

Accountancy (Code 055)
Class–XII (2014-15)

One Paper

3 Hours
80 Marks

Units	Periods	Marks
Part A: Accounting for Partnership Firms and Companies		
Unit 1. Accounting for Partnership Firms	90	35
Unit 2. Accounting for Companies	60	25
	150	60
Part B: Financial Statement Analysis		
Unit 3. Analysis of Financial Statements	30	12
Unit 4. Cash Flow Statement	20	8
	50	20
Part C: Project Work	40	20
Project work will include:		
Project File: 4 Marks		
Written Test: 12 Marks (One Hour)		
Viva Voce: 4 Marks		
OR		
Part B: Computerized Accounting	60	20
Unit 3. Computerized Accounting		
Part C: Practical Work	26	20
Practical work will include:		
File	4 Marks	
Practical Examination	12 Marks (One Hour)	
Viva Voce	4 Marks	

Part A: Accounting for Partnership Firms and Companies 60 Marks 150 Periods

Unit 1: Accounting for Partnership Firms

- Partnership: features, Partnership deed.
- Provisions of the Indian Partnership Act 1932 in the absence of partnership deed.
- Fixed v/s fluctuating capital accounts. Preparation of Profit & Loss Appropriation account- division of profit among partners, guarantee of profits.
- Past adjustments (relating to interest on capital, interest on drawing, salary and profit sharing ratio).
- Goodwill: nature, factors affecting and methods of valuation - average profit, super profit and capitalization.

Accounting for Partnership firms - Reconstitution and Dissolution.

- **Change in the Profit Sharing Ratio** among the existing partners - sacrificing ratio, gaining ratio. Accounting for revaluation of assets and re-assessment of liabilities and distribution of reserves and accumulated profits.
- **Admission of a partner** - effect of admission of a partner on change in the profit sharing ratio, treatment of goodwill (as per AS 26), treatment for revaluation of assets and re - assessment of liabilities, treatment of reserves and accumulated profits, adjustment of capital accounts and preparation of balance sheet.
- **Retirement and death of a partner:** effect of retirement / death of a partner on change in profit sharing ratio, treatment of goodwill (as per AS 26), treatment for revaluation of assets and re - assessment of liabilities, adjustment of accumulated profits and reserves, adjustment of capital accounts and preparation of balance sheet. Preparation of loan account of the retiring partner.
 - Calculation of deceased partner's share of profit till the date of death. Preparation of deceased partner's capital account, executor's account and preparation of balance sheet.
- Dissolution of partnership firms: types of dissolution of firm. Settlement of accounts - preparation of realization account, and other related accounts (excluding piecemeal distribution, sale to a company and insolvency of partner(s)).

Note: (i) If value of asset is not given, its realised value should be taken as nil.

(ii) In case, the realisation expenses are borne by a partner, clear indication should be given regarding the payment thereof.

Unit -2 Accounting for Companies

Accounting for Share Capital

- **Share and share capital:** nature and types.
- **Accounting for share capital:** issue and allotment of equity shares, private placement of shares, Public subscription of shares - over subscription and under subscription of shares; Issue at par and at premium and at discount, calls in advance and arrears (excluding interest), issue of shares for consideration other than cash.
- Accounting treatment of forfeiture and re-issue of shares.
- Disclosure of share capital in company's Balance Sheet.

Accounting for Debentures

- **Debentures:** Issue of debentures at par, at premium and at discount. Issue of debentures for consideration other than cash; Issue of debentures with terms of redemption; debentures as collateral security-concept, interest on debentures.
- **Redemption of debentures:** Lump sum, draw of lots and purchase in the open market (excluding ex-interest and cum-interest).

Part B: (i) Financial Statement Analysis

20 Marks 50 Periods

Unit 3: Analysis of Financial Statements

- **Financial statements of a company:** Statement of Profit and Loss and Balance Sheet in the prescribed form with major headings and sub headings (as per Schedule VI to the Companies Act, 1956).

Scope: Exceptional Items, Extraordinary Items and Profit (loss) from Discontinued Operations are excluded.

- **Financial Statement Analysis:** Objectives and limitations.
- **Tools for Financial Statement Analysis:** Comparative statements, common size statements, cash flow analysis, ratio analysis.
- **Accounting Ratios:** Objectives, classification and computation.

Liquidity Ratios: Current ratio and Quick ratio.

Solvency Ratios: Debt to Equity Ratio, Total Asset to Debt Ratio, Proprietary Ratio and Interest Coverage Ratio.

Activity Ratios: Stock Turnover Ratio, Debtors Turnover Ratio, Creditors Turnover Ratio and Working Capital Turnover Ratio.

Profitability Ratios: Gross Profit Ratio, Operating Ratio, Operating Profit Ratio, Net Profit Ratio and Return on Investment.

Note: As ratio analysis is a managerial tool, for the computation of profitability ratios, relevant information should be specified whether it is a part of Statement of Profit and Loss as per Schedule VI or not.

Unit 4: Cash Flow Statement

- Meaning, objectives and preparation (as per AS 3 (Revised) (Indirect Method only)

Scope: Adjustments relating to depreciation and amortisation, profit or loss on sale of assets including investments, dividend (both final and interim) and tax.

Note: Bank overdraft and cash credit to be treated as a component of cash and cash equivalent.

(ii) PROJECT WORK

20 Marks 40 Periods

Kindly refer to the Guidelines published by the CBSE.

OR

Part B: Computerised Accounting

20 Marks 60 Periods

Unit 3: Computerised Accounting

Overview of Computerised Accounting System.

- Introduction: Application in Accounting.
- Features of Computerised Accounting System.
- Structure of CAS.
- Software Packages: Generic; Specific; Tailored.

Accounting Application of Electronic Spreadsheet.

- Concept of Electronic Spreadsheet.
- Features offered by Electronic Spreadsheet.
- Application in Generating Accounting Information - Bank Reconciliation Statement; Asset Accounting; Loan Repayment of loan schedule, Ratio Analysis
- Data Representation- Graphs, Charts and Diagrams.

Using Computerized Accounting System.

- Steps in installation of CAS, codification and Hierarchy of account heads, creation of accounts.
- Data: Entry, Validation and Verification.
- Adjusting entries, preparation of balance sheet, profit and loss account with closing entries and opening entries.
- Need and security features of the system.

Database Management System (DBMS)

- Concept and Features of DBMS.
- DBMS in Business Application.
- Generating Accounting Information - Payroll.

Part C: Practical Work

20 Marks 26 Periods

Please refer to the guidelines published by CBSE.

Prescribed Books:

Financial Accounting I	Class XI	NCERT Publication
Accountancy II	Class XI	NCERT Publication
Accountancy I	Class XII	NCERT Publication
Accountancy II	Class XII	NCERT Publication

Suggested Question Paper Design
Accountancy (Code 055)
Class XII (2014-15)
March 2015 Examination

Marks 80

Duration: 3 hrs.

S. No.	Typology of Questions	Very Short Answer MCQ 1 Mark	Short Answer I 3 Marks	Short Answer II 4 Marks	Long Answer I 6 Marks	Long Answer II 8 Marks	Marks	%
1.	Remembering- (Knowledge based Simple recall questions, to know specific facts, terms, concepts, principles, or theories; Identify, define, or recite, information)	3	1	2	1	-	20	25
2.	Understanding- (Comprehension - to be familiar with meaning and to understand conceptually, interpret, compare, contrast, explain, paraphrase, or interpret information)	2	-	1	1	1	20	25
3.	Application (Use abstract information in concrete situation, to apply knowledge to new situations; Use given content to interpret a situation, provide an example, or solve a problem)	-	2	1	1	-	16	20
4.	High Order Thinking Skills (Analysis & Synthesis- Classify, compare, contrast, or differentiate between different pieces of information; Organize and/or integrate unique pieces of information from a variety of sources)	2	-	-	1	1	16	20
5.	Evaluation and Multi-Disciplinary- (Appraise, judge, and/or justify the value or worth of a decision or outcome, or to predict outcomes based on values)	1	1	1	-	-	08	10
	TOTAL	8x1=8	4x3=12	5x4=20	4x6=24	2x8=16	80(23) +20 Project	100