

+1 Acc Model Hly 2022

Date : 03-Dec-22

11th Standard

Accountancy

Reg.No. :

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Use Blue Ink Only

Exam Time : 03:00:00 Hrs

Total Marks : 90

Part A Multiple Choice Question

14 x 1 = 14

- 1) The root of financial accounting system is _____
(a) Social accounting (b) Stewardship accounting (c) Management accounting (d) Responsibility accounting
- 2) The business is liable to the proprietor of the business in respect of capital introduced by the person according to
(a) Money measurement concept (b) Cost concept (c) Business entity concept (d) Dual aspect concept
- 3) Accounting equation signifies
(a) Capital of a business is equal to assets (b) Liabilities of a business are equal to assets
(c) Capital of a business is equal to liabilities (d) Assets of a business always equal to the total of capital and liabilities
- 4) Main objective of preparing ledger account is to
(a) Ascertain the financial position (b) Ascertain the profit or loss
(c) Ascertain the profit or loss and the financial position (d) Know the balance of each ledger account
- 5) Trial balance is a _____
(a) Statement (b) Account (c) Ledger (d) Journal
- 6) Purchases book is used to record _____
(a) all purchases of goods (b) all credit purchases of assets (c) all credit purchases of goods
(d) all purchases of assets
- 7) Cash book is a _____
(a) Subsidiary book (b) Principal book (c) Journal proper (d) Both subsidiary book and principal book
- 8) A bank reconciliation statement is prepared by _____.
(a) Bank (b) Business (c) Debtor to the business (d) Creditor to the Business
- 9) Error of principle arises when _____
(a) There is complete omission of a transaction (b) There is partial omission of a transaction
(c) Distinction is not made between capital and revenue items (d) There are wrong postings and wrong castings
- 10) Under straight line method, the amount of depreciation is
(a) Increasing every year (b) Decreasing every year (c) Constant for all the years (d) Fluctuating every year
- 11) Amount spent on increasing the seating capacity in a cinema hall is
(a) Capital expenditure (b) Revenue expenditure (c) Deferred revenue expenditure (d) None of the above.
- 12) Closing stock is an item of _____.
(a) Fixed asset (b) Current asset (c) Fictitious asset (d) Intangible asset
- 13) A prepayment of insurance premium will appear in
(a) The trading account on the debit side (b) The profit and loss account on the credit side
(c) The balance sheet on the assets side (d) The balance sheet on the liabilities side
- 14) In accounting, computer is commonly used in the following areas:
(a) Recording of business transactions (b) Payroll accounting (c) Stores accounting (d) All the above
- 15)

a) Error of omission	(1) Posting to wrong account
b) Error of commission	(2) Temporary account
c) Compensating errors	(3) Partial omission
d) Suspense account	(4) Offsetting errors

Part A Assertion and reason

1 x 1 = 1

- 16) Assertion (A): The unsold goods in the business at the end of the accounting period are termed as closing stock
Reason (R): Closing stock is the opening stock for the next accounting period.
Select the correct answer.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
(c) (A) is true, but (R) is false.
(d) (A) is false, but (R) is true.

Part A Odd one out

1 x 1 = 1

- 17) (a) Capital
(b) Creditors
(c) Drawings
(d) Bills receivable

Part A Choose the correct pair

1 x 1 = 1

- 18) (a) Single line spacing = Control + 2
(b) Double line spacing = Control + 1
(c) 1.5 line spacing = Control + 5
(d) For closing a file = File save

Part A Find out the wrong pair

1 x 1 = 1

- 19) (a) Personal account - Capital
(b) Real account - Building
(c) Nominal account - Purchases
(d) Revenue account - Wages

Part A Find the correct statement

1 x 1 = 1

- 20) (i) Debit balance as per cash book is favourable
(ii) Credit balance as per bank statement is favourable
(iii) Bank reconciliation statement is prepared by the banker
(a) (i) is correct

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- (b) (ii) is correct
 (c) (iii) is correct
 (d) (i) and (ii) are correct

Part B Answer any 7 Questions and Question Number 30 is Compulsory

7 x 2 = 14

- 21) Define Book Keeping.
 22) Write anyone transaction which:
 a) Decreases the assets and decreases the liabilities
 b) Increases one asset and decreases another asset
 23) Complete the missing items.
- | | Assets Rs= | Liabilities Rs+ | Capital Rs |
|-----|------------|-----------------|------------|
| (a) | 30,000 | 20,000 | ? |
| (b) | 60,000 | 25,000 | ? |
| (c) | ? | 25,000 | 30,000 |
| (d) | ? | 10,000 | 80,000 |
| (e) | 25,000 | ? | 15,000 |
| (f) | 40,000 | ? | 30,000 |
- 24) State whether the balance of the following accounts should be placed in the debit or the credit column of the trial balance
 (i) Carriage outwards
 (ii) Carriage inwards
 (iii) Sales
 (iv) Purchases
 (v) Bad debts
 (vi) Interest paid
 (vii) Interest received
 (viii) Discount received
 (ix) Capital
 (x) Drawings
 (xi) Sales returns
 (xii) Purchase returns
 25) The following errors were detected before the preparation of trial balance. Rectify them.
 (a) Sales book is undercast by Rs. 100
 (b) Sales book is overcast by Rs. 200
 (c) Purchases book is undercast by Rs. 300
 (d) Purchases book is overcast by Rs. 400
 26) Find out the rate of depreciation under straight line method from the following details:
 Original cost of the asset = Rs.10,000
 Estimated life of the asset = 10 years
 Estimated scrap value at the end = Rs.2,000
 27) State with reasons whether the following are capital or revenue or deferred revenue expenditure:
 i) Advertisement expenses amounted to Rs.10 crores to introduce a new product.
 ii) Expenses on freight for purchasing new machinery.
 iii) Freight and insurance on the new machinery and cartage paid to bring the new machinery to the factory.
 28) From the following information, prepare trading account for the year ended 31.12.2016.

Particulars	Rs
Opening stock (1.1.2016)	10,000
Purchases	26,100
Sales	40,600
Closing Stock (31.12.2016)	13,500

- 29) What is provision for discount on debtors?
 30) Give any two examples of readymade software.
Part C Answer any 7 Questions and Question Number 40 is Compulsory
 31) Why are the following parties interested in accounting information?
 (i) Investors
 (ii) Government
 32) Classify the following into personal, real and nominal accounts.
 (a) Capital
 (b) Building
 (c) Carriage inwards
 (d) Cash
 (e) Commission received
 (f) Bank
 (g) Purchases
 (h) Chandru
 (i) Outstanding wages
 33) Prepare cash account from the following transactions for the month of January 2018. (Direct Ledger Posting)
 Jan 1 Commenced business with cash Rs. 62,000
 3 Goods purchased for cash Rs. 12,000
 10 Goods sold for cash Rs. 10,000
 12 Wages paid Rs. 4,000
 25 Furniture purchased for cash Rs. 6,000
 34) The following trial balance has certain errors. Redraft it.

7 x 3 = 21

S.No	Name of account	L.F	Debit balance Rs.	Credit balance Rs.
1	Building		60,000	
2	Machinery		17,000	
3	Returns outward		2,600	
4	Bad debts		2,000	
5	Cash		400	
6	Discount received		3,000	
7	Bank overdraft		10,000	
8	Creditors		50,000	
9	Purchases		1,00,000	
10	Capital			72,800
11	Fixtures			5,600
12	Sales			1,04,000
13	Debtors			60,000
14	Interest received			2,600
	Total		2,45,000	2,45,000

35) Mention the subsidiary books in which the following transactions are recorded.

- Sale of goods for cash
- Sale of goods on credit
- Purchases of goods on credit
- When the proprietor takes goods for personal use
- Goods returned to suppliers for which cash is not received immediately
- Asset purchased as credit.

36) Enter the following transactions in a simple cash book of Kunal:

2017		
Jan		Rs
1	Cash in hand	11,200
5	Received from ramesh	300
7	Pain Rent	30
8	Sold goods for cash	300
10	Paid mohan	700
27	Purchased furniture for cash	200
31	Paid salaries	100

37) The following errors were detected before preparation of the trial balance. Rectify them.

- A sum of Rs. 5,000 written off as depreciation on buildings has not been posted to depreciation account.
- Payment of wages Rs. 2,000 to Venkat was posted twice to wages account.
- An amount of Rs. 250 for a credit sale of goods to Nila, although correctly entered in the sales book, has been posted as Rs. 200.

38) Distinguish between capital expenditure and revenue expenditure.

39) From the following information, prepare profit and loss account for the year ended 31st March 2018.

Particulars	Rs	Particulars	Rs
Gross profit b/d	1,50,000	Advertisement expenses	3,800
Carriage outward	25,500	Bad debts	8,500
Office rent	7,000	Dividend received	9,000
Office stationery	3,500	Discount received	4,600
Distribution expenses	2,000	Rent received	7,000

40) Show necessary entries to adjust the following on 31st December, 2017.

- Outstanding salaries Rs. 1,200
- Outstanding rent Rs. 300
- Prepaid insurance premium Rs. 450
- Interest on investments accrued Rs. 400
- Bad debts written off Rs. 200

Part D Answer All

7 x 5 = 35

41) a) For the following transactions, show the effect on accounting equation.

- Raj Started business with cash Rs. 40,000
- Opened bank account with a deposit of Rs. 30,000
- Bought goods from Hari on credit for Rs. 12,000
- Raj withdrew cash for personal use Rs. 1,000
- Bought furniture by using debit card for Rs. 10,000
- Sold goods to Murugan and cash received Rs. 6,000
- Money withdrawn from bank for office use Rs. 1,000

(OR)

b) The following errors were located after the preparation of the trial balance. Assume that there exists a suspense account. Pass journal entries to rectify them.

- The total of purchases book was undercast by Rs. 100.
- The total of the discount column on the debit side of cash book Rs. 575 were not posted.
- The total of one page of the sales book for Rs. 5,975 were carried forward to the next page as Rs. 5,795.
- Salaries Rs. 1,800 were posted as Rs. 18,000.
- Purchase of goods on credit from Mukilan for Rs. 150 have been posted to his account as Rs. 1,500.

42) a) Journalise the following opening entry.

	Rs.
Cash in hand	10,000
Furniture	20,000
Bills payable	15,000
Debtors	15,000
Cash at bank	15,000
Bills receivable	5,000
Creditors	20,000
Capital	30,000

(OR)

b) From the following particulars prepare a bank reconciliation statement of Jayakumar as on 31st December, 2016.

- Balance as per cash book Rs. 7,130.
- Cheque deposited but not cleared Rs. 1,000
- A customer has deposited Rs. 800 into the bank directly.

43) a) Journalise the following transactions and post them to Ledger.

2016 Jan	Rs.
1	Started business with cash 10,000
5	Paid into bank 5,000
7	Purchased goods from Ram for cash 1,000

(OR)

b) Enter the following transactions in a single column cash book of Seshadri for May, 2017

May 1	Particulars	Rs
5	Cash in hand	40,000
7	Cash received from Swathi	4,000
10	Purchased goods from Sasikala for cash	6,000
15	Sold goods for cash	9,000
18	Purchased computer	15,000
22	Cash paid to Sabapathi	5,000
28	Paid Salary	2,500
30	Interest received	500

44) a) Prepare a trial balance with the following information:

Name of the Account	Rs	Name of the Account	Rs
Purchases	1,00,000	Sales	1,50,000
Bank Loan	75,000	Creditors	50,000
Debtors	1,50,000	Cash	90,000

Stock	35,000	Capital	1,00,000
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(OR)

- b) From the following trial balance of Sharan, prepare trading and profit and loss account for the year ending 31st December 2017 and balance sheet as on that date. The closing stock on 31st December 2017 was valued at Rs. 2,50,000.

Debit Balances	Rs.	Credit Balances	Rs.
Stock (1-1-2017)	2,00,000	Sundry creditors	12,000
Purchases	7,50,000	Purchases returns	30,000
Carriage inwards	75,000	Sales	10,20,000
Wages	3,65,000	Commission received	53,000
Salaries	1,20,000	Capital	33,00,000
Repairs	12,000		
Rent and taxes	2,80,000		
Cash in hand	97,000		
Land	21,50,000		
Drawings	1,66,000		
Bank deposits	2,00,000		
	44,15,000		44,15,000

- 45) a) Enter the following transactions in the Purchases book of Mrs. Subhashree Electric Co., which deals in electric goods 2017 April 5 Purchased from Karthik Electric Co., on credit

10 Electric iron box @ Rs. 2,500 each
5 electric stoves @ Rs. 2,000 each

April 19 Purchased on credit from Khaitan Electric Co.,
3 electric heaters @ Rs. 6,000 each

April 25 Purchased from Polar Electric Co., on credit
10 Fans @ Rs. 2,000 each

April 29 Purchased from M & Co. for cash
10 electric stoves @ Rs. 3,000 each

(OR)

- b) An abstract of the trial balance as on 31st December, 2016 is as follows:

Particulars	Rs.
Sundry Debtors	20,000
Bad debts	500

Adjustment: Create a provision for bad and doubtful debts @ 5% on sundry debtors. Pass the adjusting entry and show how these items will appear in final accounts.

- 46) a) State whether they are capital and revenue.

i) Construction of building Rs.10,00,000.

ii) Repairs to furniture Rs.50,000.

iii) White-washing the building Rs.80,000

iv) Pulling down the old building and rebuilding Rs.4,00,000

(OR)

- b) From the following information, prepare trading account for the year ending 31st December 2017.

Particulars	Rs	Particulars	Rs
Opening stock	50,000	Dock charges on purchases	4,000
Cost of goods manufactured	12,000	Import duty on purchases	3,500
Cash purchases	60,000	Wages	11,000
Cash sales	85,000	Sales returns	3,000
Purchases returns	2,000	Credit purchases	35,000
Carriage inwards	4,000	Credit sales	60,000
Freight outwards	3,000	Other direct expenses	7,000
Coal and fuel	2,500		

- 47) a) From the following particulars, give journal entries for 2 years and prepare machinery account under straight line method of providing depreciation:

Machinery was purchased on 1.1.2016

Price of the machine Rs. 36,000

Freight charges Rs. 2,500

Installation charges Rs. 1,500

Life of the machine 5 years

(OR)

- b) Pass adjusting entries for the following:

(a) The closing stock was valued at Rs. 5,000

(b) Outstanding salaries Rs. 150

(c) Insurance prepaid Rs. 450

(d) Rs. 20,000 was received in advance for commission.

(e) Accrued interest on investments is Rs. 1,000.

"No masterpiece was ever created by a lazy artist."

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Date : 22-Nov-22

11th Standard

AccountancyReg.No. :

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Use Blue Ink Only

Time : 03:00:00 Hrs

Total Marks : 90

14 x 1 = 14

Part A Multiple Choice Question

- 1) (b) Stewardship accounting
- 2) (c) Business entity concept
- 3) (d) Assets of a business always equal to the total of capital and liabilities
- 4) (d) Know the balance of each ledger account
- 5) (a) Statement
- 6) (c) all credit purchases of goods
- 7) (d) Both subsidiary book and principal book
- 8) (b) Business
- 9) (c) Distinction is not made between capital and revenue items
- 10) (c) Constant for all the years
- 11) (a) Capital expenditure
- 12) (b) Current asset
- 13) (c) The balance sheet on the assets side
- 14) (d) All the above
- 15) a) Partial omission
b) Posting to wrong account
c) Offsetting errors
d) Temporary account

Part A Assertion and reason

- 16) (a) Both (A) and (R) are true and (R) is the correct explanation of (A)

1 x 1 = 1

Part A Odd one out

- 17) (d) Bills receivable
Reason: Bills receivable refers to bills drawn, the payment for which has to be received. It is a liability. It is a liability. It is recorded in liability side. Other three are recorded in assets side.

1 x 1 = 1

Part A Choose the correct pair

- 18) (c) 1.5 line spacing = Control + 5

1 x 1 = 1

Part A Find out the wrong pair

- 19) (d) Revenue account - Wages

1 x 1 = 1

Part A Find the correct statement

- 20) (d) (i) and (ii) are correct

1 x 1 = 1

Part B Answer any 7 Questions and Question Number 30 is Compulsory

7 x 2 = 14

- 21) According R.N. Carter defines, "Book keeping is the science and art of recording correctly in the books of account all those business transactions of money or money's worth".
- 22) (a) Cash withdrawn by proprietor - Decrease in Cash and decrease in capital.
(b) Purchase of furniture for cash-Increase in furniture and decrease in cash

23)

	Assets Rs=	Liabilities Rs+	Capital Rs
(a)	30,000	20,000	10,000
(b)	60,000	25,000	35,000
(c)	55,000	25,000	30,000
(d)	90,000	10,000	80,000
(e)	25,000	10,000	15,000
(f)	40,000	10,000	30,000

- 24) (i) Carriage outwards - Debit
(ii) Carriage inwards - Debit
(iii) Sales - Credit
(iv) purchases - Debit
(v) Bad debts - Debit
(vi) interest paid - Debit
(vii) Interest received - Credit
(viii) Discount received - Credit
(ix) capital - credit
(x) Drawings - Debit
(xi) sales returns - Debit
(xii) purchase returns - credit

25)

Particulars	
a	Sales account should be credited with Rs.100
b	Sales account should be debited with Rs. 200
c	Purchases account should be debited with Rs. 300
d	Purchases account should be credited with Rs. 400

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

$$= \frac{10,000 - 2,000}{10} = \frac{8,000}{10} = \text{Rs.800 per year}$$

$$\text{Rate of depreciation} = \frac{\text{Amount of depreciation per year}}{\text{Original cost}} \times 100$$

$$= \frac{800}{10,000} \times 100 = 8\%$$

- 27) i) The effect of heavy advertisement expenses will extend to more than one accounting period, but it does not create any property of tangible or intangible nature and hence it is deferred revenue expenditure.
ii) It is a capital expenditure since it is incurred up to the point the machine is ready for use.
iii) These are capital expenditures since they are incurred up to the point the machine is ready for use.

- 28) Dr. Trading account for the year ended 31st December, 2016 Cr.

Particulars	Rs	Particulars	Rs
To Opening stock	10,000	By Sales	40,600
To Purchases	26,100	By Closing stock	13,500
To Gross profit c/d	18,000		
	54,100		54,100

- 29) (i) Cash discount is allowed by the suppliers to customers for prompt settlement of cash. A provision created on sundry debtors for allowing such discount is called provision for discount on debtors.

(ii) Provision for discount on debtors is made on the basis of past experience at an estimated rate on

- 30) Examples of Readymade software:

- (i) TALLY
(ii) MS-EXCEL

Part C Answer any 7 Questions and Question Number 40 is Compulsory

7 x 3 = 21

- 31) (i) **Investors :**

- Persons who are interested in investing their surplus funds should know about the financial condition of a business unit while making their investment decisions.
- They are more concerned about future earnings and risk bearing capacity of the organisation which will affect the return to the investors.

(ii) **Government :**

- The scarce resources of the country are used by business enterprises.
- Information about performance of business units in different industries helps the government in policy formulation for development of trade and industry, allocation of scarce resources, grant of subsidy, etc.
- Government also administers prices of certain commodities.

32)

Sl.No	Items	Classification
(a)	Capital	Personal account
(b)	Building	Real account
(c)	Carriage inwards	Nominal account
(d)	Cash	Real account
(e)	Commission received	Nominal account
(f)	Bank	Personal account
(g)	Purchases	Nominal account
(h)	Chandru	Personal account
(i)	Outstanding wages	Personal account

- 33) **Dr. Cash account Cr.**

Date	Particulars	J.F.	Rs.	Date	Particulars	J.F.	Rs.
2018				2018			
Jan. 1	To Capital A/c		62,000	Jan 3	By Purchase A/c		12,000
10	To Sales A/c		10,000	12	By Wages A/c		4,000
				25	By Furniture A/c		6,000
				31	By Balanced c/d		50,000
			72,000				72,000
Feb 1	By Balance b/d		50,000				

- 34) Redrafted Trial balance as on 31st March, 2017

S.No	Name of account	L.F	Debit balance Rs	Credit balance Rs
1	Building		60,000	
2	Machinery		17,000	
3	Returns outward			2,600
4	Bad debts		2,000	
5	Cash		400	
6	Discount received			3,000
7	Bank overdraft			10,000
8	Creditors			50,000
9	Purchases		1,00,000	
10	Capital			72,800
11	Fixtures		5,600	
12	Sales			1,04,000
13	Debtors		60,000	
14	Interest received			2,600
	Total		2,45,000	2,45,000

- 35)

- (i) Sales of goods for cash - This transactions are not recorded in the sales book.
(ii) Sale of goods on Credit - This transactions are recorded in sales book.
(iii) Purchases of goods on Credit - This transactions are recorded in purchases book.
(iv) When the proprietor takes goods for personal use - This transaction are recorded in Transfer entry.
(v) Goods returned to Suppliers for which cash is not received immediately - This transactions are recorded in sales returns book.
(vi) Asset purchased as credit. This transactions are not recorded in the purchases book.

36) **In the books of Kunal Cash Book (Single column)**

Date	Particulars	L.F	Amount Rs	Date	Payments	L.F	Amount Rs
2017				2017			
Jan.1	To Balance b/d		11,200	Jan.7	By rent A/c		30
Jan.5	To Ramesh A/c		300	Jan.10	By Mohan A/c		700
Jan.8	To Sales A/c		300	Jan.27	by Furniture		200
				Jan.31	By Salaries A/c		100
				Jan.31	By Balance C/d		10,770
			11,800				11,800
Feb.1	To Balance B/d		10,770				

- 37) **Particulars**
a Depreciation account should be debited with Rs. 5,000.
b Wages account should be credited with Rs. 2,000.
c Nila account should be debited with Rs. 50.

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.

- 39) Dr. Profit and Loss Account for the year ended 31st March, 2018 Cr.

Particulars	Rs	Particulars	Rs
To Carriage outward	25,500	By Gross profit b/d	1,50,000
To Office rent	7,000	By Dividend received	9,000
To Office stationery	3,500	By Discount received	4,600
To Distribution expenses	2,000	By Rent received	7,000
To Advertisement expenses	3,800		
To Bad debts	8,500		
To Net profit transferred to capital account	1,20,300		
	1,70,600		1,70,600

Date	Particulars	L.F.	Debit Rs	Credit Rs
2017	Salaries A/c	Dr.	1,200	
Dec. 31	To Outstanding salaries A/c (Salaries outstanding provided)			1,200
Dec. 31	Rent A/c	Dr.	300	
	To Outstanding rent A/c (Provided for rent outstanding)			300
Dec. 31	Prepaid insurance premium A/c	Dr.	450	
	To Insurance premium A/c (Insurance prepaid)			450
Dec. 31	Accrued Interest on investment A/c	Dr.	400	
	To Interest on investment A/c (Provided for interest accrued)			400
Dec. 31	Bad debts A/c	Dr.	200	
	To Sundry debtors A/c (Bad debts written off)			200

Part D Answer All

- 41) a)

7 x 5 = 35

S.No	Transaction	Cash Rs.	Bank Rs.	Stock Rs.	Furniture Rs.	Total Assets Rs.	=	Total Liabilities Rs.	Capital Rs.	Creditors Rs.
a)	Started business with cash	+40,000							+40,000	
	Balance	+40,000				+40,000	=	+40,000		
	Equation									
b)	Deposited with Bank	-30,000	+30,000							
	Balance	+10,000	+30,000			+40,000	=	+40,000	+40,000	
	Equation									
c)	Credit purchases			+12,000						+12,000
	Balance	+10,000	+30,000	+12,000	-	+52,000	=	+52,000	+40,000	+12,000
	Equation									
d)	Cash with drawn for personal use	-1,000	-	-					-1,000	
	Balance	+9,000	+30,000	+12,000		+51,000	=	+51,000	+39,000	+12,000
	Equation									
e)	Furniture purchased		-10,000		+10,000					
	Balance	+9,000	+20,000	+12,000	+10,000	+51,000	=	+51,000	+39,000	+12,000
	Equation									
f)	Cash received	+6,000							+6,000	
	Balance	+15,000	+20,000	+12,000	+10,000	+51,000	=	+51,000	+39,000	+12,000
	Equation									
g)	Cash with drawn from bank	+1,000	-1,000							
	Balance	+16,000	+19,000	+12,000	+10,000	+51,000	=	+51,000	+39,000	+12,000
	Equation									

(OR)

b)

Particulars		L.F.	Dr.	Cr.
a	Purchases A/c To Suspense A/c (Under casting of purchases book rectified)	Dr	100	100
b	Discount allowed A/c To Suspense A/c (Omission to post the total of discount allowed, now rectified)	Dr	575	575
c	Suspense A/c To Sales A/c (Lesser amount carried forward in the sales book rectified)		180	180
d	Suspense A/c (18,000 - 1,800) To salaries A/c (Excess amount posted to the salaries account rectified)	Dr	16,200	16,200
e	Mukilan A/c (1,500 - 150) To Suspense A/c (Excess amount posted to Mukilan account rectified)	Dr	1,350	1,350

42) a)

The opening entry: Journal

Date	Particulars	L.F	Debit Rs.	Credit Rs.
	Cash A/c Dr.		10,000	
	Bank A/c Dr.		15,000	
	Furniture A/c Dr.		20,000	
	Bills receivable A/c Dr.		5,000	
	Debtors A/c Dr.		15,000	
	To Bills payable A/c			15,000
	To Creditors A/c			20,000
	To Capital A/c			30,600
	(Assets & Liabilities brought forward)			

(OR)

b)

Bank Reconciliation Statement as on 31st December 20.16

Particulars	Amount Rs	Amount Rs
Balance as per cash book		7,130
Add: Direct deposit by a customer		800
		7,930
Less: Cheque deposited but not clearly		1,000
Balances as per bank statement		6,930

43) a)

Journal Entries

Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
2016 Jan 1	Cash A/C To Capital A/C (started business with cash)	Dr.	10,000	10,000
5	Bank A/C To cash A/C (Amount paid into Bank)	Dr.	5,000	5,000
7	Purchase A/C To Cash A/C (Cash purchases)	Dr.	1,000	1,000

Dr. Ledger Account Cash Account

Date	Particulars	J.F.	Amount(Rs.)	Date	Particulars	J.F.	Amount (Rs.)
2016 Jan 1	To Capital A/c		10,000	2016 Jan 5	By Bank A/C		5,000
				7	By Purchases A/C		1,000
				31	By Balance c/d		4,000
2016 Feb 1	To Balance b/d		10,000				10,000
			4,000				

Dr. Bank Account

Date	Particulars	J.F.	Amount (Rs.)	Date	Particulars	J.F.	Amount (Rs.)
2016 Jan 1	To Capital A/C		5,000	2016 Jan 31	By Bank c/d		5,000
			5,000				5,000
2016 Feb 1	To Balance b/d		5,000				

Dr. Capital Account

Date	Particulars	J.F.	Amount(Rs.)	Date	Particulars	J.F.	Amount(Rs.)
2016 Jan 31	To Balance c/d		10,000	2016 Jan 1	By cash A/c		10,000
			10,000				10,000
				2016 Feb 1	By Balance b/d		10,000

Dr. Purchase Account

Date	Particulars	J.F.	Amount(Rs.)	Date	Particulars	J.F.	Amount(Rs.)
2016 Jan 7	To Cash A/c		1,000	2016 Jan 31	By Balance c/d		1,000
			1,000				1,000
			1,000				

(OR)

b)

In the Books of Seshadri Cash Book (Single column)

Date	Receipts	R.N	L.F	Amount Rs	Date	Payments	V.N	L.F	Amount Rs
2017 May 1	To Balance c/d			40,000	2017 May 7	By Wages A/c			2,000
5	To Swathi A/c			4,000	10	By Purchases 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
				53,000					53,000
July 1	To Balance b/d			23,000					

44) a)

Trial Balance

S.No	Name of account	L.F	Debit balance Rs	Credit balance Rs
1.	Purchases		1,00,000	
2	Bank Loan			75,000
3	Debtors		1,50,000	
4	Stock		35,000	
5	Sales			1,50,000
6	Creditors			50,000
7	Cash		90,000	
8	Capital			1,00,000
	Total		3,75,000	3,75,000

(OR)

b)

In the books of Sharan

Particulars	Rs.	Rs.	Particulars	Rs.	Rs .
To Opening stock		2,00,000	By Sales		10,20,000
To Purchases	7,50,000		By Stock (closing)		2,50,000
Less: Purchases returns	30,000	7,20,000	By Gross loss c/d		90,000
To Carriage inwards		75,000			
To Wages		3,65,000			
		13,60,000			13,60,000
To Gross loss b/d		90,000	By Commission received		53,000
To Salaries		1,20,000	By Net loss (transferred to capital account)		4,49,000
To Rent and taxes		2,80,000			
		5,02,000			5,02,000

Balance sheet as on 31st December, 2017

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
Capital	33,00,000		Land		21,50,000
Less: Net loss	4,49,000		Stock in trade		2,50,000
	28,51,000		Bank deposits		2,00,000
Less: Drawings	1,66,000	26,85,000	Cash in hand		97,000
Sundry creditors		12,000			
		26,97,000			26,97,000

45) a)

In the Books of M/s. Subhashree Electric Co., Purchases Book

Date	Particulars	Inward Invoice No.	L.F.	Amount	
				Details	Total
2017 April 5	Karthik Electric Co., 10 Electric iron box @ Rs. 2,500 each			25,000	35,000
	5 Electric stoves @ Rs. 2,000 each			10,000	
April 19	Khaitan Electric Co., 3 Electric heaters @ Rs. 6,000 each				18,000
April 25	Polar Electric Co., 10 Fans @ Rs. 2,000 each				20,000
	Purchases A/c Dr.				73,000

(OR)

b)

Provision for bad and doubtful debts = Rs. 20,000 × 5/100 = Rs. 1,000

Date	Particulars	I.F.	Debit Rs.	Credit Rs.
2016	Profit and loss A/c Dr.		1,000	
Dec. 31	To Provision for bad and doubtful debts A/c (Provision for bad and doubtful debts created)			1,000

Dr. Profit and loss account for the year ended 31st December, 2016 Cr.

Particulars	Rs.	Rs.	Particulars	Rs.	Rs.
To Bad debt		500			
Add: Provision for bad and doubtful debts		1000			

Balance Sheet as on 31st December, 2016

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
			Sundry debtors	20,000	
			Less: Provision for bad and doubtful debts	1,000	19,000

46) a)

S.No.	Transactions	Classification
i)	Construction of building Rs.10,00,000	Capital expenditure
ii)	Repairs to furnitures Rs.50,000	Revenue expenditure
iii)	White-washing the building Rs.80,000	Revenue expenditure
iv)	Pulling down the old building and rebuilding Rs.4,00,000.	Capital expenditure

(OR)

b)

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

Particulars	Rs	Rs	Particulars	Rs	Rs
To Opening stock		50,000	By Sales:		
To Cost of goods manufactured		12,000	Cash	85,000	
			Credit	60,000	
To Purchases:				1,45,000	
Cash	60,000		Less: Sales returns	3,000	1,42,000
Credit	35,000		By Gross loss c/d		45,000
	95,000				
Less: Purchases returns	2,000	93,000			
To Carriage inwards		4,000			
To Coal and fuel		2,500			
To Dock charges on Purchases		4,000			
To Import duty on Purchases		3,500			
To Wages		11,000			
To Other direct expenses		7,000			
		1,87,000			1,87,000

47) a)

$$\text{Amount of depreciation per year} = \frac{\text{Original cost}}{\text{Estimated useful life}}$$

$$= \frac{40,000}{5} = \text{Rs. } 8,000$$

$$\text{Rate of Depreciation per year} = \frac{\text{Amount of depreciation}}{\text{Original Cost}} \times 100$$

$$= \frac{8,000}{40,000} \times 100 = 20\%$$

(Note : Cost of the asset = Purchase price + Transportation cost + Installation cost,
= 36,000 + 2,500 + 1,500 = Rs.40,000)

Journal entries

Date	Particulars	L.F	Debit Rs.	Credit Rs.
2016 January 1	Machinery A/c To Bank A/c (Machinery bought)	Dr	36,000	36,000
January 1	Machinery A/c To Bank A/c (Transportation and installation cost incurred on purchase of machinery)	Dr	4,000	4,000
December 31	Depreciation A/c To Machinery a/c (Depreciation provided)	Dr	8,000	8,000
December 31	Profit and loss A/c To Depreciation A/c (Depreciation transferred to profit and loss amount)	Dr	8,000	8,000
2017 December 31	Depreciation A/c To-Machinery A/c (Depreciation provided)	Dr	8,000	8,000
December 31	Profit and loss A/c To Depreciation A/c (Depreciation transferred to profit and loss account)	Dr	8,000	8,000

Dr			Cr		
Date	Particulars	Amount Rs.	Date	Particulars	Amount Rs.
2016 Jan 1	To Bank A/c	36,000	2016 Dec 31	By Depreciation A/c	8,000
Jan I	To Bank A/c	4,000	Dec 31	By Balance c/d	32,000
		40,000			40,000
2017 Jan 1	To Balance b/d	32,000	2017 Dec 31	By Depreciation A/c	8,000
		32,000	Dec 31	By Balance c/d	24,000
2018 Jan 1	To Balance b/d	24,000			32,000

(OR)

b)

Adjusting Entries

Date	Particulars	L.F.	Debit Rs	Credit Rs
a	Closing Stock A/c To Trading A/c (Closing stock recorded)	Dr	5,000	5,000
b	Salaries A/c To Outstanding Salaries A/c (Salaries out-standings)	Dr	150	150
c	Insurance prepaid A/c To Insurance A/c (Insurance prepaid)	Dr	450	450
d	Received commission A/c To commission received in advance A/c (Income received in advance adjusted)	Dr	20,000	20,000
e	Accrued interest on investment A/c To Interest on investment A/c (Interest accrued but not received adjusted)	Dr	1,000	1,000