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11 - Std

ACCOUNTANCY

Time - 3.00 Hours

PART - A

20X1=20

Answer all the questions.

- The root of financial accountin system is
 - Social accounting
 - Stewardship accounting
 - Management accounting
 - Resonsibility accounting
- The concept which assumes that a business will last indefinitely is
 - Business Entity
 - Going concern
 - Periodicity
 - Conservatism
- The rule of stock valuation 'cost price or realisable value' whichever is lower is based on the accounting principle of :
 - Materiality
 - Money measurement
 - conservatism
 - Accrual
- The incorrect accounting equation is
 - Assets = Liabilities + Capital
 - Assets = Capital + Liabilities
 - Liabilities = Assets + Capital
 - Capital = Assets - Liabilites
- Real account deals with
 - Individual persons
 - Expenses and losses
 - Assets
 - Incomes and gains
- If the total of the debit side of an account exceeds the total of its credit side, it means
 - Credit balance
 - Debit balance
 - Nil balance
 - Debit and credit balance
- Trial balance is prepared :
 - At the end of the year
 - on a particular date
 - For a year
 - None of the above
- Purchases of fixed assets on credti basis is recorded in
 - Purchase book
 - Sales book
 - Purchase returns book
 - journal proper
- which of the following statement is not true?
 - Cash discount is recorded in the books of accounts
 - Assets purchased on credit are recorded in journal proper
 - Trade discount is recorded in the books of accounts
 - 3 grace days are added while determining the due date of the bill
- In Triple column cash book, the balance of bank overdraft brought forward will appear in
 - Cash coloumn debit side
 - Cash column Credit side
 - Bank Column debit side
 - Bank column credit side
- The balance in the petty cash book is
 - An expense
 - A profit
 - An asset
 - A liability

12. Statement and Reason :

Statement : Current accounts is the most suitable for business concerns.

Reason : The facility of bank overdraft is not available to any account other than current account.

- a) Both Statement and Reason are correct; Reason is not a correct explanation to the Statement.
- b) Both Statement and Reason are correct; Reason is a correct explanation to the Statement
- c) Statement is Wrong and Reason is correct.
- d) Statement is Correct and Reason is wrong

13. Balance as per cash book is Rs.2000. Bank charge of Rs.50 debited by the bank is not yet shown in the cash book. What is the bank statement balance now?

- a) Rs.1950 credit balance
- b) Rs.1,950 debit balance
- c) Rs.2050 debit balance
- d) Rs.2050 Credit balance

14. 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

15. Which method shall be efficient, if repairs and maintenance cost of an asset increases as it grows older

- a) Straight line method
- b) Reducing balance method
- c) Sinking fund method
- d) Annuity method

16. 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

17. Goodwill is classified as

- a) A current asset
- b) A liquid asset
- c) A tangible asset
- d) An intangible asset

18. Closing stock is valued at

- a) Cost price
- b) Market price
- c) Cost price or market price whichever is higher
- d) Cost price or net realisable value whichever is lower

19. One of the limitations of computerised accounting system is

- a) Systems failure
- b) Accuracy
- c) Versatility
- d) Storage

20. TALLY - is an example of

- a) Tailor -made accounting software
- b) Ready-made accounting software
- c) In - built account software
- d) customised accounting software

PART - B

7 X 2 =14

Answer any seven question. Question number 30 is compulsory.

21. Briefly explain about realisation concept.
22. Complete the accounting equation.

a) Assets = Capital + Liabilities $₹1,00,000 = ₹80,000 + ?$	b) Assets = Capital + Liabilities $₹2,00,000 = ? + ₹40,000$
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- c) Assets = Capital + Creditors
 $? = ₹1,60,000 + ₹80,000$
23. What is credit balance ?
24. What is an openign entry?
25. Give the format of 'Double coloum cash book'
26. Give any two expenses which may be paid by the banker as per standing instruction.
27. The following errors were detected before preparation of trial balance. Rectify them
 - a) The total of rent received account is carried forward ₹900 short.
 - b) The total of rent received account is carried forward ₹1000 excess.
28. Calculate the rate of depreciation under straight line method from the following information :
 Purchased a second hand machinery on 1.1.2018 for ₹38000 on 1.1.2018 spent ₹ 12000 on its repairs
 Expected useful life of machine is 4 years
 Estimated residual value ₹ 6000
29. State whether the following are capital, revenue and deferred revenue.
 - i) Legal fees paid to the lawyer for acquiring a land ₹ 20000.
 - ii) Heavy advertising cost of ₹ 12,00,000 spent on introducing a new product.
 - iii) Renewal of factory licence ₹12000
 - iv) A sum of ₹4000 was spent on painting the factory.
30. Pass adjusting entries for the following on 31 st March 2018
 - i) Charge interest on drawing at ₹50
 - ii) Write off bad debts by ₹500

PART - C

Answer any seven question. Question number 40 is compulsory.

7 X 3 =21

31. Explain the meaning of accounting .
32. Fill in the missing information in the following journal entries.

a)	A/c	Dr
	To	A/c
(Commenced business with cash ₹10,000)			
b)	A/c	Dr
	To	A/c
(Purchased Furniture ₹ 3,000)			

33. State whether the balance of the following accounts should be placed in the debit or the credit column of the trial balance:
 i) Interest received ii) Discount received iii) Capital iv) Drawings V) Sales returns
 vi) Purchase returns
34. Prepare ledger account for cash, capital and stock in the books of joy from the following opening entry

In the books of joy journal entries

Date	Particulars	I.F	Debit ₹	Credit ₹
2017				
Jan 1	Cash A/c Dr.		45,000	
	Stock A/c Dr.		50,000	
	Sohan A/c Dr.		35,000	
	Furniture A/c Dr.		50,000	
	To Ram A/c			20,000
	To Joy's Capital A/c			1,60,000
	(Balances of assets and liabilities brought forward)			

35. From the following transactions write up the sales day book of M/s.Ram & Co., a stationery merchant

2017

Jan.1 Sold to Anbu & Co., on credit 20 reams of white paper @ ₹ 150 per ream

Jan. 2 Sold to jagadis & Sons on credit 6 dozen pens @ ₹ 360 per dozen

Jan .10 Sold old newspaers for cash @ ₹ 620

Jan. 15 Sold on credit M/s Elango & Co., 10 drawing boards @ ₹ 170 per piece

Jan.20 Sold to kani & Co., 4 Writng tables at ₹ 1520 per table for cash

36. Bring out the differences between cash discount and trade discount. (Any3)
37. From the followoing particulars perepare a bank reconciliation statement of Jayakumar as on 31 st December, 2016.
- Balance as per cash book ₹ 7,130
 - Cheque deposited but not cleared ₹ 1,000
 - A customer has deposited ₹ 800 into the bank directly

38. Joy and Co. Purchased machinery on 1 st April 2016 for ₹ 75,000. On 31 st March 2018. it sold the

machinery for ₹ 62,000. Depreciation is to be provided every year at 10% per annum of the fixed instalment Method. Accounts are closed on 31 st March every year. Find out the profit or loss on sale of machinery.

39. From the following balances taken from the books of Saravanan, calculate gross profit for the year ended December 31, 2017

Particulars	₹	Particulars	₹
Opening stock	1,50,000	Net sales during the year	4,00,000
Direct expenses	8,000	Net purchases during the year	1,50,000
Closing stock	25,000		

40. Give the golden rules of double entry accounting system.

PART - IV

Answer all the questions.

7 X 3 =35

41. a) Show the effect of following business transactions on the accounting equation.
- Anbu started business with cash ₹ 20,000; goods ₹ 12000 and machine ₹ 8000
 - purchased goods from Ramani on credit ₹ 7,000
 - payment made to Ramani in full settlement ₹ 6,900
 - Sold good to Rajan on credit costing ₹ 5400 for ₹ 6,000
 - Received from Rajan ₹ 5,800 in full settlement of his account
 - Wages outstanding ₹ 400
- [OR]
- b) What are the various types of accounting software?
42. a) Raja has a hotel. The following transactions took place in his business. journalise them
- Jan
- Started business with cash ₹ 3,00,000
 - Purchased goods from Rajiv on credit ₹ 1,00,000
 - Cash deposited with the bank ₹ 2,00,000
 - 22 Withdrew from bank for personal use ₹ 800
 - 23 Amount paid to Rajiv in full settlement through NEFT ₹ 99,000
- [OR]
- b) From the following data, ascertain the cash book balance as on 31 st December, 2017.

Particulars	₹
1. Overdraft balance as per bank statement	6500
2. cheques deposited into the bank but not yet credited	10,500
3. Cheques issued , but not yet presented for payment	3,000
4. Wrong debit by the bank	500
5. Interest and bank charges debited by bank	180
6. Insurance premium on goods directly paid by the bank as per standing instructions	100

43.a) Prepare profit and loss account of manoj for the year ending on 31 st March 2016

Particulars	₹	Particulars	₹
Gross profit	25,000	Travelling expenses	500
Salaries	5,600	Stationery	75
Insurance	200	Rent	650
Discount allowed	400	Interest on loan	225
Discount received	300	Repairs	125
Commission received	100	Office expenses	55
Advertisement	450	General expenses	875
Printing charges	375	Postage	175

Adjustment :

- i) Salary outstanding ₹ 400 ii) Rent paid in advance ₹ 50 iii) commission receivable ₹ 100

[OR]

- b) The following errors were located at the time of preparation of the trial balance. Rectify them.
- Sale of good to Akila on Credit for ₹ 1,520 posted to her account as ₹ 1,250
 - Bought goods from Narendram on credit for ₹ 5500 credited to his account as ₹ 5,050.
 - Purchase of furniture from Ravivarman for ₹ 404 on credit were debited to furniture account as ₹ 440
 - Purchased machinery of cash ₹ 2,000 was not posted to machinery account.
 - The total of purchases book ₹ 899 was carried forward as ₹ 989.

44 a) Prepare analytical petty cash book from the following particulars under imprest system.

2017 July	₹
1 Received Advance form cashier	2,000
7 Paid for writing pads and registers	100
8 Purchased white papers	50
10 paid wages	200
15 paid wages	300
18 Postal charges	100
21 Purchased Stationery	450
23 Tea expenses	60
25 Paid for speed post	150
27 Refreshment expenses	250
31 Paid for carriage	150

(OR)

b) Prepare cash account from the following transactions for the month of January 2018.

Jan 1 Commenced business with cash ₹ 62,000

3 Goods purchased for cash ₹ 12,000

10 Goods sold for cash ₹ 10,000

12 Wages paid ₹ 4,000

25 Furniture purchased for cash ₹ 6,000

15. a) From the following balances extracted from the books of Pearl, a trader, prepare trial balance as on 31st March, 2017

Particular	₹	Particulars	₹
Capital	44,000	Interest on investment	2,000
Bills receivable	5,000	Customs duty	3,000
Wages	800	Computer	20,000
Drawings	4,000	Sales	72,000
Purchases	75,000	Opening stock	10,200

(OR)

b) Enter the following transactions in the three column cash book of Kalyana sundaram 2017 Jan.

1 Balance in hand ₹ 42,500

Balance at bank ₹ 35,000

3 Received for cash sales ₹ 15,700

4 Cash paid into bank ₹ 11,500

6 Cash purchase ₹ 14,300

9 Received dividend directly by the bank through ECS ₹ 2,000

10 Pongal advance to staff paid through bank ₹ 17,000

12 Received cash from Nagarajan ₹ 11,850 and allowed him discount ₹ 150

17 Paid Magesh in full settlement of his account ₹ 20,000 ₹ 19,700

20 Cash withdraw for personal expenses ₹ 20,000

30 Withdrawn cash from ATM for office use ₹ 1,500

46. a) From the following information, prepare the necessary subsidiary books for Nalanda Book Stores.

2017

Dec.1 Bought from M/s. Umadevi on credit.

100 copies Business Statistics Book @ 80 each

100 copies Accountancy Book @ ₹ 150 each

Dec.7 Sold to Sridevi & Co., on credit

240 copies Business Statistics @ ₹ 90 each

250 copies Accountancy book @ ₹ 170 each

Dec. 10 Bought from Subha & Co.,

40 Copies Economics books @ ₹ 80 each

Less : 15% Trade Discount

Dec.15 Returned to M/s Uma Devi 10 Copies of damaged Accountancy book for which cash is not

received

Dec.18 Sold to Gupta Bros, on credit

200 copies of Economics book @ ₹ 95 each

Dec. 26 Returned 6 copies of Economics book to subha & Co.,

(OR)

b) Classify the following receipts into capital and revenue.

i) Sale proceeds of good ₹ 75,000.

ii) Loan borrowed from bank ₹ 2,50,000

iii) Sale of investment ₹ 1,20,000.

iv) Commission received ₹ 30,000

v) ₹ 1400 wages paid in connection with the erection of new machinery.

47 a) What are the causes for depreciation?

(OR)

b) Prepare trading profit and loss account and balance sheet in the books of Deri, a trader, from the following balances as on March 31, 2018.

Debit Balances	₹	Credit Balances	₹
Stock	10,000	Sales	1,22,500
Cash	2,500	Creditors	5,000
Bank	5,000	Bill payable	2,000
Freight inwards	750	Capital	1,00,000
Purchases	95,000		
Drawing	4,500		
Wages	27,500		
Machinery	50,000		
Debtors	13,500		
Postage (office)	150		
Sundry expenses	850		
Rent paid	2,500		
Furniture	17,250		
	2,29,500		2,29,500