

Marking Scheme
PRACTICE PAPER-1
CLASS-XII
ACCOUNTANCY
(2020-2021)

Q.N O.	Part- A (Accounting for Not for Profit organizations, Partnership firms and Companies)	MARKS																																												
1.	d	1																																												
2.	b	1																																												
3.	Rs.5	1																																												
4.	c	1																																												
5.	b	1																																												
6.	Rs. 8	1																																												
7.	Rs. 12,000	1																																												
8.	d	1																																												
9.	b	1																																												
10.	d	1																																												
11.	c	1																																												
12.	c	1																																												
13.	a	1																																												
14.	<p style="text-align: center;">Calculation of amount of sports material to be transferred to Income and Exp. A/C</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Payment made to creditors of Sports material During the current year (as per the receipts and payments account)</td> <td style="width: 10%; text-align: right;">₹</td> <td style="width: 10%; text-align: right;">10,000</td> </tr> <tr> <td>Add: advance paid to creditors at the beginning of current year</td> <td></td> <td style="text-align: right;">1,000</td> </tr> <tr> <td style="padding-left: 20px;">Add: creditors at the end of the current year</td> <td></td> <td style="text-align: right;">2,500</td> </tr> <tr> <td>Less: advance paid to creditors at the end of the current year</td> <td></td> <td style="text-align: right;">5,000</td> </tr> <tr> <td style="padding-left: 20px;">Less: creditors at the end of the previous year</td> <td></td> <td style="text-align: right;">3,500</td> </tr> <tr> <td>Credit Purchase of Sports material during the year</td> <td></td> <td style="text-align: right;">5,000</td> </tr> <tr> <td style="padding-left: 20px;">Add: Cash purchases of sports material</td> <td></td> <td style="text-align: right;">4,000</td> </tr> <tr> <td style="padding-left: 20px;">Total purchases of Sports material</td> <td></td> <td style="text-align: right;">9,000</td> </tr> <tr> <td style="padding-left: 20px;">Less: Book value of Sports material sold</td> <td></td> <td style="text-align: right;">2,000</td> </tr> <tr> <td style="padding-left: 20px;">Add: opening stock of sports material</td> <td></td> <td style="text-align: right;">6,000</td> </tr> <tr> <td style="padding-left: 20px;">Less: closing stock of sports material</td> <td></td> <td style="text-align: right;">5,500</td> </tr> <tr> <td style="text-align: right;">Amount of consumable items consumed during the year</td> <td></td> <td style="text-align: right;">7,500</td> </tr> </table> <p style="text-align: center;">Note: Answer can be finding by any other correct method also.</p> <p style="text-align: center;">OR</p> <p style="text-align: center;">Subscription Account</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;">Dr.</td> <td style="width: 50%; vertical-align: top;">Cr.</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Particulars</td> <td style="border-bottom: 1px solid black;">Particulars</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Balance b/d</td> <td style="border-bottom: 1px solid black;">Balance b/d</td> </tr> <tr> <td style="text-align: right;">₹ 35,000</td> <td style="text-align: right;">₹ 20,000</td> </tr> </table>	Payment made to creditors of Sports material During the current year (as per the receipts and payments account)	₹	10,000	Add: advance paid to creditors at the beginning of current year		1,000	Add: creditors at the end of the current year		2,500	Less: advance paid to creditors at the end of the current year		5,000	Less: creditors at the end of the previous year		3,500	Credit Purchase of Sports material during the year		5,000	Add: Cash purchases of sports material		4,000	Total purchases of Sports material		9,000	Less: Book value of Sports material sold		2,000	Add: opening stock of sports material		6,000	Less: closing stock of sports material		5,500	Amount of consumable items consumed during the year		7,500	Dr.	Cr.	Particulars	Particulars	Balance b/d	Balance b/d	₹ 35,000	₹ 20,000	3
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	(arrears in beg.) Income and Expenditure A/c Balance c/d (advance at the end)	3,70,000 40,000	(advance in beg.) Receipts and Payments A/c Income and Expenditure A/c Balance c/d (arrears at the end)	3,60,000 5,000 60,000		
		4,45,000		4,45,000		
15.	JOURNAL					4
	Date	Particulars	Dr. ₹	Cr. ₹		
	i	Ankit's Capital A/c Dr. Bank/Cash A/c Dr. To Realisation A/c (being stock taken over by Ankit and remaining sold)	32,000 52,000	84,000		
	ii	Realisation A/c Dr. To Bank/Cash (being payment made to creditors)	69,000	69,000		
	iii	Realisation A/c Dr. To Bank/Cash (being loan settled with interest)	22,000	22,000		
	iv.	Kartik's loan A/c Dr. Realisation A/c Dr. To Bank/Cash (being Kartik's loan settled)	12,000 500	12,500		
16.	JOURNAL					4
	Date	Particulars	Dr. ₹	Cr. ₹		
	i	Radhika's Capital A/c Dr. Bani's Capital A/c Dr. Chaitra's Capital A/c Dr. To Profit and Loss A/c (being loss transferred)	8,000 12,000 4,000	24,000		
	ii	General Reserve A/c Dr. To Radhika's Capital A/c To Bani's Capital A/c To Chaitra's Capital A/c (being GR distributed)	1,44,000	48,000 72,000 24,000		
	iii	Radhika's Capital A/c Dr.	30,000			

		To Bani's Capital A/c (being adjustment made for goodwill)		30,000	
iv	Land A/c	Dr.	1,80,000	1,80,000	
		To Revaluation (being Land revalued)			
v	Revaluation A/c	Dr.	1,80,000		
		To Radhika's Capital A/c		60,000	
		To Bani's Capital A/c		90,000	
		To Chaitra's Capital A/c		30,000	
		(being revaluation gain adjusted)			

OR			
Profit and Loss Appropriation Account			
Dr.		Cr.	
Particulars	₹	Particulars	₹
To Salary		By Net Profit	15,00,00
Jay's capital A/c 1,80,000		By jay's Capital A/c	0
Vijay's capital A/c 1,80,000	3,60,000	(2,00,000-1,75,000)	25,000
To Profit Trans. To:			
Jay's capital A/c 4,66,000			
-guarantee to Karan (1,60,200)	3,05,800		
Vijay's Capital A/c 4,66,000			
-guarantee to Karan (1,06,800)	3,59,200		
Karan's Capital A/c 2,33,000			
Add guarantee 2,67,000	5,00,000		
	15,25,00		15,25,00
	0		0

17.	Balance Sheet (Extract) As at 1 st April, 2020		4
	Particulars	Note No.	₹
	I. EQUITIES AND LIABILITIES		
	1. Shareholders' Fund		
	Share Capital	1	6,67,000
	Reserves and Surplus	2	6,000
	Notes to Accounts		
	Particulars		₹
	1. Share Capital		
	Authorised Share Capital		
	1,00,000 Equity Share Capital of ₹10 each		10,00,000
	Issued Share Capital		
	90,000 Equity Share Capital of ₹10 each		9,00,000

			By Profit on Sale of old Furniture	600	
		90,600		90,600	
20	JOURNAL				3+3
	Date	Particulars	Dr. ₹	Cr. ₹	
	July 01	Bank A/c Dr. To Debenture application and allotment A/c (being app. Money rec.)	45,50,000	45,50,000	
	July 01	Debentures application and allotment A/c Dr. Loss on issue of Debentures A/c Dr. To 8% Debentures A/c . To Premium on redemption of Debentures A/c (being deb. Money adjusted)	45,50,000 8,00,000	50,00,000 3,50,000	
	July 01	Securities premium reserves A/c Dr. Statement of Profit and Loss A/c Dr. To Loss on issue of Debentures A/c (being Loss written off)	5,00,000 3,00,000	8,00,000	
	JOURNAL				
	Date	Particulars	Dr. ₹	Cr. ₹	
		Building A/c Dr. Plant and Machinery A/c Dr. Furniture A/c Dr. Goodwill A/c Dr. To Liabilities To XYZ Co. (being business taken over)	1,50,000 1,40,000 10,000 35,000	20,000 3,15,000	
		XYZ Co. Dr. To 12% Debentures A/c . To securities premium reserve A/c (being 3,000 deb. issued)	3,15,000	3,00,000 15,000	
21.	JOURNAL				8
	Date	Particulars	Dr. ₹	Cr. ₹	
		Bank A/c Dr. To Share application A/c (being app. Money rec.)	80,000	80,000	
		Share application A/c Dr. To Share Capital A/c To Share Allotment A/c . To Bank A/c (being app. Money adjusted)	80,000	60,000 12,000 8,000	
		Share Allotment A/c Dr. To Share Capital A/c	1,50,000	90,000	

	To Securities Premium Reserve A/c (being allot. due)		60,000	
	Bank A/c To Share allotment A/c (being allot. Money rec.)	Dr.	1,21,440	1,21,440
	Share first call A/c To Share Capital A/c (being call due)	Dr.	60,000	60,000
	Bank A/c To Share first call A/c (being call Money rec.)	Dr.	48,800	48,800
	Share final call A/c To Share Capital A/c (being call due)	Dr.	90,000	90,000
	Bank A/c To Share final call A/c (being call money rec.)	Dr.	73,200	73,200
	Share Capital A/c Securities Premium Reserve A/c To Share Allotment A/c To Share first call A/c To Share final call A/c To Share Forfeited A/c (being 560 shares forfeited)	Dr. Dr.	56,000 7,200	16,560 11,200 16,800 18,640
	Bank A/c Share forfeited A/c To Share Capital A/c (being shares reissued)	Dr. Dr.	44,800 11,200	56,000
	Share forfeited A/c To Capital Reserve A/c (being profit on reissue trans..)	Dr.	7,440	7,440

OR
JOURNAL

Date	Particulars	Dr. ₹	Cr. ₹
	Bank A/c To Share application A/c (being app. Money rec.)	Dr. 1,35,000	1,35,000
	Share application A/c To Share Capital A/c To Securities Premium Reserve A/c To Share Allotment A/c To Bank A/c (being app. Money adjusted)	Dr. 1,35,000	60,000 30,000 18,000 27,000
	Share Allotment A/c To Share Capital A/c	Dr. 1,20,000	90,000

	To Securities Premium Reserve A/c (being allot. due)		30,000	
	Bank A/c Dr. To Share allotment A/c (being allot. Money rec.)	1,00,300	1,00,300	
	Share Capital A/c Dr. Securities Premium Reserve A/c Dr. To Share Allotment A/c To Share Forfeited A/c (being shares forfeited)	2,500 500	1,700 1,300	
	Share first call A/c Dr. To Share Capital A/c To Securities premium reserve (being call due)	1,18,000	88,500 29,500	
	Bank A/c Dr. To Share first call A/c (being call Money rec.)	1,15,000	1,15,000	
	Share Capital A/c Dr. Securities Premium Reserve A/c Dr. To Share first call A/c To Share Forfeited A/c (being shares forfeited)	6,000 750	3,000 3,750	
	Bank A/c Dr. Share forfeited A/c Dr. To Share Capital A/c (being shares reissued)	4,000 1,000	5,000	
	Share forfeited A/c Dr. To Capital Reserve A/c (being profit on reissue trans..)	300	300	
	Share final call A/c Dr. To Share Capital A/c To Securities premium reserve (being call due)	86,250	57,500 28,750	
	Bank A/c Dr. To Share final call A/c (being call money rec.)	83,250	83,250	
	Share Capital A/c Dr. Securities Premium Reserve A/c Dr. To Share final call A/c To Share Forfeited A/c (being shares forfeited)	10,000 1,000	3,000 8,000	
	Bank A/c Dr. To Share Capital A/c To Securities Premium Reserve A/c (being shares reissued)	18,000	15,000 3,000	

		Share forfeited A/c To Capital Reserve A/c (being profit on reissue trans.)	Dr.	10,500	10,500		
22.	JOURNAL						8
	Date	Particulars		Dr. ₹	Cr. ₹		
		Cash A/c To B's Capital A/c To Premium for Goodwill (being amount brought by B)	Dr.	41,000	30,000 11,000		
		Premium for Goodwill A/c To W's Capital A/c To R's Capital A/c (being premium Money adjusted)	Dr.	11,000	6,600 4,400		
		W's Capital A/c R's Capital A/c To Cash A/c (being premium withdrawn)	Dr. Dr.	3,300 2,200	5,500		
		Revaluation A/c To Provision for Doubtful debts A/c To Stock (being revaluation made)	Dr.	5,300	300 5,000		
		Plant and Machinery A/c Patents A/c To Revaluation A/c (being revaluation made)	Dr. Dr.	5,000 6,300	11,300		
		Revaluation A/c To Sundry Creditors A/c (being Inc. in liabilities)	Dr.	3,000	3,000		
		Revaluation A/c To W's Capital A/c To R's Capital A/c (being profit on revaluation trans.)	Dr.	3,000	1,800 1,200		
OR REVALUATION ACCOUNT							
	Dr.			Cr.			
	PARTICULARS	₹	PARTICULARS	₹			
	Stock	13,000	Furniture	3,000			
	Provision for Doubtful debts	10,000	Loss on revaluation trans.to:				
			Ashish's Capital	10,000			
			Suresh's Capital	6,000			
			Lokesh's Capital	4,000	20,000		

		23,000		23,000			

Dr.

CAPITAL ACCOUNTS

Cr.

Date	Particulars	Ashish ₹	Suresh ₹	Lokesh ₹	Date	Particulars	Ashish ₹	Suresh ₹	Lokesh ₹
June 30	Revaluation (loss)	10,000	6,000	4,000	June 30	Bal. b/d	7,20,000	4,15,000	3,45,000
	Suresh capital	20,000		40,000		Reserve fund	90,000	54,000	36,000
	Cash		40,000			P&L suspense			
	Suresh loan		4,98,000			A/c Ashish capital		15,000	
	Bal c/d	7,80,000		3,37,000		Lokesh capital		20,000	
								40,000	
		8,10,000	5,44,000	3,81,000			8,10,000	5,44,000	3,81,000

BALANCE SHEET

LIABILITIES	₹	ASSETS	₹
Capitals :		Land	4,00,000
Ashish 7,80,000		Buildings	3,80,000
Lokesh 3,37,000		Plant and Machinery	4,65,000
-----	11,17,000	Furniture	80,000
Suresh's Loan	4,98,000	Stock	1,72,000
Sundry Creditors	1,24,000	Sundry Debtors 1,72,000	
Outstanding Expenses	16,000	Less: Prov. For DD 10,000	
		-----	1,62,000
		Cash (1,21,000-40,000)	81,000
		P&L Suspense Account	15,000
	17,55,000		17,55,000

23.	a	1
24.	a	1
25.	a	1
26.	₹10,000	1
27.	Reserves and Surplus, negative	1
28.	b	1
29.	₹88,000	1
30.	Gross profit = 25% on cost So, Revenue from operation = 100+25= 125 (Let COST =100) If Revenue from operation is 125 then cost = 100 If Revenue from operation is 1 then cost = 100/125 If Revenue from operation is ₹2, 00,000 then cost =(100/125) X2,00,000 = ₹1,60,000 Closing inventory 30% of Revenue from operation = 2,00,000 x 30/100 =	3

	<p>₹60,000 Opening Inventory 1/3rd of Closing Inventory = $60,000 \times \frac{1}{3} = ₹20,000$ Average inventory = $(\text{Opening} + \text{Closing inventory}) / 2 = (60,000 + 20,000) / 2 = ₹40,000$ Inventory Turnover Ratio = $\text{Cost of revenue from operation} / \text{Average Inventory}$ = $1,60,000 / 40,000$ = 4 times</p> <p style="text-align: center;">OR</p> <p>Total assets to debt ratio = $\text{Total assets} / \text{Long term debts}$ = $32,00,000 / 16,00,000$ = 2:1 Long term debts = $\text{total debts} - \text{current liabilities}$ = $18,00,000 - 2,00,000 = ₹16,00,000$ Total assets = $\text{shareholders' funds} + \text{total debts}$ = $14,00,000 + 18,00,000 = ₹32,00,000$.</p>																																														
31.	<p>Objectives of Analysis of Financial Statements:</p> <ol style="list-style-type: none"> 1) Knowledge of Financial Position 2) Knowledge of Trends of the business 3) Provide useful information to the Management 4) To know the profitability 5) Knowledge of Managerial efficiency <p style="text-align: center;">OR</p> <p style="text-align: center;">Comparative income Statement for the year ended March 31, 2019 and 2020</p> <table border="1" data-bbox="337 1150 1211 1780"> <thead> <tr> <th>Particulars</th> <th>2018-19 Amount ₹</th> <th>2019-20 Amount ₹</th> <th>Absolute Change ₹</th> <th>% age change</th> </tr> </thead> <tbody> <tr> <td>Revenue from operations</td> <td>50,00,000</td> <td>80,00,000</td> <td>30,00,000</td> <td>60</td> </tr> <tr> <td>Total Revenue from Operations</td> <td>50,00,000</td> <td>80,00,000</td> <td>30,00,000</td> <td>60</td> </tr> <tr> <td>Expenses: (a) Employee Benefit Expenses: 10 % of revenue from operations</td> <td>5,00,000</td> <td>8,00,000</td> <td>3,00,000</td> <td>60</td> </tr> <tr> <td>Other Expenses</td> <td>10,00,000</td> <td>12,00,000</td> <td>2,00,000</td> <td>20</td> </tr> <tr> <td>Total expenses</td> <td>15,00,000</td> <td>20,00,000</td> <td>5,00,000</td> <td>33.33</td> </tr> <tr> <td>Net profit before tax</td> <td>35,00,000</td> <td>60,00,000</td> <td>25,00,000</td> <td>71.43</td> </tr> <tr> <td>Less: Tax</td> <td>14,00,000</td> <td>24,00,000</td> <td>10,00,000</td> <td>71.43</td> </tr> <tr> <td>Net Profit after Tax</td> <td>21,00,000</td> <td>36,00,000</td> <td>15,00,000</td> <td>71.43</td> </tr> </tbody> </table>	Particulars	2018-19 Amount ₹	2019-20 Amount ₹	Absolute Change ₹	% age change	Revenue from operations	50,00,000	80,00,000	30,00,000	60	Total Revenue from Operations	50,00,000	80,00,000	30,00,000	60	Expenses: (a) Employee Benefit Expenses: 10 % of revenue from operations	5,00,000	8,00,000	3,00,000	60	Other Expenses	10,00,000	12,00,000	2,00,000	20	Total expenses	15,00,000	20,00,000	5,00,000	33.33	Net profit before tax	35,00,000	60,00,000	25,00,000	71.43	Less: Tax	14,00,000	24,00,000	10,00,000	71.43	Net Profit after Tax	21,00,000	36,00,000	15,00,000	71.43	4
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32.	<p style="text-align: center;">CASH FLOW STATEMENT For the year ended 31-03-2020</p> <table border="1" data-bbox="337 1850 1211 1885"> <thead> <tr> <th style="width: 60%;">Particulars</th> <th style="width: 20%;">₹</th> <th style="width: 20%;">₹</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Particulars	₹	₹				6																																							
Particulars	₹	₹																																													

	I. Cash flow from operating activities Net profit before tax & extraordinary items Adjustments for non-cash & non-operating items: Add : Depreciation Less: Gain on Sale of machinery		1,26,000 <u>28,000</u> 1,54,000 14,000	
	Operating profit before working capital changes Adjustments for working capital changes: Add: increase in current liabilities & decrease in current assets: Trade payables inventories	98,000 42,000	1,40,000 1,40,000	
	Less : Increase in current assets : trade receivables Cash flow from operating activities		2,80,000 <u>2,10,000</u> 70,000	
	II. Cash flow from investing activities Proceeds from sale of machinery Purchase of machinery cash used in investing activities	56,000 <u>(1,82,000)</u>	1,26,000	
	III. Cash flow from financing activities Proceeds from issue of shares Cash flow from financing activity	<u>70,000</u>	70,000	
	Net increase in cash and cash equivalents Add: opening cash & cash equivalents Closing cash & cash equivalents		14,000 <u>84,000</u> <u>98,000</u>	
Working note:				
Dr. Plant and Machinery a/c cr.				
	particulars	₹	Particulars	₹
	To balance b/d	2,80,000	By bank a/c	56,000
	To profit on sale of machinery	14,000	By depreciation a/c	28,000
	To bank a/c (bal. fig.)- purchase	1,82,000	By balance c/d	3,92,000
		4,76,000		4,76,000