

**DIRECTORATE OF GOVERNMENT EXAMINATIONS, CHENNAI 6**  
**HIGHER SECONDARY SECOND YEAR EXAMINATION, MARCH – 2024**  
**ACCOUNTANCY ANSWER KEY**

**Note:**

1. Answers written only in Black or blue should be evaluated
2. Choose the Correct answer and write the option code

**Maximum Marks: 90**

**PART – I**

**ANSWER ALL THE QUESTIONS:**

**20x1=20**

TYPE A			TYPE B		
1	(b)	Securities premium account	1	(b)	Contra voucher
2	(a)	Self generated goodwill	2	(b)	Securities premium account
3	(a)	2:1	3	(c)	Ctrl + Q
4	(d)	Nominal A/c	4	(a)	Surplus or deficit
5	(b)	Additional capital introduced	5	(b)	Total debtors account
6	(a)	5:3	6	(d)	(i) and (iv)
7	(a)	Goodwill under Annuity method=Average profit x Present value annuity factor	7	(c)	Reserve capital
8	(a)	Sale of old sports materials – Capital receipt	8	(a)	Self generated goodwill
9	(d)	110%	9	(c)	Standard costing
10	(d)	₹ 8,000 and ₹ 4,000	10	(a)	5:3
11	(c)	₹ 64,000	11	(d)	Old profit sharing ratio
12	(d)	Old profit sharing ratio	12	(a)	Goodwill under Annuity method=Average profit x Present value annuity factor
13	(b)	Total debtors account	13	(d)	₹ 8,000 and ₹ 4,000
14	(a)	Surplus or deficit	14	(b)	An Asset
15	(d)	(i) and (iv)	15	(a)	Sale of old sports materials – Capital receipt
16	(b)	An Asset	16	(a)	2:1
17	(c)	Standard costing	17	(d)	Nominal A/c
18	(c)	Reserve capital	18	(b)	Additional capital introduced
19	(c)	Ctrl + Q	19	(d)	110%
20	(b)	Contra voucher	20	(c)	₹ 64,000

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**PART – II**

Answer any SEVEN Questions

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Question no. 30 is Compulsory

**7×2=14**

Q.No	Answer	Marks																				
21	A summary of cash and bank transactions of not -for - profit organisation prepared at the end of the financial year.	2																				
22	Goodwill is the good name or the reputation of the business which brings benefits to the business.	2																				
23	When a shareholder defaults in making payment of allotment and/or call money, the shares may be forfeited.	2																				
24	The excess of current assets over current liabilities is called working capital. (or) Working capital = Current Assets – Current Liabilities	2																				
25	Automated accounting is an approach to maintain up to date accounting records with the aid of accounting software.	2																				
26	<p><b>Statement of profit and loss for the year ended 31<sup>st</sup> December, 2018</b></p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>Closing capital (as on 31.12.2018)</td> <td align="right"><b>1,45,000</b></td> </tr> <tr> <td>Add : Drawings</td> <td align="right">30,000</td> </tr> <tr> <td></td> <td align="right">1,75,000</td> </tr> <tr> <td>Less : Additional capital introduced during the year</td> <td align="right">15,000</td> </tr> <tr> <td>Adjusted closing capital</td> <td align="right">1,60,000</td> </tr> <tr> <td>Less: Opening Capital (as on 1.1.2018)</td> <td align="right">1,00,000</td> </tr> <tr> <td>Profit made during the year</td> <td align="right">60,000</td> </tr> </tbody> </table> <p><b>Note: Full mark may be awarded if any other method is used.</b></p>	Particulars	₹	Closing capital (as on 31.12.2018)	<b>1,45,000</b>	Add : Drawings	30,000		1,75,000	Less : Additional capital introduced during the year	15,000	Adjusted closing capital	1,60,000	Less: Opening Capital (as on 1.1.2018)	1,00,000	Profit made during the year	60,000	2				
Particulars	₹																					
Closing capital (as on 31.12.2018)	<b>1,45,000</b>																					
Add : Drawings	30,000																					
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Less: Opening Capital (as on 1.1.2018)	1,00,000																					
Profit made during the year	60,000																					
27	<p>Sacrificing Ratio = Old share – New share</p> $\text{Praveena} = \frac{7}{10} - \frac{5}{10} = \frac{2}{10}$ $\text{Dhanya} = \frac{3}{10} - \frac{2}{10} = \frac{1}{10}$ <p>Sacrificing Ratio = 2:1</p>	2																				
28	<p align="center"><b>Journal entry</b></p> <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>Debit ₹</th> <th>Credit ₹</th> </tr> </thead> <tbody> <tr> <td></td> <td>Reserve fund A/c Dr.</td> <td align="center">50,000</td> <td></td> </tr> <tr> <td></td> <td>To Dheena's Capital A/c</td> <td></td> <td align="center">25,000</td> </tr> <tr> <td></td> <td>To Surya's Capital A/c</td> <td></td> <td align="center">15,000</td> </tr> <tr> <td></td> <td>To Janaki's Capital A/c</td> <td></td> <td align="center">10,000</td> </tr> </tbody> </table>	Date	Particulars	Debit ₹	Credit ₹		Reserve fund A/c Dr.	50,000			To Dheena's Capital A/c		25,000		To Surya's Capital A/c		15,000		To Janaki's Capital A/c		10,000	2
Date	Particulars	Debit ₹	Credit ₹																			
	Reserve fund A/c Dr.	50,000																				
	To Dheena's Capital A/c		25,000																			
	To Surya's Capital A/c		15,000																			
	To Janaki's Capital A/c		10,000																			
29	$\text{Gross Profit Ratio} = \frac{\text{Gross profit}}{\text{Revenue from operations}} \times 100$ $= \frac{20,000}{1,00,000} \times 100 = 20\%$ <p>Gross Profit = Revenue from operations - Cost of revenue from operations</p> $= 1,00,000 - 80,000 = \text{Rs. } 20,000$	2																				
30	<p>i. Manufacturing account ii. Trading and profit and loss account iii. Profit and loss appropriation account iv. Balance sheet</p> <p align="right"><b>(Answer any two)</b></p>	2																				

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**PART – III**  
**ANSWER ANY SEVEN QUESTIONS. QUESTION NO. 40 IS COMPULSORY**

7×3=21

31	<b>Basis of distinction</b>	<b>Statement of affairs</b>	<b>Balance sheet</b>	3				
	Objective	It is generally prepared to find out the capital of the business.	It is prepared to ascertain the financial position of the business.					
	Accounting system	It is prepared when double entry system is not strictly followed.	It is prepared when accounts are maintained under double entry system.					
	Basis of preparation	It is not fully based on ledger balances.	It is prepared exclusively on the basis of ledger balances.					
	Reliability	It is not reliable as it is based on incomplete records	It is reliable as it is prepared under double entry system.					
	Missing items	It is difficult to trace the items omitted as complete records are not maintained,	Since both the aspects of all transactions are duly recorded, items omitted can be traced easily.					
	<b>(Any 3 points only)</b>							
32	<b>Dr. Income and Expenditure Account for the year ended 31<sup>st</sup> March,2018</b>							
	Expenditure		₹	₹	Income		₹	2
	To Stationery consumed: Openingstock	300						
	Add:Purchased in the current year	1,500						
		1,800						
Less:Closing stock	200	1,600						
<b>Balance sheet as on 31st March, 2018</b>								
	Liabilities	₹	₹	Assets	₹	₹	1	
				Stock of Stationery		200		
33	<b>Interest on Drawings</b> = Amount of drawings × Rate of interest × $\frac{\text{Period of interest}}{12}$							
	$\text{Mar 1} = 4,000 \times \frac{6}{100} \times \frac{10}{12} = ₹ 200$							
	$\text{Jun 1} = 4,000 \times \frac{6}{100} \times \frac{7}{12} = ₹ 140$							
	$\text{Sep 1} = 4,000 \times \frac{6}{100} \times \frac{4}{12} = ₹ 80$							
	$\text{Dec 1} = 4,000 \times \frac{6}{100} \times \frac{1}{12} = 20$							
<b>Total interest on drawings = ₹ 440</b>								
34	Total Capitalized value of the business = $\frac{\text{Average Profit}}{\text{Normal rate of return}} \times 100 = \frac{20,000}{10} \times 100$ = ₹ 2,00,000							
	Goodwill = Total capitalised value of the business – Capital employed = 2,00,000 – 1,50,000 = ₹50,000							
35	<b>Dr. Revaluation Account</b>				<b>Cr.</b>			
	Particulars		₹	₹	Particulars		₹	
	To Machinery A/c	4,000			By Buildings A/c	15,000		
	To Provision for doubtful debts A/c	1,000						
	To Profit on revaluation transferred to Rajesh's capital A/c	6,000						
	Ramesh's capital A/c	4,000	10,000					
		15,000				15,000	3	

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36	<p><b>Adjustments made at the time of retirement</b></p> <ul style="list-style-type: none"> <li>✓ Distribution of accumulated profits, reserves and losses.</li> <li>✓ Revaluation of assets and liabilities.</li> <li>✓ Determination of new profit sharing ratio and gaining ratio.</li> <li>✓ Adjustment for goodwill.</li> <li>✓ Adjustment for current year's profit and loss up to the date of retirement.</li> <li>✓ Settlement of the amount due to the retiring partner. <b>(Any 3 Points)</b></li> </ul>	3																		
37	<p><b>Preference Shares</b></p> <p>Preference shares are the shares which have the following two preferential rights over the equity shares.</p> <ol style="list-style-type: none"> <li>i. Preference towards the payment of dividend at a fixed rate during the life time of the company and</li> <li>ii. Preference towards the repayment of capital on winding up of the company.</li> </ol> <p><b>Equity shares</b></p> <ol style="list-style-type: none"> <li>i. Equity shares are those shares which are not preference shares.</li> <li>ii. These shares do not enjoy any preferential rights</li> <li>iii. Rate of dividend is not fixed on equity shares</li> </ol> <p><b>Note: Give marks to any Three other suitable points.</b></p>	3																		
38	<p><b>Common-size income statement of Raja Ltd. For the year ended 31<sup>st</sup> March, 2017</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Particulars</th> <th style="width: 20%;">₹</th> <th style="width: 20%;">Percentage %</th> </tr> </thead> <tbody> <tr> <td>Revenue from operations</td> <td style="text-align: right;">4,50,000</td> <td style="text-align: center;">100</td> </tr> <tr> <td>Add: Other income</td> <td style="text-align: right;">67,500</td> <td style="text-align: center;">15</td> </tr> <tr> <td>Total revenue</td> <td style="text-align: right;">5,17,500</td> <td style="text-align: center;">115</td> </tr> <tr> <td>Less: Expenses</td> <td style="text-align: right;">1,35,000</td> <td style="text-align: center;">30</td> </tr> <tr> <td>Profit before tax</td> <td style="text-align: right;">3,82,500</td> <td style="text-align: center;">85</td> </tr> </tbody> </table>	Particulars	₹	Percentage %	Revenue from operations	4,50,000	100	Add: Other income	67,500	15	Total revenue	5,17,500	115	Less: Expenses	1,35,000	30	Profit before tax	3,82,500	85	3
Particulars	₹	Percentage %																		
Revenue from operations	4,50,000	100																		
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Total revenue	5,17,500	115																		
Less: Expenses	1,35,000	30																		
Profit before tax	3,82,500	85																		
39	<p><b>Calculation of debt equity ratio:</b></p> $\text{Debt Equity Ratio} = \frac{\text{Long term debt}}{\text{Shareholders' fund}} = \frac{80,000}{1,60,000} = 0.5: 1$ <p>Long term debt = Rs.80,000 Shareholder's fund = 1,00,000 + 60,000 = 1,60,000</p>	3																		
40	<p><b>i) Profit and loss A/c</b> Gateway of Tally &gt; Reports &gt; Profit and Loss A/c &gt; Alt F1 (detailed) (or) F10: A/c Reports &gt; Profit and Loss A/c &gt; Alt F1 (detailed)</p> <p><b>ii) Balance Sheet</b> Gateway of Tally &gt; Reports &gt; Balance sheet &gt; Alt F1 (detailed) (or) F10: A/c Reports &gt; Balance sheet &gt; Alt F1 (detailed)</p> <p><b>iii) Day book</b> Gateway of Tally &gt; Reports &gt; Display &gt; Day book &gt; Alt F1 (detailed) (or) F10: A/c Reports &gt; Display &gt; Alt F1 (detailed)</p> <p><b>Note: Alt F1 (detailed)- Full marks can be awarded given even Alt F1 (detailed) if not written</b></p>	3																		

**PART – IV**  
**ANSWER ALL THE QUESTIONS**

7×5=35

41 a)	<b>Statement of affairs of Ganesh as on 31<sup>st</sup> March, 2018</b>				3
	Liabilities	₹	Assets	₹	
	Creditors	9,000	Cash	5,000	
	Bills payable	6,000	Cash at bank	24,000	
	Capital	88,000	Stock of goods	18,000	
			Debtors	16,000	
			Bills receivable	7,000	
			Land and buildings	30,000	
			Furniture	3,000	
	1,03,000		1,03,000		

<b>Statement of profit and loss for the year ended 31<sup>st</sup> March, 2018</b>		2	
Particulars			₹
Closing capital (as on 31.03.2018)			88,000
Add: Drawings during the year			15,000
			1,03,000
Less: Additional capital			20,000
Adjusted closing capital			83,000
Less: Opening Capital (as on 1.4.2017)			75,000
Profit made during the year ending 31.3.2018			<b>8,000</b>

**Note: Full mark may be awarded if any other method is used.**

**(OR)**

41 b)	<b>Dr. Revaluation Account</b>				<b>Cr.</b>				1
	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 Vetri's capital A/c (3/5)	3,600							
	Ranjith's capital A/c (2/5)	2,400	6,000						
		15,000			15,000				

<b>Dr. Partners' Capital A/c</b>				<b>Cr.</b>				2
Particulars	Vetri ₹	Ranjith ₹	Suriya ₹	Particulars	Vetri ₹	Ranjith ₹	Suriya ₹	
To P&L 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	

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<b>Balance sheet as on 1<sup>st</sup> January, 2019</b>					
<a href="http://www.Padasalai.net">www.Padasalai.net</a> <a href="http://www.TbTnpsc.com">www.TbTnpsc.com</a>					
Liabilities	₹	₹	Assets	₹	₹
Capital A/c			Furniture	25,000	
Vetri	30,600		Add: Appreciation	15,000	40,000
Ranjith	20,400		Stock	20,000	
Suriya	<u>10,000</u>	61,000	Less: Depreciation	<u>2,000</u>	18,000
Sundry creditors		45,000	Debtors	10,000	
Outstanding wages		4,500	Less: Decrease	<u>2,500</u>	7,500
			Cash in hand	35,000	
			Add: Suriya's Capital	<u>10,000</u>	45,000
		1,10,500			1,10,500
<b>Dr. Receipts and Payments Account for the year ended 31st March, 2019 Cr.</b>					
42 a)	Receipts	₹	Payments	₹	
	To Balance b/d		By Balance b/d		
	Cash in hand	5,000	Bank overdraft		4,000
	To Sale of investments	1,000	By Printing and Stationery		1,500
	To Endowment fund receipts	2,000	By Interest paid		3,250
	To Subscriptions received	20,000	By Purchase of refreshments		1,500
	To Sundry receipts	750	By Lighting charges		1,300
	To Govt, grants received	6,000	By Repairs and renewals		2,500
	To Sale of refreshments	1,500	By Conveyance paid		2,750
			By Books purchased		10,000
			By Insurance premium paid		4,000
			By Balance c/d		
			Cash at bank		2,000
			Cash in hand		3,450
		36,250			36,250
<b>(OR)</b>					
42 b)	Factors determining the value of goodwill of a partnership firm:				
	<ul style="list-style-type: none"> <li>❖ Profitability of the firm</li> <li>❖ Favorable location of the business enterprise</li> <li>❖ Good quality of goods or services offered.</li> <li>❖ Tenure of the business enterprise</li> <li>❖ Efficiency of management</li> <li>❖ Degree of competition</li> <li>❖ Other factors</li> </ul>				
	<b>(Note : One mark may be awarded for headings alone)</b>				
	<b>(Any Five with Explanation)</b>				

43 a)	Partners' Capital Account						5
	Dr.			Cr.			
	Particulars	Mannan ₹	Sevagan ₹	Particulars	Mannan ₹	Sevagan ₹	
	To Drawings	40,000	35,000	By Balance b/d	2,00,000	1,75,000	
	To Interest on Drawings	1,000	500	By P&L Appropriation A/c	21,000	16,500	
	To Balance c/d	2,10,000	1,69,000	By Interest on capital	12,000	10,500	
				By Salary	18,000	-	
				By Commission	-	2,500	
		2,51,000	2,04,500		2,51,000	2,04,500	
				By Balance b/d	2,10,000	1,69,000	

(OR)

43 b)	Journal Entries				3
	Date	Particulars	Debit ₹	Credit ₹	
		Building A/c Dr. To Revaluation A/c	30,000	30,000	
		Revaluation A/c Dr. To Stock A/c To Furniture A/c To Outstanding liability A/c	18,000	5,000 12,000 1,000	
		Revaluation A/c Dr. To Roja's Capital A/c To Neela's Capital A/c To Kanaga's Capital A/c	12,000	4,800 3,600 3,600	

Dr.		Revaluation Account		Cr.	
Particulars	₹	₹	Particulars	₹	
To Stock A/c		5,000	By Building A/c	30,000	
To Furniture A/c		12,000			
To Outstanding liability A/c		1,000			
To Profit on revaluation transferred to Roja's Capital A/c Neela's Capital A/c Kanga's Capital A/c	4,800 3,600 3,600	12,000			
		30,000		30,000	

44 a)	Normal profit	=Capital employed×Normal rate of return =2,00,000×15/100= ₹ 30,000	2
	Super profit	=Average profit–Normal profit =42,000–30,000= ₹ 12,000	1
	Goodwill	=Super profit×Number of years of purchase =12,000×3= ₹ 36,000	2

(OR)

44 b)	1. Maintaining accounting records 2. Inventory management 3. Pay roll preparation 4. Report generation 5. Data import/export 6. Taxation	5
<b>(Note : One mark may be awarded for headings alone)</b>		
<b>(Any Five with Explanation)</b>		
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45 a)	<b>Dr. Income and Expenditure Account for the year ended 31<sup>st</sup> March,2018</b>				<b>Cr.</b>	5	
	<b>Expenditure</b>		<b>₹</b>	<b>Income</b>			<b>₹</b>
	To Rent of ground paid		12,000	By Rent of hall received			6,000
	To Printing charges		5,000	By Subscription			9,000
	To Bank charges		1,000	By Locker rent			2,000
	To Insurance for building		2,000				
	To Tournament expenses		16,000				
	To Audit fees		3,000				
	To Sports materials purchased		4,000	By Deficit (Excess of expenditure over income)			<b>26,000</b>
		<b>43,000</b>			<b>43,000</b>		

(OR)

45 b)	<b>Comparative balance sheet of Chandra Ltd. As on 31<sup>st</sup> Mar 2017, and 31<sup>st</sup> Mar 2018</b>					5
	Particulars	2016-17 ₹	2017-18 ₹	Absolute amount of Increase (+) or Decrease (-)	Percentage Increase (+) or Decrease (-)	
	<b>I EQUITY AND LIABILITIES</b>					
	Shareholders' Fund	4,00,000	4,40,000	+40,000	+10	
	Non-Current Liabilities	1,50,000	1,65,000	+15,000	+10	
	Current Liabilities	75,000	82,500	+7,500	+10	
	Total	6,25,000	6,87,500	+62,500	+10	
	<b>II ASSETS</b>					
	Non-current assets	5,00,000	6,00,000	+1,00,000	+20	
	Current assets	1,25,000	87,500	- 37,500	-30	
	Total	6,25,000	6,87,500	+62,500	+10	

46 a)	<b>Dr. Profit and Loss Appropriation Account for the year ended 31<sup>st</sup> March 2019</b>						<b>Cr.</b>	5
	Particulars	₹	₹	Particulars	₹	₹		
	To Interest on capital A/c			By Profit and loss A/c		20,000		
	Durai		1,250	By Interest on drawings A/c				
	Velan		1,500	Durai		300		
	To Salary to Durai A/c		5,000	Velan		450		
	To Commission to Velan A/c		2,000					
	To Partner's capital A/c							
	Durai	4,400						
Velan	<u>6,600</u>	11,000						
		20,750			20,750			

(OR)

46 b)	i) Debt equity ratio = $\frac{\text{Long term debt}}{\text{Shareholders' fund}} = \frac{4,00,000}{5,00,000} = \mathbf{0.8 : 1}$	2
	ii) Proprietary ratio = $\frac{\text{Shareholders' fund}}{\text{Total assets}} = \frac{5,00,000}{10,00,000} = \mathbf{0.5 : 1}$	1
	iii) Capital gearing ratio = $\frac{\text{Funds bearing fixed interest and fixed dividend}}{\text{Equity Shareholders' fund}} = \frac{6,00,000}{3,00,000} = \mathbf{2 : 1}$	2

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47 a)	Trend analysis for Mullai Ltd.						5	
	Particulars	Rupees in Lakhs			Trend Percentages			
		2015-16	2016-17	2017-18	2015-16	2016-17		2017-18
Revenue from operations	100	120	160	100	120	160		
Add: Other income	20	24	20	100	120	100		
Total Revenue	120	144	180	100	120	150		
Less: Expenses	20	14	40	100	70	200		
Profit before tax	100	130	140	100	130	140		
Less: Income tax 30 %	30	39	42	100	130	140		
Profit after tax	70	91	98	100	130	140		

(OR)

47 b)	Journal Entries In the books of Joy Company Journal entries					5
	Date	Particulars	L.F.	Debit ₹	Credit ₹	
		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 Equityshare 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	
<b>Note: Two marks may be awarded for journal entries alone</b>						