

THANJAVUR DISTRICT

A. VENNILA

Kumbakonam

HTJ HALF YEARLY EXAMINATION- 2022

CLASS : 12

ACCOUNTANCY

--	--	--	--	--	--

TIME : 3.00 Hrs

MARKS : 90

PART - I

Note : i) Answer all the questions. ii) Choose the most appropriate answer from the given four alternatives and write the option code and the correspondig answer.

20 X 1 = 20

- Statement of affairs is a
 - Statement of income and expenditure
 - Statement of assets and liabilities
 - Summary of cash transactions
 - Summary of credit transactions
- Income and expenditure Account is prepared to find out
 - Profit or loss
 - Cash and bank balance
 - Surplus or deficit
 - Financial position
- The amount of credit sales can be computed from
 - Total debtor account
 - Total creditors account
 - Bills receivable account
 - Bills payable account
- Lagacy is a
 - Revenue expenditure
 - Capital expenditure
 - Revenue receipt
 - Capital receipt
- In the absence of an agreement among the partners, interest on Capital is
 - not allowed
 - allowed at bank rate
 - allowed @ 5% per annum
 - allowed @ 6% per annum
- When a partner withdraws regularly a fixed sum of money at the middle of every month, period for which interest, is to be calculated on the drawings on an average is
 - 5.5 months
 - 6 months
 - 12 months
 - 6.5 months
- Which of the following statement is true?
 - Goodwill is an intangible asset
 - Goodwill is a current asset
 - Goodwill is a fictitious asset
 - Goodwill cannot be acquired
- Super profit is the difference between
 - Capital employed and average profit
 - Assets and liabilities
 - Average profit and normal profit
 - Current years profit and average profit
- Revaluation A/C is a
 - Real A/C
 - Nominal A/C
 - Personal A/C
 - Impersonal A/C
- If the old profit sharing ratio is more than the new profit sharing ratio of a partner, the difference is called
 - Capital ratio
 - Sacrificing ratio
 - Gaining ratio
 - None of these
- On retirement of a partner general reserve is transferred to the
 - Capital account of all the partners
 - Revaluation account
 - Capital account of the continuing partners
 - Memorandum revaluation account

HTJ 12 EM கணக்குப்பதிவியல் PAGE - 1

12. A, B and C are partners sharing profit in the ratio of 4 : 3 : 2 C retires. The new profit sharing ratio between A and B will be
 a) 4 : 3 b) 3 : 4 c) 2 : 1 d) 1 : 2
13. The amount received over and above the par value is credited to
 a) Securities premium account b) Calls in advance account
 c) Share capital account d) Forfeited share account
14. If a share of Rs.10 on which Rs.7 has been paid up is forfeited. Minimum reissue price is.
 a) Rs.10 per share b) Rs.7 per share
 c) Rs.2 per share d) Rs.3 per share
15. Which of the following statements is not true?
 a) All the limitation of financial statements are applicable to financial statement analysis also.
 b) Financial statement analysis is only the means and not an end.
 c) Expert knowledge is not required in analysing the financial statements.
 d) Interpretation of the analysed data involves personal judgement.
16. Expenses for a business for the first year were Rs.80,000. In the second year, it was increased to Rs.88,000. What is the trend percentage in the second year?
 a) 10% b) 110% c) 90% d) 11%
17. The mathematical expression that provides a measure of the relationship between two figures is called?
 a) conclusion b) ratio c) model d) decision
18. Debt equity ratio is a measure of
 a) Short term solvency b) Long term solvency
 c) Profitability d) Efficiency
19. Contra voucher is used for
 a) Master entry b) Reports
 c) Withdrawal of cash from bank for office use
 d) Credit purchase of assets
20. In which voucher type credit purchase of furniture is recorded in tally
 a) Receipt voucher b) Journal voucher
 c) Purchase voucher d) Payment voucher

PART - II

Note : Answer any seven questions. Question No.30 is compulsory.

21. From the following particulars ascertain profit or loss. 7 X 2 = 14

Particulars	Rs.
Capital at the beginning of the year (1 st April 2016)	2,00,000
Capital at the end of the year (31 st March 2017)	3,50,000
Additional capital introduced during the year	70,000
Drawing during the year	40,000

HTJ 12 EM கணக்குப்பதிவியல் PAGE - 2

22. Write a short note on life membership fees.
23. Mani is a partner who withdrew Rs.30,000 on 1st September, 2018. Interest on drawings is charged at 6% per annum. Calculate interest on drawings on 31st December 2018 and show the journal entries by assuming that fluctuating capital method is followed?
24. What is goodwill?
25. Mala and Vimala were partners sharing profits and losses in the ratio of 3: 2. On 31.3.2017, Varshini was admitted as a partner. On the date of admission, the book of the firm showed a reserve fund of Rs.50,000. Pass the journal entry to distribute the reserve fund.
26. Anbu and Raju are partners, sharing profits in the ratio of 3 : 2. Akshai is admitted as a partner. The new profit-sharing ratio among Anbu, Raju and Akshai is 5 : 3 : 2. Find out the sacrificing ratio.
27. Sara company issues 10,000 equity shares of Rs.10 at a premium of Rs.2 each payable fully on application. Pass journal entries.
28. What is working capital?
29. State any five accounting reports.
30. Calculate quick ratio. Total current liabilities Rs.2,40,000. Total current assets Rs.4,50,000 Inventories Rs.70,000. Prepaid expenses Rs. 20,000.

PART - III

Note : Answer any seven questions. Question No.40 is compulsory.

31. Following are the balance of Shanthi as on 31st December 2018. $7 \times 3 = 21$
- | Particulars | Rs. | Particulars | Rs. |
|------------------|--------|------------------|--------|
| Bills receivable | 6,000 | Sundry creditors | 25,000 |
| Bills payable | 4,000 | Stock | 45,000 |
| Machinery | 60,000 | Debtors | 70,000 |
| Furniture | 10,000 | Cash | 4,000 |
- Prepare a statement of affairs as on 31st December 2018 and calculate capital as at that date.

32. Compute income from subscription for the year 2018 from the following particulars relating to a club.

Particulars	1.1.2018	31.12.2018
	Rs.	Rs.
Outstanding subscription	3,000	5,000
Subscription received in advance	4,000	7,000

Subscription received during the year 2018. Rs.45,000.

33. State the differences between fixed capital method and fluctuating capital method.

34. From the following information calculate the value of goodwill on the basis of 3 years purchase of average profit of last four years.

Year	Result	Amount
2015	Profit	5,000
2016	Profit	8,000
2017	Loss	3,000
2018	Profit	6,000

35. Ram and Raj are partners sharing profits and losses in the ratio of 2 : 1. Nelson joins as a partner on 1st April 2017. The following adjustments are to be made.
- Increase the value of stock by Rs.5,000
 - Bring into record investment of Rs.7,000 which had not been recorded in the books of the firm.
 - Reduce the value of office equipment by Rs. 10,000
 - A provision would also be made for outstanding wages for Rs.9,500
- Prepare revaluation account.
36. Naresh, Mani and Muthu are partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 31st March 2019. Muthu retires from the firm. On the date of Muthu's retirement goodwill appeared in the books of the firm at Rs.40,000. By assuming fluctuating capital method, pass the necessary journal entry if the partners decide to
- Write off the entire amount of existing goodwill
 - Write off half of the amount of existing goodwill.
37. State the differences between preference shares and equity shares.
38. Calculate the current ratio from the following information.

Particulars	Rs.	Particulars	Rs.
Current investment	40,000	fixed assets	5,00,000
Inventories	2,00,000	trade creditors	80,000
Trade debtors	1,20,000	bills payable	50,000
Bills receivable	80,000	expenses payable	20,000
Cash and cash equivalents	10,000	non - current liability	3,00,000

39. Mention the commonly used voucher types in Tally ERP 9.
40. From the following particulars of Mani Ltd and Kani Ltd prepare a common -size income statement for the year ended 31st March 2019.

Particulars	Mani Ltd. Rs.	Kani Ltd. Rs.
Revenue from operations	2,00,000	2,50,000
Other income	30,000	25,000
Expenses	1,10,000	1,25,000

PART - IV**Note : Answer all the questions.**

7 X 5 = 35

41. a) From the following particulars calculate total purchases.

Particulars	Rs.
Sundry creditors on 1 st April 2017	75,000
Bills payable on 1 st April 2017	60,000
Paid cash to creditors	3,70,000
Paid for bills payable	1,00,000
Purchases returns	15,000
Cash purchases	3,20,000
Creditors on 31 st March, 2018	50,000
Bills payable on 31 st March 2018	80,000

(OR)

- b) From the following balance sheet of James Ltd. as on 31.03.2019 calculate

(i) Dept equity ratio (ii) Proprietary ratio (iii) Capital gearing ratio

Balance sheet of James Ltd as on 31.03.2019

Particulars	Amount
I. EQUITY AND LIABILITIES	
1. Shareholder's fund	
a) Share capital	
Equity share capital	2,50,000
6% preference share capital	2,00,000
b) Reserves and surplus	1,50,000
2. Non - current liabilities	
Long term borrowings (8% Debentures)	3,00,000
3. Current liabilities	
Short term borrowings from banks	2,00,000
Trade payable	1,00,000
Total	12,00,000
II Assets	
1. Non - current assets	
Fixed assets	8,00,000
2. Current assets	
a) Inventories	1,20,000
b) Trade receivable	2,65,000
c) Cash and cash equivalents	10,000
d) Other current assets	
Expenditure paid in advance	5,000
Total	12,00,000

42. a) On 1st April 2018 Subha started her business with a capital of Rs. 1,20,000. She did not maintain proper book of accounts. Following particulars are available from her books as On 31.03.2019.

Particulars	Rs.	Particulars	Rs.
Bank Overdraft	50,000	Stock - in - trade	1,60,000
Debtors	1,80,000	Creditors	90,000
Bills receivable	70,000	Bills payable	2,40,000
Computer	30,000	Cash in hand	60,000
Machinery	3,00,000		

During the year she withdrew Rs.30,000 for her personal use. She introduced further capital of Rs.40,000 during the year. Calculate her profit or loss. **(OR)**

- b) State the difference between Receipts and payments account and Income and expenditure account.
43. a) From the following and payment account of Trichy recreation club. Prepare income and expenditure account for the year ended 31.03.218.

Receipts	Rs.	Payments	Rs.
To opening balance cash in hand	11,000	By furniture purchased	10,000
To dividend received	27,600	By Rent	2,800
To sale of old newspaper	3,000	By secretary's honorarium	15,000
To member's subscription	31,000	By postage	1,700
To locker rent	8,000	By General expenses	4,350
To interest on investments	1,250	By printing and stationary	45,000
To sale of furnitures (book value Rs.4,400)	5,000	By audit fees	5,000
		By closing balance cash in hand	3,000
	86,850		86,850

(OR) b) Arun and Selvam are partners who maintain their capital accounts under fixed capital method. From the following particulars, prepare capital account of partners.

Particulars	Arun Rs.	Selvam Rs.
Capital on 1 st January 2018	2,20,000	1,50,000
Current account on 1 st January 2018	4,250(Dr)	10,000 (Cr)
Additional capital introduced during the year-		70,000
Withdrew for personal use	10,000	20,000
Interest on drawings	750	600
Shares of profit for 2018	22,000	15,000
Interest on capital	1,100	750

44. (a) Calculate the value of goodwill at 5 years purchase of super profit from the following information.
- a) Capital employed : Rs.1,20,000
 b) Normal rate of profit : 20%
 c) Net profit for 5 years
 2014 : Rs.30,000 2015 : Rs.32,000
 2016 : Rs. 35,000 2017 : Rs.37,000 and 2018 : Rs.40,000
 d) Fair remuneration to the parnters Rs.2800 per annum **(OR)**
 b) Distinguish between sacrificing ratio and gaining ratio.
45. Bharath Ltd, issued 1,00,000 equity shares of Rs.10 each to the public at par. The details of the amount payable on the shares are as follows.

On application	:	Rs.5 per shares
On allotment	:	Rs.3 per shares
On first and final call	:	Rs. 2 per share

Application many was received for 1,20,000 shars. Excess application many was refunded emmediately. Pass journal entries to record the above **(OR)**

- b) From the following statement of profit and loss of Mukesh Ltd. Calculate
 (i) Gross profit ratio (ii) Net profit ratio

Statement of profit and loss

Particulars	Amount Rs.
1. Revenue from operation	5,00,000
II. Other income	
Income from investment	40,000
III Total revenues(1+11)	5,40,000
IV Expenses:	
Purchase of stock in trade	1,80,000
Changes in inventories	20,000
Employee benefits expense	30,000
Other expenses	1,10,000
Provision for tax	50,000
Total expenses	3,90,000
V. Profit for the year	1,50,000

46. Vetri and Ranjit are partners sharing profits in the ratio of 3 : 2. Their balance sheet as on 31st December 2017 is as under.

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
Capital accounts			Furnitures		25,000
Vetri	30,000		Stock		20,000
Ranjit	20,000	50,000	Debtors		80,000

On 1.1.2018 they admit Suriya into their firm as a partner on the following arrangements.

(i) Suriya brings Rs.10,000 as capital for 1/4 share of profit .

(ii) Stock to be depreciated by 10%

(iii) Debtors to be revalued at Rs.7,500

(iv) Furniture to be revalued at Rs.40,000

(v) There is an outstanding wages of Rs.4,500 not yet recorded.

Prepare revaluation account, partner's capital account and the balance sheet of the firm after admission. **(OR)**

b) Prepare common size statement of financial position of Salem Ltd. as on 31st March 2017 and 31st March 2018.

Particulars	31st March 2017	31st March 2018
I. LIABILITIES		
1. Shareholders fund	Rs.	Rs.
a) Share capital	5,00,000	6,00,000
b) Reserves and surplus	4,00,000	3,60,000
2. Non - current liabilities		
Long - term borrowings	8,00,000	2,40,000
3. Current liabilities		
Trade payable	3,00,000	-
Total	20,00,000	12,00,000
II. ASSETS		
1. Non - current assets		
a) Fixed assets	10,00,000	6,00,000
b) Non - current investment	5,00,000	2,40,000
2. Current assets		
Inventories	3,00,000	1,20,000
Cash and cash equivalents	2,00,000	2,40,000
Total	20,00,000	12,00,000

47. a) Explain any five applications of computerised accounting system. **(OR)**

b) From the following particulars, calculate the trend percentage of Anu Ltd.

Particulars	Rs.in thousands		
	First year	Second year	Third year

I. EQUITY AND LIABILITIES

Shareholder's fund	500	550	600
Non-current liabilities	200	250	240

HALF YEARLY EXAMINATION - ANSWER KEY – 2022-2023**XII STANDARD – ACCOUNTANCY – ENGLISH MEDIUM****DR.A.VENNILA****PRINCIPAL**MYDEEN MATRIC. HR.SEC. SCHOOL
MELACAUVEY – KUMBAKONAM.

CELL NO.: 8220179521

8608481579

Time Allowed : 3 Hours

Maximum Marks : 90

I. Choose the most suitable from the given four alternatives and write the option code and the corresponding answer

20 x 1 = 20

1	B	Statement of Assets and Liabilities	11	A	Capital Account of all the partners
2	C	Surplus or Deficit	12	A	4 : 3
3	B	Total Creditors Account	13	A	Securities Premium Account
4	D	Capital Receipt	14	D	Rs. 3 per share
5	A	Not Allowed	15	C	Expert knowledge is not required in analyzing the financial statement
6	B	6 Months	16	B	110%
7	A	Goodwill is an Intangible Asset	17	B	Ratio
8	C	Average Profit and Normal Profit	18	B	Long Term Solvency
9	B	Nominal A/c	19	C	Withdrawal of cash from bank for office use
10	B	Sacrificing Ratio	20	B	Journal Voucher

II. Answer any seven questions. Question No.30 is compulsory.

7 x 2 = 14

21) Statement of profit or loss for the year ended 31st March, 2017

Particulars	Rs.
Closing capital (as on 31.3.2017)	3,50,000
Add: Drawings during the year	40,000
	3,90,000
Less: Additional capital introduced during the year	70,000
Adjusted closing capital	3,20,000
Less: Opening capital (as on 1.4.2016)	2,00,000
Profit made during the year (B/F)	1,20,000

22) Short note on Life Membership Fees:

- Life membership fee is accounted as a capital receipt and added to capital fund on the liabilities side of Balance sheet.
- It is non – recurring in nature.

23) Calculation of Interest on Drawings:

Interest on drawings = Amount of drawings x Rate of interest x Period of interest

$$= 30,000 \times 6/100 \times 4/12 = \text{Rs.}600$$

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
2018 Dec. 31	Mani's capital A/c Dr. To Interest on drawings A/c (Interest on drawings charged)		600	600
..	Interest on drawings A/c Dr. To Profit and loss appropriation A/c (Interest on drawings account closed)		600	600

24) Goodwill – Meaning:

- Goodwill is the good name or reputation of the business which brings benefit to the business.
- It enables the business to earn more profit.
- It is the present value of a firm's future excess earnings.

25) Journal Entry

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
2017 March 31	Reserve fund A/c Dr. To Mala's capital A/c (50,000 x 3/5) To Vimala's capital A/c (50,000 x 2/5) (Reserve fund transferred to old partners' capital account in the old profit sharing ratio)		50,000	30,000 20,000

26) Calculation of Sacrificing Ratio

Old ratio of Anbu and Raju = 3:2 that is, $\frac{3}{5} : \frac{2}{5}$

New ratio of Anbu, Raju and Akshai = 5:3:2 that is, $\frac{5}{10} : \frac{3}{10} : \frac{2}{10}$

Share sacrificed = Old share - New share

Anbu = $\frac{3}{5} - \frac{5}{10} = \frac{6-5}{10} = \frac{1}{10}$

$$\text{Raju} = \frac{2}{5} - \frac{3}{10} = \frac{4-3}{10} = \frac{1}{10}$$

Sacrificing ratio of Anbu and Raju is $\frac{1}{10} : \frac{1}{10}$ that is **1:1**

27)

**In the books of Sara Company
Journal entries**

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
	Bank A/c (10,000 x 12) Dr. To Equity share application A/c (Application money received)		1,20,000	1,20,000
	Equity share application A/c (10,000 x 12) Dr. To Equity share capital A/c (10,000 x 10) To Securities Premium A/c (10,000 x 2) (Application money transfer to share capital)		1,20,000	1,00,000 20,000

28) Working Capital – Meaning:

- Working capital statement or schedule of changes in working is prepared to disclose net changes in working capitals on two specific dates (generally two balance sheet dates).
- It is prepared from current assets and current liabilities.
- Working Capital = Current Assets – Current Liabilities

29) Five Accounting Reports

- Day books/Journal
- Ledger
- Trial Balance
- Income statement
- Balance sheet

30) Calculation of Quick Ratio:

$$\text{Quick Ratio} = \frac{\text{Quick assets}}{\text{Current liabilities}} = \frac{3,60,000}{2,40,000} = \mathbf{1.5 : 1}$$

$$\begin{aligned} \text{Quick assets} &= \text{Current assets} - \text{Inventories} - \text{Prepaid expenses} \\ &= 4,50,000 - 70,000 - 20,000 = \mathbf{Rs. 1,85,000} \end{aligned}$$

PART - III**III. Answer any seven questions. Question No.40 is compulsory.****7 x 3 = 21**

31)

In the books of Shanthi**Statement of affairs as on 31st December, 2018**

Liabilities	Rs.	Assets	Rs.
Sundry creditors	25,000	Cash	4,000
Bills payable	4,000	Stock	45,000
Capital (balancing figure)	1,66,000	Debtors	70,000
		Bills receivable	6,000
		Machinery	60,000
		Furniture	10,000
	1,95,000		1,95,000

32)

Calculation of income from subscription for the year 2018

Particulars	Rs.	Rs.
Subscription received during the year 2018		45,000
Add: Subscription received for 2018 in 2017	4,000	
Subscription outstanding for 2018	<u>5,000</u>	<u>9,000</u>
		54,000
Less: Subscription outstanding in 2017	3,000	
Subscription received in advance in 2018	<u>7,000</u>	<u>10,000</u>
Income from subscription for the year 2018		44,000

33) Differences between fixed capital method and fluctuating capital method

Basis of distinction	Fixed capital method	Fluctuating capital method
1. Number of accounts	Two accounts are maintained for each partner, that is, capital account and current account.	Only one account, that is, capital account is maintained for each partner.
2. Closing balance	Capital account always shows a credit balance. But, current account may show either debit or credit balance.	Capital account generally shows credit balance. It may also show a debit balance.
3. Adjustments	All adjustments relating to interest on capital, interest on drawings, salary or commission, share of profit or loss are done in current account.	All adjustments relating to interest on capital, interest on drawings, salary or commission, share of profit or loss are done in the capital account.

34) Calculation of Goodwill

Goodwill = Average profit × Number of years of purchase

$$\begin{aligned} \text{Average profit} &= \frac{\text{Total profit}}{\text{Number of years purchase}} \\ &= \frac{5,000 + 8,000 - 3,000 + 6,000}{4} \\ &= \frac{16,000}{4} = \text{Rs.4,000} \end{aligned}$$

Goodwill = Average profit × Number of years of purchase
 = 4,000 × 3 = **Rs. 12,000**

35). Dr. Revaluation Account Cr.

Particulars	Rs.	Particulars	Rs.
To Office equipment A/c	10,000	Stock A/c	5,000
To Outstanding wages A/c	9,500	Investment A/c	7,000
		To Loss on revaluation transferred to	
		Sriram's capital A/c (2/3)	5,000
		Raj's capital A/c (1/3)	<u>2,000</u>
	19,500		7,500
			19,500

36)

(a) Write off the entire amount of existing goodwill

Journal entry

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
2019 March 31	Naresh's capital A/c (40,000 × 2/5) Mani's capital A/c (40,000 × 2/5) Muthu's capital A/c (40,000 × 1/5) To Goodwill A/c (Existing goodwill written off)	Dr. Dr. Dr.	16,000 16,000 8,000	40,000

(b) Write off half of the amount of existing goodwill, that is ` 20,000

Journal entry

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
2019 March 31	Naresh's capital A/c (20,000 × 2/5) Mani's capital A/c (20,000 × 2/5) Muthu's capital A/c (20,000 × 1/5) To Goodwill A/c (Existing goodwill written off)	Dr. Dr. Dr.	8,000 8,000 4,000	20,000

37)

Differences between Preference Shares and Equity Shares

BASIS	EQUITY SHARES	PREFERENCE SHARES
Payment of dividend	The dividend is paid after the payment of all liabilities.	Priority in payment of dividend over equity shareholders.
Repayment of capital	In the event of winding up of the company, equity shares are repaid at the end.	In the event of winding up of the company, preference shares are repaid before equity shares.
Rate of dividend	Fluctuating	Fixed
Redemption	No	Yes
Convertibility	Equity shares can never be converted.	Preference shares can be converted into equity shares.

38) Calculation of Current Ratio:

$$\text{Current Ratio} = \frac{\text{Current assets}}{\text{Current liabilities}} = \frac{4,50,000}{1,50,000} = 3 : 1$$

$$\begin{aligned} \text{Current assets} &= \text{Current investments} + \text{Inventories} + \text{Trade debtors} \\ &\quad + \text{Bills Receivable} + \text{Cash and cash equivalents} \\ &= 40,000 + 2,00,000 + 1,20,000 + 80,000 + 10,000 = \text{Rs. 4,50,000} \end{aligned}$$

$$\begin{aligned} \text{Current liabilities} &= \text{Trade creditors} + \text{Bills payable} + \text{Expenses payable} \\ &= 80,000 + 50,000 + 20,000 = \text{Rs. 1,50,000} \end{aligned}$$

39) Commonly used voucher types in Tally.ERP9.

- Voucher is a document which contains details of a transaction.
- Transactions are to be recorded through voucher entries.
- Tally has a set of predefined vouchers such as purchase, sales, payment, receipt and contra.
- To view the list of voucher type
Gateway of Tally > Masters > Accounts Info > Voucher Types > Display
- As per the requirement of users, an additional voucher type can be created.

40) Common-size income statement for the year ended 31st March, 2019

Particulars	Mani Ltd		Kani Ltd	
	Absolute amount	Percentage of revenue from operations	Absolute amount	Percentage of revenue from operations
	Rs.		Rs.	
Revenue from operations	2,00,000	100	2,50,000	100
Add: Other income	30,000	15	25,000	10
Total revenue	2,30,000	115	2,75,000	110
Less: Expenses	1,10,000	55	1,25,000	50
Profit before tax	1,20,000	60	1,50,000	60

Note: Computation of percentage for Revenue from Operation

$\frac{30,000}{2,00,000} \times 100 = 15\%$	$\frac{25,000}{2,50,000} \times 100 = 10\%$
$\frac{2,30,000}{2,00,000} \times 100 = 115\%$	$\frac{2,75,000}{2,50,000} \times 100 = 110\%$
$\frac{1,10,000}{2,00,000} \times 100 = 55\%$	$\frac{1,25,000}{2,50,000} \times 100 = 50\%$
$\frac{1,20,000}{2,00,000} \times 100 = 60\%$	$\frac{1,50,000}{2,50,000} \times 100 = 60\%$

PART - IV**IV. Answer all the questions.****7 x 5 = 35****41.a.****Dr.****Bills payable account****Cr.**

Particulars	Rs.	Particulars	Rs.
To Cash A/c (bills paid)	1,00,000	By Balance b/d	60,000
To Balance c/d	80,000	By Sundry creditors A/c (Bills accepted) (B/F)	1,20,000
	1,80,000		1,80,000

Dr.	Total creditors account		Cr.
Particulars	Rs.	Particulars	Rs.
To Cash A/c (paid)	3,70,000	By Balance b/d	75,000
To Purchases return A/c	15,000	By Purchases A/c (credit) (B/F)	4,80,000
To Bills payable A/c	1,20,000		
To Balance c/d	50,000		
	5,55,000		5,55,000

Total purchases = Cash purchases + Credit purchases
 = Rs. 3,20,000 + Rs. 4,80,000 = **Rs. 8,00,000**

[OR]

41.b.

$$(i) \quad \text{Debt Equity Ratio} = \frac{\text{Long Term Debt}}{\text{Shareholders' Fund}} = \frac{3,00,000}{6,00,000} = \mathbf{0.5 : 1}$$

Long term debt = 8% Debentures = **Rs. 3,00,000**

Shareholders' funds = Equity share capital + Preference share capital + Reserves and surplus
 = 2,50,000 + 2,00,000 + 1,50,000 = **Rs. 6,00,000**

$$(ii) \quad \text{Proprietary Ratio} = \frac{\text{Shareholders' Fund}}{\text{Total Assets}} = \frac{6,00,000}{12,00,000} = \mathbf{0.5 : 1}$$

$$(iii) \quad \text{Capital Gearing Ratio} = \frac{\text{Funds bearing fixed interest and fixed dividend}}{\text{Equity Shareholders' Fund}}$$

$$= \frac{5,00,000}{4,00,000} = \mathbf{1.25 : 1}$$

Funds bearing fixed interest or dividend = 6% Preference share capital + 8% Debentures
 = 2,00,000 + 3,00,000 = **Rs. 5,00,000**

Equity shareholders' funds = Equity share capital + Reserves and surplus
 = 2,50,000 + 1,50,000 = **Rs. 4,00,000**

42.a.**Statement of affairs of Subha as on 31st March, 2019**

Liabilities	Rs.	Assets	Rs.
Bank overdraft	50,000	Cash in hand	60,000
Creditors	90,000	Debtors	1,80,000
Bills payable	2,40,000	Bills receivable	70,000
		Computer	30,000
Capital (balancing figure)	4,20,000	Machinery	3,00,000
		Stock in trade	1,60,000
	8,00,000		8,00,000

Statement of profit or loss for the year ending 31st March, 2019

Particulars	Rs.
Closing capital as on 31.03.2019	4,20,000
Add: Drawings during the year	30,000
	4,50,000
Less: Additional capital introduced during the year	40,000
Adjusted closing capital	4,10,000
Less: Opening capital as on 01.04.2018	1,20,000
Profit made during the year ending 31.03.2019 (B/F)	2,90,000

[OR]**42.b. Differences between Receipts and Payments Account and Income and Expenditure Account**

Basis	Receipts and Payments Account	Income and Expenditure Account
1. Purpose	It is prepared to know the cash receipts and cash payments.	It is prepared to know whether there is an excess of income over expenditure (surplus) or an excess of expenditure over income (deficit) during the current period.
2. Basis of accounting	It is based on cash system of accounting. Non-cash items are not recorded.	It is based on accrual system of accounting. Non-cash items like outstanding expenses, depreciation, etc. are also recorded.
3. Opening and closing balance	It commences with an opening balance of cash and bank and ends with closing balance of cash and bank.	There is no opening balance. It ends with surplus or deficit.

4. Nature of items	It contains actual receipts and payments irrespective of revenue or capital items in nature.	It contains only revenue items, that is, only revenue expenses and revenue incomes.
5. Period	All cash receipts and payments made during the year pertaining to the past period, current period and subsequent period are recorded.	It contains only the items relating to the current period.

43.a.**In the books of Trichy Recreation Club****Dr. Income and Expenditure Account for the year ended 31st March, 2018 Cr.**

Expenditure	Rs.	Income	Rs.
To Rent	2,800	By Dividend received	27,600
To Secretary's honorarium	15,000	By Sale of old newspaper	3,000
To Postage	1,700	By Members' subscription	31,000
To General expenses	4,350	By Locker rent	8,000
To Printing and stationery	45,000	By Interest on Investments	1,250
To Audit fees	5,000	By Profit on sale of furniture (5,000 - 4,400)	600
		By Deficit (Excess of expenditure over income)	2,400
	73,850		73,850

[OR]**43.b.****Dr. Partners' Capital Account Cr.**

Date	Particulars	Arun	Selvam	Date	Particulars	Arun	Selvam
2018 Dec. 31	To Balance c/d	2,20,000	2,20,000	2018 Jan. 1	By Balance b/d	2,20,000	1,20,000
					By Bank (Additional capital)	---	70,000
		2,20,000	2,20,000			2,20,000	2,20,000
				2019 Jan 1	By Balance b/d	4,50,000	6,00,000

Dr.**Partners' Current Account****Cr.**

Date	Particulars	Arun	Selvam	Date	Particulars	Arun	Selvam
	To Balance b/d	4,250	---		By Balance b/d	---	10,000
	To Drawings	10,000	20,000		By Profit & Loss		
	To Interest on drawings	750	600		Appropriation A/c (Share of Profit)	22,000	15,000
	To Balance C/d	15,000	12,000		By Interest of Capital	1,100	750
					By Commission	6,900	---
					By Salary	---	6,850
		30,000	32,600			30,000	32,600
					By Balance b/d	15,000	12,000

$$\begin{aligned}
 \text{44.a. Average profit} &= \frac{\text{Total profit}}{\text{Number of years purchase}} \\
 &= \frac{30,000 + 32,000 + 35,000 + 37,000 + 40,000}{5} \\
 &= \frac{1,74,000}{5} = \text{Rs. } \mathbf{34,800}
 \end{aligned}$$

Particulars	Rs.
Average profit before fair remuneration to the partners	34,800
Less: Fair remuneration to the partners	2,800
Average profit	32,000

$$\begin{aligned}
 \text{Normal profit} &= \text{Capital employed} \times \text{Normal rate of return} \\
 &= 1,20,000 \times 20/100 = \text{Rs. } \mathbf{24,000}
 \end{aligned}$$

$$\begin{aligned}
 \text{Super profit} &= \text{Average profit} - \text{Normal profit} \\
 &= 32,000 - 24,000 = \text{Rs. } \mathbf{8,000}
 \end{aligned}$$

$$\begin{aligned}
 \text{Goodwill} &= \text{Super profit} \times \text{Number of years of purchase} \\
 &= 8,000 \times 5 = \text{Rs. } \mathbf{40,000}
 \end{aligned}$$

[OR]

44.b.

Differences between the sacrificing ratio and the gaining ratio

Basis	Sacrificing ratio	Gaining ratio
1. Meaning	It is the proportion of the profit which is sacrificed by the old partners in favour of a new partner.	It is the proportion of the profit which is gained by the continuing partners from the retiring partner.
2. Purpose	It is calculated to determine the amount to be adjusted towards goodwill for the sacrificing partners.	It is calculated to determine the amount to be adjusted towards goodwill for the gaining partners.
3. Time of calculation	It is calculated at the time of admission of a new partner.	It is calculated at the time of retirement of a partner.
4. Method of calculation	It is the difference between the old ratio and the new ratio	It is the difference between the new ratio and the old ratio.
	Sacrificing ratio = Old profit sharing ratio - New profit sharing ratio	Gaining ratio = New profit sharing ratio - Old profit sharing ratio

45.a.

**In the books of Bharath Ltd.,
Journal entries**

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
	Bank A/c (1,20,000 x 5) Dr. To Equity share application A/c (Application money received)		6,00,000	6,00,000
	Equity share application A/c (1,00,000 x 5) Dr. To Equity share capital A/c (Transfer of share application money to share capital)		5,00,000	5,00,000
	Equity share application A/c Dr. To Bank A/c (Excess share application money refunded)		1,00,000	1,00,000
	Equity share allotment A/c Dr. To Equity share capital A/c (Share allotment money due)		3,00,000	3,00,000
	Bank A/c Dr. To Equity share allotment A/c (Allotment money received)		3,00,000	3,00,000
	Equity share first and final call A/c Dr. To Equity share capital A/c (Share first and final call money due)		2,00,000	2,00,000
	Bank A/c Dr. To Equity share first and final call A/c (Share first and final call money received)		2,00,000	2,00,000

[OR]

45.b.

$$\text{Gross Profit Ratio} = \frac{\text{Gross Profit}}{\text{Revenue from Operations}} \times 100 = \frac{3,00,000}{5,00,000} \times 100 = 60\%$$

$$\begin{aligned} \text{Gross profit} &= \text{Revenue from operations} - \text{Cost of revenue from operations} \\ &= 5,00,000 - 2,00,000 = \text{Rs. } 3,00,000 \end{aligned}$$

$$\begin{aligned} \text{Cost of revenue from operations} &= \text{Purchase of stock in trade} + \text{Changes in inventories} \\ &= 1,80,000 + 20,000 = \text{Rs. } 2,00,000 \end{aligned}$$

$$\text{Net Profit Ratio} = \frac{\text{Net Profit after Tax}}{\text{Revenue from Operations}} \times 100 = \frac{1,50,000}{5,00,000} \times 100 = 30\%$$

46.a.

Dr		Revaluation Account		Cr.	
Particulars	₹	₹	Particulars	₹	
To Stock A/c		2,000	By Furniture A/c	15,000	
To Debtors A/c		2,500			
To Outstanding wages A/c		4,500			
To Profit on revaluation transferred to capital A/c					
Vetri (3/5)	3,600				
Ranjit (2/5)	2,400	6,000			
		15,000			15,000

Dr.		Capital Account			Cr.		
Particulars	Vetri ₹	Ranjit ₹	Suriya ₹	Particulars	Vetri ₹	Ranjit ₹	Suriya ₹
To Profit and loss A/c	6,000	4,000	-	By Balance b/d	30,000	20,000	-
To Balance c/d	30,600	20,400	10,000	By Reserve fund A/c	3,000	2,000	-
				By Revaluation A/c	3,600	2,400	-
				By Cash A/c	-	-	10,000
	36,600	24,400	10,000		36,600	24,400	10,000
				By Balance b/d	30,600	20,400	10,000

Balance Sheet as on 1st January 2018

Liabilities	₹	₹	Assets	₹	₹
Capital accounts:			Furniture	25,000	
Vetri	30,600		Add: Appreciation	15,000	40,000
Ranjit	20,400		Stock	20,000	
Suriya	10,000	61,000	Less: Depreciation	2,000	18,000
Sundry creditors		45,000	Debtors	10,000	
Outstanding wages		4,500	Less: Decrease	2,500	7,500
			Cash in hand	35,000	
			Add: Suriya's capital	10,000	45,000
		1,10,500			1,10,500

[OR]

46. b.**Common-size balance sheet of Saleem Ltd as on****31st March, 2017 and 31st March, 2018**

Particulars	Absolute amount on 31 st March 2017 Rs.	Percentage of total assets on 31 st March 2017	Absolute amount on 31 st March 2018 Rs.	Percentage of total assets on 31 st March 2018
I EQUITY AND LIABILITIES				
1. Shareholders' fund				
a) Share capital	5,00,000	25	6,00,000	50
b) Reserves and surplus	4,00,000	20	3,60,000	30
2. Non-current liabilities				
Long-term borrowings	8,00,000	40	2,40,000	20
3. Current liabilities				
Trade payables	3,00,000	15	-	-
Total	20,00,000	100	12,00,000	100
II ASSETS				
1. Non-current assets				
a) Fixed assets	10,00,000	50	6,00,000	50
b) Non – current investments	5,00,000	25	2,40,000	20
2. Current assets				
Inventories	3,00,000	15	1,20,000	10
Cash and cash equivalents	2,00,000	10	2,40,000	20
Total	20,00,000	100	12,00,000	100

Note: Computation of percentage for Total Assets

$\frac{5,00,000}{20,00,000} \times 100 = 25\%$	$\frac{6,00,000}{12,00,000} \times 100 = 50\%$
$\frac{4,00,000}{20,00,000} \times 100 = 20\%$	$\frac{3,60,000}{12,00,000} \times 100 = 30\%$
$\frac{8,00,000}{20,00,000} \times 100 = 40\%$	$\frac{2,40,000}{12,00,000} \times 100 = 20\%$
$\frac{3,00,000}{20,00,000} \times 100 = 15\%$	$\frac{12,00,000}{12,00,000} \times 100 = 100\%$

$\frac{20,00,000}{20,00,000} \times 100 = 100\%$	$\frac{6,00,000}{12,00,000} \times 100 = 50\%$
$\frac{10,00,000}{20,00,000} \times 100 = 50\%$	$\frac{2,40,000}{12,00,000} \times 100 = 20\%$
$\frac{5,00,000}{20,00,000} \times 100 = 25\%$	$\frac{1,20,000}{12,00,000} \times 100 = 10\%$
$\frac{3,00,000}{20,00,000} \times 100 = 15\%$	$\frac{2,40,000}{12,00,000} \times 100 = 20\%$
$\frac{2,00,000}{20,00,000} \times 100 = 10\%$	$\frac{12,00,000}{12,00,000} \times 100 = 100\%$
$\frac{20,00,000}{20,00,000} \times 100 = 100\%$	

47.a) The applications of CAS are as follows:

1. Maintaining accounting records:

- ✓ In CAS, accounting records can be maintained easily and efficiently for long time period.
- ✓ It does not require a large amount of physical space.
- ✓ It facilitates fast and accurate retrieval of data and information.

2. Inventory management:

- ✓ CAS facilitates efficient management of inventory.
- ✓ Fast moving, slow moving and obsolete inventory can be identified.

3. Report generation:

- ✓ CAS helps to generate various routine and special purpose reports.

4. Data import/export:

- ✓ Accounting data and information can be imported from or exported to other users within the organisation as well as outside the organisation.

5. Taxation:

- ✓ CAS helps to compute various taxes and to deduct these and deposit the same to the Government account.

[OR]

47.b)**Trend analysis for Palai Ltd**

Particulars	in lakhs			Trend percentages		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
I EQUITY AND LIABILITIES						
Shareholders' fund	500	550	600	100	110	120
Non-current liabilities	200	250	240	100	125	120
Current liabilities	100	80	120	100	80	120
Total	800	880	960	100	110	120
II ASSETS						
Non-current assets	600	720	780	100	120	130
Current assets	200	160	180	100	80	90
Total	800	880	960	100	110	120

Note: Computation of trend percentage for revenue from operations:

For Year 2	For Year 3
: $\frac{550}{500} \times 100 = 110\%$: $\frac{600}{500} \times 100 = 120\%$
: $\frac{250}{200} \times 100 = 125\%$: $\frac{240}{200} \times 100 = 120\%$
: $\frac{80}{100} \times 100 = 80\%$: $\frac{120}{100} \times 100 = 120\%$
: $\frac{880}{800} \times 100 = 110\%$: $\frac{960}{800} \times 100 = 120\%$
: $\frac{720}{600} \times 100 = 120\%$: $\frac{780}{600} \times 100 = 130\%$
: $\frac{160}{200} \times 100 = 80\%$: $\frac{180}{200} \times 100 = 90\%$
: $\frac{880}{800} \times 100 = 110\%$: $\frac{960}{800} \times 100 = 120\%$

***** All The Best *****