

**COMMON HALF YEARLY EXAMINATION (THENI DT) – 2022****Standard XI****ACCOUNTANCY – ANSWER KEY****Part – I****Choose the correct Answer:**

1. B) Stewardship Accounting
2. B) Generally Accepted Accounting Principles
3. C) Conservatism
4. C) Liabilities = Assets + Capital
5. A) Minimum Of Two Accounts
6. B) Debit Balance
7. B) Trading Account
8. B) On A Particular Date
9. D) Journal Proper
10. C) Both (A) And (B)
11. D) Bank Column Credit Side
12. C) A Customer's Account In The Bank's Book
13. B) Complete Omission
14. B) Posting An Amount In The Wrong Account But On The Correct Side
15. B) Decreasing Every Year
16. D) Capital Expenditure
17. D) Capital
18. C) Furniture
19. D) Cost Price Or Net Realizable Value Whichever Is Lower
20. B) Large, Medium Business

**Part – II****II. Answer any 7 questions: (Q.no.30 is Compulsory)****21. List any two functions of accounting.****(i) Measurement**

- ❖ Accounting works as a tool for measuring the performance of the business enterprises. It also shows the financial position of the business enterprises.

**(ii) Forecasting**

- ❖ With the help of the various tools of accounting, future performance and financial position of the business enterprises can be forecasted.

**22. Define: Book – Keeping**

“Book-keeping is an art of recording business dealings in a set of books”. J.R.Batliboi.

“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”. -R.N.Carter.

**23. Complete the accounting equation**

Assets = Capital + Liabilities

a) 1,00,00 = 80,000 + **20,000**

b) **2,40,000** = 1,60,000 + 80,000

**24. What is credit balance?**

- If the total on the credit side exceeds the total on the debit side, it results in credit balance.
- If the credit side of an account has higher total, the balancing figure is credit balance.

**25. Solution:****Bank reconciliation statement of Jaya kumar as on 31<sup>st</sup> March, 2016**

Particulars	Amount	Amount
Balanace as per cash book		7,130
Add: A customer has deposited into the bank directly		800
		<hr/> 7,930
Less: Cheque deposited but not cleared		1,000
<b>Balance as per bank statement</b>		<hr/> <b>6,930</b> <hr/>

**26. What is meant by error of Partial omission?**

- When the accountant has failed to record a part of the transaction, it is known as error of partial omission.
- This error usually occurs in posting.
- This error affects only one account.

**27. Solution:****Calculation the annual depreciation for under diminishing balance method:**

Particulars	Amount	Amount
Cost price		50,000
Less: Depreciation for I year (50,000×5/100)		5,000
		<hr/> 45,000
Less: Depreciation for II year (45,000×5/100)		900
<b>Book value</b>		<hr/> <b>44,100</b> <hr/>

**28. Solution:****In th books of Mr.Sanjay****Trading account for the year ended 31<sup>st</sup> December, 2009**

Particulars	Amount	Amount	Particulars	Amount	Amount
To. Opening stock		570	By. sales	26,200	
To. Purchase	15,800		Less: Sales Return	60	26,140
Less: Purchase return	90	14,710	By. Closing Stock		860
<b>To. Gross profit (c/d)</b>		<b>11,720</b>			
		<hr/> <b>27,000</b> <hr/>			<hr/> <b>27,000</b> <hr/>

**29. What is meant by Software?**

- ✓ A set of programs that form an interface between the hardware and the user of a computer system are referred to as software.

30. **Solution:**

**Adjusting entry**

Date	Particulars	L.F	Debit (Rs)	Credit (Rs)
2016 March 31	Stock in trade (closing stock) A/c		10,000	
	To. Trading A/c			10,000
	(Being Closing stock brought into account)			

**Part – III**

**III. Answer any 7 questions: (Q.no.40 is Compulsory)**

**31. Why are the following parties' interested parties in accounting information?**

**(i) Investors**

Persons who are interested in investing their funds in an organisation should know about the financial condition of a business unit while making their investment decisions.

**(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

**32. "Only monetary transactions are recorded in accounting" – Explain the statement.**

- ❖ This concept implies that only those transactions, which can be expressed in terms of money, are recorded in the accounts. Since, money serves as the medium of exchange transactions expressed in money are recorded and the ruling currency of a country is the measuring unit for accounting.
- ❖ Transactions which do not involve money will not be recorded in the books of accounts. For example, working conditions in the work place, strike by employees, efficiency of the management, etc. will not be recorded in the books, as they cannot be expressed in terms of money.

**33. Give the golden rules of double – entry accounting system.**

**Golden rules of double entry system**

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

34. **Solution:**

**Ledger A/c**

**1. Cash A/c**

**Dr**

Date	Particulars	J.F	Amount	Amount
2017				
Jan 1	To. Balance b/d			45,000

**Cr**

**2. Stock A/c**

**Dr**

Date	Particulars	J.F	Amount	Amount
2017				
Jan 1	To. Balance b/d			55,000

**Cr**

**3. Rose's capital A/c**

Dr					Cr				
Date	Particulars	J.F	Amount	Amount	Date	Particulars	J.F	Amount	Amount
					2017				
					Jan 1	By. Balance b/d			1,00,000

**35. Solution:****In the books of M/s. Subha shree Electric Co.,****1. Purchase book**

Date	Particulars	Invoice No.	L.F	Amount
				Details (Rs)
				Total (Rs)
2017				
April 5	<b>Karthick Electric Co</b>			
	10 Electric iron box @ Rs. 2,500			25,000
	5 Electric Stove @ Rs. 2,000			10,000
				<hr/> 35,000
April 19	<b>Khaitan Electric Co</b>			
	3 Electric heaters @ Rs. 2,500			7,500
April 25	<b>Polar Electric Co</b>			
	10 Fans @ Rs. 2,000			20,000
				<hr/> 20,000
	<b>Purchases A/c Dr</b>			<hr/> <b>62,500</b> <hr/>

**36. Solution:****Analytical petty cash book (in Rs)**

Dr											Cr
Receipts (Rs)	C.B F.N	Date	Particulars	V.N	Payments (Rs)	Stationery (Rs)	Wages (Rs)	Postage (Rs)	Sundries (Rs)	L.F	
		2019									
2,000		July 1	To. Cash								
		7	By. Writing pads and registers		100	100					
		15	By. Wages		300		300				
		18	By. Postal Charge		100			100			
		23	By. Tea Expenses		60					60	
		25	By. Speed Post		150			150			
			Total Expenses		710						
		26	By Balance c/d		1,290						
<hr/> 2,000					<hr/> 2,000						
1,290		July 27	To Balance b/d								
710		July 27	To Cash								

**37. Solution:**

- (i) Capital
- (ii) Revenue
- (iii) Revenue

**38. State the input and output devices of a computer system.**

- Input devices are keyboard, optical scanner, mouse, joystick, touch screen and stylus which are used to feed data into the computer.
- Output devices such as monitor and printer are media to get the output from the computer.

**39. Solution:****Working notes:**

Particulars	Amount	Amount
Sundry debtors		50,000
Less: bad debts write off		1,000
		<hr/> 49,000
Less: Provide 5% for doubtful debts $(49,000 \times 5/100)$		2,450
		<hr/> 46,550
Less: Provide 2% for discount on debtors $(46,550 \times 2/100)$		931
		<hr/> 45,619

**Profit and Loss account for the year ended 31<sup>st</sup> December, 2016****Dr**

Particulars	Amount	Amount	Particulars	Amount	Amount
To. Bad debts (adj)	1,000				
To. Doubtful debts (5%)	2,450				
To. Discount on debtors (2%)	931	<b>4,381</b>			

**Cr****Balance sheet as on 31<sup>st</sup> December, 2016**

Liabilities	Amount	Amount	Assets	Amount	Amount
			Sundry debtors		50,000
			Less: bad debts write off		1,000
					<hr/> 49,000
			Less: Provide 5% for doubtful debts $(49,000 \times 5/100)$		2,450
					<hr/> 46,550
			Less: Provide 2% for discount on debtors $(46,550 \times 2/100)$		931
					<hr/> <b>45,619</b>

**40. Solution:****Profit and Loss account for the year ended 31<sup>st</sup> December, 2016****Dr**

Particulars	Amount	Amount	Particulars	Amount	Amount
			By. Discount Received		<b>1,000</b>

**Cr****Balance sheet as on 31<sup>st</sup> December, 2016**

Liabilities	Amount	Amount	Assets	Amount	Amount
<b>Sundry creditors</b>		<b>30,000</b>			

## Part – IV

IV. Answer all the questions:

41. (a) **Solution:****In the books of Murugan**

Transactions	Assets			Capital (Rs)	Liabilities (Rs)
	Cash (Rs)	Stock (Rs)	Bank (Rs)		
a) Commenced business with cash	+80,000			= +80,000	
<b>Equation</b>	+80,000			= +80,000	
b) Cash purchase	-30,000	+30,000			
<b>Equation</b>	+50,000	+30,000		= +80,000	
c) Paid salaries by cash	-5,000			-5,000	
<b>Equation</b>	+45,000	+30,000		= +75,000	
d) Bought goods and deposited the money in CDM		+5,000	-5,000		
<b>Equation</b>	+45,000	+35,000	-5,000	= +75,000	
e) Introduced additional capital	+10,000			+10,000	
<b>Equation</b>	<b>+55,000</b>	<b>+35,000</b>	<b>-5,000</b>	<b>= +85,000</b>	

**Answer :** **Assets = capital + Liabilities**  
**85,000 = 85,000 + Nil**

41. (b) **Solution:****Leger A/c****1. Cash A/c**

Dr					Cr				
Date	Particulars	J.F	Amount	Amount	Date	Particulars	J.F	Amount	Amount
2017					2017				
June 1	To. Raja's capital A/c			50,000	June 15	By. Purchases A/c			4,000
June 6	To. sales A/c			8,000	June 30	By. Balance c/d			54,000
				<u>58,000</u>					<u>58,000</u>
2017									
July 1	To. Balance b/d			54,000					

**2. Raja's Capital A/c**

Dr					Cr				
Date	Particulars	J.F	Amount	Amount	Date	Particulars	J.F	Amount	Amount
2017					2017				
June 30	To. Balance c/d			50,000	June 1	By Cash A/c			50,000
				<u>50,000</u>					<u>50,000</u>
					2017				
					July 1	To. Balance b/d			50,000

**3. Sales A/c**

Dr					Cr				
Date	Particulars	J.F	Amount	Amount	Date	Particulars	J.F	Amount	Amount
2017					2017				
June 30	To. Balance c/d			17,000	June 6	By Cash A/c		8,000	
					June 8	By. Devi A/c		9,000	
				<u>17,000</u>				<u>17,000</u>	
					2017				
					July 1	To. Balance b/d		50,000	

**4. Purchases A/c**

Dr					Cr				
Date	Particulars	J.F	Amount	Amount	Date	Particulars	J.F	Amount	Amount
2017					2017				
June 15	To. Cash A/c			4,000	June 30	By. Balance c/d		9,000	
June 20	To. Shanthi A/c			5,000					
				<u>9,000</u>				<u>9,000</u>	
2017									
July 1	To. Balance b/d			9,000					

**5. Devi A/c**

Dr					Cr				
Date	Particulars	J.F	Amount	Amount	Date	Particulars	J.F	Amount	Amount
2017					2017				
June 8	To. Sales A/c			9,000	June 30	By. Balance c/d		9,000	
				<u>9,000</u>				<u>9,000</u>	
2017									
July 1	To. Balance b/d			9,000					

**6. Shanthi A/c**

Dr					Cr				
Date	Particulars	J.F	Amount	Amount	Date	Particulars	J.F	Amount	Amount
2017					2017				
June 30	By. Balance c/d			5,000	June 20	By Purchases A/c		5,000	
				<u>5,000</u>				<u>5,000</u>	
					2017				
					July 1	To. Balance b/d		5,000	

**Answer :**

Cash A/c	Rs. 54,000 Dr	Capital A/c	Rs. 50,000 Cr
Sales A/c	Rs. 17,000 Cr	Devi A/c	Rs. 9,000 Dr
Purchases A/c	Rs. 9,000 Dr	Shanthi A/c	Rs. 5,000 Cr

**42. (a) solution:****In the books of Brinda  
Journal Entries**

Date	Particulars	L.F	Debit (Rs)	Credit (Rs)
2020				
April 1	Cash A/c Dr To. Brinda's Capital A/c (being commenced business with cash)		50,000	50,000
5	Purchase A/c Dr To. Subhash A/c (being credit purchased)		20,000	20,000
7	Ramu A/c Dr To. Sales A/c (being credit sales)		15,000	15,000
12	Subhash A/c Dr To. Discount Received A/c To. Cash A/c (being cash paid to subhash)		20,000	500 19,500
15	Wages A/c Dr Electricity charges A/c Dr Trade Expenses A/c Dr To. Cash A/c (being cash paid)		500 3,000 1,000	4,500

**42.(b) Solution:****In the books of Nalanda Book store****1. Purchase book**

Date	Particulars	Invoice No.	L.F	Amount Details (Rs)	Total(Rs)
2019					
Dec 1	<b>M/s Umadevi</b> 100 copies Business Statistics book @ Rs. 80 each 100 copies Accountancy book @ Rs. 150 each			8,000 15,000	23,000
Dec 10	<b>Subah &amp; Co</b> 40 copies Economics book @ Rs. 80 each <b>Less: 15% Trade discount (3,200 × 15/100)</b> <b>Purchases A/c Dr</b>			3,200 480	2,720 <b>25,270</b>



**2. Sales book**

Date	Particulars	Invoice No.	L.F	Amount Details (Rs)	Total(Rs)
2019					
Dec 7	<b>Sri devi &amp; Co</b>				
	240 copies Business Statistics book @ Rs. 90 each			21,600	
	250 copies Accountancy book @ Rs. 170 each			42,500	64,100
Dec 18	<b>Gupta &amp; Co</b>				
	200 copies Economics book @ Rs. 95 each				19,000
	<b>Sale A/c Dr</b>				<b>83,100</b>

**43. (a) Solution:**

**In the books of Babu**  
**Trial balance as on 31<sup>st</sup> March, 2016**

S.No	Name of Accounts	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	Sundry creditors		-	11,800
8	Capital		-	25,000
9	Purchase		45,000	
10	Sales		-	50,000
	<b>Total</b>		<b>86,800</b>	<b>86,800</b>

**43. (b) Solution:**

**Bank reconciliation statement of Jaya kumar as on 31<sup>st</sup> March, 2016**

Particulars	Amount	Amount
Balanace as per cash book		15,000
<b>Add:</b> Cheque issued and entered in the cash book before 31 <sup>st</sup> December 2020 but not presented for payment until that date	1,500	
Dividend directly received by bank	200	1,700
		<b>16,700</b>
<b>Less:</b> Direct payment made by bank for rent	1,000	
Locker rent charged by the bank not recorded in the cash book	1,200	2,200
<b>Balance as per bank statement</b>		<b>15,500</b>

**44. (a) Bring out the difference between Cash discount and Trade discount.**

Basis	Cash discount	Trade discount
1. Purpose	Cash discount is allowed to encourage the buyers of goods to make payment at an early date.	Trade discount is allowed to encourage buyers to buy goods in large quantities.
2. Time of allowance	Cash discount is allowed by the seller or creditor to the buyer or debtor at the time of making payment.	Trade discount is allowed by the seller to the buyer when goods are sold.
3. Amount of discount	Cash discount is related to time.	Trade discount is generally related to the quantity of purchase or sale.
4. Recording in books of accounts	Cash discount is recorded in the books of account.	Trade discount is not recorded in the books of account.
5. Deduction from invoice value	Cash discount is not deducted from the invoice value of goods.	Trade discount is deducted from the list price of the goods.

**44. (b) Solution:**

**In the books of Sundaram**  
**Three column cash book**

**Dr****Cr**

Date	Particulars	R.N	L.F	Discount Allowed	Amount (Rs) Cash (Rs) Bank (Rs)	Date	Particulars	R.	L.F	Discount Received	Amount (Rs) Cash (Rs) Bank (Rs)
2017						2017					
Jan 1	To. Balance b/d				42,500 35,000	Jan 4	By. Bank A /c	C			11,500
Jan 3	To. Sales A/c				15,700	Jan 21	By. Mahesh A/c			300	19,700
Jan 4	To. Cash A/c				11,500						
Jan 19	To. Dividend A/c				2,000	Jan 31	By. balance c/d			27,000	48,500
					<b>58,200 48,500</b>					<b>300 58,200 48,500</b>	

**45. (a) Solution:****Rectifying Entries**

Date	Particulars	L.F	Debit (Rs)	Credit (Rs)
i)	Suspense A/c Dr To. Sales A/c (being under casting in the sales book rectified)		2,000	2,000
ii)	Machinery A/c Dr To. Purchases A/c (being purchase of machinery wrongly entered in the purchases book rectified)		3,000	3,000

iii)	Suspense A/c Dr	9	
	To. Mathi A/c		9
	(being Excess amount posted to the debit of mathi rectified)		
iv)	Purchase return A/c Dr	200	
	To. Suspense A/c		200
	(being overcasting in the purchase returns book rectified)		
v)	Sales A/c Dr	100	
	To. Suspense A/c		100
	(being excess amount carried forward in the sales book rectified)		

**45. (b) Solution:****Calculation for profit or loss on sale of Machinery**

Particulars	Amount
Purchase Price of Plant and Machinery on 01.04.2010	4,50,000
Installation charge	50,000
Total original cost	5,00,000
Less: I year depreciation on 31.3.2011	(5,00,000 × 15/100)
	75,000
	4,25,000
Less: II year depreciation on 31.3.2012	(5,00,000 × 15/100)
	75,000
	3,50,000
Less: II year depreciation on 31.3.2013	(5,00,000 × 15/100)
	75,000
Book Value	2,75,000
Sales Price on 31.3.2013	3,85,000
Profit on sale of Machinery	1,10,000

**46. (a) Solution:****Trading and Profit and Loss Account for the year ended 31<sup>st</sup> December, 2009**

Particulars	Amount	Amount	Particulars	Amount	Amount
To. Opening stock	2,500		By. sales		7,000
To. Purchase	3,300		By. Closing Stock		4,000
To. Wages	2,700				
To. Gross Profit (c/d)	2,500				
	11,000				11,000
To. Salary	2,600		By. Gross Profit b/d		2,500
To. Net Profit (c/d)	2,400		By. Discount received		2,500
	5,000				5,000

**Balance sheet as on 31<sup>st</sup> December,2009**

Liabilities	Amount	Amount	Assets	Amount	Amount
Capital	52,000		Cash at Bank		6,400
(+) Net Profit	2,400	54,400	Closing stock		4,000
Creditors		8,000	Machinery		52,000
		<b>62,400</b>			<b>62,400</b>

**46. (b) Solution:****In the books of P.Sen****Trading and Profit and Loss Account for the year ended 31<sup>st</sup> December,2009**

Particulars	Amount	Amount	Particulars	Amount	Amount
To. Opening stock		10,000	By. sales	3,00,000	
To. Purchase	1,60,000		<b>Less: Return Inward</b>	<b>16,000</b>	2,84,000
<b>Less: Return outward</b>	<b>10,000</b>	1,50,000	By. Closing Stock		20,000
To. Wages	30,000				
<b>Add: Outstanding wages</b>	<b>4,000</b>	34,000			
To. Carriage Inwards		10,000			
To. Freight Inwards		8,000			
To. Gas and Fuel	8,000				
<b>Less: Prepaid</b>	<b>1,000</b>	7,000			
<b>To. Gross Profit (c/d)</b>		<b>85,000</b>			
		<b>3.04,000</b>			<b>3.04,000</b>

**47. (a) Explain the role of an Account in the modern business world.****(i) Record keeper**

The accountant maintains a systematic record of financial transactions.

He also prepares the financial statements and other financial reports.

**(ii) Provider of information to the management**

The accountant assists the management by providing financial information required for decision making and for exercising control.

**(iii) Financial advisor**

The accountant analyses financial information and advises the business managers regarding investment opportunities, strategies for cost savings, capital budgeting, provision for future growth and development, expansion of enterprise, etc.

**(iv) Tax manager**

The accountant ensures that tax returns are prepared and filed correctly on time and payment of tax is made on time.

**(vi) Public relation officer**

The accountant provides accounting information to various interested users for analysis as per their requirements.

**47. (b) Solution:**

**(i) Capital expenditure (ii) Capital Receipt (iii) Capital Expenditure (iv),(v) Revenue Expenditure**