B.K. BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS
A CBSE DAY-CUM-BOYS' RESIDENTIAL SCHOOL

NABET

INDIAN PUBLIC SCHOOLS' CONFERENCE

PRE BOARD-1, EXAMINATION (2025-26)
ACCOUNTANCY (055)
DATE: 4/11/2025 MARKING SCHEME

Q1)	(D) Rs.1,200 **OR** (B) Parul's Current A/c	(1)
Q2)	(B) Both (A) and (R) are correct but (R) is not the correct explanation of (A)	(1)
Q3)	(D) Statement 2 is correct but 1 is incorrect.	(1)
Q4)	(D) Rs.39,000	(1)
Q5)	(C) Pass an adjusting journal debit Lamma Rs.4,000 and credit Kabir Rs.4,000	(1)
Q6)	(C) 4:7:7:12 **OR** (A) Rs.4,800	(1)
Q7)	(B) Option (i) and (iii)	(1)
Q8)	(C) Debit Jack with Rs.6,400 and Kim with Rs.5,600 and Credit Lara with Rs.12,000	(1)
Q9)	(A) (i-c),(ii-d);(iii-b);(iv-a)	(1)
Q10)	(A) Section 43 **OR** (D) Transfer only to debit side of realisation a/c.	(1)
Q11)	(C) Only (A) is correct but (R) is not correct	(1)
Q12)	(A) Option (i) and (ii)	(1)
Q13)	(B) Rs.14,400	(1)
Q14)	(D) Rs.25 **OR** (B) (i-b),(ii-c);(iii-a);(iv-d)	(1)
Q15)	(A) 8,000 **OR** (C) 22,50,000	(1)
Q16)	(B) Both (A) and (R) are correct but (R) is not the correct explanation of (A)	(1)

Q17) Profit and Loss Appropriation A/c (3)

To interest on capital		By Profit & Loss A/c (Net profit)	
A's Capital (C) **18,000**		1,32,500 – (A) **6,000**	(B)
B's Capital (D) **12,000**	30,000		**1,26,500**
To Salary (B's Capital)	24,000		
To Commission (A's Capital)	11,500		
To Share of profit			
A's Capital (E) **38,125**			
B's Capital (F) **22,875**	61,000		

Q18) (3)

Super Profit = Actual profit – Normal profit
Actual profit = 1,75,000 + 1,57,500 + (2,500) + 1,80,000 = 5,10,000
Average profit = 5,10,000/4 = 1,27,500
Normal Profit = 12% of Capital employed = 12% of 8,40,000 = 1,00,800
Super Profit = 1,27,500 – 1,00,800 = 26,700
Goodwill = 26,700 X 5 = **1,33,500**

OR

Goodwill = Capitalised value of the firm – Capital employed
Capitalised value of the firm = Average profit X 100/NRR
Average profit = 37,500

Capitalised value of the firm = 37,500 X 100/ 10 = 3,75,000
Capital employed = Capital – Drawings – Liabilities
(2,25,000 + 1,75,000 – 48,000 – 52,000) = 3,00,000
Goodwill = 3,75,000 – 3,00,000 = **75,000**
1 mark each to calculate Capitalised Value, Capital employed and Goodwill. (1+1+1)

Q19) (3)

Bablu: Dilip: Hari OPSR 9:6:5
Bablu: Dilip: Hari NPSR 1:1:1
Sacrificing Ratio = Old Ratio – New Ratio
Bablu = 9/20 – 1/3 = (27 – 20)/60 = 7/60
Dilip = 6/20 – 1/3 = (18 – 20)/60 = -2/60
Hari = 5/60 – 1/3 = (15 – 20)/60 = - 5/60
Net effect = General Reserve – Profit and Loss (Dr) + Increase in Investment
80,000 – 20,000 + 30,000 = 90,000

Journal

Date	Particulars	LF	Amount(Dr)	Amount(Cr)
	Dilip's Current A/c Dr		3,000	
	Hari's Current A/c Dr		7,500	
	To Bablu's Current A/c			10,500
	(Being adjustment for change in PSR recorded)			

Q20)

Journal

Date	Particulars	LF	Amount(Dr)	Amount(Cr)
	Bank A/c Dr		33,00,000	
	To Bank Loan A/c			33,00,000
	(Being loan taken from SBI)			
	Debenture Suspense A/c Dr		35,00,000	
	To 8% Debenture A/c			35,00,000
	(Being 35,000; 8% debenture issued as collateral)			

Balance Sheet of Orchid Ltd

Particulars	Note.No.	Amount (Rs)
Equity and Liabilities		
Shareholders Fund		
Non-Current Liabilities		
Long term Borrowings	1	33,00,000

Notes to Accounts

Particulars	
1. Long term Borrowings	
Secured loan from State Bank of India	33,00,000
10,000; 8% Debenture of 100 each 35,00,000	
Less: Debenture Suspense (collateral security) 35,00,000	---------
	9,00,000

Journal

Date	Particulars	LF	Amount(Dr)	Amount(Cr)
	Bank A/c Dr		42,00,000	
	To Debenture Application & Allotment A/c			42,00,000

	(Being application money received on 40,000,8%			
	Debentures issued at 5% premium)			
	Debenture Application & Allotment A/c Dr		42,00,000	
	To 8% Debenture A/c			40,00,000
	To Securities Premium			2,00,000
	(Being 40,000; 8% debenture alloted at premium)			

Q21) (4)

Revaluation A/c

To Plant and Machinery	12,000	By Land and Building	22,000
To Profit transfer		By Inventory	8,000
Anukul capital a/c 6,600			
Nakul capital a/c 6,000			
Rakul capital a/c 5,400	18,000		
	30,000		30,000

Treatment of Goodwill

Anukul, Nakul and Rakul in 11:10:9

Anukul and Nakul 3:2

Gaining ratio = Anukul 3/5 – 11/30 = (18 – 11)/30 = 7/30

Nakul 2/5 – 10/30 = (12 – 10)/30 = 2/30

Goodwill of Rakul = 90,000 X 9/30 = 27,000 in 7:2 = 21,000 and 6,000

Capital Account

Particular	Anukul	Nakul	Rakul	Particular	Anukul	Nakul	Rakul
To R’s	21,000	6,000		By Bal	1,25,000	1,00,000	75,000
To Invest			50,000	By GR	33,000	30,000	27,000
				By Rev.	6,600	6,000	5,400
To R’s L			84,400	By A’s			21,000
To Bal	1,50,000	1,00,000		By N’s			6,000
To Cash		30,000		By Cash	6,400		
	1,71,000	1,36,000	1,34,400		1,71,000	1,36,000	1,34,400

Q22)

Balance Sheet of Martin & Nelson Ltd

As at ------

Particulars	Note.No.	Amount (Rs)
Equity and Liabilities		
Shareholders Fund		
Share Capital	1	55,20,000
Reserves and Surplus	2	7,80,000

Notes to Accounts

Particulars	
1. Share Capital	
Authorised Capital	
1,00,000 Shares of 100 each	1,00,00,000
Issued Capital	
80,000 Shares of 100 each	80,00,000

Subscribed Capital				
Subscribed and fully paid				
52,000 shares of 100 each			52,00,000	
Subscribed but not fully paid				
8,000 Shares of 100 each	8,00,000			
Less: calls in arrears (8,000 X 60)	4,80,000		3,20,000	**55,20,000**
Reservers and Surplus				
Securities Premium (52,000 X 15)				**7,80,000**

OR

Journal

Date	Particulars	LF	Amount(Dr)	Amount(Cr)
	Share Capital A/c Dr (8,000 X 100)		8,00,000	
	Securities Premium A/c Dr (8,000 X 15)		1,20,000	
	To Calls in arrears A/c			4,80,000
	To Share forfeiture A/c			4,40,000
	(Being 8,000 shares forfeited for non payment of			
	allotment money including premium)			
	Bank A/c Dr. (6,000 X 80)		4,80,000	
	Share forfeiture A/c Dr. (6,000 X 20)		1,20,000	
	To Share Capital A/c			6,00,000
	(Being 6,000 of the forfeited shares reissued)			
	Share forfeiture A/c Dr. (6,000 X 20)		2,10,000	
	To Capital Reserve A/c			2,10,000
	(Being profit on reissue transferred)			

Q23) **Admission of a Partner;**
NPSR = 8:9:3 SR = 2:1

Journal

Date	Particulars	LF	Amount(Dr)	Amount(Cr)
	Bank A/c Dr		28,000	
	Furniture A/c Dr		20,000	
	To Suresh's Capital A/c			36,000
	To Premium for Goodwill			12,000
	(Being assets and cash brought in as capital and			
	Premium for goodwill)			
	Premium for Goodwill A/c Dr		12,000	
	To Mahesh's Capital A/c			8,000
	To Ramesh's Capital A/c			4,000
	(Being premium for goodwill transferred)			
	Mahesh's Capital A/c Dr		8,000	
	Ramesh's Capital A/c Dr		4,000	

	To Bank A/c			12,000
	(Being premium for goodwill withdrawn)			
	Workmen Compensation Fund A/c Dr		60,000	
	Revaluation A/c Dr		1,250	
	To Claim for Workmen Compenastion			61,250
	(Being claim for workmen compensation adjusted			
	with fund and revaluation trasfer)			
	Building A/c Dr		31,250	
	To Revalutaion A/c			31,250
	(Being building under valued now corrected)			
	Revalutaion A/c Dr		9,250	
	To Plant and Machinery A/c			8,000
	To Claim for Workmen Compensation A/c			1,250
	(Being decresae in asset and increase in liability)			
	Revaluation A/c Dr		22,000	
	To Mahesh's Capital A/c			11,000
	To Ramesh's Capital A/c			11,000
	(Being profit on revaluation transferred)			

Capital Account (Working)

Particular	Mahesh	Ramesh	Particular	Mahesh	Ramesh
To Bank	8,000	4,000	By Bal	1,00,000	82,000
			By Rev.	11,000	11,000
To Bal	1,11,000	93,000	By Pof G	8,000	4,000
	1,19,000	97,000		1,19,000	97,000

Working

Combined capital of Mahesh and ramesh = 1,11,000 + 93,000 = 2,04,000 = 17/20

Full capital is 2,04,000 X 20/17 = 2,40,000

Capital of Suresh = 2,40,000 – 2,04,000 = 36,000

Balance Sheet of Mahesh, Rajesh and Suresh

As at 1st April 2025

Liabilities	Rs.	Assets	Rs.
Capital A/c		Building 1,25,000	
Mahesh 1,11,000		Add: Appreciation 31,250	1,56,250
Rajesh 93,000		Plant and Machinery 88,000	
Suresh 36,000	2,40,000	Less: Depreciation 8,000	80,000
		Furniture	20,000
		Inventory	17,000
Workmen Compensation Claim	61,250	Debtors	30,000
Creditors	38,000	Cash at Bank	
		(20,000 + 28,000 – 12,000)	36,000
	3,39,250		3,39,250

Q24)	a) Dissolution by agreement (Section 40) Cumpulsory Dissolution (Section 41); Dissolution by Contingency (Section 42) Dissolution by Notice (Section 43); Dissolution by Order of Court (Section 44)	(6)

b) Realisation A/c

Particulars	Rs.	Particulars	Rs.
To Sundry Assets		By Sundry Liabilities	
Non Current Assets 1,60,000		Creditors 70,000	
Current Assets 40,000	2,00,000	Other Current Liabilities 39,000	1,09,000
To Bank		By Bank A/c	
Creditors 63,000		Non Current Assets 1,20,000	
Other Current Liabilities 39,000	1,02,000	Current Assets 31,000	1,51,000
	38,000	By Loss transferred to	
		Partner's capital A/c	42,000
	3,02,000		3,02,000

Balance Sheet of as at ----

Liabilities	Rs.	Assets	Rs.
Capital A/c	1,11,000	Non Current Assets	**1,60,000**
		2,00,000 X 4/5	
Creditors (100/90 X 63,000)	**70,000**	Current Assets	**40,000**
Other Current Liabilities	39,000	Cash at Bank	20,000
	2,20,000		2,20,000

(4 X .25 = 1 for BS and 3 marks for Realisation A/c)

OR

Realisation A/c

Particulars	Amount	Particulars	Amount
To Sundry Assets		By Sundry Liabilities	
Land 3,25,000		Creditors 50,000	
Machinery 1,75,000		Bills Payable 18,000	
Office Equipment 60,000		Mrs.Pintoo Loan 50,000	
Furniture 30,000		Bank Loan 1,20,000	
Debtors 47,000		Provision for Bad Debts 2,000	
Inventory 38,000	6,75,000	Outstanding expenses 12,000	2,52,000
To Bank		By Bank A/c	
Creditors 49,000		Land & Machinery 5,51,000	
Bills Payable 17,640		Inventory 30,000	
Outstanding Exp 12,000	78,640	Debtors 38,000	6,19,000
To Betty Cap.(Bank loan)	1,29,600	By Cathy's Cap. (Office eqip.)	42,000
To Dorothy Cap. (Mrs.Pintoo)	54,000	By Loss transferred	
To Bank (Realisation Exp)	15,760	Betty 's Capital 20,000	
		Cathy's Capital 10,000	
		Dorothy Capital 10,000	40,000
	9,53,000		9,36,000

Capital Account

Particular	Betty	Cathy	Dorothy	Particular	Betty	Cathy	Dorothy
To Rea		42,000		By Bal	2,00,000	1,25,000	1,25,000
(Asset)				By Rea.	1,29,600	------	54,000
To Rea.	20,000	10,000	10,000	(loan)			
(loss)							
To Bank	3,09,600	73,000	1,69,000				
	3,29,600	1,25,000	1,79,000		3,29,600	1,25,000	1,79,000

Bank A/c

To Balance b/d	24,000	By Realisation (Liability paid)	78,640
To Cash A/c	3,000	By Realisation (Exp)	15,760
To Realisation (Assets realised)	6,19,000	By Betty's Capital A/c	3,09,600
		By Cathy's Capital A/c	73,000
		By Dorothy's Capital A/c	1,69,000
	6,46,000		6,46,000

4 marks for realisation 1 each for capital and bank a/c.

Q25) (6)

TJ Ltd.

Journal

Date	Particulars	LF	Amount(Dr)	Amount(Cr)
	Bank A/c Dr. (1,60,000 X 4)		6,40,000	
	To Share Application A/c			6,40,000
	(Being application money received)			
	Share Application A/c Dr.		6,40,000	
	To Share Capital A/c			6,40,000
	(Being application money transferred)			
	Share Allotment A/c Dr. (1,60,000 X 5)		8,00,000	
	To Share Capital A/c			4,80,000
	To Secutities Premium A/c			3,20,000
	(Being allotment money due including premium)			
	Bank A/c Dr.		7,60,000	
	Calls in arrears A/c Dr. (8,000 X 5)		40,000	
	To Share Allotment A/c			8,00,000
	(Being allotment money received on all but 8,000			
	shares including premium of Rs.2)			

(6)

	Share Capital A/c Dr (8,000 X 7)		56,000	
	Securities Premium A/c Dr (8,000 X 2)		16,000	
	To Calls in arrears A/c			40,000
	To Share forfeiture A/c			32,000
	(Being 8,000 shares forfeited for non payment of			
	allotment money including premium)			
	Share First and Final Call A/c Dr (1,52,000 X 3		4,56,000	
	To Share Capital A/c			4,56,000
	(Being call money due)			
	Bank A/c Dr.		4,35,000	
	Calls in arrears A/c Dr. (7,000 X 3)		21,000	
	To Share First and Final Call A/c			4,56,000
	(Being call money received on all but 7,000 shares			
	Share Capital A/c Dr (7,000 X 10)		70,000	
	To Calls in arrears A/c			21,000
	To Share forfeiture A/c			49,000
	(Being 7,000 shares forfeited for non payment of			
	first and final call)			

OR

	Application (2)	Allotment (4)	First Call (3)	Final Call (1)
Manish (5,000)	Paid	Paid	Paid	5,000
Anish (3,000)	Paid	Paid	9,000	3,000
Ashsis (1,000)	Paid	4,000	3,000	1,000
Total Calls in arrear		4,000	12,000	9,000

Prakash Ltd.

Journal

Date	Particulars	LF	Amount(Dr)	Amount(Cr)
	Bank A/c Dr. (75,000 X 3)		2,25,000	
	To Share Application A/c			2,25,000
	(Being application money received)			
	Share Application A/c Dr.		2,25,000	
	To Share Capital A/c			2,25,000
	(Being application money transferred)			
	Share Allotment A/c Dr. (75,000 X 4)		3,00,000	
	To Share Capital A/c			3,00,000
	(Being allotment money)			
	Bank A/c Dr.		2,96,000	
	Calls in arrears A/c Dr. (1,000 X 4)		4,000	
	To Share Allotment A/c			3,00,000
	(Being allotment money received on all but 1,000			

		shares)				
		Share First Call A/c Dr		1,50,000		
		To Share Capital A/c			1,50,000	
		(Being first call money due on 75,000 shares)				
		Bank A/c Dr.		1,38,000		
		Calls in arrears A/c Dr. (4,000 X 3)		12,000		
		To Share First A/c			1,50,000	
		(Being first call money received on all but 4,000				
		shares)				
		Share Final Call A/c Dr		75,000		
		To Share Capital A/c			75,000	
		(Being final call money due on 75,000 shares)				
		Bank A/c Dr.		66,000		
		Calls in arrears A/c Dr. (9,000 X 1)		9,000		
		To Share Final A/c			75,000	
		(Being final call money received on all but 9,000				
		Shares)				
	8 journal X .75 = 6 marks					

Q26) Journal (6)

Date	Particulars	LF	Amount(Dr)	Amount(Cr)
	Bank A/c Dr		5,58,000	
	To Debenture application and allotment A/c			5,58,000
	(Being application money received on 6,000			
	debenture at Rs.93 each)			
	Debenture application and allotment A/c Dr		5,58,000	
	Loss on issue of debenture A/c Dr		90,000	
	To 12% Debenture			6,00,000
	To Premium on redemption of debenture A/c			48,000
	(Being debenture issued at discount redeemable at			
	premium)			
	Bank A/c Dr		5,25,000	
	To Debenture application and allotment A/c			5,25,000
	(Being application money received on 5,000			
	debentures at 105 each)			
	Debenture application and allotment A/c Dr		5,25,000	
	Loss on issue of debenture A/c Dr		20,000	
	To 9 % Debenture			5,00,000
	To Securities Premium A/c			25,000
	To Premium on redemption of debenture A/c			20,000

	(Being debenture issued at premium redeemable at			
	premium)			

SECTION B (20 marks)

Q.No	Answer	Marks
Q27)	(D) (i-d),(ii-a);(iii-b);(iv-c) OR (B) Option i) and iii)	(1)
Q28)	(D) Only (R) is correct but (A) is not correct	(1)
Q29)	(B) Rs.1,40,000	(1)
Q30)	(A) Operating activity	(1)

Q31) (3)

Particulars	N.No	31st March 2025	% of 2025
Revenue Operation		15,00,000	100.00
Other income		90,000	6.00
TOTAL Revenue		15,90,000	106.00
Cost of materials		7,65,000	51.00
Change inventories		2,77,500	18.50
Employee expenses		3,07,500	20.50
TOTAL Expenses		13,50,000	90.00
Profit Before Tax		2,40,000	16.00
Tax (45%)		1,08,000	7.2
Profit after Tax		1,32,000	8.8

OR

Particulars	N.No	31st March 2025	31st March 2024	Absolute	Percentage
Revenue from Operation		18,20,000	13,00,000	5,20,000	40.00
TOTAL Revenue					
Cost of materials		4,61,500	3,25,000	1,36,500	42.00
Purchase of stock in trade		1,38,000	1,50,000	(12,000)	(8.00)
Employee benefit exp.		6,15,000	5,00,000	1,15,000	23.00
Finance Cost		1,17,000	90,000	27,000	30.00
Dep. and Amortization		75,000	80,000	(5,000)	(6.25)
TOTAL Expenses					

Q32) (3)

There are six activity ratios
i) Inventory Turnover Ratio = Cost of Revenue from Operations/ Average Inventory
ii) Trade Receivable Turnover Ratio = Net Credit Revenue from Operations/ Average Trade R.
iii) Trade Payable Turnover Ratio = Net Credit Purchase / Average Trade Payable
iv) Fixed Assets Turnover Ratio = Net Revenue from Operations/ Net Fixed Assets
v) Net Asset Turnover Ratio = Revenue from Operations/ Capital Employed
vi) Working Capital Turnover Ratio = Net Revenue from Operations/ Working Capital

Q33) (4)

i) Return on Investment = NPBITD/ Capital Employed
Capital Employed = Fixed Assets + Current Assets – Current Liabilities
80,00,000 + 40,00,000 - 25,00,000 = 95,00,000
Return on Investment = 15,00,000/ 95,00,000 X 100 = **15.79%**
ii) Total Assets to Debt Ratio = Total Assets/ Long Term Debt
1,20,00,000/ 90,00,000 = **1.33:1**

Q34) (6)

Net Profit before tax (Note 1) = Difference in reserve and surplus 50,000

Cash Flow Statement as per AS 3

Cash Flow from operating activities		
Net profit before tax (Note 1)	50,000	
Adjustment for non-cash/non-operating items		
Add: Depreciation of Plant & Machinery	15,000	
Depreciation of Motor Vehicle	35,000	
Amortisation of Goodwill	20,000	
Less: Appreciation of Land & Building	(30,000)	
Operating profit before working capital changes	**90,000**	
Add: Increasing in current liabilities/Decrease in current assets		
Sundry Debtors	15,000	
Creditors	15,000	
Less: Increase in current assets / Decrease in current liabilities		
Inventory	(20,000)	
Bills Payable	(5,000)	
Cash flow from operations	**95,000**	
Less: Income Tax	-------	
Net cash from operating activities		**95,000**
Cash Flow from investing activities		
Purchase of Plant and Machinery	(70,000)	
Sale of Motor Vehicle	90,000	
Purchase of Motor Vehicle	(1,25,000)	
Net cash used in investing activities		**(1,05,000)**

Depreciation on Plant and Machinery = Opening Balance + Purchase – Closing Balance

1,25,000 + 70,000 – 1,80,000 = 15,000

Motor Vehicle A/c

To Balance b/d	3,75,000	By Depreciation A/c	35,000
		By Bank A/c	90,000
To Bank (Purchase) Bal. fig.	1,25,000	By Profit & Loss A/c	25,000
		By Balance c/d	3,50,000
	5,00,000		5,00,000

OR

CASH FLOW STATEMENT

A. Cash Flow from operating activities		
Net profit before tax (2,00,000 – 1,10,000)	90,000	
Adjustment for non cash/non operating items		
Add: Depreciation of on tangible assests	1,00,000	
Loss on sale of furniture	15,000	
Operating profit before working capital changes	2,05,000	
Add: Increasing in current liabilities/ Decrease in current assets		
Trade Receivable	8,000	
Trade Payable	5,000	
Less: Increase in current assets/Decrease in current liabilities		
Inventory	(10,000)	
Net cash from operation activities		**2,08,000**

B. Cash flow from investing activities		
Purchase of Property, Plant and Equipment	(4,80,000)	
Sale of furniture	65,000	
Net cash used in investing activities		**(4,15,000)**
C. Cash flow from financing activities		
Proceeds from issue of shares	1,00,000	
Proceeds from long term borrowing	1,00,000	**2,00,000**
Net increase (decrease) in cash and cash equivalents (A +B + C)		**(7,000)**
Cash and cash equivalent at the beginning of the year		**35,000**
Cash and cash equivalent at the end of the year		**28,000**

Purchase of Property = (Closing balance + Depreciation+ Sale + Loss on sale – Opening balance)

(11,00,000 + 1,00,000 + 65,000 +15,000 - 8,00,000) = 4,80,000