

Website: www.cbse.nic.in

Phone: 23220155
Email-id: sugandh.cbse@live.com



CENTRAL BOARD OF SECONDARY EDUCATION

(An Autonomous Organization under the Union Ministry of Human Resource Development, Govt. of India)
“Shiksha Sadan”, 17, Rouse Avenue, New Delhi-110 002

ACAD/CBSE/DIR(ACAD&T) 2012

Circular No. Acad-73/2012
21st September, 2012

**All the Heads of the
CBSE affiliated schools**

Subject: Additional information on Adoption of Revised Schedule VI Part I of the Companies Act 1956 in the transaction of the Accountancy syllabus of Class XII for the Board Examination 2013.

Reference: Circular No. Acad-13/2012 dated 10th May, 2012 and Circular No: Acad-54/2012 Dated 24th August, 2012.

Dear Principal,

In continuation with the Circulars cited above, it is further brought to your kind attention that the Board has developed additional questions for practice of Class XII Accountancy students and defined the topics affected by the revised Schedule VI to the Companies Act, 1956. These questions along with the ones given in the Sample Question Paper uploaded on the CBSE website www.cbse.nic.in provide a full coverage to the topics of the Accountancy syllabus affected by the revision of the Schedule VI to the Companies Act, 1956.

The material, which has been included as Annexure ‘A’ to this Circular, may kindly be brought to the notice of concerned teachers and students. For any further queries in this regard, please also contact Mrs. Sugandh Sharma, Education Officer (Commerce) at 011- 23220155 or email at eo-commerce@cbseacademic.in with a copy to Director (Academic and Training) at email id sadhanap.cbse@nic.in .

With best wishes,

Yours Sincerely,

(Ram Shankar)
Joint Director (Acad. & Voc.)

Encl. Annexure A

Copy with a request to respective Heads of Directorates/KVS/NVS/CTSA as indicated below to also disseminate the information to all concerned schools under their jurisdiction:-

1. The Commissioner, Kendriya Vidyalaya Sangathan, 18-Institutional Area, Shaheed Jeet Singh Marg, New Delhi- 16.
2. The Commissioner, Navodaya Vidyalaya Samiti, A-28, Kailash Colony, New Delhi.
3. The Director of Education, Directorate of Education, Govt. of NCT of Delhi, Old Secretariat, Delhi- 54.
4. The Director of Public Instructions (Schools), Union Territory Secretariat, Sector-9, Chandigarh- 160017.
5. The Director of Education, Govt. of Sikkim, Gangtok, Sikkim- 737101.
6. The Director of School Education, Govt. of Arunachal Pradesh, Itanagar-791111
7. The Director of Education, Govt. of A&N Islands, Port Blair- 744101.
8. The Director of Education, S.I.E., CBSE Cell, VIP Road, Jungle Ghat, P.O. 744103, A&N Islands.
9. The Secretary, Central Tibetan School Administration, ESS ESS Plaza, Community Centre, Sector 3, Rohini, Delhi- 85
10. The General Secretary, COBSE New Delhi, 6H, BigJo's Tower, A-8, Netaji Subhash Place Ring Road, Delhi - 110034
11. All the Regional Officers of CBSE with the request to send this circular to all the Heads of the affiliated schools of the Board in their respective regions.
12. The Joint Director (Acad. & Voc.), CBSE, Rouse Avenue, New Delhi.
13. The Education Officers/ AEOs of the Academic Branch, CBSE.
14. The Research Officer (T) with the request to put this circular on the CBSE Academic website.
15. The Library and Information Officer, CBSE.
16. PRO, CBSE
17. APRO, CBSE, Rouse Avenue, New Delhi.
18. E.O. to Chairman/PS to Chairman, CBSE,
19. DO/ PA to Secretary, CBSE
20. PA to CE, CBSE
21. PA to Director (Acad. & Trg.)
22. PA to HOD (Spl. Exam)

Joint Director (Acad. & Voc.)

<p>(b) Common Size Statements</p> <ul style="list-style-type: none"> • Common Size Income Statement. • Common Size Balance Sheet <p>© Ratio Analysis:</p>	<p>Not affected because it is a managerial tool. The information may be presented to the management as required by them. The elements/Components of individual ratios will be given in the question.</p>		<p>--</p>
<p><u>6. Cash Flow Statement</u></p>	<p>Not affected because the information given in the 2012-13 examination will be assumed to be the same as stated under the head in the Balance Sheet. For example- if the Debentures are given under the head 'Long Term Borrowings', they will be treated as a Non current Liability.</p>	<p>8</p>	<p>Nil</p>

QUESTIONS

1. From the following Statement of Profit and Loss of Star Ltd., for the years ended 31st March 2011 and 2012, prepare a comparative Statement of Profit or Loss.

Particulars	Note No.	2010-11 (₹)	2011-12 (₹)
Revenue from operations		16,00,000	20,00,000
Employee benefits expenses		8,00,000	10,00,000
Other expenses		2,00,000	1,00,000
Tax rate 40%			

Solution.

Comparative Statement of Profit or Loss
for the years ended 31st March 2011 and 31st March 2012

	Particulars	2010-11 (₹)	2011-12 (₹)	Absolute increase/ decrease (₹)	Percentage increase/ decrease (%)
I	Revenue from operations	16,00,000	20,00,000	4,00,000	25
II	Less: Expenses:				
	Employee benefits expenses	8,00,000	10,00,000	2,00,000	25
	Other expenses	2,00,000	1,00,000	(1,00,000)	(50)
III	Profit before tax	6,00,000	9,00,000	3,00,000	50
	Less tax @40%	2,40,000	3,60,000	1,20,000	50
IV	Profit after tax	3,60,000	5,40,000	1,80,000	50

2. From the following Balance Sheets of Universe Ltd., as on 31st March 2011 and 2012, prepare a Comparative Balance Sheet.

Particulars	Note No.	2010-11 (₹)	2011-12 (₹)
EQUITY AND LIABILITIES			
(1) Shareholders Funds			
(a) Share capital		15,00,000	20,00,000
(b) Reserves and Surplus		4,00,000	3,00,000
(2) Non Current Liabilities			
Long Term Borrowings		6,00,000	9,00,000
(3) Current Liabilities			
Trade Payables		2,00,000	3,00,000
Total		27,00,000	35,00,000
ASSETS			
(1) Non Current Assets			
Fixed assets			
(i) Tangible assets		15,00,000	20,00,000
(ii) Intangible Assets		6,00,000	9,00,000
(2) Current Assets			
(a) Inventories		4,00,000	3,00,000
(b) Cash and Cash equivalent		2,00,000	3,00,000
Total		27,00,000	35,00,000

Solution.

Comparative Balance Sheet of Star Ltd.
as on 31st March 2011 and 31st March 2012

Particulars	2010-11 (₹)	2011-12 (₹)	Absolute increase/ decrease (₹)	Percentage increase/ decrease (%)
-------------	----------------	----------------	--	--

EQUITY AND LIABILITIES				
(1) Shareholders Funds				
(a) Share capital	15,00,000	20,00,000	5,00,000	33.33
(b) Reserves and Surplus	4,00,000	3,00,000	(1,00,000)	(25)
(2) Non Current Liabilities				
Long Term Borrowings	6,00,000	9,00,000	3,00,000	50
(3) Current Liabilities				
Trade Payables	2,00,000	3,00,000	1,00,000	50
Total	27,00,000	35,00,000	8,00,000	33.3
ASSETS				
(1) Non Current Assets				
Fixed assets				
(i) Tangible assets	15,00,000	20,00,000	5,00,000	33.33
(ii) Intangible Assets	6,00,000	9,00,000	3,00,000	50
(2) Current Assets				
(a) Inventories	4,00,000	3,00,000	(1,00,000)	(25)
(b) Cash and Cash equivalents	2,00,000	3,00,000	1,00,000	50
Total	27,00,000	35,00,000	8,00,000	33.33

3. From the following Balance Sheets of Sun Ltd., as on 31st March 2011 and 2012, prepare a common size Balance Sheet.

Particulars	Note No.	2010-11 (₹)	2011-12 (₹)
EQUITY AND LIABILITIES			
(1) Shareholders Funds			
(a) Share capital		30,00,000	40,00,000
(b) Reserves and Surplus		4,00,000	6,00,000
(2) Non Current Liabilities			
Long Term Borrowings		10,00,000	12,00,000
(3) Current Liabilities			
Short Term borrowings		6,00,000	2,00,000
Total		50,00,000	60,00,000
ASSETS			
(1) Non Current Assets			
(a) Fixed assets			
(i) Tangible assets		30,00,000	40,00,000
(ii) Intangible Assets		6,00,000	2,00,000
(2) Current Assets			
(a) Inventories		10,00,000	12,00,000
(b) Cash and Cash equivalents		4,00,000	6,00,000
Total		50,00,000	60,00,000

Solution.

Common Size Balance Sheet of Sun Ltd.
as on 31st March 2011 and 31st March 2012

Particulars	2010-11 (₹)	2011-12 (₹)	Percentage of total 2010-11	Percentage of total 2010-11
EQUITY AND LIABILITIES				
(1) Shareholders Funds				
(a) Share capital	30,00,000	40,00,000	60	66.7
(b) Reserves and Surplus	4,00,000	6,00,000	8	10.0
(2) Non Current Liabilities				
Long Term Borrowings	10,00,000	12,00,000	20	20.0
(3) Current Liabilities				
Short Term borrowings	6,00,000	2,00,000	12	3.3
Total	50,00,000	60,00,000	100	100.0
ASSETS				
(1) Non Current Assets				
(a) Fixed assets				
(i) Tangible assets	30,00,000	40,00,000	60	66.7
(ii) Intangible Assets	6,00,000	2,00,000	12	3.3
(2) Current Assets				
(a) Inventories	10,00,000	12,00,000	20	20.0
(b) Cash and Cash equivalent	4,00,000	6,00,000	8	10.0
Total	50,00,000	60,00,000	100	100.0

4. Following are the Balance Sheets of Mittal Ltd., as on 31st March 2011 and 2012:

Particulars	Note No.	2010-11 (₹)	2011-12 (₹)
EQUITY AND LIABILITIES			
(1) Shareholders Funds			
(a) Share capital		10,00,000	14,00,000
(b) Reserves and Surplus	1	4,00,000	5,00,000
(2) Non Current Liabilities			
Long term borrowings	2	2,00,000	6,00,000
(3) Current Liabilities			
Short Term provisions	3	60,000	80,000
Total		16,60,000	25,80,000
ASSETS			
(1) Non Current Assets			
(a) Fixed assets			
(i) Tangible assets	4	9,00,000	16,00,000
(ii) Intangible Assets	5	2,00,000	1,40,000
(2) Current Assets			
(a) Inventories		2,00,000	2,50,000
(b) Trade Receivables		3,00,000	5,00,000
(b) Cash and Cash equivalent		60,000	90,000
Total		16,60,000	25,80,000

Notes to Accounts:

Note 1

Particulars	As on 31.3.2011 (₹)	As on 31.3.2012 (₹)
Reserves and Surplus Surplus (balance in Statement of profit and Loss)	4,00,000	5,00,000

Note 2

Particulars	As on 31.3.2011 (₹)	As on 31.3.2012 (₹)
Long term borrowings (i) 9% Deposits	2,00,000	6,00,000

Note 3

Particulars	As on 31.3.2011 (₹)	As on 31.3.2012 (₹)
Short Term provisions (i) Provision for tax	60,000	80,000

Note 4

Particulars	As on 31.3.2011 (₹)	As on 31.3.2012 (₹)
Tangible assets (i) Machinery	9,00,000	16,00,000

Note 5

Particulars	As on 31.3.2011 (₹)	As on 31.3.2012 (₹)
Intangible Assets (i) Goodwill	2,00,000	1,40,000

Prepare a Cash Flow Statement after taking into account the following adjustments:

- (a) The company paid interest ₹45,000 on its Deposits.
- (b) Depreciation provided on machinery during the year ₹2,00,000.

Solution:

**Cash Flow Statement
for the year ending 31st March 2012**

Particulars	Details (₹)	Amount (₹)
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,80,000	
Add: Depreciation on machinery	2,00,000	
Interest on deposits	45,000	
Goodwill written off	<u>60,000</u>	
Operating Profit before working capital changes	4,85,000	
Less: Increase in Inventories	(50,000)	
Increase in Trade Receivables	<u>(2,00,000)</u>	
Cash flows from operations	2,35,000	
Less tax paid	(60,000)	
Net Cash generated from operating activities		1,75,000
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Machinery purchased	(9,00,000)	
Net Cash used in investing activities		(9,00,000)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of Shares	4,00,000	
9% Deposits raised	4,00,000	
Interest paid	(45,000)	
Net Cash generated from financing activities		7,55,000
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		30,000
Add opening balance of cash and cash equivalents		<u>60,000</u>
Closing balance of cash and cash equivalents		<u>90,000</u>

5. The authorized capital of XYZ Ltd is ₹ 20,00,000 divided into ₹ 2,00,000 equity shares of ₹ 10 each. Out of these the company issued 1,00,000 equity shares of ₹ 10 each at a discount of 10%. The amount is payable as follows:

On application ₹ 2, on allotment ₹ 4 and on final call ₹ 3.

The public applied for ₹ 90,000 equity shares and all the money was duly received. How will you show the 'Share Capital A/c' in the Balance-sheet of the company. Also prepare "Notes to Accounts" for the same.

(1x3 = 3 Marks)

Solution:

Balance Sheet of XYZ Ltd.
As at

	Particulars	Note No.	Amount current year (₹)	Amount previous year (₹)
I (1)	Equity and Liabilities Shareholder's Fund (a) Share Capital	1	9,00,000	

1 Mark

Note No.1

<u>Share Capital</u>	<u>(₹)</u>
<u>Authorised Capital</u> 2,00,000 Equity Shares of ` 10 each	<u>20,00,000</u>
<u>Issued Capital</u> 1,00,000 equity shares of ` 10 each	<u>10,00,000</u>
<u>Subscribed & Fully paid</u> 90,000 equity shares of ` 10 each	<u>9,00,000</u>

(1+3=4 Marks)