DIRECTORATE OF GOVERNMENT EXAMINATIONS, CHENNAI-6. HSE SECOND YEAR EXAMINATION- MARCH 2025 ACCOUNTANCY KEY ANSWER (ENGLISH MEDIUM)

TOTAL MARKS: 90

Note:

- 1. Use Blue or Black ink to write and underline and pencil to draw diagrams.
- 2. Choose the most appropriate answer from the given four alternatives and write the option code and the corresponding answer.

PART – I Answer all the questions.

20×1=20

		A - TYPE			B - TYPE
Q.	Opti		Q. No	Opti	
No	on	Answer		on	Answer
1	С	Goodwill brought by new partner	1	d	Outstanding Expenses Account
2	а	6% per annum	2	С	Goodwill brought by new partner
3	С	Rs.40,000	3	d	Capital
4	b	2:1	4	d	Nominal A/c
5	а	Rs. 1,91,500	5	b	2:1
6	С	withdrawal of cash from bank for	6	b	liquidity and solvency of a business
		office use			concern
7	С	Share Capital A/c	7	b	Standard costing
8	а	Retiring Partner's Loan A/c	8	С	The Sacrificing partners
9	а	Normal Rate of Return	9	С	Interest on Drawings - Sec 13(d)
10	d	Outstanding Expenses Account	10	b	(1)-(i), (2)-(iv), (3)-(iii), (4)-(ii)
11	b	(1)-(i), (2)-(iv), (3)-(iii), (4)-(ii)	11	а	Called up amount
12	а	Called up amount	12	а	Super Profit =Average Profit - Normal Profit.
13	С	Interest on Drawings - Sec 13(d)	13	С	withdrawal of cash from bank for office use
14	d	Nominal A/c	14	С	Share Capital A/c
15	d	Capital	15	а	Retiring Partner's Loan A/c
16	b	liquidity and solvency of a	16	b	Rs.50,000
		business concern			
17	С	The Sacrificing partners	17	а	6% per annum
18	а	Super Profit =Average Profit - Normal Profit.	18	а	Rs.1,91,500
19	b	Standard costing	19	а	Normal Rate of Return
20	b	Rs.50,000	20	С	Rs.40,000

7×2=14

21	Statement of profit or loss for the year ended 31.3.2024						
	Particulars	Rs					
	Closing capital (31 st March 2024)	50,000					
	Add : Drawings during the year (balancing figure)	5,000					
		55,000					
	Less: Additional capital introduced during the year	7,000		2			
	Adjusted closing capital	48,000					
	Less: Opening capital (1 st April 2023)	40,000					
	Profit during the year	8,000					
	Note: Full mark may be awarded if any other method is u	sed.					
22	Partnership deed is a document in writing that contain	ns the term	ns of the	2			
	agreement among the partners.						
23	Financial statements are the statements prepared by the	business o	concerns				
	at the end of the accounting period to ascertain the opera	ating results	and the				
	financial position.						
	(OR)						
	Income Statement			2			
	Balance Sheet						
	3. Cash flow statement						
	4. Fund Flow statement5. Statement of changes in financial position	(An	y Two)				
0.4		(-	, ,				
24	Gross Profit ratio = $\frac{Gross \ profit}{Revenue \ from \ operations} \times 100$			2			
	$=\frac{40,000}{2,00,000}=\times 100=20\%$						
25	Accounting report is a compilation of accounting information	tion that are	derived				
20	Accounting report is a compilation of accounting information that are derived from the accounting records of a business concern.						
26	Goodwill acquired by making payment in cash or kind is purchased goodwill.	s called acc	quired or	2			

27	Computation of Sacrificing ratio and new profit sharing ratio Share sacrificed by old partners.	
	Ananth = $\frac{1}{5}$ Suman = 0	
	Sacrificing ratio = 1 : 0	1
	Old ratio of Ananth and Suman is 3 : 2 that is $\frac{3}{5}$: $\frac{2}{5}$	
	New Share of old partner = Old share - Share sacrificed	
	Ananth $=\frac{3}{5}-\frac{1}{5}=\frac{3-1}{5}=\frac{2}{5}$	
	Suman $=\frac{2}{5}$	
	Share of new partner	
	Saran = $\frac{1}{5}$	4
	New profit sharing ratio of Ananth, Suman and Saran is $\frac{2}{5}$: $\frac{2}{5}$: $\frac{1}{5}$	1
	that is, 2 : 2 : 1	
28	When a partner leaves from a partnership firm, it is known as retirement.	_
20	when a partite leaves from a partitership firm, it is known as retirement.	2
29	When the number of shares applied for is more than the number of shares	2
	offered for subscription, it is said to be over subscription.	2
30	Depreciation, outstanding expenses (expenses yet to be paid), bad debts,	
	loss or gain on sale of assets and accrued income.	2
	(Any two)	

PART-III

Answer Any 7 Questions. (Question No 40 is Compulsory)

7x3=21

31	 (i) Lack of proper maintenance of records. (ii) Difficulty in preparing trial balance. (iii) Difficulty in ascertaining true profitability of the business. (iv) Difficulty in ascertaining financial position. (v) Errors and frauds cannot be detected easily. (vi) Unacceptable to government and other authorities. 	(Any Three)	3
		,	

32	Balance sheet as on 31 st March 2024										
	Liabilitie	es		Rs	Rs	Assets		Rs	Rs		
	Tourna	ment fund		90,000		Tourna fund investm			9000	00	
		iterest receive nament fund nent	ed	9,000							Lib-2 Ass-1
				99,000							
		onation to nent fund	1 1(1(1(1(1)))								
				1,09,000							
	Less : 1	Fournament es		60,000	49000						
33	Calcula	tion of intere	st o	n drawings	under p	roduct	metho	d:			
	Date o	of drawings	\	Amount withdrawn Rs		od up to 1 (month		Prod R			
	March ²	1		6,00	00		10	60	0,000		2
	June 1			4,00	7		28	28,000			
	Septem			5,00			4		0,000		
	Decem	ber 1		2,00			1		2,000		
						ım of pro			0,000		
	Interest	on drawings		Sum of pro			terest	$X \frac{1}{12}$			4
		= 1	1,10,0	$000 \times \frac{12}{100} \times \frac{1}{1}$	$\frac{1}{2}$ = Rs 1	,100					1
34	Average	profit = -		al profit							
	_	Ī	Vumb	er of Years							1
	= 5000+8	8000+6000+3 4	000 =	$\frac{16000}{4} = 4$	000						'
	Goodwill	l = Averag	e pro	ofit x Numbe	r of year	s of pure	chase				2
		= 4,000 >			,	·					
35				Journa	l Entries						
	Date		par	ticulars		L.F.	Del Rs		Credit Rs		
		Premises A/c		uation A/c	Dr		60,	000	60,000)	1
	00,000										
		Revaluation A/c			Dr		10,	500		7	
		To S							5,000		2
				ire A/c					2,000		
				nery A/c nding Liabil	ities 1/a				2,500 1,000		
	Note : If	write separat		nding Liabil Istanding lia		urnal en	try aiv	e full r	•	<u>'</u>	
		ooparat					7 9''	- IMII I			

36	Difference between the sacrificing ratio and the gaining ratio 1. Meaning 2.Purpose 3.Time of calculation 4.Method of calculation Note: write any three differences.									3
	Note:	write any three d								
37	Journal Entries									1
	Date	pa	ırticulars			L.F.	Debit Rs	Credit Rs		'
		Equity share cap To Equity sha To Forfeited s	are first ca		Dr.		800	200 600		1
		Bank A/c			Dr.		52	5		
		Forfeited Shares			Dr.		7:			
		To Equity						600		
		Forfeited Shares	-		r.		37			4
		To Capital	reserve A	√c				375		1
38		COMP	ARATIVE	INCOME	STA	TEME	NT			
		Particulars	2022- 2023	2023- 2024	ir	Absolute amount of increase (+) or decrease (-)		Percentag e increase (+) or decrease		
			Rs	Rs		Rs		(-)		
	Rever	nue from tions	30,000	45,000		+15,000		+ 50%		
	Add:	Income	4,000	6,000		+ 2	2,000	+ 50%		3
	1	revenue	34,000	51,000			7,000	+ 50%		
		Expenses	10,000	15,000			5,000	+ 50%		
	1 +	before tax	24,000	36,000			2,000	+ 50%	_	
	1	Income tax 30%	7,200	10,800			3,600	+ 50%		
	Profit	after tax	16,800	25,200		+ 8	3,400	+ 50%		
39	Solution: Current ratio = $\frac{Current \ assets}{Current \ liabilities}$ = $\frac{4,50,000}{1,50,000}$ = 3:1							1 1 1		
40	To view Profit and loss Account F10: A/c Reports>Profit & Loss A/c > AltF1 (detailed) (or) Gateway of Tally>Reports>Profit & Loss A/c>AltF1(detailed)							3		
	Note:	If do not write Al	tF1(detail	ed) awar	d full	mark	s.			

7×5=35

Liabilities	Rs.	Assets	Rs.
Sundry creditors	1,05,000	Cash	43,000
Loan	25,000	Stock of goods	1,20,000
		Sundry Debtors	84,000
Capital (balancing figure)	4,00,000	Business premises	2,50,000
		Furniture	33,000
	5,30,000		5,30,000
Staten	nent of Affair	s as on 31st December 20	018
Liabilities	Rs.	Assets	Rs.
Sundry creditors	1,02,000	Cash	29,000
Loan	20,000	Stock of goods	1,30,000
		Sundry Debtors	1,10,000
Capital (balancing figure)	4,42,000	Business premises	2,50,000
		Furniture	45,000
	5,64,000		5,64,000
	Stateme	ent of profit or loss	
PARTICUI	_ARS	Rs.	
Closing capital		4,42,000	
Add: Drawings (2,500	x 12)	30,000	
		4,72,000	
Less: Additional capita	al	45,000	
		4,27,000	
Less: Opening capital		4,00,000	
Profit		27,000	

41 In the books of Mary
(b) Dr. Total debtors account Cr.

Particulars	Rs	Particulars	Rs
To Balance b/d (opening debtor)	1,30,000	By Cash A/c (received)	3,40,000
To Sale A/c (credit)	2,90,000	By Balance c/d (closing debtor)	80,000
	4,20,000		4,20,000

Dr Trading and Profit and Loss Account for the year ended 31st Cr. March 2023.

Particulars	Rs	Particulars	Rs
To Opening Stock To Purchases	1,10,000	By <u>Sales</u> Cash 3,60,000	
Cash 1,50,000 Credit 1,80,000	3,30,000	Credit 2,90,000	6,50,000
To Wages	70,000	By Closing Stock	1,80,000
To Gross Profit c/d	3,20,000		
	8,30,000		8,30,000
To General Expenses To Depreciation on Furniture and fittings	1,27,000 8,000	By Gross Profit b/d	3,20,000
To Net Profit (transferred to Capital A/c)	1,85,000		
	3,20,000		3,20,000

Balance Sheet as on 31St March 2023

Liabilities	Rs	Rs	Assets	Rs	Rs
Capital	2,80,000		Cash		2,23,000
Add : Net			Debtors		80,000
Profit	1,85,000		Closing Stock		1,80,000
		4,65,000	Furniture and	80,000	
			Fittings		
Creditors		90,000	Less: Dep	8,000	
					72,000
		5,55,000			5,55,000

2

2

42 (a)	In the books of Income and Expenditure Acc		e year ende		ch, 2018 Cr. Rs]			
	Expenditure		IIIC						
	To Salaries To Rent To Travelling Expenses To Printing and Stationery Loss: Furniture (17,000-16,000)	2,00 6,00	20,000 By interest 24,000 Received 2,000 By Subscription 6,000 By Entrance Fe 1,000		5,000 55,000 7,000		10× ½=5		
	To Surplus	14,00	n						
	10 Surpius	67,00			67,000				
	(OR)								
42	Comparative	balance sh	eet of Mala	r I td					
(b)	Particulars	31 st March 2021	31 st March 2022	Absolute amount of (+) or (–)	% (+) or (-)				
	I EQUITY AND LIABILITIES	Rs	Rs	Rs					
	1. Shareholders' Fund								
	a) Share capital	2,00,000	2,50,000	+50,000	+25				
	b) Reserves and surplus 2. Non-current liabilities	50,000	50,000	-	-				
	Long-term borrowings 3. Current liabilities	30,000	60,000	+30,000	+100				
	Trade payables	20,000	60,000	+40,000	+200				
	Total II ASSETS 1. Non-current assets	3,00,000	4,20,000	+1,20,000	+40		5		
	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				
	Note : Absolute amount –2 mark	, percentag	e -2 mark a	nd format-1	mark				

43.	Dr.		Partner	s' Cap	ital Accoun	it			Cr.	
(a)	Particulars	Valar mathi Rs	Aathirai Rs	ı	Particulars	m	′alar nathi Rs	Aa	athirai Rs	
		KS	RS.	By	Balance b/o		70,000		50,000	
	Balance c/d	88,000	66,000	By (Ad	Bank ditional ital)		18,000		16,000	
		88,000	66,000			,	88,000		66,000	2
				Ву	By Balance b/d		88,000		66,000	
	Dr.		Partne	s' Cu	rrent Accou	nt		(Or.	
	Particulars	mathi	Aathi rai		Particula `	ars	Vala math		Aathi rai	
	To Drawings	Rs s 10,000	Rs 0 6,00	0 By	Balance b	/d	Rs 25,0	100	Rs 15,000	
	To Interest of		0,00	-	P&L App		35,0		25,800	
	drawing	•			(share of p					
	To Balance	65,000	55,00	1 -	[,] Interest on pital	1	3 5	500	2,500	3
	6,4			By Salary				,00	18,000	
				By Commission		on	12,000			
		75,500	61,30		Balance b	/d	75,5 65,0		61,300 55,000	
				_ l Dy	Dalarice b/	u	00,0	,00	33,000	
				(OR)						
43				_	propriation					
(b)	D	for t	he year e	nded	31st Decer	nber 201	18		0	
	Dr	ticulars		Rs	Rs	Par	ticulars		Cr Rs	
					110					
	To Interest o	·				By Pro	fit and Ic	SS	3,65,000	
	Salma (4,00	•	,	0,000	25.000					
	Lydia (3,00,000 x 5/100) To Salary to Salma To Commission to Lydia)) 1:	5,000	35,000 90,000					
			a		48,000					5×1=
	To Partners	' capital A/c								5
	(profit)	,92,000x1/2	2) 96	5,000						
		92,000x1/2 92,000x1/2		5,000	1,92,000					
					3,65,000				3,65,000	

44	Solution:					
(a)	Average profit $=\frac{\text{Total p}}{\text{Number of }}$					1
	Number ($=\frac{(30000-300)}{}$	of years -40000+50	000+4500	10		
		4	700014500	,,,		
	$=\frac{162000}{4}=40,50$	00				
	Normal profit = Capital emplo		rmal rate	of return		1
	= 3,00,000 × 10/	100				
	= 30,000 Super profit = Average profit	– Normal	profit			1
	= 40,500 – 30,00		pront			l
	= 10,500					
	Goodwill = $\frac{\text{Super prof}}{\text{Normal rate of}}$	fit x 1	00			2
	Normal rate of	return				_
	$=\frac{10500}{10} \times 100 = 1$		(O.D.)			
44	LIST OF VOUCHER TYPES:		(OR)			
(b)	i) Receipt Voucher	•				
	ii) Payment Voucher iii) Contra Voucher					5
	iv) Purchase Voucher					3
	v) Sales Voucher					
	vi) Journal Voucher Note: Write any five with si	mple exp	lanation.			
	(Award two marks for					
45 (a)	Solution	Davalua	. t:	4	C :-	
(4)	Dr. Particulars	Revalua	ation Acco	Particulars	Cr. Rs	
		INS				
	To Stock A/c To Profit on revaluation		2,000	By Investments A/c	11,000	
	transferred to					1
	Veena's capital A/c (2/3)	6,000				
	Pearl's capital A/c (1/3)	3,000	9,000			
			11,000		11,000	
	Old ratio of Veena and Pearl	=	2:1 that i	$s, \frac{2}{3}: \frac{1}{3}$		
	New ratio of Veena, Pearl an		5:3:2 i.e.	5 . 3 . 2		
	Share sacrificed		hare - Ne	10 10 10		
	Veena	$=\frac{2}{-}$	$\frac{5}{1} = \frac{20 - 1}{1}$	$-=\frac{5}{}$		
		3 1 _ 1	$\frac{\frac{10}{3}}{10} = \frac{\frac{30}{10-9}}{30}$	30		
	Pearl	$=\frac{1}{3}$	$\frac{1}{10} = \frac{1}{30}$	$- = \frac{1}{30}$		
						1

Sacrificing ratio of Ve	eena and	Pearl	= 5:1
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Dr.		Capita	al Accour	nt			Cr.
Particulars	Veena	Pearl	Deri	Particulars	Veena	Pearl	Deri
	Rs	Rs	Rs		Rs	Rs	Rs
To Bank			-	By Balance			-
A/c	5000	1000		b/d	60000	40000	
To Balance				By Bank	_	_	
c/d	92000	56000	30000	A/c	_	_	30000
				By General	20000	10000	_
				reserve A/c			
				By Workmen			
				compensatio	6000	3000	_
				n fund A/c			
				(10,000-			
				1,000)	6000	3000	
				By Revaluation	0000	3000	
				A/c			_
				By Bank	5000	1000	
				A/c*	0000	1000	-
				(share of			
				goodwill)			
	97000	57000	30000	,	97000	57000	30000
				By Balance b/d	92000	56000	30000

^{*} Goodwill of the firm is Rs 30,000

Deri's share of goodwill = $30,000 \times 2/10 = Rs 6,000$

It is to be distributed to Veena and Pearl in their sacrificing ratio of 5:1

Dr.	Bank Account	Cr.

Particulars	Rs	Particulars	Rs
To Balance b/d	30,000	By Veena's capital A/c	5,000
To Deri's capital A/c	30,000	By Pearl's capital A/c	1,000
To Veena's capital A/c	5,000	By Balance c/d	60,000
To Pearl's capital A/c	1,000		
	66,000		66,000

Balance Sheet as on 1st April 2018

Balance Chect as on 13t7 phi 2010								
Liabilities	Rs	Rs	Assets	Rs	Rs			
Capital accounts:			Buildings		60,000			
Veena	92000		Machinery		30,000			
Pearl	56000		Investments		11,000			
Deri	30000	178000	Debtors		20,000			
Workmen's			Stock	10,000				
compensation		1000	Less:	2,000	8,000			
fund (10,000-9,000)			Decrease	·	·			
Sundry creditors		10000	Cash at bank		60,000			
-		189000			1,89,000			

(OR)

1

1

Dr.					Account				Cr.
	iculars	Rs	R			culars	Rs	_	Rs
To Furnitu			1,00		By Build				6,000
debts	on for bad		2,50		By inve	stment			6,000
To unreco liability	rded		2,50	00					
To Revalu	ation								
profit		40.00							
SarithaCa	•	10,00							
Subha Ca	pilai A/C	6,00	16,0	000					
			22,0					2	22,000
		L	_	•		L			
Dr.	0:41	Out la a	Capital			0:41	0		Cr.
Particula	Saritha Rs	Subha Rs	Arivun athi	n Pa	rticula	Saritha Rs	Subh Rs		Arivu mathi
rs	1/2	17.5	Rs		rs	172	1/2		Rs
				Ву		48000	400	000	
				Bal b/d	lance				
То	58000	46000	1200		Bank				12000
Balance c/d		10000	1200		Dariik				12000
				То		10000	60	000	
					valua า A/c				
	58000	46000	1200	0		58000	460	000	12000
					By	58000	460	000	12000
				B	alance b/d				
								l	
Dr.		Reval	uation /	Accour	nt				Cr.
	Particulars		Rs	Rs		Particula	rs		Rs
To Stock A	4√c			1000	-	ant and			9000
To Profit o	n revaluati	on			IVIACI	ninery A/c			
	ferred to								
	capital A/c (3/8)		3000						
Kavitha's	capital A/c	` '	3000						
	s capital A/o	(2/8)	2000	8000	1				
Roseline's			l	8000	<i>'</i>				
				9000)				9000

Dr.		Capital	Account	t			Cr.
Particulars	Vijaya	Kavitha	Rose	Particulars	Vijaya	Kavitha	Rose
	Rs	Rs	line		Rs	Rs	line
			Rs				Rs
То				By Balance	30000	30000	20000
Roseline's				b/d			
capital A/c	3000	3000		General	3000	3000	2000
•				reserve			
Roseline's				Revaluation	3000	3000	2000
Executor			34000	Profit and			
				loss			4000
				suspense			
				A/c			
Balance c/d	33000	33000		7 4 5			
Dailai 100 0, a	00000	00000		Vijaya's			
				capital A/c			3000
				Kavitha's			5000
							2000
				capital A/c			3000
	36000	36000	34000		36000	36000	34000
				Balance b/d	33000	33000	

Balance Sheet as on 31st December, 2018

Liabilities	Rs	Rs	Assets	Rs	Rs
Capital accounts:			Plant and machinery	45000	
Vijaya	33000		Add:	9000	54000
Kavitha	33000		Appreciation		34000
		66000	Stock Less:	22000	
Roseline's Executor's A/c		34000	Depreciation	1000	21000
Sundry			Debtors		15000
Creditors		8000	Cash at bank Cash in hand		10000 4000
			Profit and loss suspense A/c		4000
		108000			108000

(OR)

2

1

46 (b)	(i) Curr	ent ratio = $\frac{\text{Current assets}}{\text{Current in this issue}} = \frac{1,50,000}{50,000} =$	3:1						2½			
	(ii) Quick ratio = $\frac{\text{Current liabilities}}{\text{Current liabilities}} = \frac{50,00}{50,000} = 2:1$											
47									2½			
(a)	In the books of Vairam Ltd Journal Entries (a) When shares are issued at par:											
	Date	Particulars	L.	F.	Del R:		_	redit Rs				
		Furniture A/c Dr. To Ravi Furniture Ltd A/c		5		,000		50,000	2			
		Ravi Furniture Ltd A/c D To Equity share capital A/c	r.	5	,50	,000	•	50,000				
		(b) When shares are issued a	t prer	nium	of 1	10%:	0,0	70,000				
	Date	Particulars		L.F.		Debit Rs	t	Credit Rs				
		Furniture A/c To Ravi Furniture Ltd A/c	Dr.		5	5,50,0	00	5,50,000	3			
		Ravi Furniture Itd A/c To Equity share capital A/c To Securities Premium A/c (50,000X1)	Dr.		5	5,50,0	00	5,00,000 50,000				
		(OR)						,				
47 (b)		In the books of Saranya Ltd.	Joui	rnal e	ntri	es						
()	Date	Particulars			L F	De R		Credit Rs				
	1	Bank A/c To Equity share application A/c		Dr		90,	000	90,000				
	2	Equity share application A/c To Equity share capital A/c		Dr		60,	000	60,000				
	3	Equity share application A/c To Bank A/c		Dr		30,	000	30,000	5			
	4	Equity share allotment A/c To Equity share capital A/c		Dr		80,	000	80,000				
	5	Bank A/c To Equity share allotment A/c		Dr		80,	000	80,000				
	6	Equity share first and final call A/c To Equity share capital A/c		Dr		60,	000					
	7	Bank A/c To Equity share first and final call A/c		Dr		60,	000					
	Note :I	f write only journal entries give two n										