

SET - 1
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	List any two functions of accounting.	1
2	Give two examples of current assets.	1
3	Name the error committed by violating the rule of accounting.	1
4	Who draws the bills of exchange?	1
5	Money withdrawn by the proprietor for his own use is termed as _____.	1
6	Depreciation is provided on _____.	1
7	Name any two methods of calculating depreciation.	1
8	A two month bill drawn on 1st January, 2020 will mature for payment on _____.	1
9	Which account is credited while giving cash donation?	1
10	Pass the necessary journal entries for the following transactions: (a) Goods purchased for ₹15,000 were used by the proprietor for personal use. (b) Received cash ₹ 20,000 for a bad debt written off last year. (c) Paid ₹5,000 into the bank. (d) Paid ₹12,000 for salary to Rahul OR Prepare an accounting equation for the following transactions.	3

	<p>(a) Commenced business with cash ₹2,00,000.</p> <p>(b) Purchased goods for ₹50,000 on credit.</p> <p>(c) Payment made to creditors in full settlement.</p> <p>(d) Purchase of machinery for cash ₹30,000</p>																																											
11	<p>Prepare double column cash book for the following transactions:</p> <table border="1"><thead><tr><th></th><th>Particulars</th><th>Amount (₹)</th></tr></thead><tbody><tr><td>(a)</td><td>Opening cash balance</td><td>2,20,000</td></tr><tr><td>(b)</td><td>Opening bank balance (overdraft)</td><td>60,000</td></tr><tr><td>(c)</td><td>Deposited into bank</td><td>80,000</td></tr><tr><td>(d)</td><td>Cash Purchases</td><td>16,000</td></tr><tr><td>(e)</td><td>Withdrawn from bank for private use</td><td>2,500</td></tr><tr><td>(f)</td><td>Salaries paid in cash</td><td>40,000</td></tr><tr><td>(g)</td><td>Interest collected by bank</td><td>4,000</td></tr></tbody></table> <p style="text-align: center;">OR</p> <p>Record the below transactions in the purchases book.</p> <table border="1"><thead><tr><th>Date</th><th>Particulars</th></tr></thead><tbody><tr><td>2021</td><td>M/s Ramesh purchased on credit:</td></tr><tr><td>Feb 21</td><td>2 dozen registers at ₹2,400 per dozen from M/s Red (Invoice no. 413)</td></tr><tr><td>Feb 22</td><td>100 dozen exercise books at ₹300 per dozen from M/s Green (Invoice no.</td></tr><tr><td>Feb 23</td><td>414)</td></tr><tr><td>Feb 24</td><td>Computer printer for office use from M/s Yellow for ₹30,000 (Invoice no.</td></tr><tr><td>Feb 25</td><td>415)</td></tr><tr><td></td><td>100 pens at ₹5 each from M/s Blue (Invoice no. 416)</td></tr><tr><td></td><td>300 pencils at ₹3 each from M/s Pink (Invoice no. 417)</td></tr></tbody></table>		Particulars	Amount (₹)	(a)	Opening cash balance	2,20,000	(b)	Opening bank balance (overdraft)	60,000	(c)	Deposited into bank	80,000	(d)	Cash Purchases	16,000	(e)	Withdrawn from bank for private use	2,500	(f)	Salaries paid in cash	40,000	(g)	Interest collected by bank	4,000	Date	Particulars	2021	M/s Ramesh purchased on credit:	Feb 21	2 dozen registers at ₹2,400 per dozen from M/s Red (Invoice no. 413)	Feb 22	100 dozen exercise books at ₹300 per dozen from M/s Green (Invoice no.	Feb 23	414)	Feb 24	Computer printer for office use from M/s Yellow for ₹30,000 (Invoice no.	Feb 25	415)		100 pens at ₹5 each from M/s Blue (Invoice no. 416)		300 pencils at ₹3 each from M/s Pink (Invoice no. 417)	4
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12	<p>On 31st March, 2021, the cash book of Subhash Bros showed an overdraft of ₹19,890. From the following particulars, prepare a bank reconciliation statement and ascertain the balance as per pass book.</p>	4																																										

	<p>(a) Debited by bank ₹315 on account of interest on overdraft and ₹75 on account of charges for collecting bills.</p> <p>(b) Cheques drawn but not encashed before 31st March, 2021 for ₹6,500.</p> <p>(c) The bank has collected interest and has credited ₹925 in the pass book.</p> <p>(d) A bill receivable for ₹825 previously discounted with the bank had been dishonoured and debited in the pass book.</p> <p>(e) Cheques paid into the bank but not collected and credited before 31st March, 2021 amounted ₹7,250.</p> <p>(f) Debit side of cash book (bank column) overcasted by ₹1,000.</p>																											
13	<p>Rectify the following errors.</p> <p>(a) The Purchases Book is overcast by ₹ 20,000.</p> <p>(b) Purchases Return Book is overcast by ₹ 3,000.</p> <p>(c) Purchases Return Book's balance is carried forward in excess by ₹ 300.</p> <p>(d) Purchases Book's balance is carried forward in excess by ₹ 4,000.</p> <p style="text-align: center;">OR</p> <p>From the following list of balances, prepare a trial balance as on 31st March, 2021.</p> <table><tr><th>Account Title</th><th>Amount (₹)</th></tr><tr><td>Bank Overdraft</td><td>1,02,000</td></tr><tr><td>Sales</td><td>9,72,000</td></tr><tr><td>Purchases Return</td><td>27,000</td></tr><tr><td>Debtors</td><td>4,80,600</td></tr><tr><td>Wages</td><td>1,15,200</td></tr><tr><td>Capital</td><td>?</td></tr><tr><td>Purchases</td><td>5,34,000</td></tr><tr><td>Cash in Hand</td><td>10,200</td></tr><tr><td>Creditors</td><td>2,58,000</td></tr><tr><td>Sales Return</td><td>18,900</td></tr><tr><td>Equipment</td><td>30,000</td></tr><tr><td>Opening Stock</td><td>3,60,600</td></tr></table>	Account Title	Amount (₹)	Bank Overdraft	1,02,000	Sales	9,72,000	Purchases Return	27,000	Debtors	4,80,600	Wages	1,15,200	Capital	?	Purchases	5,34,000	Cash in Hand	10,200	Creditors	2,58,000	Sales Return	18,900	Equipment	30,000	Opening Stock	3,60,600	4
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14	<p>On 1st April, 2019, a limited company purchased machinery for ₹ 3,80,000 and spent ₹ 20,000 on its installation. At the date of purchase, it was estimated that the scrap value of the machine</p>	6																										

	would be ₹ 1,00,000 at the end of the sixth year. Give Machinery Account and Depreciation A/c in the books of the Company for 3 years after providing depreciation by Fixed Installment Method. The books are closed on 31st March every year.																						
15	On Jan. 1, 2021, Keshav purchased goods from Parbati for ₹ 70,000 and immediately drew a promissory note in favour of Parbati payable after 1 month. Date of maturity of the promissory note was declared an emergency holiday by the Government of India under the Negotiable Instrument Act 1881. Keshav met the promissory note according to the provisions of law. Pass the necessary Journal entries in the books of Parbati and Keshav.	6																					
16	<p>Journalise the following transactions in the books of Neha.</p> <table border="1"> <thead> <tr> <th>Sr. No</th><th>Transaction</th><th>Amount (₹)</th></tr> </thead> <tbody> <tr> <td>(a)</td><td>Started business with cash</td><td>1,60,000</td></tr> <tr> <td>(b)</td><td>Cash paid into bank</td><td>1,00,000</td></tr> <tr> <td>(c)</td><td>Bought stationery of ₹ 600 plus CGST and SGST @ 6% each</td><td></td></tr> <tr> <td>(d)</td><td>Bought goods of ₹ 42,000 plus CGST and SGST @ 6% each</td><td></td></tr> <tr> <td>(e)</td><td>Sold goods of ₹ 15,000 plus CGST and SGST @ 6% each</td><td></td></tr> <tr> <td>(f)</td><td>Bought office furniture of ₹ 10,000 plus CGST and SGST @ 6% each from Prakash Bros.</td><td></td></tr> </tbody> </table>	Sr. No	Transaction	Amount (₹)	(a)	Started business with cash	1,60,000	(b)	Cash paid into bank	1,00,000	(c)	Bought stationery of ₹ 600 plus CGST and SGST @ 6% each		(d)	Bought goods of ₹ 42,000 plus CGST and SGST @ 6% each		(e)	Sold goods of ₹ 15,000 plus CGST and SGST @ 6% each		(f)	Bought office furniture of ₹ 10,000 plus CGST and SGST @ 6% each from Prakash Bros.		8
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17	<p>On 1st July 2017, PQR Ltd. purchased 4 machines for ₹ 90,000 each. The accounting year of the company ends on 31st March every year. Depreciation is provided at the rate of 10% p.a. on a written down value method.</p> <p>On 1st April, 2019 one machine was sold for ₹ 30,000 and on 1st January, 2021 a second machine was sold for ₹ 64,875. Another machine with a higher capacity which cost ₹ 1,00,000 was purchased on 1st January, 2021. The company creates provision for depreciation every year. You are required to show: (i) Machinery Account, and (ii) Depreciation Account, for four years ending 31st March, 2021.</p>	8																					

	Part - B: Financial Accounting II													
18	Loss on sale of an old car is debited to (a) Profit and loss account (b) Car account (c) Depreciation account (d) Sales account	1												
19	Prepaid rent is shown as _____. (a) An asset (b) A liability (c) An income (d) An expense	1												
20	Name any two items that are credited to the trading account.	1												
21	Net sales during the year ₹8,00,000. Gross profit is 25% on sales. Find out the cost of goods sold.	1												
22	Name three categories of accounting software.	1												
23	Pass the adjustment entry for a prepaid expense of ₹5,000.	1												
24	Drawings = ₹36,000, Profit for the Year = ₹56,000, Opening Capital = ₹89,000. Calculate the closing capital.	1												
25	Give two examples of output devices.	1												
26	Define readymade softwares.	1												
27	Calculate Closing Stock from the following details: <table><tr><td>Particulars</td><td>₹</td><td>Particulars</td><td>₹</td></tr><tr><td>Opening Stock</td><td>30,000</td><td>Purchases</td><td>1,05,000</td></tr><tr><td>Cash Sales</td><td>90,000</td><td>Credit Sales</td><td>60,000</td></tr></table> <p>Rate of Gross Profit on Cost is $33\frac{1}{3}\%$.</p> <p style="text-align: center;">OR</p> <p>Explain the three steps involved in creating accounting reports.</p>	Particulars	₹	Particulars	₹	Opening Stock	30,000	Purchases	1,05,000	Cash Sales	90,000	Credit Sales	60,000	3
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28	What is an Accounting Information System? What are its functions?	4																																																												
29	<p>The following balances were extracted from the books of M/s Priya on 31st March, 2021:</p> <table><tr><td>Particulars</td><td>₹</td><td>Particulars</td><td>₹</td></tr><tr><td>Drawings</td><td>21,000</td><td>Capital</td><td>3,43,000</td></tr><tr><td>Life Insurance Premium</td><td>7,000</td><td>Loan</td><td>1,10,320</td></tr><tr><td>General Expenses</td><td>35,000</td><td>Sales</td><td>9,15,040</td></tr><tr><td>Building</td><td>1,54,000</td><td>Purchases</td><td>6,58,000</td></tr><tr><td>Machinery</td><td>1,30,760</td><td>Motor Car</td><td>28,000</td></tr><tr><td>Stock on 1st April, 2020</td><td>2,26,800</td><td>Reserve Fund (Cr.)</td><td>12,600</td></tr><tr><td>Power</td><td>31,360</td><td>Commission (Cr.)</td><td>18,480</td></tr><tr><td>Insurance</td><td>18,410</td><td>Car Expenses</td><td>25,200</td></tr><tr><td>Wages</td><td>1,00,800</td><td>Bills Payable</td><td>53,900</td></tr><tr><td>Debtors</td><td>87,920</td><td>Cash</td><td>1,120</td></tr><tr><td>Creditors</td><td>35,000</td><td>Bank Overdraft</td><td>46,200</td></tr><tr><td>Input CGST A/c</td><td>21,000</td><td>Charity</td><td>1,470</td></tr><tr><td>Input SGST A/c</td><td>21,000</td><td>Bad Debts</td><td>7,700</td></tr><tr><td>Output IGST A/c</td><td>42,000</td><td></td><td></td></tr></table> <p>Stock on 31st March, 2021 was valued at ₹ 3,29,000.</p> <p>Prepare final accounts for the year ended 31st March, 2021.</p>	Particulars	₹	Particulars	₹	Drawings	21,000	Capital	3,43,000	Life Insurance Premium	7,000	Loan	1,10,320	General Expenses	35,000	Sales	9,15,040	Building	1,54,000	Purchases	6,58,000	Machinery	1,30,760	Motor Car	28,000	Stock on 1st April, 2020	2,26,800	Reserve Fund (Cr.)	12,600	Power	31,360	Commission (Cr.)	18,480	Insurance	18,410	Car Expenses	25,200	Wages	1,00,800	Bills Payable	53,900	Debtors	87,920	Cash	1,120	Creditors	35,000	Bank Overdraft	46,200	Input CGST A/c	21,000	Charity	1,470	Input SGST A/c	21,000	Bad Debts	7,700	Output IGST A/c	42,000			6
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30	<p>Rishabh maintains his books according to the single-entry system. Following figures were available from the books for the six months ended 31st December 2021:</p> <table><tr><td></td><td>1st July, 2021 (₹)</td><td>31st December, 2021 (₹)</td></tr><tr><td>Plant and Machinery</td><td>1,95,000</td><td>1,82,000</td></tr><tr><td>Debtors</td><td>84,500</td><td>78,000</td></tr><tr><td>Cash and Bank Balances</td><td>32,500</td><td>40,300</td></tr><tr><td>Stock</td><td>52,000</td><td>58,500</td></tr><tr><td>Creditors</td><td>11,700</td><td>13,000</td></tr></table> <p>Adjustments:</p> <p>(a) He had withdrawn ₹ 260 in the beginning of every month for household purposes.</p> <p>(b) Depreciation on Plant and Machinery @ 10% p.a.</p> <p>(c) Further Bad Debts ₹ 6,500 and Provision for Doubtful Debts to be created @ 2%.</p>		1st July, 2021 (₹)	31st December, 2021 (₹)	Plant and Machinery	1,95,000	1,82,000	Debtors	84,500	78,000	Cash and Bank Balances	32,500	40,300	Stock	52,000	58,500	Creditors	11,700	13,000	6																																										
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(d) During the period, salaries have been prepaid by ₹ 650 while wages outstanding were ₹ 1,300.

(e) Interest on drawings to be recognised as ₹ 27.

You are required to prepare the statement of profit or loss for the half year ended 31st December, 2021, followed by a revised statement of affairs as on that date.

