

ANSWER KEY SECOND YEAR HSE SAY / IMPROVEMENT- JUNE 2023 PART III

SUBJECT : ACCOUNTANCY WITH AFS CODE No: S-2249

Iax S	core: {	30			Time : 2	¹² Hrs
Qn No	Sub Qns		Score	Tota l Scor		
J	[Answer any	y for questions from	1 to 5 (4 x 1 = 4)		
1		c) Drawings	1	1		
2		c) Sacrificing ratio	1	1		
3		a) 3:1			1	1
4		c) Dissolution of	a firm	• • •	1	1
5		c) credit side of F	Realisation account		1	1
I	Ι	Answer all	the questions from	6 to 7 (2 x 2 = 4)		•
6		Interest on draw	ings – 60,000 x 10%	x 6.5/12=3250	2	2
I)	r T	Gaining ratio = 2 Shaji's capital A Abu's capital A To Biju's capit	2	2		
8		Fixed capital				
		Basis	Fixed capital	Fluctuating capital		
		Number of accounts	2 Accounts for each partner	Each partner has one Account		
		Adjustments	made in the current accounts of partners	made in the capital accounts of partners	1 x 3	3
		Fixed balance	Capital account balance remain unchanged	Balance of the capital account fluctuates from year to year		
		Credit balance	Capital accounts always show a credit balance	Capital account may sometimes show a debit balance		
				(any 3)		
9		Reserve fund A/c Dr 12,000 To Hari's capital 9000 To Amal's capital 3000 Profit & Loss A/c Dr. 16000				



	1	o Hari's ca	_			12000			1½		
	T	To Amal's capital 4000									
10	1 1	a) Realisation A/c Dr 2000									
		To Bank A/c 2000									
	1	b) Bank A/c Dr 5000 To Realisation A/c 5000									
		To Realisation A/c 5000 c) Anju's capital A/c Dr 3000									
	1 , -	To Realisation A/c 3000									
I/	/ A	nswer all t	he qu	estion	s fr	om 11 to 12	2 (2 x 4	l = 8)			
11	Bank	A/c Dr	40000						1		
		o Sajitha's o	-			3000					
	Te	o Goodwill	(Premi	um)		10000					
	Good	will (premi	um) A/	c Dr	100	000				_	
	T	o Praksh's (capital			6000			2	4	
	T	o Babu's ca	pital			4000					
									1		
		h's capital							1		
		's capital Fo Bank A/e		r 400		0000					
12				T							
12		Yamuna's Loan Account									
	Yea	Yea Particulars Amoun Year Particulars Amount t									
	1	Cash	6,	200	1	Yamuna's ca	apital	20,000			
		Balance c/o	1 -	,000		Interest		1,200	1		
			21	,200				21,200			
	2	Cash		900	2	Balance b/d		15,000		4	
	<u></u>	Balance c/o		,000		Interest		900	1		
	3	Cash		,900 600	3	Balance b/d		15,900 10,000			
	3	Balance c/o	I	000	J	Interest	ı	600	1		
		10,600 10,600									
	4										
						Interest		300			
			5	300				5300			
	l			ction	fm		1 (2 x 5	= 10)		<u> </u>	
V	7 A	nswer all t	he que	SHOIIS	110		(- 12 2				
13		Par	tners C	apital A	Acc	ounts	(- /1)			1	
<u> </u>	P	Par Particulars	tners C	apital <i>I</i> Shan	Acc	ounts Particulars	Anna	Shani	14		
<u> </u>	P	Par	tners C	apital A	Acco	ounts	T	Shani	½ score		

				Т	1	T					
						capital	61. 00.			every	
						Share of pro		000 100		correct	
				8500	0 49000		850	000 490	000	posting	
	a	New ratio	of Amb	ili =	2/6 + 9/3	0 = 19/30				1	
		New ratio								1 1	
14	<u></u>	Full cach	Daymon				<u> </u>			1	5
	U	Full cash Whole an			d ac loan					$\begin{bmatrix} 1 \\ 1 \end{bmatrix}$	
		Partial ca								$\begin{bmatrix} 1 \\ 1 \end{bmatrix}$	
										1	
V]	1	Answ	er any			ı from 15 t	0 16 (1 x 8 =	8)	<u> </u>	
15					valuatior 	1					
			articular	'S	Amoun		lars	Amou			
		Machi	nery		2,500	Building		6,00	0		
		Stock			1,000					İ	
			ion for b	ad	1,500						
		debt								3	
		Credit									
		1 7	ers capit								
ŀ		Nano Suni		750 250	1 000						
		Sum	l 	<u>250</u>	1,000						
				<u> </u>	6,000			6,000			
	Capital A/c Particulars Nandana Sunil Mini Particulars Nandana Sunil Balance b/d 60000 40000						Sunil	Mini	-		
								1 ,	8		
						Cash			30000	3	
		Bala c/d	60750	40250	30000	Revaluation	750	250			
			60750	40250			60750	40250	30000]	
					Balance			- 1			
		Li	abilities		Amount	Assets		Amount			
		Bills payable				Cash in hand		40,000			
		1 1 -			10,000	1		1	I		
		Bank	overdraft	t	10,000 5,000	Debtors (30		28,50	0	2	
		Bank Capita	overdraft ıl :		-	Debtors (30 Stock	0000-1500)	28,50 9,00	00	2	
		Bank (Capita	overdraft ıl : lana 60'	750	-	Debtors (30 Stock Machinery	0000-1500)	28,50 9,00 22,50	0 0 0	2	
		Bank Capita Nand Suni	overdraft ll: lana 60° l 40	750 250	5,000	Debtors (30 Stock	0000-1500)	28,50 9,00	0 0 0	2	
		Bank (Capita	overdraft ll: lana 60° l 40	750	5,000 131000	Debtors (30 Stock Machinery	0000-1500)	28,50 9,00 22,50 46,00	00 00 00 00	2	
		Bank Capita Nand Suni	overdraft ll: lana 60° l 40	750 250 000	5,000 131000 146000	Debtors (30 Stock Machinery Building	0000-1500)	28,50 9,00 22,50	00 00 00 00	2	
16		Bank Capita Nanc Suni Min	overdraft il: lana 60' l 40 i 30	750 250 000	5,000 131000 146000 Realisatio	Debtors (30 Stock Machinery Building	0000-1500)	28,50 9,00 22,50 46,00 14600	00 00 00 00 00 00 00 00 00 00 00 00 00	2	
16		Bank (Capital Nanc Suni Min	overdraft l : lana 60' l 40 i 30	750 250 000	5,000 131000 146000 Realisatio	Debtors (30 Stock Machinery Building on Account Particulars	0000-1500)	28,50 9,00 22,50 46,00 14600	00 00 00 00 00	2	
16		Bank Capita Nanc Suni Min Partice Debto	overdraft l : lana 60' l 40 i 30	750 250 000	5,000 131000 146000 Realisation Amount 15,000	Debtors (30 Stock Machinery Building on Account Particulars Creditors	0000-1500	28,50 9,00 22,50 46,00 14600	00 00 00 00 00	2	
16		Bank Capita Nanc Suni Min Partice Debto Stock	overdraft il: lana 60' l 40 i 30 ulars	750 250 000 1	5,000 131000 146000 Realisatic Amount 15,000 25,000	Debtors (30 Stock Machinery Building On Account Particulars Creditors Bank (Asse	0000-1500	28,50 9,00 22,50 46,00 14600 Amou	00 00 00 00 00 00	2	
16		Bank Capita Nanc Suni Min Partice Debto Stock Bills r	overdraft ll: lana 60' l 40 i 30 ulars rs	750 250 000 1	5,000 131000 146000 Realisation 15,000 25,000 5,000	Debtors (30 Stock Machinery Building On Account Particulars Creditors Bank (Asserealised)	0000-1500)	28,50 9,00 22,50 46,00 14600 Amou 20,0 66,0	00 00 00 00 00 00	2	
16		Bank Capita Nanc Suni Min Partice Debto Stock Bills r Machi	overdraft l: lana 60' l 40 i 30 ulars rs eceivable nery	750 250 000 1	5,000 131000 146000 Realisation 15,000 25,000 5,000 20,000	Debtors (30 Stock Machinery Building On Account Particulars Creditors Bank (Asserealised) Drs	ets 14000	28,50 9,00 22,50 46,00 14600 Amou 20,0 66,0	00 00 00 00 00 00	2	
16		Partice Debto Stock Bills r Machi	overdraft l: lana 60' l 40 i 30 ulars rs eceivable nery ment	750 250 000 1	131000 146000 Realisation Amount 15,000 25,000 20,000 15,000	Debtors (30 Stock Machinery Building Deptors Building Deptors Building Deptors Creditors Bank (Assertalised) Drs Stock	ets 14000 26000	28,50 9,00 22,50 46,00 14600 Amou 20,0 66,0	00 00 00 00 00 00	2	
16		Partice Debto Stock Bills r Machi	overdraft ll: lana 60' l 40 i 30 ulars rs eceivable nery ment (creditor	750 250 0000 1	5,000 131000 146000 Realisatic Amount 15,000 25,000 5,000 20,000 15,000 19,000	Debtors (30 Stock Machinery Building On Account Particulars Creditors Bank (Asserealised) Drs Stock Bills rec	ets 14000 26000 4000	28,50 9,00 22,50 46,00 14600 Amou 20,0 66,0	00 00 00 00 00 00	2	
16		Partice Debto Stock Bills r Machi	overdraft l: lana 60' l 40 i 30 ulars rs eceivable nery ment	750 250 0000 1	131000 146000 Realisation Amount 15,000 25,000 20,000 15,000	Debtors (30 Stock Machinery Building On Account Particulars Creditors Bank (Asserealised) Drs Stock Bills rec Machinery	ets 14000 26000 4000 y 22000	28,50 9,00 22,50 46,00 14600 Amou 20,0 66,0	00 00 00 00 00 00 00 00 00		
16		Partice Debto Stock Bills r Machi	overdraft ll: lana 60' l 40 i 30 ulars rs eceivable nery ment (creditor	750 250 0000 1	5,000 131000 146000 Realisatic Amount 15,000 25,000 5,000 20,000 15,000 19,000	Debtors (30 Stock Machinery Building On Account Particulars Creditors Bank (Asserealised) Drs Stock Bills rec Machinery	ets 14000 26000 4000 y 22000 capital	28,50 9,00 22,50 46,00 14600 Amou 20,0 66,0	00 00 00 00 00 00 00 00 00		
16		Partice Debto Stock Bills r Machi	overdraft ll: lana 60' l 40 i 30 ulars rs eceivable nery ment (creditor	750 250 0000 1	5,000 131000 146000 Realisatic Amount 15,000 25,000 5,000 20,000 15,000 19,000	Debtors (30 Stock Machinery Building On Account Particulars Creditors Bank (Asserealised) Drs Stock Bills rec Machinery	14000 26000 4000 y 22000 apital nent)	28,50 9,00 22,50 46,00 14600 Amou 20,0 66,0	00 00 00 00 00 00 00 00 00		

Note										
Note										
Particulars Midhun Manoj Particulars Midhun Manoj Manoj Particulars Midhun Manoj Manoj Particulars Midhun Manoj							<u>600</u>			
Particulars Midhun Manoj Particulars Midhun Manoj Manoj			<u></u>		100,20	0		100,200		
Realisation (invstment) Realisation 13,000 Reserve Fund 5,000 5,000 2 8					Capital A	Account				
Realisation Goo Reserve Fund 5,000 5,000 2 8			Particulars	Midhun	Manoj	Particulars	Midhu	n Manoj		
Realisation 21,400 34,400 35,000 34,0			l l	13,000						
Bank 21,400 35,000 35				600		Reserve Fund	5,000	5,000	2	
Particulars Amount Particulars Amount Balance b/d Realisation (assets realised) 10,000 Realisation (Crs) 19,000 1,200 (expenses) Midhun's capital 34,400 34,400 76,000 76,000 76,000 1 1 1 1 1 1 1 1 1		•								8
Particulars Amount Particulars Amount Balance b/d 10,000 Realisation (Crs) 19,000 1,200 (expenses) Midhun's capital 21,400 Manoj' capital 34,400 76,000 20 76,000 1 1 1 1 1 1 1 1 1										
Balance b/d Realisation (assets realised) 10,000 Realisation (crs) 19,000 1,200 (expenses) Midhun's capital 34,400 34,400 76,000 76,000 1			D .:		,		——————————————————————————————————————			
Realisation (assets realised)				ilars						
Pealised (expenses) Midhun's capital 21,400 34,400 34,400 34,400 76,000 76,000 76,000				Caccatc	1 -	`	urs)			
Midhun's capital 21,400 34,400 76,000 10 total - 76000 76,000 76,000 17 total - 76000 1				(discus	00,00	1		1,200	2	
To To To To To To To To						Midhun's cap		21,400		
total - 76000 VII Answer any for questions from 17 to 21 (4 x1 = 4) 17 c) ₹ 700 1 1 18 b) Zero coupon rate debentures 1 1 19 d) Long term loans and advances 1 1 20 d) Issue of debentures 1 1 21 c) Activity ratio 1 1 VIII Answer all the questions from 22 to 23 (2 x 2 = 4) 22 Furniture A/c Dr. 50,000						Manoj´ capit	al	34,400		
VII Answer any for questions from 17 to 21 (4 x1 = 4) 17 c) ₹ 700 1 1 18 b) Zero coupon rate debentures 1 1 19 d) Long term loans and advances 1 1 20 d) Issue of debentures 1 1 21 c) Activity ratio 1 1 VIII Answer all the questions from 22 to 23 (2 x 2 = 4) 22 Furniture A/c Dr. 50,000					76,00	0		76,000		
17										
18	V	II	Answer a	ny for	questio	ns from 17 to	o 21 (4	x1 = 4		
19 d) Long term loans and advances 1 1	17		c) ₹ 700						1	1
20 d) Issue of debentures 21 c) Activity ratio To Activity ratio 22 Furniture A/c Dr. 50,000 To KK Ltd 50,000 KK Ltd A/c Dr. 50,000 To 10 % debentures 50,000 To 10 % debentures 50,000 Any two limitations of ratio analysis: * Limitations of Accounting Data * Ignores Price-level Changes * Ignore Qualitative or Non-monetary Aspects * Variations in Accounting Practices * Forecasting. etc IX Answer any two questions from 24 to 26 (2 x 3 = 6) 24 Bank A/c Dr. 100000 To Share application 100000 Share application A/c Dr 100000	18		b) Zero coupo	n rate d	lebentu	res			1	1
c) Activity ratio I 1 VIII Answer all the questions from 22 to 23 (2 x 2 = 4) Furniture A/c Dr. 50,000 To KK Ltd 50,000 KK Ltd A/c Dr. 50,000 To 10 % debentures 50,000 Any two limitations of ratio analysis: * Limitations of Accounting Data * Ignores Price-level Changes * Ignore Qualitative or Non-monetary Aspects * Variations in Accounting Practices * Forecasting. etc IX Answer any two questions from 24 to 26 (2 x 3 = 6) Bank A/c Dr. 100000 To Share application 100000 Share application A/c Dr 100000	19		d) Long term	loans ar	ıd adva	nces			1	1
VIII Answer all the questions from 22 to 23 (2 x 2 = 4) 22 Furniture A/c Dr. 50,000 To KK Ltd 50,000 KK Ltd A/c Dr. 50,000 To 10 % debentures 50,000 To 10 % debentures 50,000 23 Any two limitations of ratio analysis: * Limitations of Accounting Data * Ignores Price-level Changes * Ignore Qualitative or Non-monetary Aspects * Variations in Accounting Practices * Forecasting. etc IX Answer any two questions from 24 to 26 (2 x 3 = 6) 24 Bank A/c Dr. 100000 To Share application 100000 Share application A/c Dr 100000	20		d) Issue of del	oentures	3				1	1
Furniture A/c Dr. 50,000 To KK Ltd 50,000 KK Ltd A/c Dr. 50,000 To 10 % debentures 50,000 Any two limitations of ratio analysis: * Limitations of Accounting Data * Ignores Price-level Changes * Ignore Qualitative or Non-monetary Aspects * Variations in Accounting Practices * Forecasting. etc IX Answer any two questions from 24 to 26 (2 x 3 = 6) 24 Bank A/c Dr. 100000 To Share application 100000 Share application A/c Dr 100000 Share application A/c Dr 100000	21		c) Activity rati	0					1	1
To KK Ltd 50,000 KK Ltd A/c Dr. 50,000 To 10 % debentures 50,000 Any two limitations of ratio analysis: * Limitations of Accounting Data * Ignores Price-level Changes * Ignore Qualitative or Non-monetary Aspects * Variations in Accounting Practices * Forecasting. etc IX Answer any two questions from 24 to 26 (2 x 3 = 6) 24 Bank A/c Dr. 100000 To Share application 100000 Share application A/c Dr 100000 3	V]	III	Answer a	ıll the q	uestion	is from 22 to	23 (2	x 2 = 4)		
KK Ltd A/c Dr. 50,000 To 10 % debentures 50,000 Any two limitations of ratio analysis: * Limitations of Accounting Data * Ignores Price-level Changes * Ignore Qualitative or Non-monetary Aspects * Variations in Accounting Practices * Forecasting. etc IX Answer any two questions from 24 to 26 (2 x 3 = 6) 24 Bank A/c Dr. 100000 To Share application 100000 Share application A/c Dr 100000 3	22				50,000				1	
To 10 % debentures 50,000 To 10 % debentures 50,000 Any two limitations of ratio analysis: * Limitations of Accounting Data * Ignores Price-level Changes * Ignore Qualitative or Non-monetary Aspects * Variations in Accounting Practices * Forecasting. etc IX Answer any two questions from 24 to 26 (2 x 3 = 6) 24 Bank A/c Dr. 100000 To Share application 100000 Share application A/c Dr 100000 3						50,000				2
Any two limitations of ratio analysis: * Limitations of Accounting Data * Ignores Price-level Changes * Ignore Qualitative or Non-monetary Aspects * Variations in Accounting Practices * Forecasting. etc IX Answer any two questions from 24 to 26 (2 x 3 = 6) 24 Bank A/c Dr. 100000 To Share application 100000 Share application A/c Dr 100000 3					-	5 0.000				_
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* Ignores Price-level Changes * Ignore Qualitative or Non-monetary Aspects * Variations in Accounting Practices * Forecasting. etc IX Answer any two questions from 24 to 26 (2 x 3 = 6) Bank A/c Dr. 100000 To Share application 100000 Share application A/c Dr 100000 3	23		Any two limit	ations o	f ratio a	analysis:				
* Ignore Qualitative or Non-monetary Aspects * Variations in Accounting Practices * Forecasting. etc IX Answer any two questions from 24 to 26 (2 x 3 = 6) 24 Bank A/c Dr. 100000 To Share application 100000 Share application A/c Dr 100000 3									1.5	
* Variations in Accounting Practices * Forecasting. etc IX Answer any two questions from 24 to 26 (2 x 3 = 6) 24 Bank A/c Dr. 100000 To Share application 100000 Share application A/c Dr 100000 3			_		_				1 X 2	2
# Forecasting. etc IX Answer any two questions from 24 to 26 (2 x 3 = 6) 24 Bank A/c Dr. 100000 To Share application 100000 Share application A/c Dr 100000 3							pects			
IX Answer any two questions from 24 to 26 (2 x 3 = 6) 24 Bank A/c Dr. 1000000 To Share application 100000 Share application A/c Dr 100000 3					mung r	1 alult3				
24 Bank A/c Dr. 100000 1 To Share application 100000 Share application A/c Dr 100000 3	I	X			questio	ons from 24 t	o 26 (2	$2 \times 3 = 6)$		<u> </u>
Share application A/c Dr 100000 3	24		Bank A/c	Dr. 1000	00			<u> </u>	1	
						0000 80000				3
To Bank A/c 20000 2									2	

25	Any three distinction between shares and debentures	1 x 3	3
26	Cash flows from Financing Activities	,	
	Proceeds from loans - 1,80,000	2	
	Repayment of loans - (80,000)	1	3
	Net cash inflow from financing activities 1,00,000	_	
	Calculation of proceeds from loan		
X	Answer all the questions from 27 to 28 (2 \times 4 = 8)		
27	Authorised capital, Issued capital, Subscribed capital, Called up		
	capital, Piad up capital, Reserve capital etc (any 4 with explanation, if point only ½ score each)	1 x 4	4
28			
20	Any four objectives of Financial statements: * Provide information about economic resources		
	and obligations of a business		٠
	* Provide information about the earning capacity		
	of the business	1 x 4	4
	* Provide information about cash flows		
	* Judge effectiveness of management * Information about activities of business affecting		
	the society		
	* Disclosing accounting policies		
XI	Answer all the questions from 29 to 30 (2 \times 5 = 10)		
29	Cash inflows:		
	Proceeds from sale of goods and services	2	
	Receipts from commission, royalties etc	2	5
	Cash outflows:		
	Payment of employee benefit expenses Purchase of inventory from suppliers	3	
	Payment of operating expenses etc		
30	Common size income statement for the year ended March		
Ì	31, 2020 and 2021		
	Particulars Absolute Percentage of		
	amounts Net sales		
	2019-20 2020-21 2019-20 2020-21 ₹ ₹ % %		
	70 70		
	Revenue from operations 1500000 2000000 100 100 less: Cost of good sold 1200000 1500000 80 75	1	5
	Gross Profit 300000 500000 20 25	1	
	(-) Operating expenses 50000 80000 3.33 4	1	
	Operating income 250000 420000 16.67 21	1	
	(-) Non operating exp 30000 40000 2 2	1	
	Profit 220000 380000 14.67 19	1	
XII	Answer any one question from 31 to 32 ($1 \times 8 = 8$)		

24			
31	Bank a/c Dr 150000	1/2	
	To Share application a/c 150000	1/5	
	Share application a/c Dr 150000	72	
	To Share Capital a/c 150000	1/2	
	Share Allotment a/c Dr 200000	/2	
	To Share capital a/c 200000	1/2	
	Bank a/c Dr 200000		
	To Share allotment 200000	1/2	8
	Share First & final a/c Dr 150000		
	To Share capital a/c 150000	1/2	
	Bank a/c Dr 147000		
	To Share First & final 147000	0	
	Share capital a/c Dr 10,000	2	
	To Share First & final 3000		
	To Share forfeiture a/c 7000		
	Bank a/c Dr 6000		
	Share forfeiture a/c Dr 4000	2	
	To Share capital 10000 Share forfeiture a/c Dr 3000		
		1	
	To Capital reserve 3000		
32	Current ratio = <u>Current assets</u> = <u>80,000</u> = 1.6:1	2	
	Current Liabilities 50,000	_	
	Liquid ratio = $\underline{\text{Liquid assets}}$ = $\underline{30,000}$ = 0.6 :1	2	
	Current Liabilities 50,000	_	
	Debt Equity Ratio = <u>Long term debt</u> = <u>1,50,000</u> = 0.75:1	2	8
	Shareholders fund 2,00,000		
	Inventory Turnover ratio = <u>Cost of revenue from operation</u>	2	
	Average inventory		
	= <u>2,50,000</u> = 5 times		
	50,000		

Scheme Finalized by:

1. ANIL KUMAR G (399059), GOVT. HSS AYYANKOYIKKAL, KOLLAM

2. JOY J (631794), GOVT HSS, WEST KALLADA, KOLLAM

3. JAGAN H (450847), GOVT HSS, KIDANGARA, ALAPPUZHA

4. AJITH K B (818378), VAYALAR RAMA VARMA M GHSS, ALAPPUZHA

6.VINOD K (412567), VIVEKODAYAM BHSS, THRISSUR

7. BINDU PK (209815), K C P HSS, KAVASSERRY, PALAKKAD

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