

**SCHEME OF VALUATION**

Subject Code: **30**

Subject: **ACCOUNTANCY**

Qn. No.		Marks Allotted
01.	<p style="text-align: center;"><b>SECTION-A</b></p> <p>a) It is incomplete, unsatisfactory &amp; unscientific method.            b) It is not possible to prepare Trail Balance, Profit and Loss Account and Balance Sheet.            c) It is not suitable for big business concerns.            d) This system is not recognized by Income Tax and Sales Tax Authorities.            e) It is not possible to ascertain exact profit and Financial Position of the business.            f) It gives much scope for carelessness, misappropriation &amp; fraud.</p> <p style="text-align: right;">(Any Two) (any other) (1+1)=</p>	<b>2</b>
02.	<p>a. Fixed capital method.            b. Fluctuating capital method.</p> <p style="text-align: right;">(1+1)=</p>	<b>2</b>
03.	Cash Account Dr. Goodwill Account.	<b>2</b>
04.	Realization Account is opened on dissolution of partnership firm to realize the assets and pay off liabilities.	<b>2</b>
05.	It means issue of shares at a price equal to the face value of shares.	
06.	<p>a. Machinery –Fixed Assets.            b. Bills payable-Current Liabilities</p> <p style="text-align: right;">(1+1)=</p>	<b>2</b>
07.	Under this method the depreciation is charged at a fixed percentage on the Diminishing Value of the fixed asset every year and the amount of Depreciation will change every year.	<b>2</b>
08.	<p>a. Subscription received            b. Sales of Old News Papers            c. Interest received.            d. Rent received.</p> <p style="text-align: right;">(any two) (any other) (1+1)=</p>	<b>2</b>

09.	A flow chart is the graphic representation that represents the sequence of operations to be performed to obtain a solution. Or It is a true pictorial representation of a solution to any problem	<b>2</b>
10.	<p>a. Accounting operations can be done with high speed and accuracy .</p> <p>b. These will be lot of time saved in maintaining accounting records.</p> <p>c. The chance of errors can be reduced.</p> <p>d. It provides quick information whenever needed.</p> <p>e. It also helps maintain secrecy of accounting records.</p> <p style="text-align: center;">(any two) (or any other)</p> <p style="text-align: right;">(1+1)=</p>	<b>2</b>

### Secton-B

11. Total amount of Drawings= 4000X12= 48000

$$\begin{aligned} \text{Average period} &= \frac{\text{Longest period} + \text{shortest period}}{2} \\ &= \frac{11+0}{2} = \frac{11}{2} \end{aligned}$$

$$\text{Interest on Drawing} = 48000 \times \frac{10}{100} \times \frac{11}{2} \times \frac{1}{12} = \text{Rs.2200.}$$

**6**

12. Old Profit Sharing Ratio = 5:4:3

New Profit Sharing Ratio = 3:2

Gain Ratio = New profit sharing ratio – Old profit sharing ratio

$$\text{G.R of Venkatesh} = \frac{3}{5} - \frac{5}{12} = \frac{36-25}{60} = \frac{11}{60}$$

**3**

$$\text{G.R. of Ashok} = \frac{2}{5} - \frac{4}{12} = \frac{24-20}{60} = \frac{4}{60}$$

**3**

**Gain Ratio of Venkatesh & Ashok = 11:4**

**(3+3)=6**

13. VARUN'S CAPITAL ACCOUNT

Dr.

Cr.

Particulars	Rs.	Particulars	Rs.
To drawings	8000	By Balance b/d	20000
To Varun's Executors A/c.	<b>29800</b>	By Good Will	10000
		By P&L Suspense a/c	4200
		By Commission	3600
		By	
	37800		37800

(1x6) = 6

14. JOURNAL ENTRIES IN THE BOOKS OF AMAR COMPANY LIMITED.,

DATE	PARTICULARS	L.F	DEBIT	CREDIT
	Bank Account Dr. To Debentures Application A/c.		100000	100000
	Debentures Application A/c Dr. To Debentures Account		100000	100000
	Debentures Allotment A/c. Dr. To Debentures Account		200000	200000
	Bank Account Dr. To Debentures Allotment A/c.		200000	200000
	Debentures First & Final Call A/c. Dr. To Debentures Account.		100000	100000
	Bank Account Dr. To Debentures First & Final Call A/c.		100000	100000

(with narration)

(1x6)= 6

**15. Factors to be considered while introducing computerised accounting:**
**1. SIMPLICITY:**

The implementation on computerised accounting should be simple.

**2. COST OF IMPLIMENTATION:**

As it requires huge investment in computers investment has to be analysed taking into consideration various aspects such as cost of computers maintenance etc.

**3. AVAILABILITY OF TRAINED EMPLOYEES:**

There must be well trained employees available in the organization to operate the computers.

**4. BACKUP:**

There must be a parallel accounting or a back up should be maintained as there is a possibility of break down and loss of data.

**5. FLEXIBILITY:**

It should be capable of adopting the changes without much difficulty.

**6. RELIABILITY:**

Security measures, data modification, generation of various reports etc., should also be considered.

(or any other) (any six)

(1x6)= 6

**Section-C**
**16. Statement of affairs as on 01-04-2010 and 31-03-2011**

(To find out opening capital and closing capital)

<b>Liabilities</b>	<b>01-04-10 Rs</b>	<b>31-03-11 Rs.</b>	<b>Assets</b>	<b>01-04-10 Rs</b>	<b>31-03-11 Rs</b>
Bills Payable	10000	8000	Furniture	15000	15000
Creditors	15000	25000	Machinery	50000	50000
Bank Loan	12000	10000	Building	100000	100000
<b>Opening Capital</b>	<b>178000</b>		Stock	25000	40000
<b>Closing Capital</b>		<b>198000</b>	Debtors	20000	26000
			Bills Receivable	5000	10000
	<b>215000</b>	<b>241000</b>		<b>215000</b>	<b>241000</b>

## Statement of Profit or Loss for the year ending 31-03-2011

Particular	Amount(Rs)	Amount(Rs)
<b>Closing Capital</b>		198000
Add: Drawings		15000
		213000
Less: Additional Capital		18000
		<b>195000</b>
<b>Adjusted Closing Capital</b>		178000
Less: Opening Capital		<b>17000</b>
<b>Gross Profit</b>		
<b>Add: Incomes or Gains</b>	20000	
1. Appreciation Building(100000x20/100)	6000	
2. Prepaid Salary		26000
		43000
<b>Less: Expense or Loss</b>		
1. Bad debts	1000	
2. Interest on Opening Capital(178000x5/100)	8900	
3. Depreciation on Furniture (15000x10/100)	1500	
4. Depreciation on Machinery (50000x10/100)	5000	16400
<b>Net Profit</b>		<b>26600</b>

## Revised Statement of Affairs As On 31-03-2011

Liabilities	Amount(Rs)	Assets	Amount(Rs)
Bills Payable	8000	Furniture	15000
Creditors	25000	Less: Dep	<u>1500</u>
Bank Loan	10000	Machinery	50000
Capital Account		Less: Dep	<u>5000</u>
Opening Capital	178000	Building	100000
Add: 1.Addn Capital	18000	Add: Appreciation	<u>20000</u>
2.Int on Capital	8900	Stock	40000
3. Net Profit	26600	Debtors	26000
	231500	Less:Bad debts	<u>1000</u>
Less: Drawings	<u>15000</u>	Bills Receivable	10000
	216500	Prepaid Salary	6000
	<b>259500</b>		<b>259500</b>

(4+3+3+4)= 14

17.

### Revaluation A/C

Dr		Cr	
Particular	Amount(Rs)	Particular	Amount(Rs)
To Computers (30000x15/100)	4500	By Land & Building	25000
„ P & M (40000x15/100)	6000		
„ O/S Printing Expenses	2000		
„ R B D(45000x10/100)	4500		
„ Net Profit Transferred to Ramya's Cap A/c(8000x5/8)= <b>5000</b> Soumya's cap A/c(8000x3/8)= <b>3000</b>	<b>8000</b>		
	<b>25000</b>		<b>25000</b>

### Capital Account Partners

Dr				Cr			
Particular	Ramya	Soumya	Kavya	Particular	Ramya	Soumya	Kavya
To Balance C/D	<b>80000</b>	<b>48000</b>	<b>40000</b>	By Balance B/D	50000	30000	
				„ Reserve Fund	10000	6000	
				„ Revaluation A/C	5000	3000	
				„ Goodwill	15000	9000	
				„ Cash or Bank A/C			40000
	<b>80000</b>	<b>48000</b>	<b>40000</b>		<b>80000</b>	<b>48000</b>	<b>40000</b>

### Balance Sheet of the new firm as on 31-3-2011

Liabilities	Amount(Rs)	Assets	Amount(Rs)
Bank Overdraft	20000	Cash (15000+40000+24000)	79000
Loan from Ramya	79000	Stock	35000
Creditors	40000	Debtors	45000
Outstanding Printing Expenses	2000	Less: RBD	<u>4500</u>
<b><u>Capital Accounts</u></b>		Bills Receivable	10000
Ramya	80000	Land & Building	60000
Soumya	48000	Add: Appreciation	<u>25000</u>
Kavya	<u>40000</u>	Plant & Machinery	40000
	168000	Less: Depreciation	<u>6000</u>
		Computers	30000
		Less: Depreciation	<u>4500</u>
			25500
	<b>309000</b>		<b>309000</b>

(4+6+4) = 14

### 18. Realisation Account

Dr		Cr	
Particular	Amount(Rs)	Particular	Amount(Rs)
To Debtors	45000	By Creditors	35000
„ Bills Receivable	15000	„ Bills Payable	10000
„ Stock	40000	„ <u>Cash at Bank</u>	
„ Building	60000	Debtors	42000
„ Vehicle	30000	Bills Receivable	15000
„ <u>Cash at Bank A/C</u>	35000	Stock	60000
(Creditors Paid)		Building	40000
„ <u>Cash at Bank A/C</u>	2000	Vehicle	<u>20000</u>
(Dissolution exp paid)			177000
„ Archana's Capital A/C	8000	„ <b>Net Loss transferred to</b>	
(B/P taken over)		Prathima's Capital A/C	<b>6500</b>
		(13000x1/2)	
		Archana's Capital A/C	<u>6500</u>
		(13000x1/2)	<b>13000</b>
	<b>235000</b>		<b>235000</b>

### Capital Accounts of Partners

Dr

Cr

Particular	Prathima Amt(Rs)	Archana Amt(Rs)	Particular	Prathima Amt(Rs)	Archana Amt(Rs)
To Profit & Loss A/C	5000	5000	By Balance b/d	60000	70000
„ Realisation A/c (Net Loss)	6500	6500	„ Reserve Fund	9000	9000
„ Cash at Bank A/C (Ultimate Balance Paid)	<b>57500</b>	<b>75500</b>	„ Realisation A/C (B/P Taken Over)		8000
	<b>69000</b>	<b>87000</b>		<b>69000</b>	<b>87000</b>

### Bank A/c

Dr

Cr

Particular	Amt(Rs)	Particular	Amt(Rs)
To Balance b/d	20000	By Realisation A/C(Creditors Paid)	35000
„ Realisation A/c	177000	„ Realisation A/C (Dissolution Expenses paid)	2000
		„ Archana's Loan	15000
		„ Prathima's Loan	12000
		„ Prathima's Capital A/C	57500
		„ Archana's Capital A/C	75500
	<b>197000</b>		<b>197000</b>

(6+4+4)= 14

19.

**Rakshith Industries Ltd**

**Trading and Profit and Loss Account for the year ending 31-3-2011**

Dr		Cr	
Particular	Amount(Rs)	Particular	Amount(Rs)
To Opening Stock	60000	By Sales	305000
„ Purchases	190000	Less: Returns	<u>15000</u>
Less: Returns	<u>10000</u>	„ Closing Stock	80000
„ Wages	12000		
„ Gross Profit b/d	<b>118000</b>		
	<b>370000</b>		<b>370000</b>
To Carriage Outwards		By Gross Profit b/d	118000
„ Salaries	10000	„ Commission Received	25000
„ Director's Fees	10000		
„ Trade Expenses	5000		
„ Depreciation on Machinery (60000x5/100)	20000		
„ RDD (60000x10/100)	3000		
„ O/S Int on debenture(80000x8/100)	6000		
„ Net Profit Transferred to P & L A/C	6400		
	<b>82600</b>		
	<b>143000</b>		<b>143000</b>

**Profit and Loss Appropriation Account for the year ended 31-03-2011**

Dr		Cr	
Particular	Amount(Rs)	Particular	Amount(Rs)
To Interim Dividend	21000	By Balance b/d	30000
„ Transfer to General Reserve	12000	„ P & L A/C (Current Year Net Profit)	82600
„ Balance c/d	<b>79600</b>		
	<b>112600</b>		<b>112600</b>

## Balance Sheet of Rakshith Industries Ltd As On 31-03-2011

Liabilities	Amount(Rs)	Assets	Amount(Rs)
<b>1. Share Capital</b>		<b>1. Fixed Assets</b>	
<b>a. Authorised, issued &amp; subscribed capital</b>		Goodwill	110000
400000 equity shares of Re. 1 each	400000	Building	250000
<b>b. Called up &amp; Paid up Capital</b>		Machinery	60000
4000000 equity shares of Re. 1		Less: Depreciation	<u>3000</u>
Each	400000	Furniture	25000
Less: Calls- in- arrears	<u>10000</u>	<b>2. Investment</b>	60000
	390000	<b>3. Current Assets &amp; Loans &amp; Advances</b>	
<b>2. Reserves &amp; Surplus</b>		<b>A. Current Assets</b>	
Reserve Fund	50000	Debtors	60000
Add: Transferred	<u>12000</u>	Less: RDD	<u>6000</u>
	62000	Cash at Bank	15000
Profit & Loss Appropriation A/C	79600	Closing Stock	80000
<b>3. Secured Loan</b>		<b>B. Loans &amp; Advances</b>	
8% Debentures	80000	Bills Receivable	21000
O/S Interest on Debentures	6400	<b>4. Miscellaneous Expenditure</b>	
<b>4. Unsecured Loan</b>	Nil	Preliminary Expenses	5000
<b>5. Current Liabilities &amp; Provisions</b>		<b>5. Profit &amp; Loss A/c</b>	Nil
<b>A. Current Liabilities</b>			
Creditors	40000		
Bills Payable	14000		
Unclaimed Dividend	5000		
<b>B. Provisions</b>	Nil		
	<b>677000</b>		<b>677000</b>

(2+4+2+6) = 14

20.

### Machinery Account

Dr			Cr		
Date	Particular	Amt(Rs)	Date	Particular	Amt(Rs)
01-01-02	To Bank A/C (Machinery bought)	50000	31-03-02	By Depreciation (50000x10/100)	5000
				„ Balance c/d	45000
		50000			50000
01-01-03	To Balance b/d	45000	31-12-02	By Depreciation (45000x10/100)	4500
				„ Balance c/d	40500
		45000			45000
01-01-04	To Balance b/d	40500	30-06-04	By Depreciation (40500x10/100x6/12)	2025
01-01-04	„ Cash or Bank A/C (Machinery bought)	40000	30-06-04	„ Bank A/C (Sale of Machinery)	35000
			30-06-04	„ P & L A/C (Loss on sale on Machinery)	3475
			31-12-04	„ Depreciation(40000x10/100)	4000
			31-12-04	„ Balance c/d	36000
		80500			80500
01-01-05	To Balance b/d	36000	31-12-05	By Depreciation (36000x10/100)	3600
			31-12-05	By Balance c/d	32400
		36000			36000
01-01-06	To Balance b/d	32400			

### Depreciation Account

Dr			Cr		
Date	Particular	Amt(Rs)	Date	Particular	Amt(Rs)
31-12-02	To Machinery A/C	5000	31-12-02	By P & L A/C	5000
		5000			5000
31-12-03	To Machinery A/C	4500	31-12-03	By P & L A/C	4500
		4500			4500
30-06-04	To Machinery A/C	2025	31-12-04	By P & L A/C	6025
31-12-04	„ Machinery A/C	4000			6025
		6025			6025
31-12-05	To Machinery A/C	3600	31-12-05	By P & L A/C	3600
		3600			3600
		3600			3600

**(10+4)= 14**

**21.**

**Acharya education trust, Shimoga**

**Income & Expenditure Account for the year ended 31-12-2009**

Dr		Cr	
Expenditure	Amt(Rs)	Income	Amt(Rs)
To Office Expenses	17000	By Subscriptions	45000
„ Postage Expenses	100	Add: O/S Subscription	<u>5000</u>
„ Printing Expenses	500	„ Entrance Fees (8000x50/100)	4000
„ Salary	25000	„ Interest	5000
Less: Prepaid	<u>2500</u>		
	22500		
“ Subscription to news paper	600		
To Depreciation on Building (70000x10/100)	7000		
„ Excess of Income over Expenditure (Surplus)	<b>11300</b>		
	<b>59000</b>		<b>59000</b>

**Balance Sheet as on 31-12-2009**

Liabilities		Amt(Rs)	Assets		Amt(Rs)
Bank Loan	35000		Cash		26800
Less: Paid	<u>5000</u>	30000	Furniture		25000
Subscription received in Advance		5000	Building	70000	
<b>Capital Fund</b>			Less:- Depreciate	<u>7000</u>	63000
Opening Balance	120000		Sports Materials		20000
Add: 1. Entrance Fees	4000		Books	30000	
2. Donation	12000		Add: Purchases	<u>10000</u>	40000
3. Surplus	<u>11300</u>	147300	Outstanding Subscription		5000
			Prepaid Salary		2500
		<b>182300</b>			<b>182300</b>

**(8+6)= 14**

**Section-D**

**22.**

- |                                   |   |                      |
|-----------------------------------|---|----------------------|
| a. Interest on Capital            | - | Not Allowed          |
| b. Interest on Drawings           | - | Not Chargeable.      |
| c. Interest on Loan               | - | 6% Interest Allowed. |
| d. Distribution of Profit or loss | - | Equal Ratio.         |
| e. Salary, commission to partners | - | Not Allowed.         |

**(1x5)= 5**

23.

**BALANCE SHEET AS AT 31<sup>ST</sup> DECEMBER 2011)**

LIABILITIES	Rs.	ASSETS	Rs.
1. SHARE CAPITAL		1. FIXED ASSETS	
2. RESERVES AND SURPLUS		2. INVESTMENTS	
3. SECURED LOANS		3. CURRENT ASSETS LOANS AND ADVANCES.	
4. UNSECURED LOANS		4. MISCELLANEOUS EXPENSES	
5. CURRENT LIABILITIES AND PROVISIONS		5. PROFIT AND LOSS ACCOUNT.	
<b>TOTAL</b>		<b>TOTAL</b>	

$(\frac{1}{2} \times 1) = 5$

24.

**MACHINERY ACCOUNT  
UNDER FIXED INSTALMENT METHOD  
(at 10% depreciation)**

Dr.			Cr.		
DATE	PARTICULARS	AMOUNT	DATE	PARTICULARS	AMOUNT
1/1/2007	To Cash account.	20000	31/12/2007	By Depreciation account	2000
			31/12/2007	By Balance C/d.	18000
		20000			20000
1/1/2008	To Balance B/d.	18000	31/12/2008	By Depreciation Account	2000
			31/12/2008	By balance C/d.	16000
		18000			18000

$(3+2)=5$