BK BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS
SENIOR SECONDARY CO-ED DAY CUM BOYS' RESIDENTIAL SCHOOL

B K BIRLA CENTRE FOR EDUCATION (Sarala Birla Group of Schools)

INDIAN PUBLIC SCHOOLS' CONFERENCE

MID TERM EXAM (2024-25)

ACCOUNTANCY (055)

MARKING SCHEME

Class : **XII Commerce** Duration: **3 Hr**
Date :14/**September/2024** Max. Marks: **80**

1.	(B) It states the maximum number of partners	**(1)**
2.	(C) A is correct but R is incorrect.	**(1)**
3.	(B) Both A and R are correct, but R is not the correct explanation of A.	**(1)**
4.	(C) Abdul gains 7/35; Bimal sacrifice 2/35 and Chirag sacrifice 5/35	**(1)**
5.	(B) Abdul's Capital A/c Dr 14,000	**(1)**
6.	(C) Bimal 4,000; Chirag 10,000	**(1)**
7.	(B) Height of the company building OR (A) It's a tangible asset	**(1)**
8.	(A) 1,09,200	**(1)**
9.	(C) 16:9:5 OR (C) 5:3	**(1)**
10.	(C) Revaluation A/c Dr 20,000 To Machinery A/c 20,000	**(1)**
11.	(B) 6:7	**(1)**
12.	(B) 1,85,000 OR (B) Bret's capital A/c Dr 22,000 Crimson's capital A/c Dr 20,000 To Ana's capital A/c 42,000	**(1)**
13.	(A) 11:7	**(1)**
14.	(C) 70,000	**(1)**
15.	(B) options (ii) and (iii)	**(1)**
16.	(A) Bank A/c Dr 1,25,000 To Realisation A/c 1,25,000	**(1)**

17.	Calculation of effective capital Sure = 80,000 + 60,000 = 1,40,000 Unsure = 1,00,000 + 60,000 – 20,000 = 1,40,000 So Old PSR = 1:1 Sure gave 1/5 from his share and Unsure 1/5 of his share Sure = 1/2 – 1/5 = (5 – 2)/10 = 3/10 Unsure = 1/2 X 1/5 = 1/10 so left with 1/2 – 1/10 = (5 – 1)/10 = 4/10 New PSR = 3:4:3 Sacrificing ratio = Safe = 1/2 - 3/10 = (5 – 3)/10 = 2/10 Unsafe = 1/2 – 4/10 = (5 – 4)/10 = 1/10 So SR = 2:1 Goodwill of the firm is 1,20,000 Very Sure's share of goodwill is 1,20,000 X 3/10 = 36,000 Journal	**(3)**

Date	Particulars	LF	Amount(Dr)	Amount(Cr)
1-4-24	Bank A/c Dr		1,80,000	
	To Very Sure's Capital A/c			1,44,000
	To Premium for goodwill A/c			36,000
	(Being capital and premium for goodwill			
	brought in by new partner)			
	Premium for goodwill A/c Dr		36,000	
	To Sure's Capital A/c			24,000
	To Unsure's Capital A/c			12,000
	(Being premium for goodwill transferred)			

1/2 mark each for OPSR, NPSR and SR and 1/2 mark for share of goodwill and 1 mark for journals (2 + 1)

OR

Pramod : Rushil : Sivani PSR of 11:10:9
Wasim comes in for 1/10th share takes in ratio of 3:2:1 from the OLD partners
1/10 X 3/6 = 3/60 from Pramod , Pramod is left with 11/30 – 3/60 = (22 – 3)/60 = 19/60
1/10 X 2/6 = 2/60 from Russhil , Russhil is left with 10/30 – 2/60 = (20 – 2)/60 = 18/60
1/10 X 1/6 = 1/60 from Sivani, Sivani is left with 9/30 – 1/60 = (18 – 1)/60 = 17/60
New Profit Sharing ratio = 19: 18 : 17 : 6
Goodwill of the firm = 1,50,000 so Wasim's goodwill = 1,50,000 X 1/10 = 15,000
1 mark for calculation of NPSR, 1/2 mark for share of goodwill and 1.5 marks for both the journals (1 + .5 + 1.5)

Journal

Date	Particulars	LF	Amount(Dr)	Amount(Cr)
1-4-24	Machinery A/c Dr		1,80,000	
	To Wasim's Capital A/c			1,44,000
	(Being asset brought in as capital by the			36,000
	new partner)			
	Wasim's current A/c Dr		15,000	
	To Pramod's Capital A/c			7,500
	To Rushil's Capital A/c			5,000
	To Sivani's Capital A/c			2,500
	(Being premium for goodwill not brought			
	in adjusted in current and capital a/c's)			

18.	As no information of new PSR is given the gaining ratio is also equal Goodwill of the firm is = 2,10,000 Goodwill of Mir = 2,10,000/3 = 70,000 So Mir's share equally among Akbar and Birbal = 35,000 each	**(3)**

Date	Particulars	lf	Amount(Dr)	Amount(Cr)
	General Reserve A/c Dr		90,000	
	To Akbar's capital A/c			30,000
	To Birbal's capital A/c			30,000
	To Mir's capital A/c			30,000
	(Being general reserve distributed among all partners)			
	Akbar's capital A/c Dr		20,000	
	Birbal's capital A/c Dr		20,000	
	Mir's capital A/c Dr		20,000	
	To Goodwill A/c			60,000
	(Being goodwill appearing in books adjusted)			
	Akbar's capital A/c Dr		35,000	
	Birbal's capital A/c Dr		35,000	
	To Mir's capital A/c			70,000
	(Being retiring partners share adjusted among gaining partners)			

1 mark each for the three journal entries. (1+1+1)

19. (3)

Sujit's Loan A/c

Date	Particulars	Amount	Date	Particulars	Amount
31/3/22	To Bank a/c	40,800	1/4/21	By Sujit's Capital a/c	90,000
	To Balance c/d	60,000	31/3/22	By interest a/c	10,800
		1,00,800			1,00,800
31/3/23	To Bank a/c	37,200	1/4/22	By Balance b/d	60,000
	To Balance c/d	30,000	31/3/23	By interest a/c	7,200
		67,200			67,200
31/3/24	To Bank a/c	33,600	1/4/23	By Balance b/d	30,000
			31/3/24	By interest a/c	3,600
		33,600			33,600

20. (3)

Goodwill = Capitalised value of the firm – Capital employed
Capitalised value of the firm = Average profit X 100/NRR
Average profit = (68,000, 56,000, 48,000 and (12,000)) / 4 = 1,60,000/4 = 40,000
Capitalised value of the firm = 40,000 X 100/ 10 = 4,00,000
Capital employed = Capital + Current A/c – Liabilities
(2,25,000 + 1,75,000 – 14,000 –16,000 – 50,000) = 3,20,000
Goodwill = 4,00,000 – 3,20,000 = **80,000**

21. (4)

Date	Particulars	L	Amount (Dr)	Amount (Cr)
a)	Realisation A/c Dr		5,000	
	Avni's A/c Dr		10,000	
	To Bank A/c			15,000
	(Being dissolution expenses paid by firm, firm Share debited to realisation a/c and rest to capital)			
	Anita's Capital A/c Dr		2,00,000	
	To Realisation A/c			2,00,000
	(Being unrecorded asset taken by a partner)			
	Realisation A/c Dr		9,000	
	To Bank A/c			9,000
	(Being liability of dishonoured bill met by firm)			
	Bank A/c Dr		2,500	
	To Realisation A/c			2,500
	(Being amount realised from unrecorded assets after payment of outstanding repairs bill met)			

22.	Jenifer, Karim and Manju = 12:7:6 changed to 5:3:2 Old ratio = 12/25 7/25 6/25 New ratio = 5/10 3/10 2/10 Sacrifice / Gain = (24 – 25)/50 (14 – 15)/50 (12- 10)/35 -1/50 (Gain) -1/50 (Gain) 2/50 (Sacrifice) Calculation of Net effect Land and Building 80,000 Plant and Equipment (25,000) Investment 50,000 Creditors (10,000) General Reserve 80,000 Profit and Loss A/c (Cr) 40,000 = (2,50,000 – 35,000) = 2,15,000 2,15,000 X 1/50 = 4,300 gain by Jenifer and Karim and 8,600 sacrifice by Manju	**(4)**

Journal

Date	Particulars	LF	Amount (Dr	Amount (Cr
	Jenifer's Capital A/c Dr		4,300	
	Karim's Capital A/c Dr		4,300	
	To Manju's Capital A/c			8,600
	(Being adjustment made for the net effect through			
	capital a/c of gaining and sacrificing partners)			

1 mark to calculate gaining/sacrificing ratio, 1 mark for calculation of net effect and 2 marks for journal (1+1+2)

23. **(6)**

Profit and Loss Appropriation A/c

Particulars	Amount	Particulars	Amount
To Interest on Capital		By Profit and Loss A/c	3,54,380
Ajay' 22,500		(3,57,380 – 3,000)	
Vijay 18,000		By interest on drawings	
Sunjay's 13,500	54,000	Anupriya 540	
To General reserve	96,000	Priya 540	
To Share of profit transferred		Supriya 540	1,620
Ajay's A/c/c 78,000			
Vijay 78,000			
Sunjay A/c 50,000	2,06,000		
	3,56,000		3,56,000

Calculation of profit distribution 2,06,000 first 1,40,000 in 2:2:1 = 56,000 56,0000 28,000
Rest (2,06,000 – 1,40,000) 66,000 in 1:1:1 = 22,000 22,000 22,000

Current A/c

Particulars	Ajay	Vijay	Sunjay	Particulars	Ajay	Vijay	Sunjay
To Bank			1,50,000	By Bal b/d	3,00,000	3,00,000	3,00,000
To Drawings	12,000	12,000	12,000	By Bank	1,50,000		
To IOD	540	540	540	By IOC	22,500	18,000	13,500
To Balance cd	5,38,460	3,83,460	2,00,960	By P/L app	78,000	78,000	50,000
	5,51,000	3,96,000	3,63,500		5,51,000	3,96,000	3,63,500
				By Balance	5,38,460	3,83,460	2,00,960

3 marks for Profit and Loss Appropriation A/c 1 mark for correct calculation of profit and 2 marks for Current A/c (3+ 1+ 2)

Capital as on 1st April 2023 3,00,000 3,00,000 3,00,000
On 1st October 2023 in (3:2:1) 4,50,000 3,00,000 1,50,000

24.	Punit and Navneet PSR of 5:3. Manjeet comes in NPSR = 4:3:1	(6)

Punit and Navneet PSR of 5:3. Manjeet comes in NPSR = 4:3:1
He brings 1,00,000 as his capital for $1/8^{th}$ share.
Full capital of the firm = 1,00,000 X 8 = 8,00,000
New Capital of partners as per new ratio = 4,00,000 ; 3,00,000 and 1,00,000

Revaluation A/c (working)

Particulars	Amount	Particulars	Amount
To other fixed assets	40,000	By Land	70,000
To Debtors	6,000	By Creditors	8,000
To Profit transfer			
Punit's Capital 20,000			
Navneet's Capital 12,000	32,000		
	71,800		78,000

Capital A/c

Particulars	Punit	Navneet	Manjeet	Particulars	Punit	Navneet	Manjeet
				By Bal bd.	3,00,000	2,00,000	
				By WCR	75,000	45,000	
				By Reval	20,000	12,000	
To Bal c/d	3,95,000	2,57,000	1,00,000	By Bank			1,00,000
	3,95,000	**2,57,000**	**1,00,000**		**3,95,000**	**2,57,000**	**1,00,000**
				By Bal bd.	3,95,000	2,57,000	1,00,000
To Bal c/d	4,00,000	3,00,000	1,00,000				
				ByCurrent	5,000	43,000	
	4,00,000	3,00,000	1,00,000		4,00,000	3,00,000	1,00,000

Balance Sheet as at 1st April 2024

Liabilities	Amount	Assets	Amount
Capital A/c		Land 4,00,000	
Punit 4,00,000		Add: Appreciation 70,000	4,70,000
Navneet 3,00,000		Other Fixed Assets 2,00,000	
Manjeet 1,00,000	8,00,000	Less: Depreciation 40,000	1,60,000
		Debtors 80,000	
		Less PDD 6,000	74,000
Creditors 80,000		Cash at bank (20,000 +1,00,000)	1,20,000
Less: Discount all. 8,000	72,000	Punit's current A/c	5,000
		Navneet's current A/c	43,000
	8,72,000		8,72,000

OR

Jack and Punit give 1/2 of their shares to Suresh So new PSR
Jack and Punit 1/2 X 1/2 = 1/4 so 1/4 is left for both NPSR = 1:1:2 SR = 1:1
Goodwill of the firm 1,20,000 So Suresh's share of goodwill is 60,000

Journal

Date	Particulars	L	Amount(Dr)	Amount(Cr
	Bank A/c Dr		3,20,000	
	To Premium for Goodwill A/c			60,000
	To Suresh's capital A/c			2,60,000
	(Being capital and premium for goodwill brought in)			
	Premium for Goodwill A/c Dr		60,000	
	To Jack's capital A/c			30,000
	Tp Punit's capital A/c			30,000
	(Being premium for goodwill transferred)			
	General Reserve A/c Dr		1,20,000	
	To Jack's capital A/c			60,000
	To Punit's capital A/c			60,000
	(Being general reserve transferred to capital A/c)			

	Revaluation A/c Dr		1,00,000	
	To Fixed Assets			1,00,000
	(Being fixed asset depreciated)			
	Stock A/c Dr		25,000	
	To Revaluation A/c			25,000
	(Being value of stock increased)			
	Revaluation A/c Dr		5,000	
	To Liability for outstanding expenses			5,000
	Jack's capital A/c		40,000	
	Punit's capital A/c		40,000	
	To Revaluation A/c			80,000
	(Being loss on revaluation transferred to capital a/c)			

Balance Sheet as at 1st April 2024

Liabilities	Amount	Assets	Amount
Capital		Fixed assets 5,00,000	
Jack 3,30,000		Less Depreciation 1,00,000	4,00,000
Punit 2,70,000	8,60,000	Stock 1,00,000	
Suresh 2,60,000		Add Increase 25,000	1,25,000
		Debtors	30,000
Creditors	30,000	Cash at bank	
Outstanding Expenses	5,000	(20,000 + 3,20,000)	3,40,000
	8,95,000		8,95,000

Calculation of capital balance
Jack 2,80,000 + 30,000 + 60,000 – 40,000 = 3,30,000
Punit 2,20,000 + 30,000 + 60,000 – 40,000 = 2,70,000
.5 marks for calculation of share of goodwill and each journal (.5X8 = 4) + 2 for Balance Sheet

25. In the books of Alpana, Bindu and Ceema **(6)**

Journal

Date	Particulars	L	Amount(Dr)	Amount(Cr
	Bindu's capital A/c Dr		12,000	
	Ceemas capital A/c Dr		12,000	
	To Alpana's capital A/c			24,000
	(Being dead partner's share of goodwill adjusted)			
	Investment Fluctuation Reserve A/c Dr		20,000	
	To Investment A/c			10,000
	To Alpana's Capital A/c			4,000
	To Bindu's Capital A/c			3,000
	To Ceema's Capital A/c			3,000
	(Being profit till date of death transferred to capital a/c			
	Profit and Loss Suspense A/c Dr		10,000	
	To Alpana's Capital A/c			10,000
	(Being proportionate profit transferred))			

Proportionate profit = 60,000 X 4/10 X 5/12 = 10,000 (Died on 1st Sept so 5 months)

Revaluation A/c

To Plant and Machinery A/c	30,000	By Loss transferred	
		Alpana's capital A/c 12,000	
		Bindu's Capital A/c 9,000	
		Ceema's Capital A/c 9,000	30,000
	30,000		30,000

Capital A/c

Particulars	Alpana	Bindu	Ceema	Particulars	Alpana	Bindu	Ceema
To Rev loss	12,000	9,000	9,000	By Bal	1,40,000	1,00,000	80,000
To A's cap		12,000	12,000	By IFR	4,000	3,000	3,000
				By P/L a/c	24,000	18,000	18,000
To A's Exector loan	1,90,000			By Bindu' Cap	12,000		
To Balance c/d		1,00,000	80,000	By Ceeema Cap	12,000		
				By P/L suspens	10,000		
	2,02,000	1,21,000	1,01,000		2,02,000	1,21,000	1,01,000
				By Balance b/d		1,00,000	80,000

Balance Sheet of Bindu and Ceema

Capital A/c		Plant and Machinery 1,80,000	
Bindu 1,00,000		Less: Depreciation 30,000	1,50,000
Ceema 80,000	1,80,000	Investment	1,90,000
		Stock	50,000
Alpana's Executor's Loan A/c	1,90,000	Bank	10,000
Creditors	40,000	P/L suspense A/c	10,000
	4,10,000		4,10,000

26. Realisation A/c **(6)**

Particulars	Amount	Particulars	Amount
To Sundry Assets		By Sundry liabilities	
Land and Building 2,80,000		Provision for DD 5,000	
Investment 2,00,000		Loan from Bank 1,00,000	
Stock 1,20,000		Creditors 1,25,000	2,30,000
Debtors 45,000	6,45,000	By Xavier's capital	
To Bank		Investment 1,44,000	
Bank Loan 1,12,000	2,37,000	Stock 66,000	2,10,000
Creditors 1,25,000		By Yami's capital (Investment)	96,000
To Yami's capital (Expenses)	18,000	By Bank	
		Land and Building 3,30,000	
To Profit transferred		Stock 48,000	4,14,000
Xavier's Capital 30,000		Debtors 36,000	
Yami's Capital 20,000	50,000		
	9,50,000		9,50,000

Capital A/c

Particulars	Xavier	Yami	Particulars	Xavier	Yami
To Realisation (Asset	2,10,000	96,000	By Balance b/d	2,00,000	1,75,000
			By General R	30,000	20,000
			By Realisation		18,000
To Bank	50,000	1,37,000	By Realisation (pro)	30,000	20,000
	2,60,000	1,85,000		2,60,000	2,33,000

4 marks for realisation and 2 marks for capital A/c (4 +2)

PART B
(Analysis of Financial Statements)

27 (D) (ii) and (iii) **(1)**

28 (C) Options iii) and iv) **(1)**

OR

(D) Interest received in investing and interest paid in financing activities..

29 (A) Shareholders' Fund **(1)**

30 (D) A is incorrect but R is correct. **(1)**

31 Find the missing figures **(3)**

Comparative Statement of Profit and Loss for the years ended 31st March 2023 and 2022

Particulars	NN	31/3/23	31/3/22	Absolute	% Change
Revenue from Operations		8,00,000	5,00,000	**3,00,000**	**60.00**
Purchase of stock in trade		6,00,000	**3,00,000**	3,00,000	100.00
Change in stock in trade		60,000	**40,000**	20,000	**50.00**
Other Expenses		**30,000**	25,000	5,000	20.00
Total Expenses		**6,90,000**	3,65,000	**3,25,000**	89.04
Profit Before Tax		2,10,000	**1,35,000**	**75,000**	55.56

OR

Particulars	Main Heading	Sub Heading
Prepaid insurance	Current Assets	**Other current Assets**
Unpaid Dividend	**Current Liabilities**	**Other current Liabilities**
Loose tools	**Current Asset**	Other current Asset
15% Debenture	Non- Current Liabilities	**Long term borrowing**
General Reserve	Shareholders' Fund	**Reserves and Surplus**

32 Trade receivable turnover ratio = $\frac{\text{Credit revenue from operations}}{\text{Average trade receivables}} = \frac{12,00,000}{2,40,000}$ = 5 times **(3)**

Credit revenue from operation = 80% of 15,00,000 = 12,00,000

Trade payable turnover ratio = $\frac{\text{Net Credit purchase}}{\text{Average trade payable}} = \frac{7,56,000}{1,26,000}$ = 6 times

Credit purchase = 90% of 8,40,000 = 7,56,000

33. Gross Profit Ratio = (Gross Profit/Revenue from operation) X 100

Gross Profit = Revenue from operation – Cost of Revenue from operation

10,00,000 – (1,20,000 + 6,00,000 + 40,000 – 60,000) = 3,00,000

Gross Profit Ratio = (3,00,000/10,00,000) X 100 = 30%

Operating Ratio = (COGS + Operating Expenses/ Revenue from operation) X100

(7,00,000 + 50,000)/10,00,000 X 100 = 75%

Operating Profit ratio = 1 – 75% = 25%

OR

i) Opening and Closing inventory

Average inventory is 2,50,000 and closing inventory is three times the opening inventory

2,50,000 X 2 = x + 3x = 4x = 5,00,000

X is opening inventory = 5,00,000/4 = 1,25,000

So closing inventory = 3,75,000

ii) ITR = $\frac{\text{Cost of revenue from operation}}{\text{Average Inventory}} = \frac{\text{Revenue for operation – Gross profit}}{\text{Average Inventory}}$

10,00,000 – 2,50,000 = 7,50,000

= 7,50,000/ 2,50,000 = 3 times

ii) Cost of revenue from operation = Opening inventory + Purchase – Closing inventory

7,50,000 = 1,25,000 + Purchase – 3,75,000

Purchase = 10,00,000
Credit purchase = 8,00,000
iv) Trade payable turnover ratio = $\frac{\text{Net Credit purchase}}{\text{Average Trade payable}}$ = 8,00,000/ 1,00,000 = 8 times
Average Trade Payable = (Opening Trade Payable + Closing Trade Payable)/2
= (80,000 + 1,20,000)/2 = 1,00,000

.5 each to calculate opening , closing inventory, credit purchase and average trade payable and 1 mark each to calculate Inventory and Trade payable turnover ratios. (2 + 2)

34.

Cash Flow from Operating Activities

Net profit before tax (Note 1)		70,000
Adjustment for non-cash/non- operating items		
Add: Depreciation on machinery	15,000	
Depreciation on office equipment	25,000	
Amortization of goodwill	5,000	
Less: Profit on sale of Land	(50,000)	(5,000)
Operating profit before working capital changes		65,000
Add: Decrease in current assets/Increase in current liabilities		
Debtors	8,000	
Creditors	8,000	
Less: Increase in current assets/Decrease in current liabilities		
Inventories	(10,000)	6,000
Net Cash flow from operations		**71,000**

Note 1: Net profit before tax
Profit for the year (1,50,000 – 1,00,000) 50,000
Add: Transfer to General Reserve 20,000

1 mark to calculate correct net profit before tax. 2 marks each for calculation of Operating profit and Cash flow from operations and .5 each for Tax paid and Net cash (1+ 4 + 1)

OR

Plant and Machinery

Particulars	Amount	Particulars	Amount
To Balance b/d	5,00,000	By Depreciation	45,000
		By Loss on sale	15,000
		By Bank (Sale) Bal.	**60,000**
		By Balance c/d	3,80,000
	5,00,000		5,00,000

Furniture

Particulars	Amount	Particulars	Amount
To Balance b/d	60,000	By Depreciation	15,000
		By Loss on sale	5,000
To Bank (Purchase) Bal	**60,000**	By Bank (Sale)	25,000
		By Balance c/d	75,000
	5,00,000		1,20,000

Motor Vehicle

Particulars	Amount	Particulars	Amount
To Balance b/d	8,80,000	By Depreciation	80,000
		By Loss on sale	45,000
		By Bank (Sale). Bal.	**2,55,000**
		By Balance c/d	5,00,000
	5,00,000		1,20,000

Dividend on Equity shares = 5,00,000 X 6/100 = 30,000 + 3,00,000 X 6/100 X 1/2 = 9,000 = **39,000**
Interest on Debentures = 4,00,000 X 15/100 X 1/2 = 30,000 + 2,50,000 X 15/100 X 1/2 = 18,750 = **48,750**

Cash Flow Statement

Cash Flow from investing activities		
Sale of Plant and Machinery	60,000	
Sale of Furniture	25,000	
Purchase of Furniture	(60,000)	
Sale of Motor Vehicle	2,55,000	
Net cash flow from investing activities		2,80,000
Cash Flow from financing activities		
Proceeds from issue of equity shares	3,00,000	
Redemption of preference shares	(1,00,000)	
Redemption of debentures	(1,50,000)	
Interest paid on debentures	(48,750)	
Dividend paid on Equity shares	(39,000)	
Net cash used in financing activities		(37,750)

.5 each for calculation of required figures (7 X .5) + 1 mark each for result of investing and financing activities. .5 for format (3.5 + 2 + .5)