

**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.Batlboi.

"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
		7,930
Less: Cheque deposited but not cleared		1,000
<b>Balance as per bank statement</b>		<b>6,930</b>

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
		45,000
Less: Depreciation for II year (45,000×5/100)		900
<b>Book value</b>		<b>44,100</b>

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>			
		<b>27,000</b>			<b>27,000</b>

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

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

34. **Solution:**

## Ledger A/c

## 1. Cash A/c

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

## 2. Stock A/c

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

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## 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	Karthick Electric Co				
	10 Electric iron box @ Rs. 2,500			25,000	
	5 Electric Stove @ Rs. 2,000			10,000	35,000
April 19	Khaitan Electric Co				
	3 Electric heaters @ Rs. 2,500				7,500
April 25	Polar Electric Co				
	10 Fans @ Rs. 2,000				20,000
	<b>Purchases A/c Dr</b>				<b>62,500</b>

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						
				2,000						
		July 27	To Balance b/d	1,290						
		July 27	To Cash	710						

37. **Solution:**

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

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

- Input devices are keyboard, optical scanner, mouse, joystick, touch screen and slyus 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
		<u>49,000</u>
Less: Provide 5% for doubtful debts (49,000×5/100)		2,450
		<u>46,550</u>
Less: Provide 2% for discount on debtors (46,550×2/100)		931
		<u>45,619</u>

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

Dr			Cr		
Particulars	Amount	Amount	Particulars	Amount	Amount
To. Bad debts (adj)	1,000				
To. Doubtful debts (5%)	2,450				
To. Discount on debtors (2%)	931	4,381			

**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	
				<u>49,000</u>	
			Less: Provide 5% for doubtful debts (49,000×5/100)	2,450	
				<u>46,550</u>	
			Less: Provide 2% for discount on debtors (46,550×2/100)	931	
				<u>45,619</u>	

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

Dr			Cr		
Particulars	Amount	Amount	Particulars	Amount	Amount
			By. Discount Received	1,000	

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

Liabilities	Amount	Amount	Assets	Amount	Amount
Sundry creditors	30,000				

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## 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>	+55,000	+35,000	-5,000	=	+85,000

**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			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			2017				
July 1	To. Balance b/d		50,000				50,000

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**3. Sales A/c**

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

**6. Shanthi A/c**

Dr				Cr					
Date	Particulars	J.F	Amount	Amount	Date	Particulars	J.F	Amount	Amount
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	M/s Umadevi 100 copies Business Statistics book @ Rs. 80 each 100 copies Accountancy book @ Rs. 150 each			8,000 15,000	23,000
Dec 10	Subah & Co 40 copies Economics book @ Rs. 80 each Less: 15% Trade discount (3,200 × 15/100)			3,200 480	2,720
				<u>Purchases A/c Dr</u>	<u>25,270</u>

## 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
Balance 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
		16,700
<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</b>	<b>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
<b>Profit on sale of Machinery</b>	<b>1,10,000</b>

**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				
<b>To. Gross Profit (c/d)</b>	<b>2,500</b>				
	<b>11,000</b>				<b>11,000</b>
To. Salary	2,600		By. Gross Profit b/d		2,500
<b>To. Net Profit (c/d)</b>	<b>2,400</b>		By. Discount received		2,500
	<b>5,000</b>				<b>5,000</b>

<b>Balance sheet as on 31<sup>st</sup> December,2009</b>					
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		Less: Return Inward		16,000
Less: Return outward	10,000	1,50,000	By. Closing Stock		20,000
To. Wages	30,000				
Add: Outstanding wages	4,000	34,000			
To. Carriage Inwards		10,000			
To. Freight Inwards		8,000			
To. Gas and Fuel	8,000				
Less: Prepaid	1,000	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