DIRECTORATE OF GOVERNMENT EXAMINATIONS, CHENNAI-6
HIGHER SECONDARY SECOND YEAR EXAMINATION – MAY-2022
ACCOUNTANCY KEY ANSWER

NOTE :

1.Answers written with Blue or Black ink only to be evaluated.

2.Choose the correct answer and write with option code. **MAXIMUM MARKS : 90**

PART - I **20×1=20**

I. Choose the Correct Answer

A			B		
1.	**b**	5.5 months	1	**a**	capital
2.	**d**	Ratio	2	**d**	Capital receipt
3.	**a**	surplus or deficit	3	**d**	Ratio
4.	**c**	The existing agreement does not come to an end	4	**a**	Super profit= Average profit – Normal profit
5.	**d**	Special purpose report	5	**d**	Nominal Account
6.	**d**	In case of under subscription, issued capital will be less than the subscribed capital	6	**d**	Special purpose report
7.	**c**	Reserve capital	7	**a**	Loss
8.	**d**	statement of assets and liabilities	8	**c**	The existing agreement does not come to an end
9.	**d**	Capital receipt	9	**a**	Equal ratio
10.	**a**	Equal ratio	10	**b**	Non-monetary data
11.	**a**	capital	11	**d**	Journal voucher
12.	**c**	Rs 4,000	12	**c**	Quick assets
13.	**b**	Securities premium account	13	**a**	Trend analysis refers to the study of movement of figures for one year
14.	**b**	Non-monetary data	14	**b**	Securities premium account
15.	**d**	Journal voucher	15	**c**	Rs 4,000
16.	**a**	Super profit= Average profit – Normal profit	16	**d**	statement of assets and liabilities
17.	**c**	Quick assets	17	**a**	surplus or deficit
18.	**d**	Nominal Account	18	**b**	5.5months
19.	**a**	Trend analysis refers to the study of movement of figures for one year	19	**c**	Reserve capital
20.	**a**	Loss	20	**d**	In case of under subscription, issued capital will be less than the subscribed capital

PART – II

Answer any **SEVEN** questions in which question **No.30 is compulsory**. 7×2=14

<table>
<tr><th>Q,No</th><th>CONTENT</th><th>MARKS</th></tr>
<tr><td>21</td><td>Statement of affairs is a statement showing the balances of assets and liabilities on a particular date.</td><td>2</td></tr>
<tr><td>22</td><td>A gift made to a not-for-profit organisation by a will, is called legacy.</td><td>2</td></tr>
<tr><td>23</td><td>Interest on drawings =
Total amount of drawing X Rate of interest X Average period /12
Interest on drawings = 30,000 X 4/100 X 6.5/12 = Rs 650</td><td>1
1</td></tr>
<tr><td>24</td><td>Super profit is the excess of average profit over the normal profit of a business.</td><td>2</td></tr>
<tr><td>25</td><td>Sacrificing ratio is the proportion of the profit which is sacrificed or foregone by the old partners in favour of the new partner.</td><td>2</td></tr>
<tr><td>26</td><td>When a partner may leaves from a partnership firm, it is known as retirement.</td><td>2</td></tr>
<tr><td>27</td><td>
<table>
<tr><th>Date</th><th>Particular</th><th>Debit (Rs)</th><th>Credit (Rs)</th></tr>
<tr><td></td><td>Bank A/c Dr
To Equity share application A/c</td><td>6,50,000</td><td>
6,50,000</td></tr>
<tr><td></td><td>Equity share application A/c Dr
To Equity share capital A/c
To Securities Premium A/c</td><td>6,50,000</td><td>
5,00,000
1,50,000</td></tr>
</table>
</td><td>1
1</td></tr>
<tr><td>28</td><td>Quick ratio = $\frac{\text{Quick assets}}{\text{Current liabilities}}$
Quick ratio = $\frac{3,60,000}{2,40,000}$ = 1.5 : 1</td><td>1
1</td></tr>
<tr><td>29</td><td>Automated accounting system is an approach to maintain up to date accounting records with the aid of accounting software.</td><td>2</td></tr>
<tr><td>30</td><td>Comparative Income Statement
<table>
<tr><th>Particular</th><th>2016-17</th><th>2017-18</th><th>Amount (+) or(-)</th><th>Percentage (+) or (-)</th></tr>
<tr><td>Revenue from operation</td><td>1,00,000</td><td>1,25,000</td><td>+25,000</td><td>+25</td></tr>
<tr><td>Add: Other Income</td><td>25,000</td><td>20,000</td><td>-5,000</td><td>-20</td></tr>
<tr><td>Total revenue</td><td>1,25,000</td><td>1,45,000</td><td>+20,000</td><td>+16</td></tr>
<tr><td>Less : Expenses</td><td>75,000</td><td>60,000</td><td>-15,000</td><td>-20</td></tr>
<tr><td>Profit before Tax</td><td>50,000</td><td>85,000</td><td>+35,000</td><td>+70</td></tr>
</table>
</td><td>2</td></tr>
</table>

PART - III

Answer any SEVEN questions in which question No.40 is compulsory. **7×3=21**

<table>
<tr><th>Q,NO</th><th>CONTENT</th><th>MARKS</th></tr>
<tr><td>31</td><td>
Total debtors account
<table>
<tr><th>Particulars</th><th>Rs.</th><th>Particulars</th><th>Rs.</th></tr>
<tr><td>To Balance b/d</td><td>1,30,000</td><td>By Cash A/c</td><td>4,20,000</td></tr>
<tr><td>To Sales A/c (Credit)</td><td>5,40,000</td><td>By Sales return A/c</td><td>35,000</td></tr>
<tr><td></td><td></td><td>By Bad debts A/c</td><td>15,000</td></tr>
<tr><td></td><td></td><td>By Balance c/d</td><td>2,00,000</td></tr>
<tr><td></td><td>6,70,000</td><td></td><td>6,70,000</td></tr>
</table>
Total Sales = Rs.4,60,000 + Rs.5,40,000 = Rs. 10,00,000
</td><td>2
1</td></tr>
<tr><td>32</td><td>
i. No interest on capital is payable to any partner.
ii. Profit should be distributed equally.
iii. Interest on loan is payable at 6% per annum.
</td><td>1
1
1</td></tr>
<tr><td>33</td><td>
Goodwill = Average profit x Number of years of purchase
Average Profit = $\frac{15,000 + 17,000 - 6,000 + 14,000}{4}$
= $\frac{40,000}{4}$ = 10,000
Goodwill = 10,000 x 5 = Rs.50,000
</td><td>1
1
1</td></tr>
<tr><td>34</td><td>
1. Distribution of accumulated profits, reserves and losses
2. Revaluation of assets and liabilities
3. Determination of new profit sharing ratio and sacrificing ratio
4. Adjustment for goodwill
5. Adjustment of capital on the basis of new profit sharing ratio
</td><td>3</td></tr>
<tr><td>35</td><td>
<table>
<tr><th>Basis</th><th>Sacrificing ratio</th><th>Gaining ratio</th></tr>
<tr><td>1.Meaning</td><td>It is the proportion of the profit which is sacrificed by the old partners in favour of new partner</td><td>It is the proportion of the profit which is gained by the continuing partners from the retiring partner.</td></tr>
<tr><td>2.Purpose</td><td>It is calculated to determine the amount to be adjusted towards good will for the sacrificing partners</td><td>It is calculated to the determine the amount to be adjusted towards goodwill for the gaining partners</td></tr>
<tr><td>3. Time of calculation</td><td>At the time of admission of a new partner.</td><td>At the time of retirement of a partner.</td></tr>
<tr><td>4. Method of calculation</td><td>It is the difference between the old ration and the new ratio (or)
Sacrificing ratio = Old profit sharing ratio – New profit sharing ratio</td><td>It is the difference between the new ratio and the old ratio. (or)
Gaining ratio = New Profit sharing ratio - Old profit sharing ratio</td></tr>
</table>
</td><td>3</td></tr>
</table>

<table>
<tr><th>Q,NO</th><th>CONTENT</th><th>MARKS</th></tr>
<tr><td>36</td><td>
i) When shares are issued at par :
<table>
<tr><th>Date</th><th>Particulars</th><th>Debit
Rs.</th><th>Credit
Rs.</th></tr>
<tr><td></td><td>Machinery A/c Dr.
To Jagan Traders A/c</td><td>6,00,000</td><td>
6,00,000</td></tr>
<tr><td></td><td>Jagan Traders A/c Dr
To Equity share capital A/c</td><td>6,00,000</td><td>
6,00,000</td></tr>
</table>
ii) When Shares are issued at a premium of 50%
<table>
<tr><th>Date</th><th>Particulars</th><th>Debit
Rs.</th><th>Credit
Rs.</th></tr>
<tr><td></td><td>Machinery A/c Dr.
To Jagan Traders A/c</td><td>6,00,000</td><td>
6,00,000</td></tr>
<tr><td></td><td>Jagan Traders A/c Dr
To Equity share capital A/c
To Security premium A/c</td><td>6,00,000</td><td>
4,00,000
2,00,000</td></tr>
</table>
</td><td>1½
1½</td></tr>
<tr><td>37</td><td>
Common size Income Statement for the Maria and Kala Ltd.,
<table>
<tr><th rowspan="2">Particulars</th><th colspan="2">Maria Ltd</th><th colspan="2">Kala Ltd</th></tr>
<tr><th>Amount
Rs.</th><th>Percentage of revenue from operation</th><th>Amount
Rs.</th><th>Percentage of revenue from operation</th></tr>
<tr><td>Revenue form operation</td><td>1,00,000</td><td>100</td><td>2,00,000</td><td>100</td></tr>
<tr><td>Add : Other income</td><td>10,000</td><td>10</td><td>30,000</td><td>15</td></tr>
<tr><td>Total Revenue</td><td>1,10,000</td><td>110</td><td>2,30,000</td><td>115</td></tr>
<tr><td>Less : Expenses</td><td>70,000</td><td>70</td><td>1,20,000</td><td>60</td></tr>
<tr><td>Profit before Tax</td><td>40,000</td><td>40</td><td>1,10,000</td><td>55</td></tr>
</table>
</td><td>3</td></tr>
<tr><td>38</td><td>

$$\text{Debt Equity ratio} = \frac{\text{Long term debt}}{\text{Shareholder's Funds}}$$

$$\text{Debt Equity ratio} = \frac{80,000}{1,60,000} = 0.5 : 1$$

</td><td>1
2</td></tr>
<tr><td>39</td><td>Voucher is a document which contains details of transactions. Transactions are to be recorded through voucher entries. Tally has a set of predefined vouchers such a Purchase, Sales, Payment, Receipt and Contra.</td><td>3</td></tr>
<tr><td>40</td><td>
Dr Income and Expenditure Account Cr
<table>
<tr><th>Expenditure</th><th>Rs.</th><th>Rs.</th><th>Income</th><th>Rs.</th></tr>
<tr><td>To Sports materials consumed :</td><td></td><td></td><td>By Sale of Old Sports materials</td><td>1,000</td></tr>
<tr><td>Opening Stock</td><td>32,000</td><td></td><td></td><td></td></tr>
<tr><td>Add : Purchased</td><td>1,68,000</td><td></td><td></td><td></td></tr>
<tr><td></td><td>2,00,000</td><td></td><td></td><td></td></tr>
<tr><td>Less : Closing Stock</td><td>20,000</td><td>1,80,000</td><td></td><td></td></tr>
</table>
Balance Sheet
<table>
<tr><th>Liabilities</th><th>Rs.</th><th>Assets</th><th>Rs.</th></tr>
<tr><td></td><td></td><td>Stock of sports materials</td><td>20,000</td></tr>
</table>
</td><td>3</td></tr>
</table>

PART - IV

Answer all the Questions: **7×5=35**

Q,No	CONTENT	MARKS

41 a)

Bills Payable Account

Particulars	Rs.	Particulars	Rs.
To Cash A/c	1,00,000	By Balance b/d	60,000
To Balance c/d	80,000	By sundry creditors A/c	1,20,000
	1,80,000		1,80,000

2

Total creditors account

Particulars	Rs.	Particulars	Rs.
To Cash A/c	3,70,000	By Balance b/d	75,000
To Purchase return A/c	15,000	By purchase A/c (Credit)	4,80,000
To Bills payable A/c	1,20,000		
To Balance c/d	50,000		
	5,55,000		5,55,000

2

Total Purchase = 3,20,000+4,80,000= Rs.8,00,000

1

(Or)

41 b)

$$\text{Debt equity ratio} = \frac{\text{Long term debt}}{\text{Shareholder's Funds}}$$

$$\text{Debt equity ratio} = \frac{4,00,000}{5,00,000} = 0.8 : 1$$

2

$$\text{(ii) Proprietary ratio} = \frac{\text{Shareholder's Funds}}{\text{Total assets}}$$

$$= \frac{5,00,000}{10,00,000} = 0.5:1$$

1

$$\text{(iii) Capital gearing ratio} = \frac{\text{Funds bearing fixed interest and dividend}}{\text{Equity Shareholders' funds}}$$

$$= \frac{6,00,000}{3,00,000} = 2:1$$

2

42 a)

Dr Receipts and Payments Account Cr

Receipts	Rs	Payments	Rs
To Balance b/d Cash in hand	18,000	By Rent paid	6,000
To Entrance fees	18,500	By Scholarship given	15,200
To subscription received	2,65,000	By Building purchased	2,10,000
		By Staff salary	55,000
		By Balance c/d cash in hand	15,300
	3,01,500		**3,01,500**

5

(or)

42 b)

Journal Entry

Date	**Particulars**		**Debit Rs.**	**Credit Rs.**
	Profit and Loss appropriation A/c	Dr	12,000	
	General reserve A/c	Dr	24,000	
	Workmen compensation fund A/c	Dr	18,000	
	To Akash Capital A/c			27,000
	To Mugesh Capital A/c			18,000
	To Sanjay Capital A/c			9,000

5

Note :- 1. If they are writing separate entry give full marks.
2. Capital Account is not needed. Full marks can be awarded for journal entries only.

43 a)

Normal Profit = 2,00,000 × 15/100 =30,000 1

Super Profit = 42,000 - 30,000 =12,000 2

Goodwill = Super profit x Number of years of purchase

Goodwill = 12,000 × 3 = Rs.36,000 2

(Or)

43 b)

In the books of Joy Company Journal Entry

Date	Particulars		Debit Rs.	Credit Rs.
	Bank A/c To Equity share application A/c	Dr	45,000	 45,000
	Equity share application A/c To Equity share capital A/c	Dr	45,000	 45,000
	Equity share allotment A/c To Equity share capital A/c	Dr	27,000	 27,000
	Bank A/c To Equity share allotment A/c	Dr	27,000	 27,000
	Equity share first and final call A/c To Equity share capital A/c	Dr	18,000	 18,000
	Bank A/c To Equity share first and final call A/c	Dr	18,000	 18,000

(If Journal entry alone is correct , 2 Marks can be awarded)

5

44 a)

Comparative balance sheet of Malar Ltd

Particulars	2015-16	2016-17	Amount (+) or (-)	percentage (+) or (-)
I) Equity and Liabilities				
1. Shareholder's Fund				
a) Share capital	2,00,000	2,50,000	+ 50,000	+ 25
b) Reserves and surplus	50,000	50,000	-	-
2. Non -current liabilities				
Long- term borrowings	30,000	60,000	+ 30,000	+ 100
3. Current liabilities				
Trade payables	20,000	60,000	+ 40,000	+ 200
Total	3,00,000	4,20,000	+ 1,20,000	+ 40
II) Assets				
1. Non-current assets				
(a) Fixed assets	1,00,000	1,50,000	+ 50,000	+ 50
(b) Non-current investments	50,000	75,000	+ 25,000	+ 50
2.Current assets				
Inventories	75,000	1,50,000	+ 75,000	+ 100
Cash and cash equivalents	75,000	45,000	- 30,000	- 40
Total	3,00,000	4,20,000	+ 1,20,000	+ 40

5

(Or)

44 b)

In the books of Ooty Recreation Club Income and Expenditure Account

Expenditure	Rs.	Income	Rs.
To Sports materials purchased	10,000	By Rent received	10,000
To Stationary paid	7,000	By Subscription received	54,000
To Salaries	20,000		
To Surplus	27,000		
	64,000		64,000

5

45 a)

Journal Entry

Date	Particulars		Rs.	Rs.	
	Stock A/c Investment To Revaluation A/c	Dr Dr	5,000 7,000	12,000	1
	Revaluation A/c To Office equipment A/c To outstanding wages A/c	Dr	19,500	10,000 9,500	1
	Sriram's capital Raj's capital To Revaluation A/c	Dr Dr	5,000 2,500	7,500	1

Revaluation Account

Particulars	Rs	Particulars	Rs	Rs
To Office equipments A/c	10,000	By Stock A/c		5,000
To Outstanding wages A/c	9,500	By Investment A/c		7,000
		By Loss on revaluation		
		Sriram's capital A/c	5,000	
		Raj's capital A/c	2,500	7,500
	19,500			**19,500**

2

(or)

45 b)

Bills receivable account

Particulars	Rs.	Particulars	Rs.
To balance b/d	60,000	By cash A/c	1,60,000
To debtors A/c	2,05,000	By debtors A/c	15,000
		By balance c/d	90,000
	2,65,000		**2,65,000**

2

Total debtors account

Particulars	Rs.	Particulars	Rs.
To balance b/d	2,50,000	By Cash A/c	7,25,000
To bills receivable A/c	15,000	By Return inward A/c	50,000
		By Bills receivable A/c	2,05,000
To Credit sales A/c	9,85,000	By Bad debts A/c	30,000
		By Balance c/d	2,40,000
	12,50,000		**12,50,000**

2

Total Sales = 3,15,000+9,85,000= Rs.13,00,000 1

46 a)

i). Calculating gaining ratio:

Share gained = New share - Old share

Mala = 3/5 – 2/5 =1/5

Neela = 2/5 – 1/5 = 1/5

The gaining ratio of Mala and Neela = 1 : 1 2

ii). Calculating new profit sharing ratio and gaining ratio:

New share of continuing partner = Old share + Share gained

Share gained by Sunil = 4/10

Gaining ratio = 4/10 : 0 That is 4 : 0 1

Sunil = 3/10 + 4/10 = 7/10

Sumathi = 3/10 + 0 = 3/10

New profit sharing ratio of Sunil and Sumathi = $\frac{7}{10} : \frac{3}{10}$ That is 7 : 3 2

Note : Marks can be awarded to alternative method (Or)

46 b)

Common-size balance sheet of Yasmin Ltd and Sakthi Ltd

Particulars	Yasmin Ltd		Sakthi Ltd	
	Amount Rs.	Percentage of total assets	Amount Rs.	Percentage of total assets
I) Equity and Liabilities				
1. Shareholder's Fund				
a) Share capital	2,00,000	40	3,00,000	50
b) Reserves and surplus	50,000	10	60,000	10
2. Non -current liabilities				
Long- term borrowings	1,50,000	30	1,80,000	30
3. Current liabilities				
Trade payables	1,00,000	20	60,000	10
Total	5,00,000	100	6,00,000	100
II) Assets				
1. Non-current assets				
(a) Fixed assets	2,00,000	40	3,00,000	50
(b) Non-current investments	50,000	10	1,20,000	20
2.Current assets				
Inventories	2,00,000	40	90,000	15
Cash and cash equivalents	50,000	10	90,000	15
Total	5,00,000	100	6,00,000	100

5

47 a)

i) Gross profit ratio = $\dfrac{\text{Gross profit}}{\text{Revenue from operation}} \times 100$

Gross profit = 2,50,000-1,00,000 = 1,50,000

$$\text{Gross profit ratio} = \frac{1,50,000}{2,50,000} \times 100 = 60\%$$

3

ii) Net profit ratio = $\dfrac{\text{Net profit after tax}}{\text{Revenue from operation}} \times 100$

$$\text{Net profit ratio} = \frac{75,000}{2,50,000} \times 100 = 30\%$$

2

(Or)

47 b)

1. Maintaining accounting record
2. Inventory management
3. Pay roll preparation
4. Report generation
5. Data import / export
6. Taxation

(Explain Any Five)

5