

GOVERNMENT OF KARNATAKA

KARNATAKA PRE-UNIVERSITY EDUCATION EXAMINATION BOARD

II YEAR PUC EXAMINATION March-2012

SCHEME OF VALUATION

Subject Code: **30**

Subject: **ACCOUNTANCY**

| Qn. No. | | Marks Allotted |
|---------|--|----------------|
| 01. | SECTION-A a) It is incomplete, unsatisfactory & unscientific method. b) It is not possible to prepare Trail Balance, Profit and Loss Account and Balance Sheet. c) It is not suitable for big business concerns. d) This system is not recognized by Income Tax and Sales Tax Authorities. e) It is not possible to ascertain exact profit and Financial Position of the business. f) It gives much scope for carelessness, misappropriation & fraud. <p align="center">(Any Two) (any other) (1+1)=</p> | 2 |
| 02. | a. Fixed capital method. b. Fluctuating capital method. <p align="right">(1+1)=</p> | 2 |
| 03. | Cash Account Dr. Goodwill Account. | 2 |
| 04. | Realization Account is opened on dissolution of partnership firm to realize the assets and pay off liabilities. | 2 |
| 05. | It means issue of shares at a price equal to the face value of shares. | |
| 06. | a. Machinery –Fixed Assets. b. Bills payable-Current Liabilities <p align="right">(1+1)=</p> | 2 |
| 07. | Under this method the depreciation is charged at a fixed percentage on the Diminishing Value of the fixed asset every year and the amount of Depreciation will change every year. | 2 |
| 08. | a. Subscription received b. Sales of Old News Papers c. Interest received. d. Rent received. <p align="center">(any two) (any other) (1+1)=</p> | 2 |

| | | |
|-----|--|----------|
| 09. | A flow chart is the graphic representation that represents the sequence of operations to be performed to obtain a solution. Or It is a true pictorial representation of a solution to any problem | 2 |
| 10. | <p>a. Accounting operations can be done with high speed and accuracy .</p> <p>b. These will be lot of time saved in maintaining accounting records.</p> <p>c. The chance of errors can be reduced.</p> <p>d. It provides quick information whenever needed.</p> <p>e. It also helps maintain secrecy of accounting records.</p> <p style="text-align: center;">(any two) (or any other)</p> <p style="text-align: right;">(1+1)=</p> | 2 |

Secton-B

11. Total amount of Drawings= 4000X12= 48000

$$\begin{aligned} \text{Average period} &= \frac{\text{Longest period} + \text{shortest period}}{2} \\ &= \frac{11 + 0}{2} = \frac{11}{2} \end{aligned}$$

$$\text{Interest on Drawing} = 48000 \times \frac{10}{100} \times \frac{11}{2} \times \frac{1}{12} = \text{Rs.2200.}$$

6

12. Old Profit Sharing Ratio = 5:4:3

New Profit Sharing Ratio = 3:2

Gain Ratio = New profit sharing ratio – Old profit sharing ratio

$$\text{G.R of Venkatesh} = \frac{3}{5} - \frac{5}{12} = \frac{36-25}{60} = \frac{11}{60}$$

3

$$\text{G.R. of Ashok} = \frac{2}{5} - \frac{4}{12} = \frac{24-20}{60} = \frac{4}{60}$$

3

Gain Ratio of Venkatesh & Ashok = 11:4

(3+3)=6

13.

VARUN'S CAPITAL ACCOUNT

Dr.

Cr.

| Particulars | Rs. | Particulars | Rs. |
|---------------------------|--------------|---------------------|-------|
| To drawings | 8000 | By Balance b/d | 20000 |
| To Varun's Executors A/c. | 29800 | By Good Will | 10000 |
| | | By P&L Suspense a/c | 4200 |
| | | By Commission | 3600 |
| | | By | |
| | 37800 | | 37800 |

(1x6) = 6

14.

JOURNAL ENTRIES IN THE BOOKS OF AMAR COMPANY LIMITED.,

| DATE | PARTICULARS | L.F | DEBIT | CREDIT |
|------|--|-----|--------|--------|
| | Bank Account Dr. To Debentures Application A/c. | | 100000 | 100000 |
| | Debentures Application A/c Dr. To Debentures Account | | 100000 | 100000 |
| | Debentures Allotment A/c. Dr. To Debentures Account | | 200000 | 200000 |
| | Bank Account Dr. To Debentures Allotment A/c. | | 200000 | 200000 |
| | Debentures First & Final Call A/c. Dr. To Debentures Account. | | 100000 | 100000 |
| | Bank Account Dr. To Debentures First & Final Call A/c. | | 100000 | 100000 |

(with narration)

(1x6)= 6

15. Factors to be considered while introducing computerised accounting:

1. SIMPLICITY:

The implementation on computerised accounting should be simple.

2. COST OF IMPLEMENTATION:

As it requires huge investment in computers investment has to be analysed taking into consideration various aspects such as cost of computers maintenance etc.

3. AVAILABILITY OF TRAINED EMPLOYEES:

There must be well trained employees available in the organization to operate the computers.

4. BACKUP:

There must be a parallel accounting or a back up should be maintained as there is a possibility of break down and loss of data.

5. FLEXIBILITY:

It should be capable of adopting the changes without much difficulty.

6. RELIABILITY:

Security measures, data modification, generation of various reports etc., should also be considered.

(or any other) (any six)

(1x6)= 6

Section-C

16. Statement of affairs as on 01-04-2010 and 31-03-2011

(To find out opening capital and closing capital)

| Liabilities | 01-04-10 Rs | 31-03-11 Rs. | Assets | 01-04-10 Rs | 31-03-11 Rs |
|------------------------|----------------|-----------------|------------------|----------------|----------------|
| Bills Payable | 10000 | 8000 | Furniture | 15000 | 15000 |
| Creditors | 15000 | 25000 | Machinery | 50000 | 50000 |
| Bank Loan | 12000 | 10000 | Building | 100000 | 100000 |
| Opening Capital | 178000 | | Stock | 25000 | 40000 |
| Closing Capital | | 198000 | Debtors | 20000 | 26000 |
| | | | Bills Receivable | 5000 | 10000 |
| | 215000 | 241000 | | 215000 | 241000 |

Statement of Profit or Loss for the year ending 31-03-2011

| Particular | Amount(Rs) | Amount(Rs) |
|--|------------|---------------|
| Closing Capital | | 198000 |
| Add: Drawings | | 15000 |
| | | 213000 |
| Less: Additional Capital | | 18000 |
| | | 195000 |
| Adjusted Closing Capital | | |
| | | 178000 |
| Less: Opening Capital | | 17000 |
| Gross Profit | | |
| Add: Incomes or Gains | | |
| | 20000 | |
| 1. Appreciation Building(100000x20/100) | 6000 | |
| 2. Prepaid Salary | | 26000 |
| | | 43000 |
| Less: Expense or Loss | | |
| 1. Bad debts | 1000 | |
| 2. Interest on Opening Capital(178000x5/100) | 8900 | |
| 3. Depreciation on Furniture (15000x10/100) | 1500 | |
| 4. Depreciation on Machinery (50000x10/100) | 5000 | 16400 |
| | | 26600 |
| Net Profit | | 26600 |

Revised Statement of Affairs As On 31-03-2011

| Liabilities | Amount(Rs) | Assets | Amount(Rs) |
|---------------------|---------------|-------------------|--------------|
| Bills Payable | 8000 | Furniture | 15000 |
| Creditors | 25000 | Less: Dep | <u>1500</u> |
| Bank Loan | 10000 | Machinery | 50000 |
| Capital Account | | Less: Dep | <u>5000</u> |
| Opening Capital | 178000 | Building | 100000 |
| Add: 1.Addn Capital | 18000 | Add: Appreciation | <u>20000</u> |
| 2.Int on Capital | 8900 | Stock | 40000 |
| 3. Net Profit | 26600 | Debtors | 26000 |
| | | Less:Bad debts | <u>1000</u> |
| 231500 | | Bills Receivable | 10000 |
| Less: Drawings | <u>15000</u> | Prepaid Salary | 6000 |
| | 216500 | | 259500 |
| | 259500 | | |

(4+3+3+4)= 14

17.

Revaluation A/C

| Dr | | Cr | |
|--|--------------|--------------------|--------------|
| Particular | Amount(Rs) | Particular | Amount(Rs) |
| To Computers (30000x15/100) | 4500 | By Land & Building | 25000 |
| „ P & M (40000x15/100) | 6000 | | |
| „ O/S Printing Expenses | 2000 | | |
| „ R B D(45000x10/100) | 4500 | | |
| „ Net Profit Transferred to Ramya's Cap A/c(8000x5/8)= 5000 Soumya's cap A/c(8000x3/8)= 3000 | 8000 | | |
| | 25000 | | 25000 |

Capital Account Partners

| Dr | | | | Cr | | | |
|----------------|--------------|--------------|--------------|--------------------|--------------|--------------|--------------|
| Particular | Ramya | Soumya | Kavya | Particular | Ramya | Soumya | Kavya |
| To Balance C/D | 80000 | 48000 | 40000 | By Balance B/D | 50000 | 30000 | |
| | | | | „ Reserve Fund | 10000 | 6000 | |
| | | | | „ Revaluation A/C | 5000 | 3000 | |
| | | | | „ Goodwill | 15000 | 9000 | |
| | | | | „ Cash or Bank A/C | | | 40000 |
| | 80000 | 48000 | 40000 | | 80000 | 48000 | 40000 |

Balance Sheet of the new firm as on 31-3-2011

| Liabilities | Amount(Rs) | Assets | Amount(Rs) |
|-------------------------------|---------------|--------------------------|---------------|
| Bank Overdraft | 20000 | Cash (15000+40000+24000) | 79000 |
| Loan from Ramya | 79000 | Stock | 35000 |
| Creditors | 40000 | Debtors | 45000 |
| Outstanding Printing Expenses | 2000 | Less: RBD | <u>4500</u> |
| Capital Accounts | | Bills Receivable | 10000 |
| Ramya | 80000 | Land & Building | 60000 |
| Soumya | 48000 | Add: Appreciation | <u>25000</u> |
| Kavya | <u>40000</u> | Plant & Machinery | 40000 |
| | 168000 | Less: Depreciation | <u>6000</u> |
| | | Computers | 30000 |
| | | Less: Depreciation | <u>4500</u> |
| | | | 25500 |
| | 309000 | | 309000 |

(4+6+4) = 14

18. Realisation Account

Dr

Cr

| Particular | Amount(Rs) | Particular | Amount(Rs) |
|---------------------------|---------------|----------------------------------|--------------------|
| To Debtors | 45000 | By Creditors | 35000 |
| „ Bills Receivable | 15000 | „ Bills Payable | 10000 |
| „ Stock | 40000 | „ <u>Cash at Bank</u> | |
| „ Building | 60000 | Debtors | 42000 |
| „ Vehicle | 30000 | Bills Receivable | 15000 |
| „ <u>Cash at Bank A/C</u> | 35000 | Stock | 60000 |
| (Creditors Paid) | | Building | 40000 |
| „ <u>Cash at Bank A/C</u> | 2000 | Vehicle | <u>20000</u> |
| (Dissolution exp paid) | | „ Net Loss transferred to | |
| „ Archana's Capital A/C | 8000 | Prathima's Capital A/C | 6500 |
| (B/P taken over) | | (13000x1/2) | |
| | | Archana's Capital A/C | <u>6500</u> |
| | | (13000x1/2) | 13000 |
| | 235000 | | 235000 |

Capital Accounts of Partners

Dr

Cr

| Particular | Prathima Amt(Rs) | Archana Amt(Rs) | Particular | Prathima Amt(Rs) | Archana Amt(Rs) |
|---|---------------------|--------------------|---------------------------------------|---------------------|--------------------|
| To Profit & Loss A/C | 5000 | 5000 | By Balance b/d | 60000 | 70000 |
| „ Realisation A/c (Net Loss) | 6500 | 6500 | „ Reserve Fund | 9000 | 9000 |
| „ Cash at Bank A/C (Ultimate Balance Paid) | 57500 | 75500 | „ Realisation A/C (B/P Taken Over) | | 8000 |
| | 69000 | 87000 | | 69000 | 87000 |

Bank A/c

Dr

Cr

| Particular | Amt(Rs) | Particular | Amt(Rs) |
|-------------------|---------------|--|---------------|
| To Balance b/d | 20000 | By Realisation A/C(Creditors Paid) | 35000 |
| „ Realisation A/c | 177000 | „ Realisation A/C (Dissolution Expenses paid) | 2000 |
| | | „ Archana's Loan | 15000 |
| | | „ Prathima's Loan | 12000 |
| | | „ Prathima's Capital A/C | 57500 |
| | | „ Archana's Capital A/C | 75500 |
| | 197000 | | 197000 |

(6+4+4)= 14

19.

Rakshith Industries Ltd

Trading and Profit and Loss Account for the year ending 31-3-2011

Dr

Cr

| Particular | Amount(Rs) | Particular | Amount(Rs) |
|---------------------------------------|---------------|-----------------------|---------------|
| To Opening Stock | 60000 | By Sales | 305000 |
| „ Purchases | 190000 | Less: Returns | <u>15000</u> |
| Less: Returns | <u>10000</u> | „ Closing Stock | 80000 |
| „ Wages | 12000 | | |
| „ Gross Profit b/d | 118000 | | |
| | 370000 | | 370000 |
| To Carriage Outwards | | By Gross Profit b/d | 118000 |
| „ Salaries | 10000 | „ Commission Received | 25000 |
| „ Director's Fees | 10000 | | |
| „ Trade Expenses | 5000 | | |
| „ Depreciation on Machinery | 20000 | | |
| (60000x5/100) | 3000 | | |
| „ RDD (60000x10/100) | | | |
| , O/S Int on debenture(80000x8/100) | 6000 | | |
| „ Net Profit Transferred to P & L A/C | 6400 | | |
| | 82600 | | |
| | 143000 | | 143000 |

Profit and Loss Appropriation Account for the year ended 31-03-2011

Dr

Cr

| Particular | Amount(Rs) | Particular | Amount(Rs) |
|-------------------------------|---------------|---------------------------|---------------|
| To Interim Dividend | 21000 | By Balance b/d | 30000 |
| „ Transfer to General Reserve | 12000 | „ P & L A/C | 82600 |
| „ Balance c/d | 79600 | (Current Year Net Profit) | |
| | 112600 | | 112600 |

Balance Sheet of Rakshith Industries Ltd As On 31-03-2011

| Liabilities | Amount(Rs) | Assets | Amount(Rs) |
|---|---------------|---|---------------|
| 1. Share Capital | | 1. Fixed Assets | |
| a. Authorised, issued & subscribed capital | | Goodwill | 110000 |
| 400000 equity shares of Re. 1 each | 400000 | Building | 250000 |
| b. Called up & Paid up Capital | | Machinery | 60000 |
| 4000000 equity shares of Re. 1 | | Less: Depreciation | <u>3000</u> |
| Each | 400000 | Furniture | 25000 |
| Less: Calls- in- arrears | <u>10000</u> | 2. Investment | 60000 |
| | 390000 | 3. Current Assets & Loans & Advances | |
| 2. Reserves & Surplus | | A. Current Assets | |
| Reserve Fund | 50000 | Debtors | 60000 |
| Add: Transferred | <u>12000</u> | Less: RDD | <u>6000</u> |
| | 62000 | Cash at Bank | 15000 |
| Profit & Loss Appropriation A/C | 79600 | Closing Stock | 80000 |
| 3. Secured Loan | | B. Loans & Advances | |
| 8% Debentures | 80000 | Bills Receivable | 21000 |
| O/S Interest on Debentures | 6400 | 4. Miscellaneous Expenditure | |
| 4. Unsecured Loan | Nil | Preliminary Expenses | 5000 |
| 5. Current Liabilities & Provisions | | 5. Profit & Loss A/c | Nil |
| A. Current Liabilities | | | |
| Creditors | 40000 | | |
| Bills Payable | 14000 | | |
| Unclaimed Dividend | 5000 | | |
| B. Provisions | Nil | | |
| | 677000 | | 677000 |

(2+4+2+6) = 14

20.

Machinery Account

Dr

Cr

| Date | Particular | Amt(Rs) | Date | Particular | Amt(Rs) |
|----------|--|---------|----------|--|---------|
| 01-01-02 | To Bank A/C (Machinery bought) | 50000 | 31-03-02 | By Depreciation (50000x10/100) | 5000 |
| | | 50000 | | „ Balance c/d | 45000 |
| | | | | | 50000 |
| 01-01-03 | To Balance b/d | 45000 | 31-12-02 | By Depreciation (45000x10/100) | 4500 |
| | | 45000 | | „ Balance c/d | 40500 |
| | | | | | 45000 |
| 01-01-04 | To Balance b/d | 40500 | 30-06-04 | By Depreciation (40500x10/100x6/12) | 2025 |
| 01-01-04 | „ Cash or Bank A/C (Machinery bought) | 40000 | 30-06-04 | „ Bank A/C (Sale of Machinery) | 35000 |
| | | | 30-06-04 | „ P & L A/C (Loss on sale on Machinery) | 3475 |
| | | | 31-12-04 | „ Depreciation(40000x10/100) | 4000 |
| | | | 31-12-04 | „ Balance c/d | 36000 |
| | | 80500 | | | 80500 |
| 01-01-05 | To Balance b/d | 36000 | 31-12-05 | By Depreciation (36000x10/100) | 3600 |
| | | | 31-12-05 | By Balance c/d | 32400 |
| | | 36000 | | | 36000 |
| 01-01-06 | To Balance b/d | 32400 | | | |

Depreciation Account

| Dr | | | Cr | | |
|----------|------------------|---------|----------|--------------|---------|
| Date | Particular | Amt(Rs) | Date | Particular | Amt(Rs) |
| 31-12-02 | To Machinery A/C | 5000 | 31-12-02 | By P & L A/C | 5000 |
| | | 5000 | | | 5000 |
| 31-12-03 | To Machinery A/C | 4500 | 31-12-03 | By P & L A/C | 4500 |
| | | 4500 | | | 4500 |
| 30-06-04 | To Machinery A/C | 2025 | 31-12-04 | By P & L A/C | 6025 |
| 31-12-04 | „ Machinery A/C | 4000 | | | 6025 |
| 31-12-05 | To Machinery A/C | 6025 | 31-12-05 | By P & L A/C | 6025 |
| | | 3600 | | | 3600 |
| | | 3600 | | | 3600 |

(10+4)= 14

21.

Acharya education trust, Shimoga

Income & Expenditure Account for the year ended 31-12-2009

| Dr | | Cr | |
|--|--------------|-------------------------------|--------------|
| Expenditure | Amt(Rs) | Income | Amt(Rs) |
| To Office Expenses | 17000 | By Subscriptions | 45000 |
| „ Postage Expenses | 100 | Add: O/S Subscription | <u>5000</u> |
| „ Printing Expenses | 500 | „ Entrance Fees (8000x50/100) | 4000 |
| „ Salary | 25000 | „ Interest | 5000 |
| Less:Prepaid | <u>2500</u> | | |
| | 22500 | | |
| “ Subscription to news paper | 600 | | |
| To Depreciation on Building (70000x10/100) | 7000 | | |
| „ Excess of Income over Expenditure (Surplus) | 11300 | | |
| | 59000 | | 59000 |

Balance Sheet as on 31-12-2009

| Liabilities | | Amt(Rs) | Assets | | Amt(Rs) |
|----------------------------------|--------------|---------------|--------------------------|--------------|---------------|
| Bank Loan | 35000 | | Cash | | 26800 |
| Less: Paid | <u>5000</u> | 30000 | Furniture | | 25000 |
| Subscription received in Advance | | 5000 | Building | 70000 | |
| Capital Fund | | | Less:- Depreciate | <u>7000</u> | 63000 |
| Opening Balance | 120000 | | Sports Materials | | 20000 |
| Add: 1. Entrance Fees | 4000 | | Books | 30000 | |
| 2. Donation | 12000 | | Add: Purchases | <u>10000</u> | 40000 |
| 3. Surplus | <u>11300</u> | 147300 | Outstanding Subscription | | 5000 |
| | | | Prepaid Salary | | 2500 |
| | | 182300 | | | 182300 |

(8+6)= 14

Section-D

22.

- | | | |
|-----------------------------------|---|----------------------|
| a. Interest on Capital | - | Not Allowed |
| b. Interest on Drawings | - | Not Chargeable. |
| c. Interest on Loan | - | 6% Interest Allowed. |
| d. Distribution of Profit or loss | - | Equal Ratio. |
| e. Salary, commission to partners | - | Not Allowed. |

(1x5)= 5

23.

BALANCE SHEET AS AT 31ST DECEMBER 2011)

| LIABILITIES | Rs. | ASSETS | Rs. |
|--|-----|---|-----|
| 1. SHARE CAPITAL | | 1. FIXED ASSETS | |
| 2. RESERVES AND SURPLUS | | 2. INVESTMENTS | |
| 3. SECURED LOANS | | 3. CURRENT ASSETS LOANS AND ADVANCES. | |
| 4. UNSECURED LOANS | | 4. MISCELLANEOUS EXPENSES | |
| 5. CURRENT LIABILITIES AND PROVISIONS | | 5. PROFIT AND LOSS ACCOUNT. | |
| TOTAL | | TOTAL | |

(1/2x1) = 5

24.

**MACHINERY ACCOUNT
UNDER FIXED INSTALMENT METHOD
(at 10% depreciation)**

| Dr. | | | Cr. | | |
|----------|------------------|--------------|------------|-------------------------|--------------|
| DATE | PARTICULARS | AMOUNT | DATE | PARTICULARS | AMOUNT |
| 1/1/2007 | To Cash account. | 20000 | 31/12/2007 | By Depreciation account | 2000 |
| | | | 31/12/2007 | By Balance C/d. | 18000 |
| | | 20000 | | | 20000 |
| 1/1/2008 | To Balance B/d. | 18000 | 31/12/2008 | By Depreciation Account | 2000 |
| | | | 31/12/2008 | By balance C/d. | 16000 |
| | | 18000 | | | 18000 |

(3+2)=5