

PADASALAI'S CENTUM TEAM
11TH ACCOUNTANCY PUBLIC EXAM – ANSWER KEY MAY - 2022



I. Choose the most appropriate answer

20 x 1 = 20

1	A	Large, Medium business	11	C	Solving tax disputes with tax authorities
2	A	On a particular date	12	A	Constant for all years
3	D	Debit side of Profit and Loss Account	13	A	Generally Accepted Accounting Principles
4	C	Cash Account	14	B	Access Codes
5	A	Bank A/c	15	D	Returns of goods by the customer for which cash is not paid immediately
6	D	Current Asset	16	A	Drawings A/c
7	B	Next Year	17	A	Capital Expenditure
8	A	End	18	C	Balancing
9	A	Assets	19	C	Contra Entry
10	D	Principle	20	A	All Credit Purchases of goods



1	D	Principle	11	D	Returns of goods by the customer for which cash is not paid immediately
2	A	Assets	12	A	Drawings A/c
3	A	End	13	D	Debit side of Profit and Loss Account
4	A	Generally Accepted Accounting Principles	14	A	Constant for all years
5	B	Access Codes	15	A	All Credit Purchases of goods
6	C	Balancing	16	C	Solving tax disputes with tax authorities
7	C	Cash Account	17	A	Large, Medium business
8	B	Next Year	18	A	On a particular date
9	D	Current Asset	19	A	Capital Expenditure
10	A	Bank A/c	20	C	Contra Entry

II. Answer any 7 questions. Question No. 30 is Compulsory**7 x 2 = 14****21). Definition of Accounting:**

American Accounting Association has defined accounting "the process of identifying, measuring and communicating economic information to permit informed judgements and decisions by users of the information."

22).Credit Balance – Meaning:

✎ If the credit side of an account has higher total, the balancing figure is credit balance.

23) Trial Balance – Meaning:

✎ "A trial balance is a statement, prepared with the debit and credit balances of the ledger accounts to test the arithmetical accuracy of the books".

24) Two accounting packages:

1. Readymade software
2. Customised software

25) Accrued Income – Meaning:

✎ Accrued income is an income or portion of income which has been earned during the current accounting year but not received till the end of that accounting year.

26)**Journal Entries**

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
	Bank A/c Dr. To Bank Loan A/c (Being borrowed loan from bank)		10,000	10,000
	Cash A/c Dr. To Commission A/c (Being received commission)		5,000	5,000

27) Calculation of Amount of Depreciation

Amount of depreciation per year = $\frac{\text{Original cost of the asset} - \text{Estimated scrap value}}{\text{Estimated useful life of the asset in years}}$

$$= \frac{(50,000 + 5000) - 0}{5}$$

$$= \frac{55,000}{5} = \text{Rs. 11,000 per year}$$

28)

In the books of Mr.Sanjay

Dr. Trading account for the year ended 31st December, 2017 Cr.

Particulars			Particulars		
To Opening stock		570	By Sales	26,200	
To Purchases	15,800		Less: Sales returns	60	26,140
Less: Purchases returns	90	15,710	By Closing stock		860
To Gross profit c/d		10,720			
		27,000			27,000

29)

Journal Entries

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
	Purchase A/c To Cash A/c (Being goods purchased for cash)	Dr.	20,000	20,000

30). Calculation of cost of goods sold:

$$\begin{aligned} \text{Cost of goods sold} &= \text{Opening stock} + \text{Net purchases} + \text{Direct expenses} - \text{Closing stock} \\ &= 10,000 + 80,000 + 7,000 - 15,000 \\ &= \text{82,000} \end{aligned}$$

III. Answer any 7 questions. Question No. 40 is Compulsory **7 x 3 = 21**31) The golden rules of double entry accounting system

Personal account	Debit the receiver	Credit the giver
Real account	Debit what comes in	Credits what goes out
Nominal account	Debit all expenses and losses	Credit all incomes and gains

32)

Opening Entry

Date	Particulars	L.F.	Debit	Credit
2018 Jan 1	Cash A/c Stock A/c Cash Receivable A/c Machinery A/c To Cash Payable A/c To Capital A/c (Being Balance of assets and liabilities brought forward)	Dr. Dr. Dr. Dr.	40,000 50,000 50,000 40,000	30,000 1,50,000

38) The input and output devices of a computer system.**1. Input devices – Examples of input devices are**

Keyboard, optical scanner, mouse, joystick, touch screen and stylus which are used to feed data into the computer.

2. Output devices – Examples Output devices such as

Monitor and printer are media to get the output from the computer.

39) Differences between capital and revenue receipts

Characteristics	Capital Receipt	Revenue Receipt
Nature	Non-recurring in nature.	Recurring in nature.
Size	Amount is generally substantial.	Amount is generally smaller.
Distribution	These amounts are not available for distribution as profits.	The excess' of revenue receipts over the revenue expenses can be used for distribution as profits.

40) Solution

Dr.	Profit and Loss Account		Cr.
Particulars		Particulars	
To Office Rent	10,000	By Gross profit b/d	50,000
To Discount Allowed	12,000	By Interest received	2,000
To Advertisement	4,000		
To Audit Fees	1,000		
To Carriage Outwards	2,500		
To General Expenses	3,000		
To Net Profit	19,500		
(transferred to capital account)			
	52,000		52,000

IV. Answer all the questions**7 x 5 = 35****41) a).****Journal entries**

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
2019 March 1	Cash A/c Dr. To Ram's capital A/c (Commenced business with cash)		3,00,00 0	3,00,000
2	Bank A/c Dr. To Cash A/c (Cash deposited into bank)		2,00,00 0	2,00,000

3	Furniture A/c To M/s Jaya Furniture A/c (Furniture bought on credit)	Dr.	28,000	28,000
4	Purchase A/c To Bank A/c (Purchase goods, paid through debit card)	Dr.	5,000	5,000
5	Purchase A/c To Shyam A/c (Purchase goods from Shyam on credit)	Dr.	50,000	50,000
7	M/s Jaya Furniture A/c To Cash A/c (Paid to M/s Jaya Furniture)	Dr.	28,000	28,000
8	Drawings A/c To Cash A/c (Paid Electricity bill of the Proprietor)	Dr.	12,000	12,000
8	Drawings A/c To Bank A/c (Cash withdrew from bank for personal use)	Dr.	800	800
9	Mano A/c To Sales A/c (Goods sold to Mano on credit)	Dr.	20,000	20,000
10	Sales Return A/c To Mano A/c (Goods returned by Mano)	Dr.	5,000	5,000

b)

Dr.		Trading and Profit and Loss Account of Mr.Ganesh		Cr.	
Particulars		Particulars			
To Opening stock	8,000	By Sales	42,000		
To Purchases	22,000	By Closing stock	4,500		
To Expenses on purchases	2,500				
To Gross profit c/d	14,000				
46,500				46,500	
To Electricity charges	3,500	By Gross profit b/d	42,000		
To Expenses on sales	1,000				
To Bad Debts	1,200				
To Trade Expenses	1,200				
To Discount allowed	600				
To Commission Allowed	1,100				
To Selling Expenses	600				
To Repairs	600				
To Net profit (Transferred to capital A/c)	4,200				
14,000				14,000	

42) a).

Journal Entries

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
2017 Aug 10	Cash A/c Dr. To Sales A/c (Being Goods sold and cheque received but not deposited)		30,000	30,000
14	Gopi A/c Dr. To Sales A/c (Being Goods sold to Gopi on credit)		12,000	12,000
20	Cash A/c Dr. To Gopi A/c (Being cash received from Gopi)		12,000	12,000

Ledger Accounts

Dr.				Cash Account		Cr.	
Date	Particulars	J.F.	Amount	Date	Particulars	J.F.	Amount
2017 Aug 10	To Sales A/c		30,000	2017 Aug 31	By Balance C/d		42,000
20	To Gopi A/c		12,000				
			42,000				42,000
Sep.1	To Balance b/d		42,000				

Dr.				Sales Account		Cr.	
Date	Particulars	J.F.	Amount	Date	Particulars	J.F.	Amount
2017 Aug 31	To Balance C/d		42,000	2017 Aug 10	By Cash A/c		30,000
				14	By Gopi A/c		12,000
			42,000				42,000
				Sep.1	By Balance b/d		42,000

b) Differences between capital expenditure and revenue expenditure

Basis	Capital expenditure	Revenue expenditure
i) Nature	It is non – recurring in nature.	It is recurring in nature.
ii) Purpose	To contribute to the revenue earning capacity of the business.	To carry on the day to day activities of the business.
iii) Period of benefits	Its benefit is available for a longer period.	Its benefit is obtained within one accounting period.
iv) Effect on profit earning capacity	It increases the profit earning capacity of the business.	It maintains the profit earning capacity of the business.
v) Accounting treatment	It will appear on the assets side of the balance sheet.	It will be shown on the debit side of the trading and profit and loss account depending on whether direct or indirect in nature.

43)a)

In the books of Babu
Trial balance as on 31st March, 2016

S. No	Name of account	L.F.	Debit balance Rs.	Credit balance Rs.
1	Cash in hand		7,000	--
2	Sundry Debtors		5,400	--
3	Salaries		6,800	--
4	Bad Debts		200	--
5	Opening stock		15,400	--
6	Bills Receivable		7,000	--
7	Creditors		--	11,800
8	Capital		--	25,000
9	Purchases		45,000	--
10	Sales		--	50,000
	Total		86,800	86,800

b)

In the books of Nicholas

Dr. Trading and Profit and Loss Account for the year ended 31st March, 2016 Cr.

Particulars			Particulars		
To Opening stock		1,000	By Sales		15,100
To Purchases		10,000	By Closing stock		2,100
To Wages	600				
Add: Outstanding	200	800			
To Freight inwards		750			
To Gross profit c/d		4,650			

		17,200			17,200
To Advertisement	500		By Gross profit b/d		4,650
Less: Prepaid advertisement	150	350	By Commission received	1,900	
To Carriage outwards		400	Less: Received in advance	400	1,500
To Net profit (Transferred to capital a/c)		6,000	By Rent received		600
		6,750			6,750

44) a).

Purchases book

Date	Particulars	Invoice No.	L.F.	Amount `	
				Details	Total
2017 June 1	Balan Traders 20 chairs @ ` 150 each				3,000
June 13	Subha & Co., 2 Almirash @ ` 3,100 each 10 Tables @ ` 1,500 each Less: Trade discount @ 10% Add: Packing and delivery charges			6,200 15,000 21,200 2,120 19,080 220	19,300
24	Shankar Furniture Mart 25 Almirahs @ ` 1,300 each				32,500
27	Murugan Traders 10 Executive Tables @ ` 3,275 each				32,750
	Purchase A/c Dr.				87,550

Purchases Return Book

Date	Particulars	Invoice No.	L.F.	Amount `		Remarks
				Details	Total	
2017 June 21	Balan Traders 2 chairs @ ` 150 each				300	Cash not received

29	Shankar Furniture Mart 3 Almirahs @ ` 1,300 each					3,900	Cash not received
	Purchase Return Book Cr.					4,200	

b).

Dr. In the books of Ganapathy Cr.
Triple column cash book

Date	Receipts	R. N	L. F	Amount Rs.			Date	Receipts	R. N	L. F	Amount Rs.			
				Dis. All.	Cash	Bank					Dis. Rec.	Cash	Bank	
2017 Feb.1	To Balance b/d				12,500	5,000	2017 Jan.5	By Water Purifier A/c						
8	To Daniel A/c			50	4,450		6	By Purchase A/c				4,500	4,000	
10	To Sales A/c					20,000	12	By Amala A/c			250		7,250	
14	To Bank A/c		C		10,000		13	By Transport Charges				2,500		
19	To Kumar A/c					7,500	14	By Cash A/c		C			10,000	
							24	By Kumar A/c					7,500	
							28	By Balance c/d				19,950	3,750	
				50	26,950	32,500					250	26,950	32,500	
Mar.1	To Balance b/d				19,950	3,750								

45) a)

In the books of Mr. Sundaresan
Cash Book (Single column)

Dr. Cr.

Date	Receipts	L.F.	Amount	Date	Payments	L.F.	Amount
2017 May 1	To Balance b/d		40,000	2017 May 7	By Wages A/c		2,000
5	To Swathi A/c		4,000	10	By Purchase A/c		6,000
15	To Sales A/c		9,000	18	By Computer A/c		15,000
30	To Interest A/c		500	22	By Sabapathi A/c		5,000
				28	By Salary A/c		2,500
				31	By Balance c/d		23,000
			53,500				53,500
Jun 1	To Balance	B/d	23,000				

b) Classification of Accounts:

S.No.	Name of account	Classification of Accounts
(i)	Bank	Personal Account
(ii)	Carriage outwards	Nominal Account
(iii)	Purchases	Nominal Account

(iv)	Harish	Personal Account
(v)	Prepaid Expenses	Representative Personal Account
(vi)	Furniture	Real Account
(vii)	Goodwill	Real Account
(viii)	Sales	Nominal Account
(ix)	Interest Received	Nominal Account
(x)	Capital	Personal Account

46) a) (i) Definition of Depreciation

✎ According to **R.N. Carter**, "Depreciation is the gradual and permanent decrease in the value of an asset from any cause".

(ii) Causes of Depreciation

1) Wear and tear

- ✎ The normal use of a tangible asset results in physical deterioration which is called wear and tear.
- ✎ When there is wear and tear, the value of the asset decreases proportionately.

2) Efflux of time

- ✎ Certain assets whether used or not become potentially less useful with the passage of time.

3) Lack of maintenance

- ✎ A good maintenance will naturally increase the life of the asset.
- ✎ When there is no proper maintenance, there is a possibility of more depreciation.

b)

In the books of M/s. Vinodhini

Dr. Trading and Profit and Loss Account for the year ended 31st December, 2017 Cr.

Particulars	\	\	Particulars	\	\
To Opening stock		2,500	By Sales		7,000
To Purchases		3,300	By Closing stock		4,000
To Carriage inwards		2,700			
To Gross profit c/d		2,500			
		11,000			11,000

To Rent		2,600	By Gross profit b/d		2,500
To Net profit (Transferred to capital a/c)		2,400	By Interest received		2,500
		5,000			
			5,000		

Balance Sheet as on 31st December, 2017

Liabilities			Assets		
Capital	52,000		Cash		6,400
(+) Net profit	2,400	54,400	Plant		52,000
Creditors		8,000	Closing Stock		4,000
		62,400			
			62,400		

47.a) Role of an accountant is:

- 1) **Record keeper:** The accountant maintains a systematic record of financial transactions.
- 2) **Provider of information to the management :** The accountant assists the management by providing financial information required for decision making and for exercising controls.
- 3) **Protector of business assets:** The accountant maintains records of assets owned by the business which enables the management to protect and exercise control over these assets.
- 4) **Tax managers:** The accountant ensures that tax returns are prepared and filed correctly on time and payment of tax is made on time .
- 5) **Public relation officer:** The accountant provides accounting information to various interest users for analysis as per their requirements.

b) Solution

- (i) Capital expenditure
- (ii) Revenue receipt
- (iii) Capital expenditure
- (iv) Capital receipt.
- (v) Capital expenditure

***** All the Best *****