

BCM SCHOOL, BASANT AVENUE, DUGRI ROAD, LDH.

SUBJECT: ACCOUNTANCY (055)

CLASS XI

Time Allowed: 3 Hours

Max. Marks: 80

General Instructions: -

1. This question paper is divided into two parts – Part A and Part – B.
2. Part- A: Financial Accounting – I and Part- B: Financial Accounting –II.
3. This question paper contains 34 questions and questions are compulsory.
4. Attempt all parts of a question together and show your working clearly.
5. Question No. 1 to 16 and 26 to 29, carries 1 mark each.
6. Question No. 17 to 20 and 30 to 31, carries 3 mark each.
7. Question No. 21 and Question No. 32 to 33 carries 4 marks each.
8. Question No. 22 to 25 and Question No. 34 carries 6 mark each.

PART –A

FINANCIAL ACCOUNTING - I

- 1 Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R): 1

Assertion (A): Suspense Account may show either a debit or a credit balance.

Reason (R): Suspense Account always shows a debit balance.

In the context of the above statements, which one of the following is correct?

- (a) Both (A) and (R) are correct and (R) is the correct explanation of (A).
- (b) Both (A) and (R) are correct but (R) is not the correct explanation of (A).
- (c) Only (R) is correct.
- (d) Both (A) and (R) are incorrect.

- 2 Voucher is prepared for : 1

a. Cash received and paid	b. Cash / Credit Sales
c. Cash / Credit Purchases	d. All of the above

OR

Mahendra a customer from whom an amount was due, declared insolvent and paid 60 paise in a rupee. Total bad debts from him were written off ₹ 7,200. What was the amount actually due from him

a. ₹ 24,000	b. ₹ 18,000
c. ₹ 12,000	d. ₹ 15,000

- 3 Depreciation is calculated from the date of 1

a. Purchase of Asset	b. Receipt of asset at the business premises
c. Asset put to use	d. Asset installed

- 4 A separate column is made for 'Credit Note No.' in 1

a. Purchase Book	b. Sales Book
c. Purchase Return Book	d. None of the above

OR

Debit balances show :

a. Profits and Incomes	b. Liabilities and Incomes
c. Assets and Expenses	d. Sales Return Book

5 Which qualitative characteristics of accounting information is reflected when accounting information is clearly presented? 1

a. Relevance	b. Comparability
c. Reliability	d. Understandability

or

Which of the following is included in qualitative characteristics of accounting information?

a. Relevance	b. Comparability
c. Reliability	d. All of the above

6 Bank Reconciliation Statement is : 1

a. A statement prepared by Bank	b. A statement prepared by customer
c. A part of Cash Book	d. A part of Pass Book

7 On intra-state sale of goods, which of the following account is credited: 1

a. Input IGST A/c	b. Output CGST A/c
c. Output IGST A/c	d. Output SGST A/c

or

GST Collected on Sales (Output GST) is a..... for the seller

a. Cost	b. Liability
c. Asset	d. Income

8 Which of the following is not a Current Liability: 1

a. Creditors	b. Bank Overdraft
c. Outstanding Expenses	d. Prepaid Expenses

or

Assets (Except Securities) may be valued under **Ind- AS** on:

a. Historical Cost	b. Fair Value
c. Both Historical Cost and Fair Value	d. Market Price

9 The W.D.V. of an asset after three years of depreciation on reducing balance method @ 10% p.a. is ₹ 1, 45,800. What was its original value? 1

a. ₹ 1,80,000	b. ₹ 2,00,000
c. ₹ 1,89,540	d. ₹ 1,62,000

10 Which accounting concept you would follow in dealing with the situation given below 1
“During the year, the company purchased Pencils worth ₹ 150. These had all been issued from stock and were still in use at the end of the year.”

a. Money Measurement	b. Materiality
c. Accrual	d. Going Concern

11 Creation of reserve is : 1

a. useless	b. illegal
c. necessary	d. not necessary

1	Which one is the advantage of accounting?		1
2	a. Window dressing	b. Replacement of Memory	
	c. Shows the present value of the business	d. Shows the effect of price level changes	

1 Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R): 1

Assertion (A): Accounting records only the transactions of financial nature.

Reason (R): goods taken from the business by the proprietor for his personal use is not of financial character and hence not will be recorded.

In the context of the above statements, which one of the following is correct.

- (a) Both (A) and (R) are correct and (R) is the correct explanation of (A).
- (b) Both (A) and (R) are correct but (R) is not the correct explanation of (A).
- (c) (A) is true, bur (R) is false.
- (d) (A) is false, bur (R) is true.

1 Following information is provided by Yashwant for the year ended March 31st 2023. Net profit as per Cash Basis of Accounting will be 1

Credit Sales	₹ 12,50,000
Cash Sales	₹ 40,50,000
Expenses (out of which ₹ 35,000 is still to be paid)	₹ 5,00,000

a. ₹ 48,35,000	b. ₹ 57,65,000
c. ₹ 58,00,000	d. ₹ 35,85,000

1 Rent for the month of March, 2023 is not paid. Under which concept it should be recorded as expense for the year ended 31st March 2023. 1

e. Money Measurement	f. Materiality
g. Accrual	h. Going Concern

1 Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R): 1

Assertion (A): Bank Reconciliation Statement is not a part of Double Entry Book-Keeping.

Reason (R): It is a method to ensure that there are no errors in recording bank transactions in the cash book.

In the context of the above statements, which one of the following is correct.

- (a) Both (A) and (R) are correct and (R) is the correct explanation of (A).
- (b) Both (A) and (R) are correct but (R) is not the correct explanation of (A).
- (c) Only (R) is correct.
- (d) Both (A) and (R) are incorrect.

1 What do you mean by 'Trial Balance'? Explain any two objective of preparing trial balance. 3

or

Prepare a Trial Balance from the following information : Amount

Prepaid Expenses	5,000
Outstanding rent	2,000
Bad debts recovered	4,000

Interest on Investment	1,000
Due to Mohan	5,000
Bank Overdraft	2,000
Discount allowed	800
Due from Vinod	1,200
Investment	15,000
Patents	4,000
Machinery	6,000
Capital	18,000

1 Record the following transactions in the Sales Book of Durga Electronics, Lucknow :

3

2023	
March 1	Sold to Ruchira Electronics, Lucknow, vide invoice No. 123 5 BPL T.V. @ ₹ 20,000 each. Less : Trade Discount @ 20%.
March 2	Sold to Garun Electronics, Kanpur, vide invoice No. 124 10 Washing Machines @ ₹ 8,000 each. Less : Trade Discount @ 25%.
March 3	Sold to Hira Bros, Pune, vide Cash Memo No. 125 15 BPL Mixture & Juicer @ ₹ 2,000 each. Less : Trade Discount @ 10%.
March 4	Sold to Rahat Electronics, Varanasi , vide invoice No. 126 8 Music System @ ₹ 15,000 each. 10 Colour T.V. Sets @ ₹ 22,000 each Less : Trade Discount @ 20%.

1 Distinguish between **Provisions** and **Reserves** on the basis of :

3

- 9
- Meaning
 - Object
 - Utilization for dividends.

or

Explain the **functions of Accounting**. (any three)

2 Prepare accounting equation from the following :

3

- 0
- Started business with cash ₹ 2,00,000 and goods worth ₹ 40,000.
 - Sold 50% of the above goods at a profit of ₹ 4,000 to Raghunath.
 - Raghunath paid 90% of his amount in final settlement.

2 Give the journal entries corresponding to the narration given below:

4

DATE	PARTICULARS	L F	Amount	Amount
2023 Apr 1	..... A/c Dr. To A/c To A/c (Goods for ₹ 8,000 purchased at 20% trade		₹	₹

	discount and 5% cash discount)			
Apr 8	..... A/c To A/c (Goods costing ₹ 15,000 sold at a profit of 33 1/3 % on cost)	Dr.	.....	.....
Apr 10	..... A/c To A/c (Goods costing ₹ 4,000 lost by fire)	Dr.	.....	.....
Apr 16	..... A/c To A/c (Plant purchased for ₹ 1,00,000 and installation charges paid ₹ 2,000)	Dr.	.....	.....

2 Enter the following transactions in a Cash Book with Cash and Bank Columns. 6

2023		₹
Feb.1	Bank overdraft	12,000
	Cash-in-hand	2,300
5	Purchased goods for ₹ 40,000; Trade discount 15%	
6	Sold goods for ₹ 30,000; Trade discount @10%	
7	Cheque received from Apex Furnitures	4,000
	Discount allowed	200
9	Cheque received from Apex Furnitures deposited in bank	
12	Cheque paid to Nimesh Bros.	2,500
	Discount received	50
15	Apex Furnitures cheque dishnoured	
20	Money withdrawn from bank for office use	3,400
23	Fees of children paid by cheque from business account	75
25	Cheque received from Hemendra and endorsed it to Sanjana	4,500
27	Bank Charges	20
31	Paid into Bank the entire balance after retaining ₹ 700 at office	

2 From the following particulars prepare a Bank Reconciliation Statement in the Books of 6
3 Nandan Traders as on 28th February 2023 :-

- i. Balance as per Pass Book on 28th February 2023 ₹ 6,000.
- ii. Out of total cheques amounting to ₹ 37,500 drawn by Nandan Traders, cheques aggregating ₹ 5,000 were encashed in March 2023.
- iii. Out of total cheques amounting to ₹ 12,000 deposited, Cheques aggregating ₹ 7,500 were credited in March 2023.
- iv. Bank has allowed interest ₹ 303 on his bank balance.
- v. Amount wrongly debited by bank ₹ 2,400.
- vi. A cheque of ₹ 1,200 was entered in Cash Book in February 2023, but was sent to bank in March 2023.
- vii. A cheque of ₹ 13,300 paid into bank was returned dishonored but no intimation was received from the bank till February 2023.

2 Pass Journal entries to **rectify the following errors:** 6

- 4 (a) ₹ 350 paid is cash for a typewriter was charged to Office Expenses A/c.

- (b) Goods amounted to ₹ 660 sold to Wilson, were correctly entered in Sales Book but posted to Wilson's Account as ₹ 760.
- (c) The total sales for the month were overcast by ₹ 1,000.
- (d) Goods worth 130 returned by Gita, were entered in Sales Book and posted therefrom to the credit of Gita's personal account.
- (e) Wages paid for the construction of office, debited to wages account ₹ 13,000.
- (f) ₹ 10,000 paid to Garg Furniture Store for the purchase of furniture as per their Cash Memo were debited to 'Furniture' A/c.
- 2 Green Limited purchased on 1st April, 2020 a plant for ₹ 80,000. On 1st July, 2021, it
5 purchased additional Plant costing ₹ 48,000. On 1st December, 2022, the plant purchased on 1st April, 2020 was sold off for ₹ 42,000 and on the same date fresh plant was purchased at the cost of ₹ 75,000.

6

Depreciation is provided at **10% per annum** on the **Diminishing Balance Method** every year. Account are closed each year on 31st March. Show the **Plant Account** for **three years**.

Or

The following balances appear in the books of Zoo Ltd. As on 01-04-2022 :

	₹
Machinery Account	5,00,000
Provision for Depreciation Account	2,25,000

The machinery was depreciated at 10% p.a. on the Fixed Instalment Method; the accounting year being April – March.

On 1.10.2022, a machinery which was purchased on 01.07.2019 for ₹ 1,00,000 was sold for ₹ 42,000 and on the same date a fresh machinery was purchased for ₹ 2,00,000.

Prepare the **Machinery Account** and **Provision for Depreciation Account** for the **year ended 2022-23**.

PART – B

FINANCIAL ACCOUNTING – II

- 2 The correct sequence for preparation of Final Accounts is:

1

- 6
1. Preparation of Trial Balance
 2. Balancing of Accounts.
 3. Preparation of annual financial Statements.
 4. Passing Adjusting Entries.

Select the correct answer from the code given below;

a. 4,2,1,3	b. 2,4,3,1
c. 2,1,4,3	d. 4,2,3,1

- 2 Balance Sheet is prepared with the balances of which of the following:

1

7

a. All balances in ledger	b. Balances of Personal Accounts
c. Balances of Real Accounts	d. Balances of Personal and Real Accounts

OR

which of the following will be treated as drawings of the proprietor :

a. Income Tax	b. Life Insurance Premium
c. Both a & b	d. Neither a nor b

- 2 Manohar's Profit & Loss Account shows net profit of ₹ 1,76,000 before charging 1
8 commission to manager. Provide for manager's commission at 10% on the net profit after charging such commission. **Net profit and managers commission** is ...

a. ₹ 1,76,000 and ₹ 17,600	b. ₹ 1,58,400 and ₹ 17,600
c. ₹ 1,60,000 and ₹ 16,000	d. None of the above

or

Indirect Expenses are transferred to

a. Trading Account	b. Profit & Loss A/c
c. Balance Sheet	d. All of the above

- 2 Opening capital ₹ 70,000; Profit for the year ₹ 20,000; Drawings ₹ 7,000. During the 1
9 year proprietor sold ornaments of her mother for ₹ 22,000 and invested the same in the business. **Closing Capital** is.....

a. ₹ 1,03,000	b. ₹ 1,05,000
c. ₹ 1,09,000	d. ₹ 75,000

- 3 State with reason whether following are capital expenditure or revenue expenditure 3
0 i. Second-hand car was purchased for ₹ 1,35,000. ₹ 15,000 were spent on its overhauling.
ii. ₹ 25,000 spent on whitewashing of old factory building.
iii. ₹ 22,500 paid for the installation of a new machine.

- 3 Compute **Operating Profit** from the following: 3

1 Revenue from operation (Sales)	₹ 44,40,000
Cost of goods sold	₹ 40,00,000
Opening Stock	₹ 4,40,000
Purchases	₹ 40,00,000
Closing Stock	₹ 4,40,000
Selling and distribution expenses	₹ 18,300
Office and Administrative expenses	₹ 3,46,500 (including interest on loans ₹ 22,000 ; Loss on sale of furniture ₹ 35,000 ; Donation ₹ 5,100 and Loss by fire ₹ 20,000)

- 3 Satendra started business on 1st April 2022 with a Capital of ₹ 10,000. On 1st July, 2022 4
2 he borrowed from his friend Dwarika a sum of ₹ 4,000 @ 9% p.a. (interest not yet paid) for business and also introduced further capital of ₹ 1,500. On 31st March 2023, his position was: Cash ₹ 600; Stock ₹9,400; Debtors ₹7,000 and Creditors ₹ 6,000.

Ascertain his Profit or Loss taking into account ₹ 2,000 for his drawings during the year.

- 3 The following balances appeared in the Trial Balance of Kanpur Mobiles as at 31st March 4
3 2023:

Sundry Debtors	₹ 3,05,000
Bad Debts	₹ 5,000
Provision for bad debts	₹ 20,000

The firm agreed to record the following adjustments in the books of accounts. Further Bad Debts ₹ 3,000; maintain provision for bad debts 10%. Show the treatment of the above adjustments in Profit & Loss Account and in Balance sheet as on 31st March 2023.

or

Distinguish between Double Entry System and Incomplete Records (Single Entry

System) on the basis of :

- Recording of aspects.
- Trial Balance.
- Suitability and
- Reliability.

6

- Prepare Trading and Profit & Loss Account for the year ended on 31st March, 2023 from the following particulars;

4

Trial Balance
(As on 31st March, 2023)

	Dr. ₹	Cr. ₹
Cash on hand	2,000	
Cash at Bank	18,000	
Purchases and Sales	2,20,000	3,50,000
Return inwards and Return outwards	6,000	7,500
Carriage inwards	4,400	
Carriage outwards	2,100	
Fuel and Power	15,500	
Stock as on 01-04-2022	36,000	
Bad debts	6,200	
Bad debts provision		2,500
Debtors and Creditors	82,000	30,000
Capital		2,17,000
Investments	20,000	
Interest on investments		2,000
Loan from X @ 18%		10,000
Repairs	1,520	
General Expenses	10,600	
Land and Buildings	1,80,000	
Wages and Salaries	18,000	
Sundry receipts		120
Bills Payable		5,200
Stationery	2,000	
	6,24,320	6,24,320

Additional information:

- Closing stock is valued at ₹ 50,000.
- Entire stationery was used by the proprietor for own purpose.
- Write-off ₹ 2,000 as bad debts and provision for Doubtful Debts is to be maintained at 5% on Debtors.
- Loan from X was taken on 1st August 2022. No interest has been paid so far.
- Included in general expenses is insurance premium ₹ 1,200 paid for one year ending 30th June 2023.
- 1/3rd of Wages and Salaries is to be charged to Trading Account and balance to P/L A/c.

Or

Prepare Profit & Loss Account and Balance Sheet as on 31st March, 2023 from the

following particulars;

	Dr. ₹	Cr. ₹
Capital		3,20,000
Building	4,00,000	
Motor Bike	40,000	
Gross Profit		2,83,000
Bad debts	3,000	
Bad debts provision		7,000
Bank loan		50,000
Interest on Bank loan	3,000	
Commission		9,000
Motor Bike expenses	4,000	
Salaries	44,000	
Cash on hand	29,200	
Debtors and Creditors	30,000	20,000
Income Tax	12,000	
Income Tax paid in advance	4,000	
Interest on advance payment of income tax		200
Closing Stock	1,20,000	
	6,89,200	6,89,200

Additional information:

- a. Commission includes ₹ 3,000 received in advance.
- b. Salaries have been paid for 11 months.
- c. Bank loan has been taken at 10% p.a. interest.
- d. Depreciate building by 5% and Motorbike by 15%.
- g. Write-off ₹ 2,000 as bad debts and provision for Doubtful Debts is to be maintained at 5% on Debtors.

KENDRIYA VIDYALAYA SANGATHAN LUCKNOW REGION
SUPPLEMENTARY EXAMINATION 2023-24
SUBJECT: ACCOUNTANCY (055)
CLASS XI
MARKING SCHEME

Q. No.	PART –A FINANCIAL ACCOUNTING - I	Marks
1	C. Only (R) is correct	1
2	D. All of the above or B. ₹ 18,000	1
3	C. Asset put to use	1
4	D. Sales Return Book or C. Assets and Expenses	1
5	D. Understandability or D. all of the above	1
6	B. A statement prepared by customer.	1
7	C. Output IGST A/c or B. Liability	1
8	D. Prepaid Expenses or A. Historical cost	1
9	B. ₹ 2,00,000	1
10	B. Materiality (An item is recorded in the books of account on the basis of Materiality.)	1
11	D. not necessary	1
12	B. Replacement of Memory	1
13	C. (A) is true, bur (R) is false	1
14	D. ₹ 35,85,000	1
15	C. Accrual	1
16	A. Both (A) and (R) are correct and (R) is the correct explanation of (A).	1
17	<p>What do you mean by 'Trial Balance'? Explain any two objective of preparing trial balance. Answer: Trial Balance is a statement, prepared with the debit and credit balances of ledger accounts to test the arithmetical accuracy of the books. OBJECTIVE OF PREPARING TRIAL BALANCE: (any two with explanation)</p> <ol style="list-style-type: none"> 1. To ascertain the arithmetical accuracy of the ledger accounts. 2. To help in the locating errors. 3. To obtain a summary of the ledger accounts. 4. To help in preparing Final Accounts. <p style="text-align: right;">1+2 =3</p> <p style="text-align: center;">or Trial Balance</p>	3

Particular	Dr. ₹	Cr. ₹
Prepaid Expenses	5,000	
Outstanding rent		2,000
Bad debts recovered		4,000
Interest on Investment		1,000
Due to Mohan		5,000
Bank Overdraft		2,000
Discount allowed	800	
Due from Vinod	1,200	
Investment	15,000	
Patents	4,000	
Machinery	6,000	
Capital		18,000
Total	32,000	32,000

$\frac{1}{4} * 12 = 3$

18 Sales Book					
Date	Name of the customer	Invoice No.	LF	Amount	Amount
2023					
Mar 1	Ruchira Electronics, Lucknow	123			
	5 BPL T.V. @ ₹ 20,000 each			1,00,000	
	Less : Trade Discount @ 20%.			<u>20,000</u>	
				<u>80,000</u>	80,000
Mar 2	Garun Electronics, Kanpur	124			
	10 Washing Machines @ ₹ 8,000 each.			80,000	
	Less : Trade Discount @ 25%.			<u>20,000</u>	
				<u>60,000</u>	60,000
Mar 4	Rahat Electronics, Varanasi	126			
	8 Music System @ ₹ 15,000 each			1,20,000	
	10 Colour T.V. Sets @ ₹ 22,000 each			<u>2,20,000</u>	
				3,40,000	
	Less : Trade Discount @ 20%.			<u>68,000</u>	
				<u>2,72,000</u>	<u>2,72,000</u>
					0
Mar 31	Sales A/c	Cr.			<u>4,12,000</u>
					0

1+1+1

Note : Goods sold to Hira Bros, Pune, vide **Cash Memo** No. 125 is cash sales hence it will not be recorded in the Sales Book.

19	<p style="text-align: center;">Distinction between Provisions and Reserves</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Basis</th> <th style="width: 35%;">Provisions</th> <th style="width: 35%;">Reserves</th> </tr> </thead> <tbody> <tr> <td>Meaning</td> <td>Created to meet known liability</td> <td>Created to meet unknown liability</td> </tr> <tr> <td>Object</td> <td>Provide for depreciation, doubtful debts etc.</td> <td>To strengthen the financial position of the business</td> </tr> <tr> <td>Utilization for dividends</td> <td>Cannot be used for</td> <td>Can be used for</td> </tr> </tbody> </table> <p style="text-align: center;">or</p> <p>Functions of Accounting. (any three with explanation)</p> <ol style="list-style-type: none"> i. Maintaining Systematic record. ii. Preparation of final accounts. iii. Meeting legal requirements. iv. Communicating the financial information. v. Assistance to management. 					Basis	Provisions	Reserves	Meaning	Created to meet known liability	Created to meet unknown liability	Object	Provide for depreciation, doubtful debts etc.	To strengthen the financial position of the business	Utilization for dividends	Cannot be used for	Can be used for	1 + 1 + 1 = 3																												
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20	<p style="text-align: center;">Accounting equation</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" rowspan="2">Transactions</th> <th colspan="3">Assets</th> <th>Capital</th> </tr> <tr> <th>Debtors</th> <th>Stock</th> <th>Cash</th> <th>Capital</th> </tr> </thead> <tbody> <tr> <td>a</td> <td>Started business</td> <td></td> <td>40,000</td> <td>2,00,000</td> <td>2,40,000</td> </tr> <tr> <td>b</td> <td>Sold 50% of the above goods at a profit of ₹ 4,000 to Raghunath</td> <td>+ 24,000</td> <td>-20,000</td> <td></td> <td>+ 4,000</td> </tr> <tr> <td></td> <td></td> <td>24,000</td> <td>20,000</td> <td>2,00,000</td> <td>2,44,000</td> </tr> <tr> <td>c</td> <td>Raghunath paid 90% of his amount in final settlement.</td> <td>-24,000</td> <td></td> <td>+21,600</td> <td>-2,400</td> </tr> <tr> <td></td> <td>Final Equation</td> <td>0</td> <td>20,000</td> <td>2,21,600</td> <td>2,41,600</td> </tr> </tbody> </table> <p style="text-align: right;">1+1+1</p>					Transactions		Assets			Capital	Debtors	Stock	Cash	Capital	a	Started business		40,000	2,00,000	2,40,000	b	Sold 50% of the above goods at a profit of ₹ 4,000 to Raghunath	+ 24,000	-20,000		+ 4,000			24,000	20,000	2,00,000	2,44,000	c	Raghunath paid 90% of his amount in final settlement.	-24,000		+21,600	-2,400		Final Equation	0	20,000	2,21,600	2,41,600	3
Transactions		Assets			Capital																																									
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c	Raghunath paid 90% of his amount in final settlement.	-24,000		+21,600	-2,400																																									
	Final Equation	0	20,000	2,21,600	2,41,600																																									
21	<p>Answer: 1+1+1+1</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>DATE</th> <th>PARTICULARS</th> <th>LF</th> <th>Amount</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>2023 Apr 1</td> <td> Purchases A/c Dr. To Cash A/c To Discount Received A/c (Goods for ₹ 8,000 purchased at 20% trade discount and 5% cash discount) </td> <td></td> <td style="text-align: center;">₹ 6,400</td> <td style="text-align: center;">₹ 6080 320</td> </tr> <tr> <td>Apr 8</td> <td> Cash A/c Dr. To Sales A/c (Goods costing ₹ 15,000 sold at a profit of </td> <td></td> <td style="text-align: center;">20,000</td> <td style="text-align: center;">20,000</td> </tr> </tbody> </table>					DATE	PARTICULARS	LF	Amount	Amount	2023 Apr 1	Purchases A/c Dr. To Cash A/c To Discount Received A/c (Goods for ₹ 8,000 purchased at 20% trade discount and 5% cash discount)		₹ 6,400	₹ 6080 320	Apr 8	Cash A/c Dr. To Sales A/c (Goods costing ₹ 15,000 sold at a profit of		20,000	20,000	4																									
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	20% trade discount and 5% cash discount 33 1/3 % on cost)			
Apr 10	Loss by fire A/c Dr. To Purchases A/c (Goods costing ₹ 4,000 lost by fire)		4,000	4,000
Apr 16	Plant A/c Dr. To Cash A/c (Plant purchased for ₹ 1,00,000 and installation charges paid ₹ 2,000)		1,02,000	1,02,000

22	TWO COLUMN CASH BOOK										(0.5*8) = 6
	DATE	PARTICULARS	LF	CASH	BANK	DATE	PARTICULARS	LF	CASH	BANK	
	2023			₹	₹				₹	₹	
	Feb1	To balance b/d		2,300		Feb1	By balance b/d			12,000	
	6	To Sales A/c			27,000	5	By Purchases A/c			34,000	
	9	To Cheques in hand			4,000	12	By Nimesh Bros.			2,500	
	20	To Bank A/c	C	3,400		15	By Apex Furnitures			4,000	
	31	To Cash A/c	C		5,000	20	By Cash A/c	C		3,400	
	31	To Balance c/d			20835	23	By Drawings A/c			75	
						27	By Bank charges			20	
						31	By Bank A/c	C	5,000		
						31	By Balance c/d		700		
				5,700	60,075				5,700	60,075	
	Mar 1	To Balance b/d		700		Mar 1	By Balance b/d			20835	

23	BANK RECONCILIATION STATEMENT As on 28 th February 2023			6	
	PARTICULARS		+		-
	Balance as per Pass Book on 28 th February 2023		6,000		
	Cheques drawn but not presented for payment upto February 2023 (₹ 37,500 – ₹ 5,000)				32,500
	Cheques deposited but not credited upto February 2023 (₹ 12,000 – ₹ 7,500)		4,500		
	Interest allowed by Bank				303
	Amount wrongly debited by bank		2,400		
	A cheque entered in Cash Book but not sent to bank in cheque returned dishonored		1,200		
			13,300		
			27,400		32,803
Cr. Balance (OD) as per Cash Book on 28 th February 23			5,403		
*No Marks will be awarded for the balances.					
(1*6 = 6)					

24	JOURNAL			
	a	Office Equipment's A/c To Office Expenses A/c	Dr.	350 350

b	Suspense A/c To Wilson	Dr.	100	100	(1*6) = 6
c	Sales A/c To Suspense A/c	Dr.	1,000	1,000	
d	Sales Return A/c Sales A/c To Suspense A/c	Dr. Dr.	130 130	260	
e	Building A/c To Wages A/c	Dr.	13,000	13,000	
f	Correct Entry				

25	Plant Account						6
	Date	Particulars	₹	Date	Particulars	₹	
	1.4.20	To Bank A/c	80,000	31.3.20	By Depreciation A/c	8,000	
				31.3.20	By Balance c/d	72,000	
			80,000			80,000	
	1.4.21	To Balance b/d	72,000	31.3.21	By Depreciation A/c (7,200 + 3,600)	10,800	
		To Bank A/c	48,000	31.3.21	By Balance c/d (64,800+ 44,400)	1,09,200	
			1,20,000			1,20,000	
	1.4.22	To Balance b/d	1,09,200	1.12.22	By Bank A/c	42,000	
	1.12.22	To Bank A/c	75,000	1.12.22	By Depreciation A/c (64,800*10%*8/12)	4,320	
				1.12.22	By P/L A/c (loss) (64,800-42000-4,320)	18,480	
				31.3.23	By Depreciation A/c (4,440+2,500)	6,940	
				31.3.23	By Balance c/d (39,960 +72,500)	1,12,460	
			1,84,200			1,84,200	
	1.4.23	To Balance b/d	1,12,460				
	(1+2+3 = 6)						
	Or						
	Machinery Account						
	Date	Particulars	₹	Date	Particulars	₹	
	1.4.22	To Balance b/d	5,00,00	1.10.2	By Bank A/c	42,000	

		0	2		
1.10.22	To Bank A/c	2,00,000	1.10.22	Provision for Depreciation A/c	32,500
			1.10.22	By P/L A/c (loss)	25,500
			2	100000-42000-32500	
			31.3.23	By Balance c/d	6,00,000
		<u>7,00,000</u>			<u>7,00,000</u>
1.4.23	To Balance b/d	7,00,000			
Provision for Depreciation Account					
1.4.22	To Machinery A/c (total dep on machinery sold t/t machinery A/c)	32,500	1.4.22	By Balance b/d	2,25,000
31.3.23	To Balance c/d	2,47,500	1.10.22	By Depreciation A/c (Dep.on machine sold)	5,000
			31.3.23	By Depreciation A/c (40,000+10,000)	50,000
		<u>2,80,000</u>			<u>2,80,000</u>
		<u>0</u>	1.4.23	By Balance b/d	2,47,500
					<u>0</u>
(3+3 = 6)					
PART – B					
FINANCIAL ACCOUNTING - II					
26	C. 2,1,4,3				1
27	D. Balances of Personal and Real Accounts				1
	or				
	C. Both a & b				
28	C. ₹ 1,60,000 and ₹ 16,000				1
	or				
	B. Profit & Loss A/c				
29	B. ₹ 1,05,000				1
30	Capital Expenditure or Revenue Expenditure:				1+1+1
	<ul style="list-style-type: none"> i. Total Expenditure of ₹ 1,50,000 is Capital Expenditure. ₹ 1,35,000 for capital asset while ₹ 15,000 were spent to make the car ready for use. ii. ₹ 25,000 spent on whitewashing of old factory building is Revenue Expenditure as it's for the maintaining the asset and not for improving the asset. iii. ₹ 22,500 paid for the installation of a new machine is a Capital Expenditure because the amount spent is up to the point when the asset is ready for use. 				3

31	Operating Profit = Gross profit (Revenue from operation – COGS) – Operating Expenses = ₹ 4,40,000 – { (3,46,500-22,000-35,000-5,100-20,000) + (18,300)} = ₹ 4,40,000- {2,64,400+ 18,300} = ₹ 1,57,300	3																																																								
32	<p style="text-align: center;">Statement of Affairs (as at 31-03-2023)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Liabilities</th> <th style="width: 10%;">₹</th> <th style="width: 30%;">Assets</th> <th style="width: 10%;">₹</th> </tr> </thead> <tbody> <tr> <td>Creditors</td> <td style="text-align: right;">6,000</td> <td>Cash</td> <td style="text-align: right;">600</td> </tr> <tr> <td>Dwarika's Loan 4,000</td> <td></td> <td>Stock</td> <td style="text-align: right;">9,400</td> </tr> <tr> <td>Add : Interest on loan 270</td> <td style="text-align: right;">4,270</td> <td>Debtors</td> <td style="text-align: right;">7,000</td> </tr> <tr> <td>Capital (balancing g figure)</td> <td style="text-align: right;">6,730</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">17,000</td> <td></td> <td style="text-align: right;">17,000</td> </tr> </tbody> </table> <p style="text-align: center;">Statement of Profit or Loss (for the year ended 31st March 2023)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;">Particulars</th> <th style="width: 20%;">₹</th> </tr> </thead> <tbody> <tr> <td>Capital as on 31st March 2023</td> <td style="text-align: right;">6,730</td> </tr> <tr> <td>Less : Additional Capital</td> <td style="text-align: right;"><u>1,500</u></td> </tr> <tr> <td></td> <td style="text-align: right;">5,230</td> </tr> <tr> <td>Add : Drawings</td> <td style="text-align: right;"><u>2,000</u></td> </tr> <tr> <td>Adjusted Capital</td> <td style="text-align: right;">7,230</td> </tr> <tr> <td>Less : Capital as on 1st April 2022</td> <td style="text-align: right;"><u>10,000</u></td> </tr> <tr> <td style="text-align: center;">NET LOSS FOR THE YEAR</td> <td style="text-align: right;">2,770</td> </tr> </tbody> </table> <p style="text-align: right;">2+2= 4</p>	Liabilities	₹	Assets	₹	Creditors	6,000	Cash	600	Dwarika's Loan 4,000		Stock	9,400	Add : Interest on loan 270	4,270	Debtors	7,000	Capital (balancing g figure)	6,730				17,000		17,000	Particulars	₹	Capital as on 31 st March 2023	6,730	Less : Additional Capital	<u>1,500</u>		5,230	Add : Drawings	<u>2,000</u>	Adjusted Capital	7,230	Less : Capital as on 1 st April 2022	<u>10,000</u>	NET LOSS FOR THE YEAR	2,770	4																
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Basis	Double Entry System	Single Entry System
Recording of aspects	Both the aspects	Both the aspects of very few transactions and for some only one aspect is recorded
Trial Balance	Can be prepared	Can't be prepared
Suitability	For all types of business	For small business where no. of transactions are less.
Reliability	reliable	Less reliable

1+1+1+1=4

34	Trading Account and Profit & Loss Account (for the year ended 31st March 2023)				6
	Particulars	₹	Particulars	₹	
	To opening stock	36,000	By Sales	3,50,000	
	To purchases	2,20,000	Less : S Return	<u>6,000</u>	3,44,000
	Less : P. Return	<u>7,500</u>	Closing Stock		50,000
	To carriage on purchases	4,400			
	To Fuel and Power	15,500			
	To Wages and Salaries	6,000			
	To Gross Profit c/f	1,19,600			
		<u>3,94,000</u>			<u>3,94,000</u>
	To Carriage outwards	2,100	By Gross Profit b/f		1,19,600
	To Wages and Salaries	12,000	By Interest on investments		2,000
	To Repairs	1,520	By Sundry receipts		120
	To General Expenses	10,600			
	Less : Prepaid Insurance	<u>300</u>			
	To Bad-Debts	6,200			
	Add : further bad debts	2,000			
	Add : new provision	<u>4,000</u>			
		12,200			
	Less : old provision	<u>2,500</u>			
	To outstanding Interest	1,200			
	(10,000*18%*8/12)				
	To Net Profit t/t Capital A/c	84,900			
		<u>1,21,720</u>			<u>1,21,720</u>
					2½ + 3½
	or				
	Profit & Loss Account (for the year ended 31st March 2023)				
	Particulars	₹	Particulars	₹	
	To Interest on Bank loan	3,000	By Gross Profit b/f		2,83,000
	Add: O/S Interest	<u>2,000</u>	By Commission	9,000	
	To Motor Bike expenses	4,000	Less: Commission in adv.	<u>3,000</u>	6,000
	To Salaries	44,000	By Provision for Bad Debts:		

Add :O/S Salaries <small>(44000/11)</small> <u>4,000</u>	48,000	Old Provision	7,000	
To Depreciation :		Less: Bad-Debts	<u>5,000</u>	
Building	20,000		2,000	
Motorbike	<u>6,000</u>	Less: New Provision	<u>1,400</u>	600
To Net Profit t/t Capital A/c	2.06,600			
	<u>2,89,600</u>			<u>2,89,600</u>

Balance Sheet (As on 31st March 2023)

Liabilities		₹	Assets		₹
Bank loan	50,000		Cash on hand		29,200
Add : O/S Interest	<u>2,000</u>	52,000	Sundry Debtors	30,000	
Creditors		20,000	- Further Bad debts	<u>2,000</u>	
O/S Salaries <small>(44000/11)</small>		4,000		28,000	
Commission in advance		3,000	-New Provision for BD	<u>1,400</u>	26,600
Capital	3,20,000		Closing Stock		1,20,000
Add : Net Profit	<u>2.06,600</u>		Motor Bike	40,000	
	5,26,000		Less : Depreciation	<u>6,000</u>	34,000
Less : Drawings	<u>15,800*</u>	5,10,800	Building	4,00,000	
			Less : Depreciation	<u>20,000</u>	3,80,000
		<u>5,89,800</u>			<u>5,89,800</u>

3 + 3

* ₹ 12,000+ ₹ 4,000 – ₹ 200 = ₹ 15,800