

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	Under _____ concept, the life of the business is infinite. a. Conservatism b. Going Concern c. Matching d. Consistency	1
2	Under _____ basis of accounting, outstanding expenses are not recorded. a. Cash b. Accrual	1
3	Write any two limitations of accounting.	1
4	Which of the following is a revenue expenditure? a. Purchase of Plant and Machinery b. Repairs on Plant and Machinery c. Installation of Plant and Machinery d. Erection of Plant and Machinery	1
5	Ashish purchased costing ₹5,00,000 and sold at 20% profit on cost. Calculate the selling price of goods.	1
6	Which of the following can be considered as an economic event? a. Personal assets sold by owner b. Employees Honesty c. Goods Purchased d. Appointment of Manager	1

7	Neeth sold goods costing ₹1,70,000 for ₹2,00,000 in cash and goods costing ₹3,00,000 for ₹3,50,000 on credit. What is the amount due from debtors? a. ₹1,70,000 b. ₹2,00,000 c. ₹3,00,000 d. ₹3,50,000	1
8	_____ is called a book of original entry. a. Ledger b. Journal c. Trial Balance d. Bank Reconciliation Statement	1
9	Identify the accounting term in each of the following cases: a. A person from whom goods purchased on credit _____ b. Cost incurred by business entity to earn revenue _____	1
10	Nayan Ltd. purchased machinery on 1 st April, 2017 for ₹6,00,000 and paid installation charges amounted ₹50,000. Depreciation is charged at 20% on the written down value method. Calculate the amount of depreciation for the next three years. Books are closed on 31 st December every year. Or Rectify the following errors. a. Depreciation provided on machinery ₹8,000 was not recorded. b. Credit sale of goods to Harsha amounting to ₹12,500 was posted to the account Harsh. c. Acquisition charges on the purchase of a new building amounting to ₹15,800 were debited to sundry expenses account.	3
11	Anita sold goods on credit to Darshita for ₹30,000 on 1 st April, 2020. Anita drew a bill of ₹30,000 on Darshita for 2 months. Darshita duly accepted the bill. However, the bill was dishonoured on the due date and Anita paid ₹300 as noting charges. Darshita paid the amount including noting charges to Anita by cheque on 10 th June, 2020. Pass the necessary journal entries in the books of Anita and Darshita.	4
12	Rectify the following errors. a. A credit sale of ₹8,100 to Marcus was posted to Mary's A/c. b. A bill receivable of ₹7,000 was discounted, later on returned by the firm's bank had been credited to the bank account and debited to bill receivable account. c. Building purchased for ₹1,50,000 was passed through the purchase book. d. Machinery purchased on credit from Komal for ₹8,000 recorded through purchase book as ₹3,000.	4
13	The following trial balance is drawn from the books of White Traders.	4

	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:30%;">Debit Balance</th> <th style="width:15%;">Amount (₹)</th> <th style="width:30%;">Credit Balance</th> <th style="width:15%;">Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Land</td> <td align="right">1,20,000</td> <td>Capital</td> <td align="right">1,47,200</td> </tr> <tr> <td>Plant</td> <td align="right">34,000</td> <td>Furniture</td> <td align="right">11,200</td> </tr> <tr> <td>Return Outwards</td> <td align="right">5,200</td> <td>Sales</td> <td align="right">2,08,000</td> </tr> <tr> <td>Electricity Expenses</td> <td align="right">5,600</td> <td>Bill Receivable</td> <td align="right">1,20,000</td> </tr> <tr> <td>Bank</td> <td align="right">800</td> <td>Discount Received</td> <td align="right">5,200</td> </tr> <tr> <td>Interest Received</td> <td align="right">6,000</td> <td></td> <td></td> </tr> <tr> <td>Creditors</td> <td align="right">20,000</td> <td></td> <td></td> </tr> <tr> <td>Bills Payable</td> <td align="right">1,00,000</td> <td></td> <td></td> </tr> <tr> <td>Purchases</td> <td align="right">2,00,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td align="right">4,91,600</td> <td></td> <td align="right">4,91,600</td> </tr> </tbody> </table>	Debit Balance	Amount (₹)	Credit Balance	Amount (₹)	Land	1,20,000	Capital	1,47,200	Plant	34,000	Furniture	11,200	Return Outwards	5,200	Sales	2,08,000	Electricity Expenses	5,600	Bill Receivable	1,20,000	Bank	800	Discount Received	5,200	Interest Received	6,000			Creditors	20,000			Bills Payable	1,00,000			Purchases	2,00,000				4,91,600		4,91,600		
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	You are required to comment whether it is correct or not. If this is not correct, prepare the correct one.																																														
14	Anup Designers purchased furniture on 1 st October 2016 for ₹16,00,000 plus IGST at 18%. The estimated life of the furniture is 12 years and its salvage value is ₹4,00,000. The accounts are closed on 31 st March every year. Pass the necessary journal entries in the books of Anup Designers for 3 years.		6																																												
15	Prepare bank reconciliation statement as on 31 st March, 2020 form the following information:		6																																												
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16	<p>You are given with the following balances as on 1st April 2016:</p> <table style="width:100%;"> <tr> <td style="width:60%;">Machinery A/c</td> <td align="right">₹10,00,000</td> </tr> <tr> <td>Provision for Depreciation A/c</td> <td align="right">₹2,32,000</td> </tr> </table> <p>Depreciation is charged on machinery at 20% p.a. by the diminishing balance method. A piece of machinery purchased on 1st April, 2014 for ₹2,00,000 was sold on 1st October, 2016 for ₹1,20,000.</p> <p>Prepare machinery account, provision for depreciation account, and machinery disposal account.</p>		Machinery A/c	₹10,00,000	Provision for Depreciation A/c	₹2,32,000	8																																								
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17	<p>Journalise the following transaction in the books of Abhishek, Udaipur:</p> <p>a. Abhishek commenced business contributing ₹20,000 in cash, ₹10,00,000 in cheque and a building valued at ₹10,00,000.</p>		8																																												

	<p>b. Purchased goods from Sameer, Kolkata for ₹4,00,000 out of which cheques were issued for ₹1,20,000.</p> <p>c. Sold goods on credit to Riya, Kerala for ₹3,20,000.</p> <p>d. Received ₹3,19,600 by cheques from Riya in full settlement of his account.</p> <p>e. Paid ₹2,72,000 to Sameer in full settlement of the amount due to him.</p> <p>f. A new machine of ₹4,80,000 was purchased from Tools Ltd. Mumbai in exchange of an old machine valued at ₹1,00,000. He gave a cheque of ₹2,00,000 from his savings account and balance from the firm's account.</p> <p>g. Purchased furniture from Priya and Sons, for ₹1,00,000 on credit.</p> <p>h. Depreciation of ₹10,000 was provided on machinery at the end of the year.</p> <p>i. Paid ₹10,000 as income tax through a bank account.</p> <p>j. Purchased investment for ₹2,50,000.</p>	
	Part - B: Financial Accounting II	
18	Name three types of procedures which constitute part of the computer system.	1
19	Show the treatment of closing stock which is given outside the trial balance.	1
20	Calculate net sales from the following information. Cost of Goods Sold = ₹4,50,000, Gross Profit = ₹75,000	1
21	Indirect expenses are shown in _____ account. a. Trading b. Profit and Loss c. Balance Sheet d. None of the Above	1
22	The use of a computer system to perform tasks that normally require human understanding refers to _____.	1
23	Under incomplete records, profit is calculated as: a. Closing Capital + Drawings - Additional Capital + Opening Capital b. Closing Capital - Drawings + Additional Capital - Opening Capital c. Closing Capital + Drawings - Additional Capital - Opening Capital d. Closing Capital - Drawings + Additional Capital + Opening Capital	1
24	What do you mean by data?	1
25	Which of the following is not included in the Trading account? a. Foreman's wages b. Carriage inwards c. Direct wages d. Depreciation on office equipment	1
26	Gross profit less indirect expenses is known as: a. Drawings b. Net Profit c. Net Turnover d. Cost of goods sold	1
27	From the following balances extracted from the books of M/s Sharma Traders, prepare	3

	a trading account.																																		
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28	Write down the limitations of the Computerised Accounting System.		4																																
29	Mr. Akhil Sharma does not keep full double-entry records. His balances as on January 01, 2018 is as follows:		6																																
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Bills Payable	22,000
Sundry Creditors	18,000

He withdrew ₹1,000 per month out of which he spent ₹4,000 for business purposes. Prepare the statement of profit or loss for the year ended 31.12.2018.

30

Following is the trial balance of Harsha as on 31st March, 2019:

6

Account title	Debit (₹)	Account title	Credit (₹)
Opening Stock	2,40,000	Capital	5,73,100
Heat and Power	11,000	Sales	12,82,000
Salary and Wages	14,000	Return Outwards	12,000
Sundry Debtors	80,000	Bills Payable	92,000
Bad Debts	15,000	Sundry Creditors	1,24,000
Cash in Hand	56,000	Commission Received	11,000
Cash at Bank	78,000		
Plant and Machinery	3,36,000		
Insurance	18,900		
Investments	80,000		
Building	3,60,000		
Purchases	7,50,000		
Drawings	22,000		
Return Inwards	14,000		
Freight and Octroi	7,800		
Postage and Telegram	9,100		
Discount Allowed	2,300		
	20,94,100		20,94,100

Additional Information:

- (i) Stock on 31st March was ₹42,000.
- (ii) Depreciation is to be charged on Building at 10%, and Plant and Machinery 12%.
- (iii) Provision for doubtful debts is to be maintained at 4% on sundry debtors.
- (iv) Unexpired insurance was ₹1,300.
- (v) The manager is entitled to a commission @ 6% on net profit after charging such commission.

Prepare Trading and Profit and Loss Account for the year ended 31st March, 2019 and Balance Sheet as on that date.

