

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

One Paper

**3 Hours  
80 Marks**

Units	Periods	Marks
<b>Part A: Accounting for Partnership Firms and Companies</b>		
Unit 1. Accounting for Partnership Firms	90	35
Unit 2. Accounting for Companies	60	25
	<b>150</b>	<b>60</b>
<b>Part B: Financial Statement Analysis</b>		
Unit 3. Analysis of Financial Statements	30	12
Unit 4. Cash Flow Statement	20	8
	<b>50</b>	<b>20</b>
<b>Part C: Project Work</b>		
Project work will include:		
Project File: 4 Marks		
Written Test: 12 Marks (One Hour)		
Viva Voce: 4 Marks		
OR		
<b>Part B: Computerized Accounting</b>		
Unit 3. Computerized Accounting	60	20
<b>Part C: Practical Work</b>		
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.	<b>Remembering-</b> (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.	<b>Understanding-</b> (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.	<b>Application</b> (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.	<b>High Order Thinking Skills (Analysis &amp; Synthesis-</b> 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.	<b>Evaluation and Multi-Disciplinary-</b> (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
	<b>TOTAL</b>	8x1=8	4x3=12	5x4=20	4x6=24	2x8=16	80(23) +20 Project	100