

**11<sup>th</sup>**  
**STD**

**INSTANT SUPPLEMENTARY EXAM - JULY 2023**

Reg. No.

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**PART - III**

TIME ALLOWED : 3.00 Hours]

**ACCOUNTANCY (with Answers)**

[MAXIMUM MARKS : 90

**Instructions :**

- 1) Check the question paper for fairness of printing. If there is any lack of fairness, inform the Hall Supervisor immediately.
- 2) Use **Blue** or **Black** ink to write and underline and pencil to draw diagrams.

**PART - I**

**Note :** (i) Answer **all** the questions. **20 × 1 = 20**  
(ii) Choose the most appropriate answer from the given **four** alternatives and write the option code and the corresponding answer.

1. The root of financial accounting system is :
 

(a) Social accounting	(b) Stewardship accounting
(c) Management accounting	(d) Responsibility accounting
2. A transaction not recorded at all is known as an:
 

(a) Error of Principle	(b) Error of complete omission
(c) Error of Partial omission	(d) Error of duplication
3. Which one of the following is representative personal account?
 

(a) Building A/c	(b) Outstanding salary A/c
(c) Mahesh A/c	(d) Balan & Co.
4. In India, Accounting Standards are issued by :
 

(a) Reserve Bank of India	(b) The Cost and Management Accountants of India
(c) Supreme Court of India	(d) The Institute of Chartered Accountants of India
5. Petty cash may be used to pay :
 

(a) The expenses relating to postage and conveyance	(b) Salary to the Manager
(c) Purchase of furniture and fixtures	(d) Purchase of raw materials
6. Trial balance is a :
 

(a) Statement	(b) Account	(c) Ledger	(d) Journal
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7. The total of the sales book is posted periodically to the credit of :
 

(a) Sales account	(b) Cash account	(c) Purchase account	(d) Journal proper
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8. A bank reconciliation statement is prepared by :
 

(a) Bank	(b) Business
(c) Debtor to the business	(d) Creditor to the business
9. People who write codes and programmes are called as:
 

(a) System analysts	(b) System designers
(c) System operators	(d) System programmers
10. The difference in the trial balance is taken to :
 

(a) The capital account	(b) The trading account
(c) The suspense account	(d) The profit and loss account
11. Who is considered to be the internal user of the financial information?
 

(a) Creditor	(b) Employee	(c) Customer	(d) Government
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12. In double entry system of book keeping, every business transaction affects:
 

(a) Minimum of two accounts	(b) Two sides of the same account
(c) Minimum three accounts	(d) Same account on two different dates

- 13. The concept which assumes that a business will last indefinitely is :
  - (a) Business Entity concept
  - (b) Going concern concept
  - (c) Periodicity concept
  - (d) Convention of conservatism
- 14. Closing entries are recorded in :
  - (a) Cash book
  - (b) Ledger
  - (c) Journal proper
  - (d) Purchases book
- 15. Depreciation is caused by :
  - (a) Lapse of time
  - (b) Usage
  - (c) Obsolescence
  - (d) (a), (b) and (c)
- 16. Interest on bank deposits is :
  - (a) Capital receipt
  - (b) Revenue receipt
  - (c) Capital expenditure
  - (d) Revenue expenditure
- 17. The process of transferring the debit and credit items from journal to ledger accounts is called as :
  - (a) Casting
  - (b) Posting
  - (c) Journalising
  - (d) Balancing
- 18. A famous book of "Arthashastra" was written by :
  - (a) Kautilya
  - (b) Kambhar
  - (c) Valmiki
  - (d) Chandragupta Maurya
- 19. Carriage inwards will be shown:
  - (a) in the trading account
  - (b) in the profit and loss account
  - (c) on the liabilities side
  - (d) on the assets side
- 20. Net profit is :
  - (a) Debited to capital account
  - (b) Credited to capital account
  - (c) Debited to drawings account
  - (d) Credited to drawings account

**PART - II**

**Note :** Answer any seven questions. Question No. 30 is Compulsory.

7 × 2 = 14

- 21. Mention the four types of subsidiary books.
- 22. Give the formulae to find out the amount and rate of depreciation under straight line method of depreciation.
- 23. Define 'Book-keeping'.
- 24. What is meant by error of principle?
- 25. Name any two direct expenses and indirect expenses.
- 26. The following errors were detected before the preparation of trial balance. Rectify them.
  - (a) Sales book is undercast by ₹ 100
  - (b) Purchase book is overcast by ₹ 400
- 27. Fill in the missing information in the following journal entries.

Date	Particulars	L.F	Debit ₹	Credit ₹
2018	_____ A/c	Dr	_____	_____
April	To _____ A/c			_____
1	(withdrew money from ATM ₹6000)			

- 28. Classify the following into personal, real and nominal accounts.
  - (i) Kumar
  - (ii) Commission received
  - (iii) Building
  - (iv) Capital
- 29. From the following particulars prepare a bank reconciliation statement of Balu as on 31<sup>st</sup> December 2016.
  - (a) Balance as per cash book ₹ 7,130.
  - (b) Cheque deposited but not cleared ₹ 1,000.
  - (c) A customer has deposited ₹ 800 into the bank directly.
- 30. Give the format of 'Single Column Cash book'.

**PART - III**

**Note :** Answer **any seven** questions. Question No. **40** is **Compulsory**.

7 × 3 = 21

- 31. What are the constituents of final accounts?
- 32. Distinguish between Capital receipt and revenue receipt.
- 33. What are the various methods of depreciation?
- 34. Discuss briefly the branches of accounting.
- 35. Mention the Subsidiary books in which the following transactions are recorded.
  - (a) Sale of goods for cash
  - (b) Purchase of goods on credit
  - (c) When the proprietor takes goods for personal use.

- 36. Complete the accounting equations.
  - (a) Assets = Capital + Liabilities  
₹1,00,000 = ₹80,000 + ?
  - (b) Assets = Capital + Liabilities  
₹2,00,000 = ? + ₹40,000
  - (c) Assets = Capital + Creditors  
? = ₹1,60,000 + ₹80,000

37. Give journal entries and post them to cash account

2016	₹
June 1 Commenced business with cash	1,10,000
10 Introduced additional Capital	50,000
28 Withdrawn for personal use	20,000

- 38. A company purchased a building for ₹ 50,000. The useful life of the building is 10 years and the residual value is ₹ 5000. Find out the amount and rate of depreciation under straight line method.
- 39. Compute cost of goods sold from the following information.

Particulars	₹
Opening stock	8,000
Purchases	60,000
Direct expenses	5,000
Indirect expenses	6,000
Closing stock	9,000

- 40. State whether the balance of the following accounts should be placed in the debit or the credit column of the trial balance.
  - (i) Purchases                      (ii) Drawings                      (iii) Capital
  - (iv) Purchases returns            (v) Carriage inwards            (v) Interest received

**PART - IV**

**Note :** Answer **all** the questions.

7 × 5 = 35

41. (a) Journalise the following transactions.

- 2019
- January

  1. Rishi commenced business with cash ₹ 50,000.
  2. Bought goods for cash ₹ 4,000.
  3. Purchased goods from Ravi for ₹ 10,000 on credit.
  4. Cash paid to Ravi ₹ 7,000.

5. Withdrew cash for personal use ₹ 6,000.
6. Cash deposited into bank ₹ 2,000.
7. Paid salary by cheque ₹ 3,000.
8. Sold goods to Madhu on Credit ₹ 9,000.
9. Borrowed loan from Bank ₹ 10,000.
10. Received commission of ₹ 1,000 by cash.

(OR)

(b) Enter the following transactions in a cash book with cash and Discount columns:

2017		₹
Jan. 1	Cash in hand	11,500
Jan. 5	Paid to Ramanathan by depositing in cash deposit machine	300
	Discount allowed by him	10
Jan. 8	Purchased goods for cash	400
Jan. 10	Cash received from Rajagopal	980
	Discount allowed	20
Jan. 15	Sold goods for cash	400
Jan. 21	Paid cash to Shanthi	295
	Discount received	5
Jan. 25	Paid wages by cash	50
Jan. 31	Paid to Sanjeev ₹ 390 in full settlement of his account	400

42. (a) From the following balances extracted from the books of Raju a trader in automobiles, prepare trial balance as on 31<sup>st</sup> March, 2017:

Particulars	₹	Particulars	₹
Cash in hand	5,500	Direct Expenses	5,000
Discount received	300	Carriage outwards	3,500
Creditors	15,000	Capital	45,000
Buildings	50,000	Purchases	49,700
Opening Stock	6,000	Sales	59,400

(OR)

(b) Prepare Anand's account from the following details.

2017		₹
July 1.	Credit balance of Anand's A/c	4,000
15.	Amount paid to Anand	2,000
18.	Goods purchased from Anand on credit	8,000
20.	Paid to Anand	3,960
	Discount allowed by him	40
25.	Goods purchased from Anand	5,000

43. (a) Record the following transactions in the sales book and sales return book of M/s Ponni & Co. 2017

- August 1. Sold goods to Senthil on credit for ₹ 20,500.
- 4. Sold goods to Madhavan on credit for ₹ 12,800.
- 7. Sold goods to Kanaga on credit for ₹ 7,500.
- 15. Returns inward by Senthil as per credit Note No.7 for ₹ 1,500 for which cash is not paid.
- 20. Sold goods to selvam for ₹ 13,300 for cash
- 25. Sales returns of ₹ 1,800 by Madhavan as per credit Note No. 11 for which cash is not paid.

(OR)

(b) Distinguish between straight line method and written down value method of providing depreciation.

44. (a) Classify the following items into capital, revenue and deferred revenue.

- (i) Construction of building ₹ 10,00,000
- (ii) Legal fees paid to the lawyer for acquiring a land ₹ 20,000
- (iii) Carriage paid on goods purchased ₹ 1000
- (iv) Heavy advertising cost of ₹ 12,00,000 spent on introducing a new product
- (v) Rent paid for the factory ₹ 12,000

(OR)

(b) Rectify the following journal entries.

	Particulars	L.F.	Dr. ₹	Cr. ₹
(a)	Kumaran A/c To Cash A/c (Salary paid to Kumaran)	Dr.	10,000	10,000
(b)	Senguttuvan A/c To Cash A/c (Rent paid to Senguttuvan)	Dr.	6,000	6,000
(c)	Cash A/c To Sales A/c (Furnitue Sold for Cash)	Dr.	2,000	2,000
(d)	Cash A/c To Kumar A/c (Goods Sold to Kumar for Cash)	Dr.	10,000	10,000
(e)	Mani A/c To Purchases A/c (Goods taken by the proprietor Mani for his personal use)	Dr.	1,000	1,000

45. (a) Prepare trading account from the following ledger balances presented by P. Sen as on 31<sup>st</sup> March 2016.

Particulars	₹	Particulars	₹
Stock (1-4-2015)	10,000	Sales	3,00,000
Purchases	1,60,000	Sales returns	16,000
Wages	30,000	Purchase returns	10,000
Carriage inwards	10,000	Gas and fuel	8,000
Freight inwards	8,000		

**Additional information :**

- (a) Stock on 31<sup>st</sup> March, 2016 ₹ 20,000.
- (b) Outstanding wages amounted to ₹ 4,000.
- (c) Gas and fuel was paid in advance for ₹ 1,000.

(OR)

(b) What is ledger? Explain its utilities.

46. (a) Prepare bank reconciliation statement from the following data and find out the balance as per cash book as on 31st March 2018.

	Particulars	₹
(i)	Bank Balance as per bank statement	15,000
(ii)	Cheques issued but not yet presented for payment	2,500
(iii)	Bank charges not recorded in the cash book	250
(iv)	Interest charged by bank not recorded in the cash book	500
(v)	Bank paid insurance premium as per standing instructions but not recorded in the cash book	300
(vi)	Cheques deposited but not yet credited	900

(OR)

(b) Prepare analytical petty cash from the following particulars under imprest system.

2017		₹
July 1	Received advance from cashier	2,000
7.	Paid for registers and papers	150
10.	Paid for carriage	350
15.	Paid wages	300
18.	Postal charges	100
21.	Purchased stationery	600
27.	Refreshment expenses	310

47. (a) Mention any five limitations of computerised accounting system.

(OR)

(b) Show the accounting equation on the basis of the following transactions for Rani, who is dealing in automobiles.

(i)	Started business with cash ₹ 80,000
(ii)	Goods bought on credit from Ramesh ₹ 10,000
(iii)	Purchased furniture for cash ₹ 6,000
(iv)	Paid creditors by cash ₹ 8,000
(v)	Purchased goods for cash ₹ 2,000



**ANSWER**

**PART - I**

- (b) Stewardship accounting
- (b) Error of complete omission
- (b) Outstanding salary A/c
- (d) The Institute of Chartered Accountants of India



- 5. (a) The expenses relating to postage and conveyance
- 6. (a) Statement
- 7. (a) Sales account
- 8. (b) Business
- 9. (d) System programmers
- 10. (c) The suspense account
- 11. (b) Employee
- 12. (a) Minimum of two accounts
- 13. (b) Going concern concept
- 14. (c) Journal proper
- 15. (d) (a), (b) and (c)
- 16. (b) Revenue receipt
- 17. (b) Posting
- 18. (a) Kautilya
- 19. (a) in the trading account
- 20. (b) Credited to capital account

**PART - II**

**21. Types of subsidiary books:**

- (i) Subsidiary books for entering cash transactions - Cash book.
- (ii) Subsidiary books for entering non-cash transactions :
  - (a) Purchases book
  - (b) Sales book
  - (c) Purchase returns or returns outward book
  - (d) Sales returns or returns inward book

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

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

23. 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".

24. Error of principle means the mistake committed in the application of fundamental accounting principles in recording a transaction in the books of accounts.

- 25. (i) Direct expenses :
  - (a) Carriage inwards or Freight inwards
  - (b) Wages
- (ii) Direct expenses :
  - (a) Salary
  - (b) Postage

- 26. (i) Sales account should be credited with ₹ 100
- (ii) Purchase account should be credited with ₹ 400.

27.

Date	Particulars	L.F.	Debit ₹	Credit ₹
2018 April 1	Drawing A/c Dr To Bank A/c (withdrew money from ATM ₹6000)		6000	6000

28. (i) Kumar - Personal account  
 (ii) Commission received - Nominal account  
 (iii) Building - Real account  
 (iv) Capital - Personal account

29. Bank Reconciliation Statement as on 31<sup>st</sup> December 2016

Particulars	Amount ₹	Amount ₹
Balance as per cash book		7,130
<b>Add:</b> Direct deposit by a customer		800
		7,930
<b>Less:</b> Cheque deposited but not cleared		1,000
Balances as per bank statement		6,930

30. Dr Cr  
**Simple column cash book**

Date	Receipts	R.N.	L.F.	Amount ₹	Date	Payments	V.N.	L.F.	Amount ₹
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

**PART - III**

31. **Constituents of final accounts:**

- (i) The final accounts or financial statements include the following :  
 1. Income Statement or Trading and Profit and Loss Account and  
 2. Position Statement or Balance Sheet.
- (ii) The purposes of preparing the financial statements are :  
 1. To ascertain the financial performance of an enterprise and  
 2. To ascertain the financial position of an enterprise.

32.

Basis	Capital receipts	Revenue receipts
1. Nature	Non-recurring in nature.	Recurring in nature.
2. Size	Amount is generally substantial.	Amount is generally smaller.
3. 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.
Examples :	(i) Life membership fees (ii) Sale of fixed assets (iii) Loan borrowed	(i) Sale proceeds of goods (ii) Commission received (iii) Interest on investments



33. The following are the different methods of providing depreciation :
- (i) Straight line method or Fixed instalment method or Original cost method
  - (ii) Written down value method or Diminishing balance method
  - (iii) Sum of years of digits method
  - (iv) Machine hour rate method
  - (v) Depletion method
  - (vi) Annuity method
  - (vii) Revaluation method
  - (viii) Sinking fund method
  - (ix) Insurance policy method
34. The various branches of accounting are
- (i) **Financial Accounting :**
    1. It involves recording of financial transactions and events.
    2. It provides financial information to the users for taking decisions.
    3. It ends up with the preparation of trading and profit and loss account and balance sheet.
  - (ii) **Cost Accounting :** It involves the collection, recording, classification and appropriate allocation of expenditure for the determination of the costs of products or services and for the presentation of data for the purposes of cost control and managerial decision making.
  - (iii) **Management Accounting :** It is concerned with the presentation of accounting information in such a way as to assist management in decision making and in the day - to - day operations of an enterprise.
  - (iv) **Social Responsibility Accounting:** It is concerned with presentation of accounting information from the view point of the society by showing the social costs and social benefits.
  - (v) **Human Resource Accounting:** It is concerned with identification, quantification and reporting of investments made in human resources of an enterprise.
35. (i) Sales of goods for cash - This transactions are recorded in the cash book.  
 (ii) Purchases of goods on Credit - This transactions are recorded in purchases book.  
 (iii) When the proprietor takes goods for personal use - This transactions are recorded in Journal proper.
36. (a) Assets = Capital + Liabilities  
 ₹1,00,000 = ₹80,000 + ₹20,000
- (b) Assets = Capital + Liabilities  
 ₹2,00,000 = ₹1,60,000 + ₹40,000
- (c) Assets = Capital + Creditors  
 ₹2,40,000 = ₹1,60,000 + ₹80,000

37. **Journal Entries**

Date	Particulars	L.F.	Debit ₹	Credit ₹
2016 June 1	Cash A/c To Capital A/c (Commenced business with cash)	Dr.	1,10,000	1,10,000
10	Cash A/c To Capital A/c (Introduced additional Capital)	Dr.	50,000	50,000
28	Drawings A/c To Cash A/c (withdrawn for personal use)	Dr.	20,000	20,000

Ledger Account

Dr.				Cr.			
Cash Account							
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2016 June 1	To Capital A/c		1,10,000	2016 June 28	By Drawings A/c		20,000
10	To Capital A/c		50,000	30	By Balance c/d		1,40,000
			1,60,000				1,60,000
2016 July 1	To Balance b/d		1,40,000				

38. Amount of Depreciation

$$= \frac{\text{Total cost} - \text{scrap value}}{\text{Estimated life}}$$

$$= \frac{50,000 - 5,000}{10} = \frac{45,000}{10}$$

$$= ₹4,500$$

Rate of Depreciation

$$= \frac{\text{Amount of Depreciation}}{\text{Original Cost}} \times 100$$

$$= \frac{4,500}{50,000} \times 100 = 9\%$$

39. Cost of goods sold = Opening stock + Purchases + Direct expenses – Closing Stock  
 = 8,000 + 60,000 + 5,000 – 9,000 = ₹64,000

[Note : Indirect expenses do not form part of cost of goods sold.]

40. (i) Purchases - Debit column  
 (ii) Drawings - Debit column  
 (iii) Capital - Credit column  
 (iv) Purchases returns - Credit column  
 (iv) Carriage inwards - Debit column  
 (iv) Interest received - Credit column

**PART - IV**

41. (a) In the books of Journal Entries

Date	Particulars	L.F.	Debit ₹	Credit ₹
2018 Jan. 1	Cash A/c To Rishi's capital A/c (Rishi commenced business with cash)	Dr.	50,000	50,000
2	Purchases A/c To Cash A/c (Goods purchased by cash)	Dr.	4,000	4,000

3	Purchases A/c To Ravi A/c (Goods purchased on credit)	Dr.	10,000	10,000
4	Ravi A/c To Cash A/c (Cash paid to Ravi)	Dr.	7,000	7,000
5	Drawings A/c To Cash A/c (Cash withdrawn for personal use)	Dr.	6,000	6,000
6	Bank A/c To Cash A/c (Cash deposited into bank)	Dr.	2,000	2,000
7	Salaries A/c To Bank A/c (Salary paid by cheque)	Dr.	3,000	3,000
8	Madhu A/c To Sales A/c (Sold goods to Madhu on credit)	Dr.	9,000	9,000
9	Bank A/c To Bank loan A/c (Borrowed loan from bank)	Dr.	10,000	10,000
10	Cash A/c To Commission received A/c (Commission received)	Dr.	1,000	1,000

(OR)

(b)

Dr.

**Cash Book with Cash and Discount columns**

Cr.

Date	Receipts	R.N.	L.F.	Amount		Date	Payments	V.N.	L.F.	Amount	
				Discount allowed (₹)	Cash (₹)					Discount received (₹)	Cash (₹)
2017						2017					
Jan 1	To Balance b/d				11,500	Jan 5	By Ramanathan A/c			10	300
10	To Rajagopal A/c			20	980	8	By Purchases A/c				400
15	To Sales A/c				400	21	By Shanthi A/c			5	295
						25	By Wages A/c				50
						31	By Sanjeev A/c			10	390
						31	By Balance c/d				<b>11,445</b>
				20	12,880					25	12,880
Feb. 1	To Balance b/d				11,445						

42. (a) In the books of Mr. Raju Trial Balance as on 31.03.2017

S. No.	Name of account	L.F.	Debit balance ₹	Credit balance ₹
1.	Cash in hand		5,500	
2.	Discount received			300
3.	Creditors			15,000
4.	Buildings		50,000	
5.	Opening stock		6,000	
6.	Direct expenses		5,000	
7.	Carriage outwards		3,500	
8.	Capital			45,000
9.	Purchases		49,700	
10.	Sales			59,400
	<b>Total</b>		<b>1,19,700</b>	<b>1,19,700</b>

(OR)

(b)

Dr.

Anand Account

Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 July 15	To Cash A/c		2,000	2017 July 01	By Cash A/c		4,000
20	To Cash A/c		3,960	18	By Purchases A/c		8,000
	To Discount allowed A/c		40				
31	To Balance c/d		11,000	25	By Purchases A/c		5,000
			17,000				17,000
				2017 Aug 01	By Balance b/d		11,000

43. (a)

In the Books of M/s. Ponni & Co., Sales Book

Date	Particulars	L.F.	Amount	
			Details (₹)	Total (₹)
2017 Aug 1	Senthil			20,500
Aug 4	Madhavan			12,800
Aug 7	Kanaga			7,500
	<b>Sales A/c</b>	<b>Cr.</b>		<b>40,800</b>

Note : Sales on August 20 will not be recorded in the sales because they are Cash sales.

Sales Return Book

Date	Particulars	Credit Note No	L.F.	Amount		Remarks
				Details (₹)	Total (₹)	
2017 Aug 15	Senthil	7			1,500	
Aug 25	Madhavan	11			1,800	
	<b>Sales return A/c</b>	<b>Dr.</b>			<b>3,300</b>	

(OR)

(b) Following are the differences between straight line method and written down value method.

Point of difference	Straight line method	Written down value method
1. Basis of calculation	Depreciation is calculated on the original cost of the asset for all the years.	Depreciation is calculated on the written down value of the asset year after year.
2. Amount of depreciation	The amount of depreciation is the same for all the years.	The amount of depreciation goes on decreasing year after year.
3. Book value of the asset at the end of its life	The book value of the asset becomes zero when there is no scrap value or is equal to its scrap value at the end of its life.	The book value of the asset never becomes zero.
4. Computation of rate of depreciation	It is easy to calculate the rate of depreciation.	It is very difficult to calculate the rate of depreciation.
5. Order of calculation of depreciation amount	Amount of depreciation is calculated first, followed by the rate of depreciation.	Rate of depreciation is calculated first, followed by the amount of depreciation.

44. (a)

S. No.	Transactions	Classification
(i)	Construction of building ₹10,00,000	Capital expenditure
(ii)	Legal fees paid to the lawyer for acquiring a land ₹ 20,000	Capital expenditure
(iii)	Carriage paid on goods purchased ₹ 1000	Revenue expenditure
(iv)	Heavy advertising cost of ₹ 12,00,000 spent on introducing a new product	Deferred revenue expenditure
(iv)	Rent paid for the factory ₹ 12,000	Revenue expenditure

(OR)

(b) Rectification of Errors

S. No.	Particulars	L.F.	Debit ₹	Credit ₹
(a)	Salary A/c Dr. To Kumaran A/c (Correct of wrong debit to Kumaran's A/c for salary paid)		10,000	10,000
(b)	Rent A/c Dr. To Senguttuvan A/c (Correct of wrong debit to Senguttuvan's A/c for rent paid)		6,000	6,000
(c)	Sales A/c Dr. To Furniture A/c (Correct of wrong debit to cash A/c for furniture sold)		2,000	2,000

(d)	Kumar A/c To Sales A/c (Correct of wrong credit to Kumar for cash sales)	Dr.		10,000	10,000
(e)	Drawings A/c To Mani A/c (Goods taken by the proprietor Mani for his personal use, now rectified)	Dr.		1,000	1,000

45. (a) **Trading account for the year ended 31<sup>st</sup> March 2016**

Dr.			Cr.		
Particulars	₹	₹	Particulars	₹	₹
To Opening stock		10,000	By Sales	3,00,000	
To Purchases	1,60,000		Less : Sales returns	16,000	2,84,000
Less : Purchase returns	10,000	1,50,000	By Closing stock		20,000
To Wages	30,000				
Add : Outstanding	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			
To Gross profit c/d		85,000			
		<b>3,04,000</b>			<b>3,04,000</b>

(OR)

- (b) (i) Ledger account is a summary statement of all the transactions relating to a person, asset, liability, expense or income which has taken place during a given period of time and it shows their net effect. From the transactions recorded in the journal, the ledger account is prepared.
- (ii) Ledger is known as principal book of accounts.

**Utilities of ledger :**

- Quick information about a particular account :** Ledger account helps to get all information about a particular account like sales, purchases, machinery, etc., at a glance. For example where there are several transactions with a debtor, the net amount due from a debtor can be known from the ledger account.
- Control over business transactions :** From the ledger balances extracted, a thorough analysis of account balances can be made which help to have control over the business transactions.
- Trial balance can be prepared :** With the balances of ledger accounts, trial balance can be prepared to check the arithmetical accuracy of entries made in the journal and ledger.
- Helps to prepare financial statements :** From the ledger balances extracted, financial statements can be prepared for ascertaining net profit or loss and the financial position



46. (a) **Bank Reconciliation Statement**  
as on 31<sup>st</sup> March 2018

Particulars	Amount ₹	Amount ₹
Bank balance as per bank statement		15,000
<b>Add:</b> Bank charges not recorded in the cash book	250	
Interest charged by bank	500	
Bank paid Insurance Premium	300	
Cheques deposited but not yet credited	900	1,950
		16,950
<b>Less:</b> Cheques issued but not yet presented		2,500
Balance as per Cash book		14,450

OR)

(b) **Analytical Petty cash book**  
Analysis of Payments

Receipts (₹)	C. B. F. N.	Date	Particulars	V. N.	Total Payment	Printing & Stationery	Wages	Postage and telegrams	Carriage	Sundries	L. F.	Personal Accounts
					(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	
2,000		2017										
		July										
		1	To Cash A/c									
		7	By registers and papers		150	150						
		10	By Carriage		350				350			
		15	By Wages		300		300					
		18	By Postal charges		100			100				
		21	By Stationery		600	600						
	27	By Refreshment Expenses		310						310		
					1,810	750	300	100	350	310		
		31	By Balance c/d		190							
2,000					2,000							
		Aug										
190		1	To Balance b/d									
1810			To Cash A/c									

47. (a) Limitations of computerised accounting system:

- (i) **Heavy cost of installation :** Computer hardware needs replacement and software needs to be updated from time to time with the availability of newer versions.
- (ii) **Cost of training :** To ensure effective and efficient use of computerised system of accounting, newer versions of hardware and software are to be introduced.
- (iii) **Fear of unemployment :** On account of the introduction of computerised accounting system, the employees feel insecure that they may lose employment and show less interest in computer related work.
- (iv) **Disruption of work:** When computerised system is introduced, the existing process of accounting and other works are interrupted. This results in certain changes in the working environment.
- (v) **System failure:** The danger of a system crashing due to some failure in hardware can lead to subsequent interruption of work. This is more when no back-up is made.

(OR)

(b) In the books of Rani Accounting Equation

S. No.	Transaction	Cash ₹	Stock ₹	Furniture ₹	Total Assets ₹	=	Total Liabilities ₹	Capital ₹	Creditors ₹
(i)	Started business with cash	+80,000						+80,000	
	Balance	+80,000						+80,000	
	<b>Equation</b>				<b>+80,000</b>	=	<b>+80,000</b>		
(ii)	Credit purchases		+10,000						+10,000
	Balance	+80,000	+10,000					+80,000	+10,000
	<b>Equation</b>				<b>+90,000</b>	=	<b>+90,000</b>		
(iii)	Cash purchase of furniture	-6,000		+6,000					
	Balance	+74,000	+10,000	+6,000				+80,000	+10,000
	<b>Equation</b>				<b>+90,000</b>	=	<b>+90,000</b>		
(iv)	Paid creditors by cash	-8,000							-8,000
	Balance	+66,000	+10,000	+6,000				+80,000	+2,000
	<b>Equation</b>				<b>+82,000</b>	=	<b>+82,000</b>		
(v)	Purchased goods for cash	-2,000	+2,000						
	Balance	+64,000	+12,000	+6,000					
	<b>Equation</b>				<b>+82,000</b>		<b>+82,000</b>	+80,000	+2,000

