

Grade :- 13 (2020)

Accounting

Marking Scheme

பகுதி - I

(1)	4	(2)	4	(3)	2	(4)	3	(5)	2
(6)	3	(7)	2	(8)	2	(9)	2	(10)	4
(11)	3	(12)	5	(13)	2	(14)	5	(15)	5
(16)	5	(17)	4	(18)	5	(19)	3	(20)	5
(21)	2	(22)	2	(23)	1	(24)	2	(25)	3
(26)	3	(27)	3	(28)	4	(29)	5	(30)	5

(30 x 4 = 120 marks)

1) True 2) True 3) True 4) False 4x1 = 4

Rs. 150 000 decrease

(4)

1) True 2) False 3) True 4) True 4x1 = 4

A - Rs. 800

B - Rs. 4800

C - Rs. 4800

D - Rs. 900

4x1 = 4

1) False 2) True 3) False 4) False 4x1 = 4

1) False 2) False 3) False 4) True 4x1 = 4

Rs. 50 000 (4)

1) Materiality 2) Historical cost 3) Matching 4) Money measurement

4x1 = 4

a) Rs. 100 000 (2) b) Rs. 170 000 (2)



	NOTE	value	value	
Sales			25 000	①
(-) Cost of sales			<u>(15 500)</u>	③
Gross profit			9 500	
+ Other income	01		<u>750</u>	①
			10 250	
Distribution cost		3 180	③	
Administrative expenses		1 350	③	
Other expenses		300	②	
Financial cost		<u>182</u>	③	
			<u>(5 012)</u>	
Profit before tax	02		5 238	
Income tax	03		(1 700)	①
Profit for the period			3 538	
<b>Other comprehensive income</b>				
Land revaluation surplus			<u>500</u>	①
Total comprehensive income for the period			<u><u>4 038</u></u>	

**Notes:**

**01. Other income:**

Commission income 1 750

**02: Profit before tax has been calculated after**

**deducting following expenses**

PPE depreciation 960  
Property right to use deprec. 1000  
Provision for environment protection 200  
Leases interest 92  
Loss on computer disposal 100  
Bank loan interest 90

**Note : 03**

Current year income tax 1 800  
- Last year adjustment (100) 1  
Income tax expense 1 700

(If above is wrong only.)

(2 marks for every 4 correct items)

**Workings for income statement**

(If any value in income statement is wrong, give marks for workings.)

1) **Sales** 28 750  
- VAT (3 750) ①  
25 000

2) **Cost of sales**  
Opening stock 3 000  
Purchase 17 550

3 180

Sales warranty

(200)1350**Other expenses**

Loss on computer disposal	100	①
Provision for environ.protection	200	①
	<u>300</u>	

**Financial cost**

Financial cost	960
Lease installment	(960)
Bank loan interest	90
Lease interest	92
	<u>182</u>

**Statement of changes in equity for the year ended 2020.03.31 (&000)**

Details	Stated cap.	Rev.res. reserve	Retained earnings	Retain
Balance	9 000	200	1 872	11 572
Total comp.income		500	4 038	3 838
Right issue of shares	1 000	① Ir	①	1 000
Dividend paid			(200) ①	(200)
	<u>10 000</u>	<u>700</u>	<u>5 210</u>	<u>15 710</u>

**Statement of financial position of Jeyanthan PLC as at 2020.03.31**

	Note No.	Value (000)	
<b>Non-current assets</b>			
Property, plant and equipment	04 ①	11 540	
<b>Current assets</b>			
Stock		2 500 ①	
Trade receivable		8 100 ①	
Prepaid and other receivables		210 ①	
Cash and cash equivalents	05	1 750 ①	12 560
			<u>24 100</u>
<b>Equity</b>			
Stated capital			10 000
Revaluation reserve		700	
Retained earnings	①	5 210	5 910

Bank loan	178	①	
Provision for environment protection	800	①	7 168
			24 100

**Note 4 : Property, plant and equipment**

(Rs. 000)

Cost details	Land	Building	Computer	Total
Balance on 01.04.2019	5 500	10 000	2 500	18 000
Addition			300	300
Revaluation	500			500
Disposal			(500)	(500)
Balance on 2020.03.31	6 000	10 000	2 300	18 300
<b>Details of Acc.dep</b>				
Balance on 2019.04.01		5100	1000	6 100
Annual depreciation		400	560	960
Disposal			(300)	
Closing balance		5500	1260	6760
Carrying amount	6 000	4 500	1 040	11 540

**Note : 6 Accrued and other payables**

Bank loan interest payable	90
VAT payable	1 600
	1 690

Q1 ⇒	1	2	3	Total
	20	03	17	40

a) 1) 600 X 120 +	72000	①	
200 x 100 +	20000	①	
800 X 100 +	80000		
100 X 110 +	11000	①	
	183000	③	
2) Timber obtained from store			183000
- Closing stock	100 x 110		11000
	100 x 100		10000 (21000)
Cost of timber used			162000
3) Re-order level =	60 x 20	=	1200 units
	①	①	②
		①	①
4) Maximum inventory level =	1200 + 1000	(40 x 10)	= 1800 units
			②

$$1600 \times 107.50 = 172000 \quad \boxed{1}$$

$$800 \times 107.50 = (86000) \quad \boxed{1}$$

$$800 \times 107.50 = 86000$$

$$1000 \times 110 = 110000$$

$$1800 \times = 196000 \quad \boxed{1}$$

$$900 \times = (98000)$$

$$900 \times = 98000 \quad \boxed{3}$$

$$EOQ = \frac{2DCO}{CH} \quad 100 = \frac{2 \times 6000 \times 200}{240} \quad \boxed{1} \quad \boxed{1}$$

$$\text{The number of orders} = \frac{D}{Q} = \frac{6000}{100} = 60 \times 200 = 12000 \quad \boxed{1} \quad \boxed{1} \quad \textcircled{2}$$

$$25 \times 240 = 6000 \quad \textcircled{2}$$

$$\text{Interest coverage ratio} = \frac{\text{Profit before tax} + \text{Interest}}{\text{Interest}} = \frac{1600 + 200}{200} = 9 \text{ times} \quad \boxed{1} \quad \textcircled{2}$$

$$\text{Debtor collection period} = \frac{\text{Period}}{\text{Debtor turn over ratio}} = \frac{360}{10} = 36 \text{ Days} \quad \boxed{1} \quad \textcircled{2}$$

$$\text{Inventory turnover ratio} = \frac{\text{Cost of sales}}{\text{Average stock}} = \frac{11400}{1900} = 6 \text{ times} \quad \boxed{1} \quad \boxed{1} \quad \textcircled{2}$$

$$\text{Inventory obtaining period} = \frac{\text{Period}}{\text{Inventory turnover ratio}} = \frac{360}{6} = 60 \text{ days} \quad \textcircled{2}$$

$$\text{Debt-equity ratio} = \frac{\text{Debt capital}}{\text{Equity}} = \frac{4800 \times 100}{3200} = 150\% \quad \textcircled{2}$$

$$\text{Current ratio} = \frac{\text{Current assets}}{\text{Current liability}} = \frac{4000}{2000} = 2:1 \quad \textcircled{2}$$

10000

②

$$\text{Earnings per share} = \frac{\text{Profit for the period}}{\text{No. of ordinary shares}} = \frac{800000}{100000} = 8/=$$

②

a	b	Total
1, 2		
12 + 04	20	4

tion No. (3) 1) values (Rs. 000)

Trn No.	Assets				Liability				Equity
	PPE	Stock	Trade rec.	Prepaid exp.	Cash	Other payable	Rec.in adv.	Bank loan	
1)							+ 60		-60
2)		+100							+ 100
3)		-20							- 20
4)						+ 10			+ 10 -20
5)		-15							-15
6)					- 100			- 80	-20
7)			+30						+30
8)		-20							-20
9)				+3					+3
10)							+30		- 30

10 x 2 = 20 marks

**Net profit adjusted statement**

**Rs. (000)**

Profit before tax	780
Stock	100 ①
Prepaid insurance	3 ①
	883
- Prepaid insurance	60 ①
- Stock not taken	20 ①
- Business expense	20 ①
- Advertising	15 ①

	Profit or loss account Cr.		100
3)	Profit or loss account Dr.	20	
	Trade stock account Cr.	20	
4)	Profit or loss account Dr.	20	
	Capital account Cr.	10	
	Accrued expense account Cr.	10	
5)	Advertising expense account / Profit or loss account Dr.	15	
	Trade stock account Cr.	15	
6)	Bank loan account Dr.	80	
	Interest account Dr. / Profit or loss account Cr.	20	
	Cash account Cr.	100	
7)	Debtor control account account Dr.	30	
	Profit or loss account Cr.	30	
8)	Drawing account Dr.	20	
	Profit or loss account Cr.	20	
9)	Prepaid insurance account Dr. / Profit or loss account Dr.	3	
	Insurance account Cr.	3	
10)	Sales account Dr. / Profit or loss account Dr.	80	
	Sales advance account Cr.	80	

10 x 1 = 10 marks

(no explanation not required)

Q 3  
⇒

1	2	3	Tot
20	10	10	40



9500		
	c/d	46000
		79000
79000		

		c/d	57500	
			69000	69000

**Ragulan account**

	Purchase	40000
	VAT	6000
46000		

**Kanthan account**

Petty cash	2000	b/d	2000
	2000		2000

**General ledger**

**Cash account**

150000	Cred.cont.	9500
200000		
30000		
		c/d 46000
380000		380000

**Petty cash account**

b/d	12000	Post	4000
		Travelling	4000
		others 2000	
		c/d	2000
	2000		2000

**Creditor control account**

Turn out.	30000	b/d	12000
	4500	Purchase	160000
rec.	500	VAT	24000
h	9500		
ty cash	2000		
149500			
196000		196000	

**VAT control account**

Cred.cont.	24000	b/d	2000
		Cash	30000
c/d	12500	Creditors	4500
	196000		196000

**Purchase account**

Cred.cont.ac.	160000	c/d	160000
	160000		160000

**Capital account**

	b/d	173000
173000		173000

**Travelling account**

Petty cash	4000	b/d	4000
	2000		2000

**Post account**

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### Adjusted cash account

Bal. before rectifying	2000	1	Cheque returned	6000	1
Dividend	7000	1	Bank charge	1000	1
Sales	8000	1	Standing order	7000	1
			Corrected balance	3000	1
	<b>17000</b>			<b>17000</b>	

### Bank reconciliation statement on 2019.03.31

Details	Value	
Adjusted cash balance		3000
+ Unpresented cheque		
300511	13000	(1)
300514	7000	(1)
		20000
		23000
- Unrealized cheque		
201801	15000	(15000)
Bank statement		8000
		<b>8000</b>

### 1) Cash account (alternative method)

#### Cash account

c/d	22200	2	Cheque issued 300510	24000	
Cash	30000	1	Cheque issued 300511	13000	
Cheque 801201	15000	1	Cheque issued 300512	12000	
Cheque 800780	800	1	Cheque issued 300513	10000	
			Cheque issued 300514	7000	
				2000	
	<b>68000</b>			<b>68000</b>	

Q4 ⇒

	अ	ब			
	1	2	3	<b>Total</b>	
20	09	07	04	40	

Subscription		840	①	
Motor donation		100		1170
<b>Expense</b>				
Salaries & wages	*	198		
Equipment depreciation	*	42		
Furniture depreciation	*	85		
Maintenance expense	*	235		
Assessment tax		10	①	
Motor vehicle dep. ①		100		(670)
Income surplus				500

\* 1/2 x 6 = 3

b) **Statement of financial position as at 2019.12.31**

<b>Assets</b>		Rs.		
Land	1000		①	
Furniture	340		①	
Equipment		300	①	
Motor vehicle	400	<b>2040</b>	①	
<b>Current assets</b>				
Accrued subscription			35	
Tax advance		5	①	
Cash	700			<b>740</b>
				<b>2780</b>
<b>Equity</b>				
Accumulated fund on 2019.01.01		400	①	
+ Income surplus		500	①	
Sports pavilion donation		1000	①	
Accumulated fund on 2019.12.31				<b>1900</b>
Sports donation		400	①	
Motor vehicle donation		400	①	800
				<b>2800</b>
<b>Liabilities</b>				
Subscription in advance				80
<b>Subscription account</b>				<b>2780</b>

Salary		100	(1)	140
(-) Telephone charge		30	(1)	1700
Building dep.		20	(1)	
Equipment dep.		40	(1)	
Stock loss	₹	(150)	(1)	
Adjusted net profit		1550		
Salary	Kamani			(300)
(-) Capital interest	Kamani	80		
	Lavani	90	(1)	(170)
Profit share	Kamani	540		
	Lavani	540	(1)	(1080)
				0

**Partners' capital account**

**(Rs. 000)**

Details	Kamani	Lavani	Ramani	Details	Kamani	Lavani	Ramani
Goodwill	100	100	100	Balance	800	900	
				Cash			600
				Office equip.			400
c/d	850	950	900	Goodwill (1)	150	150	
	<b>950</b>	<b>1050</b>	<b>1000</b>		<b>950</b>	<b>1050</b>	<b>1000</b>

**Partners current account (Rs. 000)**

Details	Kamani	Lavani	Details	Kamani	Lavani
Salary	170 (1)		b/d	90	
Capit.int.	50	80 (1)	Interest on cap. (1)	80	
drawing		40 (1)	Partner salary Tr (1)	300	
Salary	100 (1)		Profit share (1)	540	540
c/d	720	560	Telephone char_ (1)	30	
	<b>1040</b>	<b>680</b>		<b>1040</b>	<b>680</b>

KPJP/t

720

5

$$\text{Building depreciation} = \frac{(620 + 100) - (160 + 10)}{25} \quad \boxed{1}$$

$$= \text{Rs. } 22 \quad \textcircled{2}$$

### Motor vehicle exchange account

Motor veh. $\boxed{1}$ 880	Motor vehic. 900 $\boxed{1}$	
Cash 400	Acc.dep. 375 $\boxed{1}$	
	Loss 5	$\textcircled{3}$
<u>1280</u>	<u>1280</u>	

Year	0	1	2	3
Lease installment		400000	400000	400000
Last payment				20000
		400000	400000	420000
Discount rate 10		0.91	0.83	0.75
Present value		364000	332000	315000
	1011000 $\textcircled{3}$	$\boxed{1}$	$\boxed{1}$	$\boxed{1}$

### Property right to use account

Lease payment		Equity depreciation	337000
Lease obligation to pay	$\textcircled{1}$ 1011000	c/d	674000
	<b>1011000</b>		<b>1011000</b>
	674000		

### Lease obligation to pay lease installment account

Cash	400000 $\textcircled{1}$	Property right to use account	$\textcircled{1}$ 1011000
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Other expenses	(6)	(1)
Financial cost	101.1	(1)
Other comprehensive income		(1)
Land revaluation surplus	40	(1)

) Cash flow statement of Madhura PLC for the year ended 2020.03.31

<b>Operating activities</b>			<b>&amp;gh</b>
<del>Cash received from debtors</del>			800
Cash paid to creditors			(608)
Cash generated from operating activities		480 + 128	192
– Interest paid			(10)
Income tax paid			(50)
Net cash flow generated from operating activities			132
<b>Investing activities</b>		(1)	(1)
Cash received from disposal of PPE			500
Purchase of PPE			(820)
Net cash used in investing activities			(320)
<b>Financing activities</b>		(1)	(3)
Right issue of shares			300
Lease payment			(100)
Repayment of bank loan			(200)
Dividend payment			(20)
Net cash used in financing activities			(20)
Net cash flow generated during the period		(1)	432
Cash and cash equivalents on 2019.04.01			120
Cash and cash equivalents on 2020.03.31			552
<b>PPE account</b>			

ch	820	Depreciation	70	(1)
		Disposal	340	