

ACCOUNTANCY

Time allowed: 3 hours

Maximum Marks: 80

General Instructions:

- Question nos. 1 to 9 and 18 to 26 are very short answer type questions carrying 1 mark each.
- Question nos. 10 and 27 are short answer type–I questions carrying 3 marks each.
- Question nos. 11 to 13 and 28 are short answer type–II questions carrying 4 marks each.
- Question nos. 14, 15 and 29, 30 are long answer types–I questions carrying 6 marks each.
- Question nos. 16 and 17 are long answer type–II questions carrying 8 marks each.

Part A - Financial Accounting I		
1	Explain 'Reliability' as a qualitative feature of accounting.	1
2	Define depreciation.	1
3	Pass the rectification entry for the following transaction: Transaction: Sales of ₹ 20,000 passed through the purchase book.	1
4	X Ltd. purchased machinery of ₹1,00,000 on October 1, 2020. The useful life of the asset is 10 years and salvage value is ₹20,000. Calculate the amount of depreciation to be charged in the year 2020-2021.	1
5	Purchase goods for ₹10,000 and receive a trade discount at 10% and a cash discount of 5%. Purchase account will be debited by: (a) ₹ 10,000 (b) ₹ 1,000 (c) ₹ 9,000 (d) ₹ 8,550	1
6	What will be the journal entry for endorsement of bills in the books of drawer, drawee, and endorsee?	1
7	Withdrawal of goods for personal use is known as _____.	1
8	Mention any two objectives of preparing trial balance.	1
9	Explain dual aspect principle.	1

10	<p>Pass the necessary journal entries for the following transactions:</p> <p>(a) Purchased plant for ₹1,00,000 by paying ₹20,000 as cash and balance to be paid on a later date.</p> <p>(b) Goods costing ₹80,000 were sold for ₹1,20,000.</p> <p>(c) Proprietor paid a ₹2,000 household electricity bill.</p> <p>(d) Paid cash ₹50,000 to Vinay, availed discount of 4%.</p> <p align="center">Or</p> <p>Prepare accounting equation for the following transactions.</p> <p>(a) Commenced business with cash ₹1,50,000.</p> <p>(b) Purchased furniture for ₹10,000.</p> <p>(c) Cash withdrawn by owner for ₹2,000.</p> <p>(d) Sold furniture to Raman of ₹1,800 (Costing 2,000)</p>	3																																			
11	<p>Prepare double column cash book for the following transactions:</p> <table border="1" style="width:100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width:10%;"></th> <th style="width:70%; text-align: center;">Particulars</th> <th style="width:20%; text-align: center;">Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>(a)</td> <td>Opening cash balance</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>(b)</td> <td>Opening bank balance</td> <td style="text-align: right;">15,000</td> </tr> <tr> <td>(c)</td> <td>Payment made for purchases</td> <td style="text-align: right;">2,000</td> </tr> <tr> <td>(d)</td> <td>Deposited into bank</td> <td style="text-align: right;">8,000</td> </tr> <tr> <td>(e)</td> <td>Withdrawn from bank</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>(f)</td> <td>Cheque received from Ramia for ₹2,000. However, this cheque was deposited into the bank next month.</td> <td></td> </tr> </tbody> </table> <p align="center">Or</p> <p>Record the below transactions in the sales book.</p> <table border="1" style="width:100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width:15%; text-align: center;">Date</th> <th style="text-align: center;">Particulars</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>M/s Koyla sold on credit:</td> </tr> <tr> <td>Jan 1</td> <td>100 electric bulbs at ₹100 each to M/s Ramaiah (Invoice no. 206)</td> </tr> <tr> <td>Jan 2</td> <td>20 air conditioners at ₹20,000 each to M/s Priya (Invoice no. 207)</td> </tr> <tr> <td>Jan 3</td> <td>100 water coolers at ₹5,000 each to M/s Garima (Invoice no. 208)</td> </tr> <tr> <td>Jan 4</td> <td>10 electric kettles at ₹1,000 each to M/s Grishma (Invoice no. 209)</td> </tr> <tr> <td>Jan 5</td> <td>16 geysers at ₹8,000 each to M/s Somya (Invoice no. 210)</td> </tr> </tbody> </table>		Particulars	Amount (₹)	(a)	Opening cash balance	10,000	(b)	Opening bank balance	15,000	(c)	Payment made for purchases	2,000	(d)	Deposited into bank	8,000	(e)	Withdrawn from bank	5,000	(f)	Cheque received from Ramia for ₹2,000. However, this cheque was deposited into the bank next month.		Date	Particulars	2020	M/s Koyla sold on credit:	Jan 1	100 electric bulbs at ₹100 each to M/s Ramaiah (Invoice no. 206)	Jan 2	20 air conditioners at ₹20,000 each to M/s Priya (Invoice no. 207)	Jan 3	100 water coolers at ₹5,000 each to M/s Garima (Invoice no. 208)	Jan 4	10 electric kettles at ₹1,000 each to M/s Grishma (Invoice no. 209)	Jan 5	16 geysers at ₹8,000 each to M/s Somya (Invoice no. 210)	4
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12	<p>On 31st March, 2020 the cash book of Ms. Reva showed a balance of ₹1,40,000. The balance in the passbook was different due to the following reasons. Prepare a bank reconciliation statement.</p> <p>(a) A cheque of ₹14,200 was deposited on 25th March, has not been credited yet.</p> <p>(b) Interest charged by the bank ₹1,600 not recorded in the cash book.</p> <p>(c) Payment side of the cash book is undercast by ₹2,000.</p> <p>(d) A cheque of ₹14,000 deposited into the bank has been dishonoured.</p> <p>(e) Direct deposit made by customer ₹10,000.</p>	4																																			

13	<p>Rectify the following errors.</p> <p>(a) Credit sales to Keshav for ₹5,000 were recorded in the purchase book.</p> <p>(b) Goods costing ₹1,000 used by proprietors for personal use have been debited to the debtor's account.</p> <p>(c) Credit purchases from Rhea for ₹50,000 were recorded as ₹5,000.</p> <p>(d) Sales book overcast by ₹1,500</p> <p align="center">Or</p> <p align="center">From the following list of balances, prepare a trial balance.</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Account Title</th> <th style="text-align: center;">Amount (₹)</th> </tr> </thead> <tbody> <tr><td>Capital A/c</td><td style="text-align: right;">1,00,000</td></tr> <tr><td>Purchases A/c</td><td style="text-align: right;">50,000</td></tr> <tr><td>Sales A/c</td><td style="text-align: right;">80,000</td></tr> <tr><td>Salary A/c</td><td style="text-align: right;">1,500</td></tr> <tr><td>Sales Return A/c</td><td style="text-align: right;">2,500</td></tr> <tr><td>Purchase Return A/c</td><td style="text-align: right;">1,000</td></tr> <tr><td>Provision for Doubtful Debts A/c</td><td style="text-align: right;">800</td></tr> <tr><td>Motor Van A/c</td><td style="text-align: right;">15,000</td></tr> <tr><td>Furniture A/c</td><td style="text-align: right;">20,000</td></tr> <tr><td>Drawings A/c</td><td style="text-align: right;">3,000</td></tr> <tr><td>Interest Received A/c</td><td style="text-align: right;">2,700</td></tr> <tr><td>Land</td><td style="text-align: right;">92,500</td></tr> </tbody> </table>	Account Title	Amount (₹)	Capital A/c	1,00,000	Purchases A/c	50,000	Sales A/c	80,000	Salary A/c	1,500	Sales Return A/c	2,500	Purchase Return A/c	1,000	Provision for Doubtful Debts A/c	800	Motor Van A/c	15,000	Furniture A/c	20,000	Drawings A/c	3,000	Interest Received A/c	2,700	Land	92,500	4
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14	<p>On 1st July, 2020 Mahira Ltd. purchased machinery for ₹1,00,000 and spent ₹20,000 on its installation. Depreciation is to be charged at 10% under the written down value method. Prepare machinery account and depreciation account in the books of Mahira Ltd. for two years. The accounts are closed on 31st December every year.</p>	6																										
15	<p>Reena sold goods for ₹1,00,000 to Sunil on April 1 and drew upon him a bill of exchange payable after 2 months. Sunil accepted the bill and returned it to Reena. Reena discounted the bill at 12% p.a from the bank on the same day. Sunil met his acceptance on maturity.</p> <p align="center">Journalise the above transaction in the books of Reena and Sunil.</p>	6																										

16	Journalise the following transactions in the books of Riddhi.	8													
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17	On 31 st December, 2017 M/s Tanuj & Sons purchased a truck for ₹15,00,000. On July 1, 2018, a truck was involved in an accident and was completely destroyed and ₹4,50,000 was received from the insurance company in full settlement. On 1 st July, 2018 a new truck was purchased for ₹17,00,000. The new truck was sold for ₹3,00,000 on 1 st October 2020. Depreciation is to be provided at 20% p.a. on the written down value every year. The books are closed on 31 st March every year. Prepare a truck account and depreciation account for the year 2017 to 2020	8													
Part - B: Financial Accounting II															
18	From the following information calculate the manager's commission after charging such commission. Net Profit = ₹5,50,000, Rate = 5% a. ₹26,190 b. ₹55,000 c. ₹27,500 d. ₹55,000	1													
19	Which of the following items will be recorded in a profit and loss account? (a) Wages and Salaries (b) Salaries and Wages (c) Opening Stock (d) Sales	1													
20	What will be the accounting treatment of income tax paid by the proprietor?	1													
21	Sales = ₹1,70,000, Sales Return = ₹20,000, COGS = ₹1,25,000. Calculate gross Profit.	1													
22	Define transaction processing system.	1													
23	Pass the adjustment entry for an outstanding salary of ₹1,000.	1													
24	Drawings = ₹18,000, Profit for the Year = ₹28,000, Closing Capital = ₹73,000. Calculate the opening capital.	1													

25	State the different elements of a computer system.	1																																																																																	
26	Give three examples of a transaction processing system.	1																																																																																	
27	Calculate the amount of manager's commission to be shown in books of accounts? Gross profit - ₹2,00,000, General expenses - ₹88,000, Depreciation expenses - ₹12,000. Manager is allowed commission at 10% on net profit before charging such commission. Or State any three advantages of the Computer System.	3																																																																																	
28	With the help of an example, briefly state the meaning of parameter queries.	4																																																																																	
29	<p>Following is the trial balance of M/s Shreyas Bros. as on 31st March, 2020.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Particulars</th> <th style="width: 20%;">Debit (₹)</th> <th style="width: 20%;">Credit (₹)</th> </tr> </thead> <tbody> <tr><td>Cash in Hand</td><td>540</td><td>-</td></tr> <tr><td>Cash at Bank</td><td>2,360</td><td>-</td></tr> <tr><td>Purchases</td><td>40,675</td><td>-</td></tr> <tr><td>Return Outwards</td><td>-</td><td>500</td></tr> <tr><td>Sales</td><td>-</td><td>98,780</td></tr> <tr><td>Return Inwards</td><td>680</td><td>-</td></tr> <tr><td>Wages</td><td>10,480</td><td>-</td></tr> <tr><td>Fuel and Power</td><td>4,730</td><td>-</td></tr> <tr><td>Carriage on Sales</td><td>3,200</td><td>-</td></tr> <tr><td>Carriage on Purchases</td><td>2,040</td><td>-</td></tr> <tr><td>Opening Stock</td><td>5,760</td><td>-</td></tr> <tr><td>Building</td><td>30,000</td><td>-</td></tr> <tr><td>Land</td><td>10,000</td><td>-</td></tr> <tr><td>Machinery</td><td>20,000</td><td>-</td></tr> <tr><td>Salaries</td><td>15,000</td><td>-</td></tr> <tr><td>Patents</td><td>7,500</td><td>-</td></tr> <tr><td>General Expenses</td><td>3,000</td><td>-</td></tr> <tr><td>Insurance</td><td>600</td><td>-</td></tr> <tr><td>Capital</td><td>-</td><td>71,000</td></tr> <tr><td>Drawings</td><td>5,245</td><td>-</td></tr> <tr><td>Debtors</td><td>14,500</td><td>-</td></tr> <tr><td>Creditors</td><td>-</td><td>6,300</td></tr> <tr><td>Input CGST</td><td>1,250</td><td>-</td></tr> <tr><td>Input SGST</td><td>1,250</td><td>-</td></tr> <tr><td>Output IGST</td><td>2,500</td><td>-</td></tr> <tr> <td></td> <td>1,81,310</td> <td>1,76,580</td> </tr> </tbody> </table> <p>Additional Information:</p> <ol style="list-style-type: none"> i. Closing stock is valued at ₹6,800. ii. Machinery is to be depreciated at 10% and patents at 20%. iii. Salaries for the month of March are outstanding for ₹1,500. 	Particulars	Debit (₹)	Credit (₹)	Cash in Hand	540	-	Cash at Bank	2,360	-	Purchases	40,675	-	Return Outwards	-	500	Sales	-	98,780	Return Inwards	680	-	Wages	10,480	-	Fuel and Power	4,730	-	Carriage on Sales	3,200	-	Carriage on Purchases	2,040	-	Opening Stock	5,760	-	Building	30,000	-	Land	10,000	-	Machinery	20,000	-	Salaries	15,000	-	Patents	7,500	-	General Expenses	3,000	-	Insurance	600	-	Capital	-	71,000	Drawings	5,245	-	Debtors	14,500	-	Creditors	-	6,300	Input CGST	1,250	-	Input SGST	1,250	-	Output IGST	2,500	-		1,81,310	1,76,580	6
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- iv. Insurance includes ₹85 for next year.
- v. Wages include ₹2,000 for construction of temporary sheds.
- vi. Provision for doubtful debts is to be created at 5%.

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Prepare the suitable accounts and find out the missing figure, if any:

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Particulars	Amount (₹)
Balance of Debtors as on April 01, 2018	17,50,000
Balance of Bills receivable as on April 01, 2018	12,50,000
Balance of Bills receivable as on March 31, 2019	8,90,000
Cash received from debtors	14,70,000
Cheque dishonoured	2,50,000
Discount allowed	80,000
Cheque received and deposited in the bank	5,50,000
Irrecoverable amount	20,000
Bills discounted	1,40,000
Return inwards	70,000
Bills receivable received from customers	1,90,000
Bills receivable matured	75,000
Bills endorsed to creditors	1,10,000