

**Accountancy with Analysis of Financial statements**  
**SET - A**  
**SCORING KEY**

Qn. No.	Sub. Qn.	Scoring Indicators	Score	Total
<b>PART A</b>				
1		b. Old ratio	1	1
2		b. Rs.47000	1	1
3		c. Surplus or Deficit	1	1
4		b. Debited to old partners	1	1
5	a	Value of stock reduced by Rs.1200	1	2
	b	Value of land increased by Rs.5000	1	
6		New ratio is 4:4:1	2	2
7		Capital receipts : Legacy, Life membership fees etc Revenue receipts : Subscriptions, Sale of old news papers etc	1 1	2
8		Interest on capital Rs.3375	2	2
9		Machinery a/c           Dr 50000 Furniture a/c           Dr 15000 Stock a/c                Dr 10000 Cash a/c                 Dr 12000 To Jasim's Capital a/c       77000 To Premium a/c               10000  Premium a/c            Dr 10000 To Shafi capital a/c         5000 To Sinan capital a/c         5000	2       1	3
10		Divisible profits Rs.23100	Int. On Cap – 1 Int. On Draw – 1 For answer - 1	3
11	a	Value of goodwill = 18000 x 2 = 36000	2	4
	b	X's capital a/c       Dr 3600 Y's capital a/c       Dr 2400	2	

		To Z's capital a/c	6000		
12	a	Sacrificing ratio		1	4
	b	Gaining ratio		1	
		For any two differences		2	
13	a	Revaluation a/c	Dr 3000	1	5
		To Inventory a/c	3000		
	b	Revaluation a/c	Dr 2000	1	
		To Patents	2000		
	c	Creditors a/c	Dr 1000	1	
	To Revaluation a/c	1000			
	d	Cash a/c	Dr 3600	1	
		Revaluation a/c	Dr 400		
		To Furniture a/c	4000		
	e	Revaluation a/c	Dr 700	1	
		To Liability for damages	700		
14		Interest on capital – Rs.1250		1	5
		Share in GR – Rs.4800		1	
		Profit to date of retirement – Rs.3000		2	
		Amount transferred to Loan a/c Rs.35000		1	
15		Revaluation a/c – Profit Rs.1475		3	8
		Capital a/c – Rs.50885, Rs.45590, Rs.20000		3	
		Balance Sheet – Rs.170975		2	
16		Explanation of various methods of goodwill		4 x 2	8

### PART B Analysis of Financial statements

Qn No	Value Points	Score	Total
1	C) Rs. 750	1	1
2	A) Trade payables(others are current assets)	1/2+1/	1
3	C) Comply with legal requirements	2	1
4	C) Machinery	1	1
5	C) Vertical Analysis	1	1
6	(a) Balance Sheet	1	2
	Balance sheet is only a financial statement, but others are tools used for analysing the financial statements.	1	
7		1	2
	Liabilities	Amount	
	Loan from Canara Bank (Issued 1200, 10% debenture of Rs100 each)	120000	



			(Decrease)	Increase (Decrease)
(a) Sales	6,00,000	8,00,000	2,00,000	33.33%
(b) Cost of goods sold	3,00,000	6,00,000	3,00,000	100.00%
(c) Gross Profit(a-b)	3,00,000	200000	-100000	(33.33%)
(d) Indirect Expenses	1,80,000	90,000	(90,000)	(50.00%)
(e) Net Profit(c-d)	1,20,000	110000	10000	8.33%
(f) Income Tax	36,000	44000	8000	22.22%
(g) Profit after Tax(e-f)	84000	66000	-18000	(21.43%)

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(b) Comment on profitability of business (any two)-

\*The sales of the business increased by 33.33%, but Gross profit decreased by 33.33% because of doubling of the cost of goods sold.

\* The Net profit increase is in the same rate as that of sales revenue, because of decrease in indirect expenses.

\* Profit after tax decreased by 21.43%, because of increase in tax rate and cost of goods sold.

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(a) 95%, (b) 11%, (c) 65%, (d) 73%, (e) 15%, (f) 9%

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(b) \*The investment in fixed assets are more in ABC Ltd. (95%) than that of XYZ Ltd (89%).

But both the companies are suffering from shortage of working capital

\* A BC Ltd. has depended more upon outsiders funds(ie.25%),as compared to 15% in XYZ Ltd.