VIVEKANANDA VIDYALAYA MATRIC HR SEC SCHOOL, PANNAIKADU PIRIVU
DINDIGUL DISTRICT

HALF YEARLY EXAMINATION – DECEMBER 2024

CLASS: 12 STD **ACCOUNTANCY – ANSWER KEY** **MARKS: 90**

I. CHOOSE THE CORRECT ANSWER: 20*1=20

1	a). Total Debtors Account	11	c). Retiring partners loan a/c
2	a). Rs. 9000	12	b). Rs. 8000 and Rs. 4000
3	b). Capital Receipts	13	b). Capital Reserve account
4	a). An asset	14	a). Rs. 700
5	c). Partners salary	15	d). Trend Analysis
6	c). Interest on loan – Debited to capital account	16	c). 6 times
7	c). Average profit and Normal profit	17	c). Gateway if Tally Reports Display Trial balance
8	a). Rs. 36000	18	c). 3 4 1 2
9	d). The sacrificing partner	19	d). Reserve and Surplus
10	d). The existing agreement does not come to an end	20	c). (A) is correct and (R) is incorrect

II. ANSWER THE FOLLOWING QUESTIONS: (Q.NO: 30 IS CUMPULSORY) 7*2=14

21 State the accounts generally maintained by small sized sole trader when double entry accounting system is not followed.

- Generally cash and personal accounts are maintained fully.
- Real and Nominal accounts are not maintained.

22 Give four examples for capital receipts of not–for–profit organisation.

- Sale of fixed assets
- Legacy
- Life member fees
- Endowment fund

23 Write a short note on securities premium account.

- When a company issues shares at a price more than the face value, the shares are said to be issued at premium.
- The excess is called as premium.

24 What is a group in Tally.ERP 9?

- Groups are categorized as Primary Groups and Sub-Groups.
- Primary group includes Capital Account, Current Liabilities, Fixed Assets, Current Assets, etc.
- Sub-Group includes Reserves & Surplus, Sundry Creditors, Sundry Debtors, etc.
- Gateway of Tally > Masters > Accounts Info > Groups > Single Group > Display.

25 Calculation of Total Purchase:

Credit purchases: ` 4,90,000

26 Computation of Income from Subscription:

Calculation of income from subscription for the year 2018

Particulars	₹	₹
Subscription received during the year 2018		1,50,000
Add: Subscription received for 2018 in 2017	3,000	
Subscription outstanding for 2018	7,000	10,000
		1,60,000
Less: Subscription outstanding in 2017	10,000	
Subscription received in advance in 2018	5,000	15,000
Income from subscription for the year 2018		1,45,000

27 Calculation of the amount of Interest on Drawings:

Calculation of interest on drawings under product method

Date of drawings	Amount withdrawn ₹	Period up to December 31 (months)	Product ₹
March 1	6,000	10	60,000
June 1	4,000	7	28,000
September 1	5,000	4	20,000
December 1	2,000	1	2,000
Sum of product			1,10,000

Interest on drawings = Sum of product x Rate of interest $\times \frac{1}{12}$

$$= 1,10,000 \times \frac{12}{100} \times \frac{1}{12} = ₹\ 1,100$$

28 Calculation of Goodwill

Solution

Normal profit = Capital employed × Normal rate of return

= 2,00,000 × 15% = ₹ 30,000

Super profit = Average profit – Normal profit

= 42,000 – 30,000

= ₹ 12,000

Goodwill = Super profit × Number of years of purchase

= 12,000 × 3

= ₹ **36,000**

29 Calculation of Quick Ratio:

$$\text{Quick ratio} = \frac{\text{Quick assets}}{\text{Current liabilities}} = \frac{1,85,000}{1,00,000} = 1.85:1$$

Quick assets = Current assets – Inventories – Prepaid expenses

= 2,50,000 – 50,000 – 15,000

= ₹ 1,85,000

30 **Journal Entry of Forfeiture of Shares:**

Date	Particulars	L.F.	Debit ₹	Credit ₹
	Equity share capital A/c (500 × 10) Dr.		5,000	
	To Equity share call A/c (500 × 2)			1,000
	To Forfeited shares A/c (500 × 8)			4,000
	(500 shares forfeited for non payment of call money)			

III. ANSWER THE FOLLOWING QUESTIONS: (Q.NO: 40 IS CUMPULSORY) 7*3=21

31 **State the differences between Receipts and Payments Account and Income and Expenditure Account.**

Basic	Receipt and Payment Account	Income and Expenditure Account
Nature of account	It is real account	It is nominal account
Basis	It is based on cash system	It is based on accrual system
Opening and Closing balance	It commence opening and closing balance.	There is no opening and closing balance

32 **What are the adjustments required at the time of admission of a partner?**

- Distribution of accumulated profits, reserves and losses
- Revaluation of assets and liabilities
- Determination of new profit-sharing ratio and sacrificing ratio
- Adjustment for goodwill
- Adjustment of capital on the basis of new profit sharing ratio

33 **State any three advantages of ratio analysis.**

(i) Measuring financial solvency:

- Ratio analysis helps to ascertain the liquidity or short term
- Solvency and long term solvency of a business concern.

(ii) Facilitating investment decisions:

- Ratio analysis helps the management in making effective decisions regarding profitable avenues of investment.

(iii) Analysing the profitability:

- Ratio analysis helps to analyse the profitability of a business in terms of sales and investments.

34 **Mention the commonly used voucher types in Tally.ERP 9.**

- Receipt Voucher F6
- Payment Voucher F5
- Contra Voucher F4

- Purchase Voucher F9
- Sales Voucher F8
- Journal Voucher F7

35 Calculation of Profit or Loss

Closing capital: Rs. **4,20,000;**

Profit: Rs. **2,90,000**

36 Computation of Capital Fund

Balance sheet as on 31st March, 2018

Liabilities	₹	Assets	₹
Capital fund	**1,15,000**	Buildings	40,000
(Balancing figure)		Furniture	50,000
Loan borrowed	10,000	Investments	20,000
Subscription received in advance	5,000	Subscription outstanding	10,000
		Cash at bank	6,000
		Cash in hand	4,000
	1,30,000		1,30,000

37 Preparation of Journal Entries and Revaluation account

Date	Particulars	LF	Debit Rs	Credit Rs
a	Premises a/c Dr		60000	
	To Revaluation a/c			60000
b	Revaluation a/c Dr		10000	
	To Stock a/c			5000
	To Furniture a/c			2000
	To Machinery a/c			2500
	To Outstanding Liabilities a/c			500

Revaluation profit: 50,000

38 Journal Entry

Date	Particulars	LF	Debit Rs	Credit Rs	
i	Kavin Executor A/c		150000		1,00,00
	To Bank A/c			150000	1,00,00
	(Amount due paid immediately)				
ii	Kavin Executor A/c		150000		1,00,00
	To Kavin Loan A/c			150000	1,00,00
	(Amount due is not paid immediately)				
iii	Kavin Executor A/c		150000		1,0 000
	To Bank A/c			100000	1,0 000
	To Kavin loan a/c			50000	
	Rs.100000 paid and the balance transferef to loan				

39 Preparation of Comparative Income Statement

Comparative income statement of Mary Co. Ltd for the years ended 31st March, 2016 and 31st March, 2017

Particulars	2015-16 ₹	2016-17 ₹	Absolute amount of increase (+) or decrease (–) ₹	Percentage increase (+) or decrease (–)
Revenue from operations	4,00,000	5,00,000	+1,00,000	+25
Less: Operating expenses	2,00,000	1,80,000	–20,000	–10
Profit before tax	2,00,000	3,20,000	+1,20,000	+60
Less: Income tax*	40,000	1,60,000	+1,20,000	+300
Profit after tax	1,60,000	1,60,000	-	-

40 Calculation of Ratio:

(i) Gross profit ratio $= \frac{\text{Gross profit}}{\text{Revenue from operations}} \times 100 = \frac{3,00,000}{5,00,000} \times 100 = 60\%$

Gross profit = Revenue from operations – Cost of revenue from operations

= 5,00,000 – 2,00,000 = ₹ 3,00,000

Cost of revenue from operations = Purchase of stock in trade + Changes in inventories

= 1,80,000 + 20,000 = ₹ 2,00,000

(ii) Net profit ratio $= \frac{\text{Net profit after tax}}{\text{Revenue from operations}} \times 100 = \frac{1,50,000}{5,00,000} \times 100 = 30\%$

IV. ANSWER THE FOLLOWING: 7*5=35

41 a). Calculation of Total Sales:

B/R received: 2,05,000;
Credit sales: 9,85,000;
Total sales: 13,00,000

b). Calculation:

Dr. **Revaluation Account** Cr.

Particulars	₹	₹	Particulars	₹
To Stock		3,000	By Land A/c	10,000
To Provision for doubtful debts		2,000		
To Profit on revaluation transferred to				
Anand's capital A/c (7/10)	3,500			
Balu's capital A/c (3/10)	1,500	5,000		
		10,000		10,000

Dr. **Capital Account** Cr.

Particulars	Anand ₹	Balu ₹	Chandru ₹	Particulars	Anand ₹	Balu ₹	Chandru ₹
To Balance c/d	74,500	40,500	20,000	By Balance b/d	50,000	30,000	-
				By Bank A/c	-	-	20,000
				By Revaluation A/c	3,500	1,500	-
				By Profit and loss A/c	21,000	9,000	-
	74,500	40,500	20,000		74,500	40,500	20,000
				By Balance b/d	74,500	40,500	20,000

42 **a). Preparation of Income and Expenditure and Balance sheet**

Surplus: 7800

Balance sheet:: 37800

b). Preparation of Profit and Loss appropriation account

Dinesh: 50000

Sugumar: 25000

43 **a). Calculation the value of goodwill**

Solution

$$\text{Average profit} = \frac{\text{Total profit}}{\text{Number of years}}$$

$$\text{Average profit} = \frac{30,000 + 32,000 + 35,000 + 37,000 + 40,000}{5}$$

$$\text{Average profit} = \frac{1,74,000}{5} = ₹\ 34,800$$

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

Normal profit = Capital employed × Normal rate of return
= 1,20,000 × 20%
= ₹ 24,000

Super profit = Average profit – Normal profit
= 32,000 – 24,000
= ₹ 8,000

Goodwill = Super profit × Number of years of purchase
= 8,000 × 5
= ₹ 40,000

b) Journal Entry

In the books of Khan Ltd.
Journal entries

Date	Particulars		L.F.	Debit ₹	Credit ₹
	Bank A/c (65,000 × 4) To Equity share application A/c (Application money received)	Dr.		2,60,000	2,60,000
	Equity share application A/c (50,000 × 4) To Equity share capital A/c (Transfer of share application money to share capital)	Dr.		2,00,000	2,00,000
	Equity share application A/c (15,000 × 4) To Equity share allotment A/c (Excess share application money utilised for allotment)	Dr.		60,000	60,000
	Equity share allotment A/c To Equity share capital A/c (Share allotment money due)	Dr.		2,00,000	2,00,000
	Bank A/c (2,00,000 – 60,000) To Equity share allotment A/c (Allotment money received)	Dr.		1,40,000	1,40,000
	Equity share first and final call A/c (50,000 × 2) To Equity share capital A/c (Share first and final call money due)	Dr.		1,00,000	1,00,000
	Bank A/c To Equity share first and final call A/c (Share first and final call money received)	Dr.		1,00,000	1,00,000

44 **a)Calculation:**

Revaluation Loss: 1000

Capital A/c: Kannan – 104500, Rahim – 82700, Jhon – 41800

Balance sheet Rs. 215000

b) Calculation

Comparative balance sheet of Chandra Ltd as on 31st March 2016 and 31st March 2017

Particulars	2015-16 ₹	2016-17 ₹	Absolute amount of increase (+) or decrease (–) ₹	Percentage increase (+) or decrease (–)
I EQUITY AND LIABILITIES				
Shareholders' fund	1,00,000	2,60,000	+1,60,000	+160
Non-current liabilities	50,000	60,000	+10,000	+20
Current liabilities	25,000	30,000	+5,000	+20
Total	1,75,000	3,50,000	+1,75,000	+100
II ASSETS				
Non-current assets	1,00,000	2,00,000	+1,00,000	+100
Current assets	75,000	1,50,000	+75,000	+100
Total	1,75,000	3,50,000	+1,75,000	+100

45 **a) Calculation of Inventory Turnover Ratio**

$$\text{Inventory turnover ratio} = \frac{\text{Cost of revenue from operations}}{\text{Average inventory}} = \frac{1,20,000}{30,000} = 4 \text{ times}$$

Cost of revenue from operations

= Opening inventory + Net Purchases + Direct expenses (carriage inwards) – Closing inventory

= 40,000 + 90,000 + 10,000 – 20,000

= ₹ 1,20,000

$$\text{Average inventory} = \frac{\text{Opening inventory + Closing inventory}}{2}$$

$$= \frac{40,000 + 20,000}{2} = ₹\ 30,000$$

$$\text{Inventory conversion period (in months)} = \frac{\text{Number of months in a year}}{\text{Inventory turnover ratio}} = \frac{12}{4} = 3 \text{ months}$$

b). Explain any five applications of computerized accounting system.

i). Maintaining accounting records:

- It can be maintained easily and efficiently for long time period.
- It facilitates fast and accurate retrieval of data and information.

ii). Inventory management:

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

iii). Report generation:

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

iv). Data import/export:

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

v). Taxation:

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

46 a). Preparation of Capital Account

Dr. Partners' Capital A/c Cr.

Particulars	Mannan ₹	Sevagan ₹	Particulars	Mannan ₹	Sevagan ₹
To Drawings A/c	40,000	35,000	By Balance b/d	2,00,000	1,75,000
To Interest on drawings A/c	1,000	500	By Profit and loss appropriation A/c	21,000	16,500
To Balance c/d	2,10,000	1,69,000	By Interest on capital A/c	12,000	10,500
			By Salary A/c	18,000	-
			By Commission A/c	-	2,500
	2,51,000	2,04,500		2,51,000	2,04,500
			By Balance b/d	2,10,000	1,69,000

b). Journal Entry

In the books os Shero Health Care Ltd
Journal entries

Date	Particulars		L.F.	Debit ₹	Credit ₹
	Bank A/c (4,00,000 × 3)	Dr.		12,00,000	
	To Equity share application A/c				12,00,000
	(Application money on 4,00,000 shares @ ₹ 3 per share received)				
	Equity share application A/c (3,00,000 × 3)	Dr.		9,00,000	
	To Equity share capital A/c				9,00,000
	(Share application transferred to share capital)				
	Equity share application A/c (1,00,000 × 3)			3,00,000	
	To Bank A/c				3,00,000
	(Money refunded for rejected applications)				
	Equity share allotment A/c (3,00,000 × 5)	Dr.		15,00,000	
	To Equity share capital A/c (3,00,000 × 3)				9,00,000
	To Securities premium A/c (3,00,000 × 2)				6,00,000
	(Share allotment money ₹ 5 per share including ₹ 2 premium receivable for 3,00,000 shares)				
	Bank A/c (3,00,000 × 5)	Dr.		15,00,000	
	To Equity share allotment A/c				15,00,000
	(Allotment money received)				
	Equity share first and final call A/c	Dr.		12,00,000	
	To Equity share capital A/c (3,00,000 × 4)				12,00,000
	(Call money receivable)				
	Bank A/c	Dr.		12,00,000	
	To Equity share first and final call A/c				12,00,000
	(Call money received)				

47 a). Bring out the limitations of ratio analysis.

(i) Ratios are only means:

- Ratios are not end in themselves but they are only means to achieve a particular purpose.

(ii). Accuracy of financial information:

- It's depends on the accuracy of information taken from financial statements.
- If the statements are inaccurate, ratios are also be inaccurate.

(iii). Change in price level:

- Ratio analysis may not reflect price level changes and current values as they are calculated based on historical data given in financial statements.

b) Calculation of Ratio Analysis:

$$\text{(i) Debt equity ratio} = \frac{\text{Long term debt}}{\text{Shareholders' funds}} = \frac{4,00,000}{5,00,000} = 0.8:1$$

Long term debt = 9% Debentures = ₹ 4,00,000

Shareholders' funds = Equity share capital + Preference share capital + Reserves and surplus

= 1,50,000 + 2,00,000 + 1,50,000 = ₹ 5,00,000

$$\text{(ii) Proprietary ratio} = \frac{\text{Shareholders' funds}}{\text{Total assets}} = \frac{5,00,000}{10,00,000} = 0.5:1$$

$$\text{(iii) Capital gearing ratio} = \frac{\text{Funds bearing fixed interest and dividend}}{\text{Equity Shareholders' funds}} = \frac{6,00,000}{3,00,000} = 2:1$$

Funds bearing fixed interest or dividend = 8% Preference share capital + 9% Debentures

= 2,00,000 + 4,00,000 = ₹ 6,00,000

Equity shareholders' funds = Equity share capital + Reserves and surplus

= 1,50,000 + 1,50,000 = ₹ 3,00,000

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- ❖ **All of the above I mentioned is my own proposed list.**
- ❖ **This is not final decision.**
- ❖ **This subject to be changed.**
- ❖ **If there is any error in this, please correct it.**

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