Statements. c. Trend Analysis.    d. Ratio Analysis. e. Cash Flow Statement.    (Any two techniques)	<b>1+1</b>
<b>9</b>	<b>Examples of NPO:</b> Clubs, Charitable Trusts ,Educational Institutions, Hospitals, Libraries. ( Any two examples)	<b>1+1</b>
<b>10</b>	<b>Models of DBMS:</b> (i) Object based logical models. (ii) Record based logical models: a. Simple/List Structure Data Base Model b. Hierarchical Data Base System/Model c. Network Data Base System/ Model d. Relational Data Base Model ( Any two models)	<b>1+1</b>

## SECTION – B

<b>11</b>	<b>Calculation of Interest on Drawings of Radha under Product Method</b>				
	<b>Date of Drawings</b>	<b>Amount ₹</b>	<b>O/s Months up to 31-03-2016</b>	<b>Product</b>	
	01-04-2015	5,000	12	60,000	
	30-06-2015	8,000	09	72,000	
	01-12-2015	3,000	04	12,000	
	31-03-2016	2,000	00	00	
	<b>Total</b>			<b>1,44,000</b>	<b>03</b>
	<b>Interest on Drawings = (Total Products X Rate) X 1/12</b>				<b>01</b>
	<b>= (1,44,000 X 10/100) X 1/12 = ₹1,200/-</b>				<b>01</b>

12	<p><b>New Share = Old share - Share Sacrificed</b></p> <p>A's New Share = <math>6/10 - 4/20 = (12-4)/20 = 8/20</math></p> <p>B's New Share = <math>4/10 - 2/10 = (8-2)/20 = 6/20</math></p> <p>C's New Share = <math>6/20</math></p> <p>Therefore, <b>New Profit Sharing Ratio</b> = New Share of A:B:C  <math>= 8/20: 6/20: 6/20 = 8:6:6 = 4:3:3</math></p>	01  1.5  1.5    01																																								
13	<p style="text-align: center;"><b>Sheenu's Executors Account</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">Dr.</th> <th colspan="2" style="text-align: right;">Cr.</th> </tr> <tr> <th style="width: 30%;">Particulars</th> <th style="width: 15%;">Amount ₹</th> <th style="width: 30%;">Particulars</th> <th style="width: 25%;">Amount ₹</th> </tr> </thead> <tbody> <tr> <td>To Drawings A/c</td> <td style="text-align: right;">5,000</td> <td>By Sheenu's Capital A/c</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td>To Balance C/d</td> <td style="text-align: right;">1,10,000</td> <td>By Interest on Capital A/c</td> <td style="text-align: right;">6,000</td> </tr> <tr> <td>(Balancing Figure)</td> <td></td> <td>(1,00,000X12%X6/12)</td> <td></td> </tr> <tr> <td></td> <td></td> <td>By Goodwill A/c</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td></td> <td></td> <td>By P &amp; L Suspense A/c</td> <td style="text-align: right;">4,000</td> </tr> <tr> <td></td> <td></td> <td>(2,00,00X6/12X4/10)</td> <td></td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;">1,15,000</td> <td style="text-align: right;">Total</td> <td style="text-align: right;">1,15,000</td> </tr> <tr> <td></td> <td></td> <td>By Balance B/d</td> <td style="text-align: right;">1,10,000</td> </tr> </tbody> </table>	Dr.		Cr.		Particulars	Amount ₹	Particulars	Amount ₹	To Drawings A/c	5,000	By Sheenu's Capital A/c	1,00,000	To Balance C/d	1,10,000	By Interest on Capital A/c	6,000	(Balancing Figure)		(1,00,000X12%X6/12)				By Goodwill A/c	5,000			By P & L Suspense A/c	4,000			(2,00,00X6/12X4/10)		Total	1,15,000	Total	1,15,000			By Balance B/d	1,10,000	Each Entry 01 Mark. 5X1=5 marks
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	3	8% Debenture Allotment A/c (10,000 x 4) Dr To 8% Debentures A/c (Being Debenture Allotment money due)	40,000	-																																										
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<b>Total</b>			1,60,000	1,60,000																																										
15	<p><b>(a) Inventory Turnover Ratio</b> = Cost of Goods Sold / Average Inventory = ₹ 3,00,000 / ₹ 75,000 = <b>4 Times</b></p> <p><b>NOTE:</b></p> <p>(i) <b>Cost of goods sold</b> = Net Sales – Gross Profit = ₹ 4,00,000 – ₹ 1,00,000 = ₹ <b>3,00,000</b></p> <p>(ii) <b>Average Inventory</b> = (Opening Inventory + Closing Inventory) / 2 = (₹ 60,000 + ₹ 90,000) / 2 = ₹ <b>75,000</b></p> <p><b>(b) Gross Profit Ratio</b> = (Gross Profit / Net Sales) X 100 = (₹ 1,00,000 / ₹ 4,00,000) X 100 = <b>25%</b></p>					01 01 0.5 0.5 01 01																																								
16	<p><b>Receipts and Payments A/c of Shree Sports Club for the year ending 31-03-2016</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">Dr</th> <th colspan="2" style="text-align: right;">Cr</th> </tr> <tr> <th style="width: 30%;">Receipts</th> <th style="width: 15%;">Amount ₹</th> <th style="width: 30%;">Payments</th> <th style="width: 25%;">Amount ₹</th> </tr> </thead> <tbody> <tr> <td>To Balance B/d</td> <td style="text-align: right;">10,000</td> <td>By Sub. to news papers</td> <td style="text-align: right;">3,000</td> </tr> <tr> <td>To Proceeds from concerts</td> <td style="text-align: right;">10,000</td> <td>By Upkeep of Ground</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>To Subscriptions Received</td> <td style="text-align: right;">40,000</td> <td>By Computers Purchased</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>To Endowment Fund</td> <td style="text-align: right;">2,000</td> <td>By Books Purchased</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>To Rent Received</td> <td style="text-align: right;">2,000</td> <td><b>By Balance C/d</b></td> <td style="text-align: right;"><b>41,000</b></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;"><b>(Bal. Figure)</b></td> <td></td> </tr> <tr> <td style="text-align: right;"><b>Total</b></td> <td style="text-align: right;"><b>64,000</b></td> <td style="text-align: right;"><b>Total</b></td> <td style="text-align: right;"><b>64,000</b></td> </tr> <tr> <td>To Balance B/d</td> <td style="text-align: right;">41,000</td> <td></td> <td></td> </tr> </tbody> </table>					Dr		Cr		Receipts	Amount ₹	Payments	Amount ₹	To Balance B/d	10,000	By Sub. to news papers	3,000	To Proceeds from concerts	10,000	By Upkeep of Ground	10,000	To Subscriptions Received	40,000	By Computers Purchased	5,000	To Endowment Fund	2,000	By Books Purchased	5,000	To Rent Received	2,000	<b>By Balance C/d</b>	<b>41,000</b>			<b>(Bal. Figure)</b>		<b>Total</b>	<b>64,000</b>	<b>Total</b>	<b>64,000</b>	To Balance B/d	41,000			Each Item 0.5 Mark. 10X0.5 =05 Marks.
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17	<p><b>Types of Data Processing System :</b></p> <p><b>(a) Batch Processing Systems:</b> In this system, all the data are Collected time to time at regular intervals and later a specific process is applied to group or batches of data.  <b>Example:</b> Pay roll, Financial Accounting ,Periodic Sales, Attendance,etc</p> <p><b>(b) On-line Processing Systems:</b> In this system,user input the data and is processed immediately. Validation of the data is done at different levels. All these tasks are performed under the CPU Control.  <b>Example:</b> Banking, Stock Exchanges,Inventory Control,etc.</p> <p><b>(c) Real Time Processing Systems:</b> Real time means instant response from the computer system. In this system ,the data is processed within no time after the input.  <b>Example:</b> Airline Traffic Control, Airlines,Banking Systems,Defence Systems.</p> <p><b>(d)Distributed Data Processing System:</b> In this system, it uses many computers which are placed in different locations uses different applications to perform variety of tasks.  <b>Example:</b> Reservation Systems, Sales Order Processing, Process Control.</p>	Expln. 03 + Ex. 02 =05 Marks
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### SECTION – C

18	<p><b>Note: Calculation of Annual Depreciation:</b></p> <p style="text-align: center;">Annual Depreciation = Cost of Lease X Annuity Value          = ₹ 50,000 x 0.230975 = ₹ 11,548.75 P.A.</p>	01						
<b>Lease A/c</b>								
<b>Dr</b>				<b>Cr</b>				
Date	Particulars	₹	Ps.	Date	Particulars	₹	Ps.	
1-4-2011	To Bank A/c	50,000	00	31-3-2012	By Depn.A/c	11,548	75	
31-3-2012	To Int. A/c	2,500	00	31-3-2012	By Bal.C/d	40,951	25	
		<b>52,500</b>	<b>00</b>			<b>52,500</b>	<b>00</b>	02
1-4-2012	To Bal. B/d	40,951	25	31-3-2013	By Depn.A/c	11,548	75	
31-3-2013	To Int. A/c	2,047	56	31-3-2013	By Bal. C/d	31,450	06	
		<b>42,998</b>	<b>81</b>			<b>42,998</b>	<b>81</b>	02

1-4-2013	To Bal.B/d	31,450	06	31-3-2014	By Depn.A/c	11,548	75	02
31-3-2014	To Int. A/c	1,572	50	31-3-2014	By Bal. C/d	21,473	81	
		<b>33,022</b>	<b>56</b>			<b>33,022</b>	<b>56</b>	
1-4-2014	To Bal. B/d	21,473	81	31-3-2015	By Depn.A/c	11,548	75	02
31-3-2015	To Int. A/c	1,073	69	31-3-2015	By Bal. C/d	10,998	75	
		<b>22,547</b>	<b>50</b>			<b>22,547</b>	<b>50</b>	
1-4-2015	To Bal. B/d	10,998	75	31-3-2016	By Depn.A/c	11,548	75	01 =09
31-3-2016	To Int.A/c (Bal.Figure)	550	00					
		<b>11,548</b>	<b>75</b>			<b>11,548</b>	<b>75</b>	

### Interest A/c

Dr

Cr

Date	Particulars	₹	Ps.	Date	Particulars	₹	Ps.
31-3-2012	To P& L A/c (Transferred)	2,500	00	31-3-2012	By Lease A/c	2,500	00
		<b>2,500</b>	<b>00</b>			<b>2,500</b>	<b>00</b>
31-3-2013	To P& L A/c (Transferred)	2,047	56	31-3-2013	By Lease A/c	2,047	56
		<b>2,047</b>	<b>56</b>			<b>2,047</b>	<b>56</b>
31-3-2014	To P& L A/c (Transferred)	1,572	50	31-3-2014	By Lease A/c	1,572	50
		<b>1,572</b>	<b>50</b>			<b>1,572</b>	<b>50</b>
31-3-2015	To P& L A/c (Transferred)	1,073	69	31-3-2015	By Lease A/c	1,073	69
		<b>1,073</b>	<b>69</b>			<b>1,073</b>	<b>69</b>
31-3-2016	To P& L A/c (Transferred)	550	00	31-3-2016	By Lease A/c	550	00
		<b>550</b>	<b>00</b>			<b>550</b>	<b>00</b>

04

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## Revaluation A/c

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
To P.B.D A/c (₹ 4,000 – ₹ 2,000)	2,000	By Stock A/c	4,000
To Machinery A/c	2,000	By Buildings A/c (₹ 60,000 – ₹ 50,000)	10,000
To Furniture A/c	1,000		
To Partners' Capital A/cs: (Profit Transferred)			
X 2/5 = 3,600			
Y 2/5 = 3,600			
Z 1/5 = <u>1,800</u>	9,000		
	<b>14,000</b>		<b>14,000</b>

03

## Partners' Capital Accounts

Dr				Cr			
Particulars	X ₹	Y ₹	Z ₹	Particulars	X ₹	Y ₹	Z ₹
To Goodwill A/c (written off)	12,500	12,500	-	By Balance B/d	50,000	30,000	20,000
To Z's Loan A/c ( Bal. fig)	-	-	31,400	By Reserve Fund A/c (2:2:1)	8,000	8,000	4,000
To Balance C/d ( Bal. fig)	60,300	40,300	-	By P and L A/c (2:2:1)	1,200	1,200	600
				By Goodwill A/c (2:2:1)	10,000	10,000	5,000
				By Revaluation A/c (profit 2:2:1)	3,600	3,600	1,800
	<b>72,800</b>	<b>52,800</b>	<b>31,400</b>		<b>72,800</b>	<b>52,800</b>	<b>31,400</b>
				By Balance B/d	60,300	40,300	-

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**Balance Sheet as on 01-04-2016**

Liabilities	₹	Amount ₹	Assets	₹	Amount ₹
Creditors		25,000	Cash at Bank		10,000
Bills Payable		10,000	Bills Receivable		10,000
Z's Loan A/c		31,400	Debtors	40000	
<b>Capitals:</b>			Less: PBD 10%	4000	36,000
X -	60,300		Stock	20000	
Y -	<u>40,300</u>	1,00,600	Add: Increase 20%	4000	24,000
			Machinery	20000	
			Less: Depreciation 10%	2000	18,000
			Furniture	10000	
			Less: Depreciation 10%	1000	9,000
			Buildings	50000	
			Add: Appreciation 20%	10000	60,000
		<b>1,67,000</b>			<b>1,67,000</b>

05

20

**Realisation A/c**

Dr		Cr	
Particulars	Amount	Particulars	Amount
To Bills Receivable A/c	15,000	By Creditors A/c	20,000
To Debtors A/c	20,000	By Bills Payable A/c	10,000
To Motor Car A/c	10,000	By Bank Loan A/c	15,000
To Machinery A/c	30,000	By Cash A/c :	
To Furniture A/c	15,000	(Assets Realised)	
To Buildings A/c	50,000	Building	60,000
To Cash account	2,000	Machinery	28,000
(Dissolution Exp)		Bills Receivable	14,000
To Cash A/c:		Debtors	19,000
(Liabilities paid)		Unrecorded Asset	<u>20,000</u>
Creditors	19,000		<b>1,41,000</b>
Bills Payable	9,500	By Raju's Capital A/c	10,000
Bank Loan	<u>15,000</u>	(Motor Car taken)	
	<b>43,500</b>	By Ravi's Capital A/c	13,000
To Partners' Capital A/cs:		(Furniture taken)	
(Profit Transferred)			
Raju (3/5) =	14,100		
Ravi (2/5) =	<u>9,400</u>		
	<b>23,500</b>		
	<b>2,09,000</b>		<b>2,09,000</b>

07



**Partners' Capital Accounts**

Dr			Cr		
Particulars	Raju ₹	Ravi ₹	Particulars	Raju ₹	Ravi ₹
To Profit & Loss A/c (Loss)	3,000	2,000	By Balance B/d	50,000	40,000
To Realisation A/c (Motor Car taken)	10,000	-	By General Reserve	6,000	4,000
To Realisation A/c (Furniture taken)	-	13,000	By Realisation A/c (Profit)	14,100	9,400
To Cash A/c (bal.fig.) (Final settlement)	57,100	38,400			
	<b>70,100</b>	<b>53,400</b>		<b>70,100</b>	<b>53,400</b>

04

**Cash Account**

Dr		Cr	
Particulars	Amount ₹	Particulars	Amount ₹
To Balance B/d	5,000	By Realisation A/c (Dissolution Exp)	2,000
To Realisation A/c (Assets Realised)	1,41,000	By Realisation A/c (Liabilities Paid)	43,500
		By Raju's Loan A/c (paid)	5,000
		By Partners' Capital A/cs:	
		Raju	57,100
		Ravi	38,400
	<b>1,46,000</b>		<b>95,500</b>
			<b>1,46,000</b>

03

Scheme: Realisation A/c - 07 Marks

Partners Capital A/c - 04 "

Cash A/c - 03 "

14 Marks

## Journal Entries in the books of Sagar Co. Ltd.

Date/ Sl.No	Particulars	L.F	Debit ₹	Credit ₹	
1	Bank A/c (20000*20) Dr To Share Application A/c (Being Share Application money received)		4,00,000 -	- 4,00,000	01
2	Share Application A/c Dr To Share Capital A/c (Being Share Application money transferred to Share Capital)		4,00,000 -	- 4,00,000	01
3	Share Allotment A/c (20000*20) Dr Discount on Issue of Shares A/c (20000*10) Dr To Share Capital A/c (20000*30) (Being Share allotment money due and discount adjusted)		4,00,000 2,00,000 -	- - 6,00,000	02
4	Bank A/c (20000*20) Dr To Share Allotment A/c (Being Share Allotment money received)		4,00,000 -	- 4,00,000	01
5	Share First Call A/c (20000*30) Dr To Share Capital A/c (Being Share First call money due)		6,00,000 -	- 6,00,000	01
6	Bank A/c (20000*30) Dr To Share First Call A/c (Being Share First Call money received)		6,00,000 -	- 6,00,000	01
7	Share Final Call A/c (20000*20) Dr To Share Capital A/c (Being Share Final call money due)		4,00,000 -	- 4,00,000	01
8	Bank A/c (19000*20) Dr To Share Final Call A/c (Being Share Final Call money received on 19,000 Shares)		3,80,000 -	- 3,80,000	01
9	Share Capital A/c (1000*100) Dr To Discount on Issue of Shares A/c (1000*10) To Share Final Call A/c (1000*20) To Forfeited Shares A/c (1000*70) (Being forfeiture of 1000 shares for the non-payment of final call money due.)		1,00,000 - - -	- 10,000 20,000 70,000	02
10	Bank A/c (1000*80) Dr Forfeited Shares A/c (1000*20) Dr To Share Capital A/c (1000*100) (Being re-issue of 1000 forfeited shares at ₹.80 per share as fully paid)		80,000 20,000 -	- - 1,00,000	02
11	Forfeited Shares A/c Dr To Capital Reserve A/c (Being transfer of balance of Forfeited Shares A/c. 70,000-20,000)		50,000 -	- 50,000	01

**TATA COMPANY LTD.**  
Balance Sheet as on 31<sup>st</sup> March , 2016

Particulars	Notes	Amount ₹	Amount ₹
<b>EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Funds:</b>			
Share Capital	1		8,00,000
Reserves and Surplus	2		3,39,502
<b>Total(A)</b>			<b>11,39,502</b>
<b>Non Current Liabilities:</b>			
Long Term Borrowings	3		2,00,000
Other Long Term Liabilities			-
Long Term Provisions			-
<b>Total (B)</b>			<b>2,00,000</b>
<b>Current Liabilities:</b>			
Short Term Borrowings	4		-
Trade Payables			1,80,000
Other Current Liabilities	5		-
Short Term Provisions	6		88,498
<b>Total (C)</b>			<b>2,68,498</b>
<b>Grand Total (A+B+C)</b>			<b>16,08,000</b>
<b>ASSETS:</b>			
<b>Non Current Assets:</b>			
<b>Fixed Assets:</b>			
Tangible Assets	7	5,79,000	-
Intangible Assets		3,50,000	9,29,000
Non Current Investments			-
Long Term Loans and Advances			-
Other Non Current Assets			-
<b>Total (A)</b>			<b>9,29,000</b>
<b>Current Assets:</b>			
Current Investments			-
Inventories			1,45,000
Trade Receivables	8		2,50,000
Cash and Cash Equivalent	9		2,00,000
Short Term Loans and Advances	10		84,000
<b>Total (B)</b>			<b>6,79,000</b>
<b>Grand Total (A+B)</b>			<b>16,08,000</b>

02

02

**TATA COMPANY LTD.**

**Statement of Profit and Loss for the year ending 31<sup>st</sup> March , 2016**

Particulars	Notes	Amount ₹	Amount ₹
<b>INCOME:</b>			
Revenue from operations			9,50,000
Less: Returns			-
Revenue from operations(Gross)			9,50,000
Less: Excise duty			-
Revenue from operations(Net)			9,50,000
Other Income			-
<b>Total Revenue (A)</b>			<b>9,50,000</b>
<b>EXPENSES:</b>			
Purchase of Stock in Trade			4,00,000
Changes in Inventories:			-
Opening Inventories		60,000	
<b>Less: Closing Inventories</b>		<b>1,45,000</b>	<b>(85,000)</b>
Employee Benefit Expenses	11		1,75,000
Finance Costs	12		16,000
Depreciation and Amortisation	13		31,000
Other Expenses	14		1,60,000
<b>Total Expenses(B)</b>			<b>6,97,000</b>
<b>Profit Before Tax (PBT) (A-B)</b>			<b>2,53,000</b>
Less: Tax Expenses			30,000
<b>Profit for the year (PAT)</b>			<b>2,23,000</b>

02

02

01

**TATA COMPANY LTD.**

**Notes to Financial Statements :**

**Note No.1: Share Capital:**

Particulars	No.	Amount ₹
Equity Share Capital :- Equity shares of Rs 100 each	8,000	8,00,000
<b>Total</b>		<b>8,00,000</b>

**Note No.2: Reserves and Surplus:**

Particulars	Amount	Amount
<b>Reserve:</b>		
<b>General Reserve:</b>	1,00,000	
Add: Additions from Appropriation	<u>40,000</u>	<b>1,40,000</b>
<b>Surplus:</b>		
Opening Balance	75,000	
Add: Surplus from P / L Statement	2,23,000	
<b>Amount available for appropriation</b>	<b>2,98,000</b>	
<b>Less: Appropriations:</b>		
Transfer to General Reserve	40,000	
Proposed Dividend	50,000	
Dividend Distribution Tax @ 16.995%	8,498	<u>98,498</u>
<b>Closing Balance of Surplus</b>		<b>1,99,502</b>
<b>Total Reserves &amp; Surplus</b>		<b>3,39,502</b>

**Note No.3: Long Term Borrowings:**

Particulars	Amount ₹	Amount ₹
8%, Debentures		2,00,000
<b>Total</b>		<b>2,00,000</b>

**Note No.4: Short term Borrowings:**

Particulars	Amount ₹	Amount ₹
Nil		NIL
<b>Total</b>		<b>NIL</b>

**Note No.5: Other Current Liabilities:**

Particulars	Amount	Amount
Nil		NIL
<b>Total</b>		<b>NIL</b>

**Note No.6: Short term Provisions:**

Particulars	Amount ₹	Amount ₹
Provision for Taxation		30,000
Proposed Dividend		50,000
Dividend Distribution Tax		8,498
<b>Total</b>		<b>88,498</b>

**Note No.7: Fixed Assets:**

Particulars	Gross Block ₹	Depreciation ₹	Net Block ₹
<b>Tangible Assets:</b>			
Machinery	2,60,000	26,000	2,34,000
Buildings	2,50,000	-	2,50,000
Furniture	1,00,000	5,000	95,000
<b>Total (A)</b>	<b>6,10,000</b>	<b>31,000</b>	<b>5,79,000</b>
<b>Intangible Assets:</b>			
Goodwill	3,00,000	-	3,00,000
Patents	50,000	-	50,000
<b>Total (B)</b>	<b>3,50,000</b>	<b>-</b>	<b>3,50,000</b>
<b>Grand Total (A+B)</b>	<b>9,60,000</b>	<b>31,000</b>	<b>9,29,000</b>

**Note No.8: Trade Receivables:**

Particulars	Amount ₹	Amount ₹
Trade Receivables		2,50,000
<b>Total</b>		<b>2,50,000</b>

**Note No.9: Cash and Cash Equivalents:**

Particulars	Amount ₹	Amount ₹
Cash and Cash Equivalents		2,00,000
<b>Total</b>		<b>2,00,000</b>

**Note No.10: Short Term Loans and Advances:**

Particulars	Amount ₹	Amount ₹
Advances given to employees		84,000
<b>Total</b>		<b>84,000</b>

**Note No.11: Employee Benefit Expenses:**

Particulars	Amount ₹	Amount ₹
Salaries & Wages		1,75,000
<b>Total</b>		<b>1,75,000</b>

**Note No.12: Finance Costs:**

Particulars	Amount ₹	Amount ₹
Interest on Debentures		16,000
<b>Total</b>		<b>16,000</b>

**Note No.13: Depreciation and Amortisation:**

Particulars	Amount ₹	Amount ₹
Depreciation on Tangible Assets(As per Note 7)		31,000
<b>Total</b>		<b>31,000</b>

**Note No.14: Other Expenses:**

Particulars	Amount ₹	Amount ₹
Freight		50,000
Rent, Rates & Taxes		60,000
Power, Fuel expenses		50,000
<b>Total</b>		<b>1,60,000</b>

**05**

Scheme: Balance Sheet - 04 Marks  
P&L Statement - 05 Marks  
Notes - - - 05 "  
14 Marks

## COMMON SIZE BALANCE SHEET OF A B C COMPANY LTD.

Particulars	31-03-2015		31-03-2016		
	₹	%	₹	%	
<b>Equity &amp; Liabilities:</b>					
<b>1. Shareholders Fund</b>					
Share Capital	5,00,000	34.48	6,00,000	38.10	
Reserves & Surplus	3,00,000	20.69	3,50,000	22.22	
<b>Total Shareholders Fund (A)</b>	<b>8,00,000</b>	<b>55.17</b>	<b>9,50,000</b>	<b>60.32</b>	<b>03</b>
<b>2. Non-Current Liabilities</b>					
Long Term Borrowings: (Debn.)	4,00,000	27.59	3,00,000	19.05	
<b>Total Non-current Liabilities(B)</b>	<b>4,00,000</b>	<b>27.59</b>	<b>3,00,000</b>	<b>19.05</b>	<b>01</b>
<b>3. Current Liabilities:</b>					
Trade Payables	2,00,000	13.79	2,50,000	15.87	
Short Term Provisions	50,000	03.45	75,000	04.76	
<b>Total Current Liabilities (C)</b>	<b>2,50,000</b>	<b>17.24</b>	<b>3,25,000</b>	<b>20.63</b>	<b>02</b>
<b>Total Equity and Liabilities (A+B+C)</b>	<b>14,50,000</b>	<b>100.00</b>	<b>15,75,000</b>	<b>100.00</b>	<b>01</b>
<b>ASSETS:</b>					
<b>1. Non Current Assets:</b>					
<b>Fixed Assets:</b>					
<b>Tangible Assets:</b>					
Buildings & Machinery	5,50,000	37.93	7,00,000	44.44	
<b>Intangible Assets:</b>					
Goodwill	2,00,000	13.79	2,50,000	15.87	
<b>Total of Non-Current Assets(A)</b>	<b>7,50,000</b>	<b>51.72</b>	<b>9,50,000</b>	<b>60.31</b>	<b>03</b>
<b>2. Current Assets:</b>					
Current Investments	2,60,000	17.93	2,00,000	12.70	
Inventories	40,000	02.76	75,000	04.76	
Trade Receivable	3,75,000	25.86	2,90,000	18.41	
Cash and Cash Equivalentents (cash & Bank)	25,000	01.73	60,000	03.82	
<b>Total of Current Assets (B)</b>	<b>7,00,000</b>	<b>48.28</b>	<b>6,25,000</b>	<b>39.69</b>	<b>03</b>
<b>Total Assets (A+B)</b>	<b>14,50,000</b>	<b>100.00</b>	<b>15,75,000</b>	<b>100.00</b>	<b>01</b>



**Sun Club, Dharwad**  
**Income & Expenditure A/c for the year ending 31-03-2016**

Dr

Cr

Expenditure	₹	Amount ₹	Income	₹	Amount ₹
To Salary:	26,500		By Subscription	70,000	
Add: O/s (C.Yr.)	<u>2,000</u>	28,500	Add: O/s( C.Yr.)	<u>5,000</u>	
To Telephone Charge		6,500		75,000	
To Games Expenses		10,000	Less: Advance (N.Yr)	<u>3,000</u>	72,000
To Office Expenses		10,000	By Interest		11,000
To Depreciation on:			By Games fees		25,000
Sports Materials	11,500				
(20000-8500)	.				
Building @ 10%	20,000				
Furniture @ 10%	<u>3,000</u>	34,500			
To Excess of Income over Expenditure (Bal. fig.)		18,500			
		<u>1,08,000</u>			<u>1,08,000</u>

07

**Sun Club, Dharwad**  
**Balance Sheet as on 31-03-2016**

Liabilities	₹	Amount ₹	Assets	₹	Amount ₹
<b>Capital Fund:</b>			Sports Material:		
Life membership fees	40,000		Bought	20,000	
Donations	2,00,000		Less: Dep:	<u>11,500</u>	8,500
Entrance fee	1,00,000		Building: Bought	2,00,000	
Surplus	<u>18,500</u>	3,58,500	Less: Dep @ 10%:	<u>20,000</u>	1,80,000
<b>Tournament fund</b>	30,000		Furniture: Bought	30,000	
Less: Tourn. Exp.	<u>20,000</u>	10,000	Less: Dep @ 10%:	<u>3,000</u>	27,000
O/s Salaries		2,000	Investments		1,00,000
Advance subn.		3,000	O/s Subscriptions		5,000
			Cash		53,000
<b>Total</b>		<b>3,73,500</b>	<b>Total</b>		<b>3,73,500</b>

07

**SECTION - D**

25

**Under Fixed Installment Method  
Machinery A/c**

Dr			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
1-4-2014	To Bank A/C	10,000	31-3-2015	By Depreciation (10% on 10,000)	1,000
			31-3-2015	By Balance C/d	9,000
		10,000			10,000
1-4-2015	To Balance B/d	9,000	31-3-2016	By Depreciation (10% on 10,000)	1,000
			31-3-2016	By Balance C/d	8,000
		9,000			9,000
1-4-2016	To Balance B/d	8,000			

2.5

2.5

26

**Partners' Current Accounts**

Dr			Cr		
Particulars	X ₹	Y ₹	Particulars	X ₹	Y ₹
To Drawings <i>A/c</i>	3,000	2,000	By Interest on Capital <i>A/c</i>	3,000	2,000
To Balance C/d. (Bal. fig.)	4,000	2,000	By Salary <i>A/c</i>	2,000	-
			By P & L Appropriation A/c	2,000	2,000
	7,000	4,000		7,000	4,000
			By Balance B/d	4,000	2,000

1  
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27

**XYZ Company Ltd.  
Comparative Income Statement for the year ending 31-3-2014 and 31-03-2015**

Particulars	31.03.2014 ₹	31.03.2015 ₹	Increase/ Decrease ₹	Increase/ Decrease %
1	2	3	4=(3-2)	5=(4/2*100)
<b>Incomes:</b>				
Revenue from Operations(Net)	1,00,000	1,50,000	50,000	50.00
Other Income	10,000	15,000	05,000	50.00
<b>Total Income(A)</b>	<b>1,10,000</b>	<b>1,65,000</b>	<b>55,000</b>	<b>50.00</b>
<b>EXPENSES:</b>				
Employee benefit expenses	50,000	75,000	25,000	50.00
Other expenses	25,000	50,000	25,000	50.00
<b>Total Expenses(B)</b>	<b>75,000</b>	<b>1,25,000</b>	<b>50,000</b>	<b>66.67</b>
<b>Profit Before Tax(A-B)</b>	<b>35,000</b>	<b>40,000</b>	<b>5,000</b>	<b>14.29</b>

02

02

01