

Dr. A. Vennila, Principal, Mydean Matric. Hr. Sec. School, Kumbakonam

Quarterly Examination - 2023

Thanjavur District

11 - Std

ACCOUNTANCY

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Time : 3.00 Hrs

PART - A

Marks : 90

I. Choose the correct answer with option.

(20 X 1 = 20)

1. The root of financial accounting system is
 - a) Social accounting
 - b) Stewardship accounting
 - c) Management accounting
 - d) Responsibility accounting
2. Which one of the following is not a branch of accounting?
 - a) Financial accounting
 - b) Management accounting
 - c) Human resources accounting
 - d) None of the above
3. A bank reconciliation statement is prepared with the help of
 - a) Bank statement.
 - b) Cash book
 - c) Bank statement and bank column of the cash book
 - d) Petty cash book
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. A firm has assets of Rs. 1,00,000 and the external liabilities of Rs. 60,000. Its capital would be
 - a) Rs. 1,60,000
 - b) Rs. 60,000
 - c) Rs. 1,00,000
 - d) Rs. 40,000
6. Real account deals with
 - a) Individual persons
 - b) Expenses and losses
 - c) Assets
 - d) Incomes and gains
7. Prepaid rent is a
 - a) Nominal A/c
 - b) Personal A/c
 - c) Real A/c
 - d) Representative personal A/c
8. Withdrawal of cash from business by the proprietor should be credited to
 - a) Drawings A/c
 - b) Cash A/c
 - c) Capital A/c
 - d) Purchases A/c

9. Main objective of preparing ledger account is to
- Ascertain the financial position
 - Ascertain the profit or loss
 - Ascertain the profit or loss and the financial position
 - Know the balance of each ledger account
10. 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
11. The amount brought into the business by the proprietor should be credited to
- Cash account
 - Drawings account
 - Capital account
 - Suspense account
12. Trial balance is a
- Statement
 - Account
 - Ledger
 - Journal
13. Which of the following is/are the objective(s) of preparing trial balance?
- Serving as the summary of all the ledger a/c
 - Helping in the preparation of final a/c
 - Examining arithmetical accuracy of accounts
 - a, b and c
14. While preparing the trial balance, the accountant finds that the total of the credit column is short by Rs. 200. This difference will be
- Debited to suspense account
 - Credited to suspense account
 - Adjusted to any of the debit balance
 - Adjusted to any of the credit balance
15. Purchases book is used to record
- all purchases of goods
 - all credit purchases of assets
 - all credit purchases of goods
 - all purchases of assets
16. Purchases of fixed assets on credit basis is recorded in
- Purchases book
 - Sales book
 - Purchases returns book
 - Journal proper
17. Which of the following statements 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

18. Cash book is a
 a) Subsidiary book
 b) Principal book
 c) Journal proper
 d) Both subsidiary book and principal book
19. A cash book with discount, cash and bank column is called
 a) Simple cash book
 b) Double column cash book
 c) Three column cash book
 d) Petty cash book
20. Balance as per bank statement is Rs. 1, 000. Cheque deposited, but not yet credited by the bank is Rs. 2, 000. What is the balance as per bank column of the cash book?
 a) Rs. 3,000 overdraft
 b) Rs. 3,000 favourable
 c) Rs. 1,000 overdraft
 d) Rs. 1,000 favourable

PART - B

II Answer any 7 Questions, Question no. 30 compulsory. 7 X 2 = 14

21. Who are the parties interested in accounting information?
22. What are source documents?
23. What are the methods of preparation of trial balance?
24. Define bill of exchange.
25. What is bank reconciliation statement?
26. State whether the balance of the following accounts should be placed in the debit or the credit column of the trial balance: a) Sundry debtors
 b) Sundry creditors c) Cash in hand d) Bank overdraft
27. Calculate the Due date for bill.

Date of Bill	Period of bill	Due date
i) March 1	2 Months	?
ii) July 12	1 Month	?

28. What is the accounting treatment for insurance premium paid on the life of the proprietor?
29. From the following transactions post them to ledger.
 2016 Jan 1 Started business with cash Rs. 10,000
 5 Paid into bank Rs. 5,000
30. Mention the subsidiary books in which the following transactions are recorded.
 a) When the proprietor takes goods for personal use
 b) Goods returned to suppliers for which cash is not received immediately
 c) Asset purchased as credit.

PART - C

III Answer any 7 Questions, Question no. 40 compulsory. 7 X 3 = 21

31. What are the limitations of trial balance?
32. Give any three reasons for preparing bank reconciliation statement.
33. Briefly explain about contra entry with examples.
34. Pass the correct journal entries:

Date	Particulars	L F	Debit Rs.	Credit Rs.
01.02.2018	Ramesh a/c Dr To Cash a/c (Being Salaries paid to Ramesh)		15,000	15,000
25.02.2018	Drawings a/c To Cash a/c (Being goods withdrawn by the proprietor for his personal use) Dr		5,000	5,000

35. Prepare Furniture A/c from the following transactions

2016	Rs.
Jan 1 Furniture in hand	2,000
1 Purchased furniture for cash	4,000
30 Sold furniture	400

36. The following balances appeared in the books of Vinoth on Jan 1, 2018

Assets : Cash Rs. 40,000; Stock Rs. 50,000;

Amount due from Ram Rs. 20,000; Machinery Rs. 40,000

Liabilities: Amount due to Vijay Rs. 10,000

Pass the opening journal entry and post them to Vinoth's Capital account.

37. Prepare the trail balance from the following information:

Purchases	1,00,000	Sales	1,50,000
Bank Loan	75,000	Creditors	50,000
Debtors	1,00,000	Stock	75,000

38. Enter the following transactions in a single column cash book of Seshadri for May, 2017. Rs.

May	1	Cash in hand	40,000
	5	Cash received from Swathi	4,000
	7	Paid wages in cash	2,000
	10	Purchased goods from Sasikala for cash	6,000
	15	Sold goods for cash	9,000
	18	Purchased computer	15,000

39. 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
40. "Only monetary transactions are recorded in accounting". Explain the statement.

PART - D

IV Answer all Questions.

(7 X 5 = 35)

41. (a) Prepare an analytical petty cash book from the following information on the imprest

system:		Rs.
2017	Jan. 1 Received for petty cash	500
	Jan. 2 Paid rickshaw charges	5
	Paid cartage	12
	Jan. 3 Paid for postage	15
	Paid wages to casual labourer	66
	Jan. 4 Paid for stationery	134
	Paid for auto charges	18
	Jan. 5 Paid for repairs	65
	Paid for bus fare	11
	Paid for cartage	24

[OR]

- (b) From the following particulars of Raja traders, prepare a bank reconciliation statement as on 31st January, 2018.
- Balance as per bank statement Rs. 5,000
 - Cheques amounting to Rs. 800 had been recorded in the cash book as having been deposited into the bank on 25th January 2018, but were entered in the bank statement on 2nd February 2018
 - Amount received by bank through NEFT amounting to Rs. 3,000, omitted in the cash book.

- d) Two cheques issued for Rs. 3,000 and Rs. 2,000 on 29th March 2018. Only the first cheque is presented for payment.
- e) Insurance premium on motor vehicles for Rs.1,000 paid by the bank as per standing instruction not recorded in the cash book.
- f) Credit side of cash book was undercast by Rs. 700
- g) Subsidy received directly by the bank from the state government amounting to Rs. 10,000, not entered in cash book.

42. (a) Pass Journal entries and post them in ledger

2017 June 1 Basu commenced business with cash	Rs.50,000
June 4 Purchases furniture for cash	Rs. 6,000
June 7 Bought Machinery from Harish for credit	Rs. 10,000
June 10 Purchased goods for cash	Rs. 4,000
June 20 Paid Insurance Premium	Rs. 100.

[OR]

(b) Prepare accounting equation for the following transactions.

- i) Murugan commenced business with cash Rs. 80,000
- ii) Purchased goods for cash Rs. 30,000
- iii) Paid salaries by cash Rs. 5,000
- iv) Bought goods from Kumar for Rs. 5,000 and deposited the money in CDM.
- v) Introduced additional capital of Rs. 10,000

43. (a) What is double entry system? State its advantages. [OR]

(b) Enter the following transactions in cash book with discount and cash column of Anand

2017 Dec. 1	Cash in hand	Rs.19,500
4	Sold goods for cash	Rs. 32,000
5	Credit purchases from Gandhi	Rs. 20,000
9	Received from Gopu 11,800 Discount allowed to him	Rs. 200
15	Cash paid for Electricity charges	Rs. 12,500
17	Bought computer and its accessories by cash	Rs. 16,800
25	Paid cash to Gandhi Rs. 19,700 in full settlement of his account	

28 Received cash from Thiruvengadam Rs. 8,900 Discount allowed to him Rs.100

30 Paid trade expenses in cash Rs. 3,500

44. (a) 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

[OR]

(b) Distinguish between journal and ledger.

45. (a) Enter the following transactions in the three column cash book of Kalyana Sundaram.

2017 Jan. 1 Balance in hand Rs. 42,500
Balance at bank Rs. 35,000
3 Received for cash sales Rs. 15,700
4 Cash paid into bank Rs. 11,500
6 Cash purchases Rs. 14,300
9 Received dividend directly by the bank through ECS Rs. 2,000
10 Pongal advance to staff paid through bank Rs. 17,000
12 Received cash from Nagarajan Rs.11,850 and allowed him discount Rs. 150
17 Paid Magesh in full settlement of his account Rs. 20,000 Rs. 19,700
20 Cash withdrawn for personal expenses Rs. 20,000
30 Withdrawn cash from ATM for office use Rs. 1,500

[OR]

(b) Record the following transactions in the sales book and sales returns book of M/s. Ponni & Co.,

2017 Aug 1 Sold goods to Senthil as per Invoice No. 68 for Rs. 20,500 on credit
Aug 4 Sold goods to Madhavan as per Invoice No. 74 for Rs. 12,800 on credit
Aug 7 Sold goods to Kanagasabai as per Invoice No. 78 for Rs. 7,500 on credit

- Aug 15 Returns inward by Senthil as per Credit Note no. 7 for Rs. 1,500 for which cash is not paid
- Aug 20 Sold goods to Selvam for Rs. 13,300 for cash
- Aug 25 Sales returns of Rs. 1,800 by Madhavan as per Credit Note No. 11 for which cash is not paid

46. (a) Pass the journal entries for the following transactions:

2018	Rs.
March 1 Manohar started business with cash	60,000
2 Purchased furniture for cash	10,000
3 Bought goods for cash	25,000
6 Bought goods from Arun	15,000
8 Sold goods for cash	28,000

[OR]

(b) Bring out the differences between cash discount and trade discount.

47. (a) From the following balances extracted from the books of Raju a trader on automobiles, prepare trial balance as on 31st March, 2017:

Cash in hand	5,500	Direct Expenses	5,000
Discount Received	300	Carriage Outwards	3,500
Creditors	15,000	Capital	45,000
Building.	50,000	Purchases	49,700
Opening Stock	6,000	Sales	59,400

[OR]

47. (b) Calculate the Due date for bill.

Date of Bill	Period of bill	Due date
2017 July 1	3 Months	?
July 20	3 Months	?
July 31	60 Days	?
August 5	6 Months	?
August 11	90 Days	?

11TH ACCOUNTANCY QUARTERLY EXAM – ANSWER KEY SEPTEMBER - 2023

I. Choose the most appropriate answer

20 x 1 = 20

1	B	Stewardship	11	C	Capital Account
2	D	None of the above	12	A	Statement
3	C	Bank statement and bank column of the cash book	13	D	a, b and c
4	D	The Institute of Chartered Accountants of India	14	B	Credited to suspense account
5	D	Rs.40,000	15	C	All credit purchases of goods
6	C	Assets	16	D	Journal Proper
7	D	Representative personal A/c	17	C	Trade discount is recorded in the books of accounts
8	B	Cash A/c	18	D	Both subsidiary book and principal book
9	D	Know the balance of each ledger account	19	C	Three column cash book
10	B	Debit Balance	20	B	Rs.3,000 favorable

II. Answer any 7 questions. Question No. 30 is Compulsory

7 x 2 = 14

21) Parties interested in accounting information

1. **Internal users:** Owners, Management and Employees.
2. **External users:** Creditors, Investors, Customers, Tax authorities, Government, Researchers and General Public.

22) Source Documents:

- “Source documents are the authentic evidences of financial transactions”.
- These documents show the nature of transaction, the date, the amount and the parties involved.
- **Source documents include** - cash receipt, invoice, debit note, credit note, pay – in – slip, salarybills, wage bills, cheque record slips, etc.

23) Trial Balance is prepared in the following methods:

- a) **Balance method**
- b) **Total method**
- c) **Total and Balance method :**
 1. Totals of debit side of the ledger accounts,
 2. Totals of the credit side of the ledger accounts
 3. Debit balances of ledger accounts and
 4. Credit balances of the ledger accounts. This method is not in practice.

24) Bill of Exchange – Meaning:

- ♣ According to the Negotiable Instruments Act, 1881, “Bill of exchange is an instrument in writing containing an unconditional order, signed by the maker, directing a certain person to pay a certain sum of money only to, or to the order of a certain person or to the bearer of the instrument”.

25) Bank reconciliation statement – Meaning:

- ✘ If every entry in the cash book matches with the bank statement, then bank balance will be the same in both the records. But, practically it may not be possible.
- ✘ When the balances do not agree with each other, the need for preparing a statement to explain the causes arises.
- ✘ This statement is called bank reconciliation statement (BRS).

26) Trial Balance

S.No.	Name of account	Debit balance	Credit balance
a	Sundry debtors	Debit	---
b	Sundry creditors	---	Credit
c	Cash in hand	Debit	---
d	Bank overdraft	---	Credit

27) Calculation of Due date for bill

Date of Bill	Period of Bill	Due Date
i) March 1	2 Months	4 th May
ii) July 12	1 Month	14th August, since 15th August (being Independence day) is a public holiday.

28) Accounting treatment for insurance premium paid on the life of the proprietor:

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
	Drawings A/c To Cash A/c (Insurance paid for owner life insurance premium)	Dr.	XXX	XXX

29)

Ledger Accounts**Dr. Cash Account Cr.**

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

Dr. Capital Account Cr.

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
				Feb.1	By Balance b/d		10,000

Dr.		Bank Account				Cr.	
Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
2016 Jan. 5	To Cash A/c		5,000	2016 Jan. 31	By Balance C/d		5,000
			5,000				5,000
Feb.1	To Balance b/d		5,000				

30) Subsidiary Books:

Transaction	Subsidiary Books
a. When the proprietor takes goods for personal use	Purchase Book
b. Goods returned to suppliers for which cash is not received immediately	Purchase Return Book
c. Asset purchased as credit.	Journal Proper

III. Answer any 7 questions. Question No. 40 is Compulsory 7 x 3 = 21

31) The following are the limitations of trial balance: (Any 3)

- It is possible to prepare trial balance of an organisation, only if the double entry system is followed.
- Even if some transactions are omitted, the trial balance will tally.
- Trial balance may tally even though errors are committed in the books of account.
- If trial balance is not prepared in a systematic way, the final accounts prepared on the basis of trial balance may not depict the actual state of affairs of the concern.
- Agreement of trial balance is not a conclusive proof of arithmetical accuracy of entries made

32) The main reasons for preparing bank reconciliation statement are:

- ♣ To identify the reasons for the difference between the bank balance as per the cash book and bank balance as per bank statement.
- ♣ To identify the delay in the clearance of cheques.
- ♣ To ascertain the correct balance of bank column of cash book.

33) Contra Entry – Meaning:

- ♣ To denote that there are contra entries, the alphabet 'C' is written in L.F. column on both sides.
- ♣ Contra means that particular entry is posted on the other side (contra) of the same book, because Cash account and Bank account are there in the cash book only and there are no separate ledger accounts needed for this purpose.
- ♣ The alphabet 'C' indicates that no further posting is required and the relevant account is posted on the opposite side.

Examples

- 1) When cash is paid into bank, it is recorded in the bank column on the debit side and in the cash column on the credit side of the cash book.
- 2) When cash is drawn from bank for office use, it is entered in cash column on the debit side and in the bank column on the credit side of the cash book.

34) Rectifying Journal entries

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
01.02.2018	Salaries A/c To Ramesh A/c (Being salaries paid to Ramesh now rectified)	Dr.	15,000	15,000
25.02.2018	Cash A/c To Purchase A/c (Being goods withdrawn by the proprietor for his personal use now rectified)	Dr.	5,000	5,000

35)

Ledger Accounts**Dr.****Furniture Account****Cr.**

Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
2016 Jan. 1	To Balance b/d		2,000	2016 Jan. 30	By Sales A/C		400
1	To Cash A/c		4,000	30	By Balance C/d		5,600
			6,000				6,000
Feb. 1	To Balance b/d		5,600				

36)

Journal Entry

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
2018 Jan 1	Cash A/c Stock A/c Ram A/c Machinery A/c To Vijay A/c To Capital A/c (Balances of assets and liabilities brought forward)	Dr. Dr. Dr. Dr.	40,000 50,000 20,000 40,000	10,000 1,40,000

Ledger Accounts**Dr.****Vinoth's Capital Account****Cr.**

Date	Particulars	J.F.	Amount Rs.	Date	Particulars	J.F.	Amount Rs.
2018 Jan. 1	To Vijay A/c		10,000	2018 Jan. 1	By Cash A/c		40,000
31	To Balance C/d		1,40,000		By Stock A/c		50,000
			1,50,000		By Ram A/c		20,000
					By Machinery A/c		40,000
							1,50,000
				Feb.1	By Balance b/d		1,40,000

37)

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		1,00,000	--
4	Sales		--	1,50,000
5	Creditors		--	50,000
6	Stock		75,000	--
	Total		2,75,000	2,75,000

38)

**In the books of Seshadri
Cash Book (Single column)**

Dr.

Cr.

Date	Receipts	L.F.	Amount Rs.	Date	Payments	L.F.	Amount Rs.
2017				2017			
May 1	To Balance b/d		40,000	May 7	By Wages A/c		2,000
5	To Swathi A/c		4,000	10	By Purchase A/c		6,000
15	To Sales A/c		9,000	18	By Computer A/c		15,000
				30	By Balance c/d		30,000
			53,000				53,000
June 1	To Balance	B/d	30,000				

39) **Bank reconciliation statement of Jayakumar as on 31st December, 2016**

Particulars	Amount Rs.	Amount Rs.
Balance as per cash book		7,130
Add: Customer has deposited into the bank directly		800
		7,930
Less: Cheques deposited but not cleared		1,000
Balance as per Bank statement		6,930

40) **“Only monetary transactions are recorded in accounting”. Explanation:**

- ✘ 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.

IV. Answer all the questions**7 x 5 = 35**

41) (a)

Petty Cash Book (in Rs.) – Analysis of payments

Dr.				Cr.								
Receipts	C.B.F.N	Date	Particulars	V.N	Total Payments	Conveyance	Carriage	Stationery	Postage	Wages	Sundries	L.F.
500		2017 Jan.1	To Cash A/c									
		2	By Conveyance		5	5						
			By Cartage		12		12					
		3	By Postage		15				15			
			By Wages		66					66		
		4	By Stationery		134			134				
			By Conveyance		18	18						
		5	By Repairs		65						65	
			By Conveyance		11	11						
			By Cartage		24		24					
			Total Expenses		350	34	36	134	15	66	65	
		6	By Balance c/d		150							
500					500							
150		Jan. 7	To Balance b/d									
350		7	To Cash A/c									

OR

(b)

Bank reconciliation statement of Raja Traders as on 31st January, 2018

Particulars	Amount Rs.	Amount Rs.
Balance as per Bank Statement		5,000
Add: Cheque deposited but not yet credited	800	
Insurance premium paid by the bank, but not entered in cash book	1,000	
Credit side of cash book was undercast	700	2,500
		7,500
Less: Amount received by bank through NEFT but omitted in cash book	3,000	
Two Cheque issued Rs.3,000 and Rs.2,000 but only the first cheque is presented for payment	2,000	
Subsidy received directly by the bank nut not entered in cash book	10,000	15,000
Overdraft Balance as per Cash Book		-7,500

42) (a)

In the books of Basu
Journal entries

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
2017 June 1	Cash A/c To Basu's capital A/c (Started business with cash)	Dr.	50,000	50,000
4	Furniture A/c To Cash A/c (Furniture bought for cash)	Dr.	6,000	6,000
7	Machinery A/c To Harish A/c (Machinery bought on credit from Harish)	Dr.	10,000	10,000
10	Purchases A/c To Cash A/c (Goods bought for cash)	Dr.	4,000	4,000
20	Insurance premium A/c To Cash A/c (Insurance premium paid)	Dr.	100	100

Ledger accounts

Dr.**Cash Account****Cr.**

Date	Particulars	J.F.	Rs.	Date	Particulars	J.F.	Rs.
2017 June 1	To Basu's capital A/c		50,000	2017 June 4	By Furniture A/c		6,000
				10	By Purchases A/c		4,000
				20	By Insurance Premium A/c		100
				30	By Balance C/d		39,900
			50,000				50,000
July 1	To Balance B/d		39,900				

Dr.**Basu's Capital Account****Cr.**

Date	Particulars	J.F.	Rs.	Date	Particulars	J.F.	Rs.
2017 June 30	To Balance c/d		50,000	2017 June 1	By Cash A/c		50,000
			50,000				50,000
				Feb 1	By Balance b/d		50,000

Dr.**Furniture Account****Cr.**

Date	Particulars	J.F.	Rs.	Date	Particulars	J.F.	Rs.
2017 June 4	To Cash A/c		6,000	2017 June 30	By Balance C/d		6,000
			6,000				6,000
July 1	To Balance B/d		6,000				

Dr. Machinery Account Cr.

Date	Particulars	J.F.	Rs.	Date	Particulars	J.F.	Rs.
2017 June 7	To Harish A/c		10,000	2017 June 30	By Balance C/d		10,000
			10,000				10,000
July 1	To Balance B/d		10,000				

Dr. Harish Account Cr.

Date	Particulars	J.F.	Rs.	Date	Particulars	J.F.	Rs.
2017 June 30	To Balance c/d		10,000	2017 June 7	By Machinery c/d		10,000
			10,000				10,000
				July 1	By Balance b/d		10,000

Dr. Purchase Account Cr.

Date	Particulars	J.F.	Rs.	Date	Particulars	J.F.	Rs.
2017 June 10	To Cash A/c		4,000	2017 June 30	By Balance C/d		4,000
			4,000				4,000
July 1	To Balance B/d		4,000				

Dr. Insurance Premium Account Cr.

Date	Particulars	J.F.	Rs.	Date	Particulars	J.F.	Rs.
2017 June 18	To Cash A/c		100	2017 June 30	By Balance C/d		100
			100				100
July 1	To Balance B/d		100				

OR

(b)

Accounting Equation

Transaction	Assets		=	Liabilities
	Cash Rs.	Stock Rs.		Capital Rs.
(i) Started business with cash	+80,000	--	=	+80,000
Equation	+80,000	--	=	+80,000
(ii) Cash Purchases	-30,000	30,000		--
Equation	+50,000	30,000	=	+80,000
(iii) Salaries paid	-5,000	--		-5,000
Equation	+45,000	30,000	=	+75,000
(iv) Cash Purchases	-5,000	+ 5,000		--
Equation	40,000	35,000	=	75,000
(v) Additional Capital Introduced	+ 10,000	--		+ 10,000
Equation	50,000	35,000	=	85,000

43) **(a) Double Entry System:**

“Every business transaction has a two-fold effect and that it affects two accounts in opposite directions and if a complete record is to be made of each such transaction it is necessary to debit one account and credit another account. It is this recording of two fold effect of every transaction that has given rise to the term Double Entry” - **J.R. Batliboi.**

Advantages of Double Entry System:

- ❖ Double entry system of book keeping is a scientific and complete system of recording the financial transactions of an organisation.
- ❖ According to this system, every transaction has a two folds effect.
- ❖ That is, there are two aspects involved, namely, receiving aspect and giving aspect. It is denoted by debit (Dr.) and credit (Cr.).
- ❖ The basic principle of double entry system is that for every debit there must be an equivalent and corresponding credit.
- ❖ Debit denotes an increase in assets or expenses or a decrease in liabilities, income or capital. Credit denotes an increase in liabilities, income or capital or a decrease in assets or expenses.

[OR]

(b) Dr.**Cash Book with Discount and cash column****Cr.**

Date	Receipts	L. F.	Dis.	Amount Rs.	Date	Payments	L. F.	Dis.	Amount Rs.
2017 Jan. 1	To Balance b/d			19,500	2017 Jan. 15	By Electricity Charges A/c			12,500
4	To Sales A/c			32,000	17	By Computer A/c			16,800
9	To Gopu A/c		200	11,800	25	By Gandhi A/c		300	19,700
28	To Thiruvengadam A/c		100	8,900	30	By Trade Expenses A/c			3,500
					31	By Balance c/d			19,700
			300	72,200				300	72,200
2018 Feb. 1	To Balance B/d			23,000					

44) (a) **Classification of Personal, Real and Nominal account**

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	Representative Personal account

OR

(b) Distinguish between Journal and Ledger

Basis	Journal	Ledger
1. Order of recording	Entries are made in the chronological order, i.e., date wise in the order of occurrence.	Entries are made account wise.
2. Process	The process of recording in journal is called journalising	The process of recording in the ledger is called posting.
3. Facilitating preparation of trial balance	Amount from the journal does not serve as the basis for preparing trial balance.	Ledger balances serve as the basis for preparing trial balance.
4. Basis of entries	Entries in the journal are made on the basis of source documents.	Posting is done in ledger on the basis of journal entries.
5. Net position	Net position of an account cannot be ascertained from journal.	Net position of an account can be ascertained from ledger account.

45)(a)

In the Books of Kalyana Sundaram

Dr.

Three-Column Cash Book

Cr.

Date	Particulars	R N	L F	Dis. All.	Cash	Bank	Date	Particulars	V N	L F	Dis. Rec.	Cash	Bank
2017 Jan. 1	To Balance b/d				42,500	35,000	2017 Jan. 4	By Bank A/c		C		11,500	
3	To Sales A/c				15,700		6	By Purchase A/c				14,300	
4	To Cash A/c		C			11,500	10	By Pongal Advance A/c					17,000
9	To Dividend A/c					2,000	17	By Magesh A/c			300	19,700	
12	To Natarajan A/c			150	11,850		20	By Drawings A/c				20,000	
30	To Bank A/c		C		1,500		30	By Cash A/c		C			1,500
							31	By Balance C/d				6,050	30,000
				150	71,550	48,500					300	71,550	48,500
Feb. 1	To Balance b/d				6,050	30,000							

[OR]**(b)****Sales Book**

Date	Particulars	I.N	L.F.	Amount	
				Details Rs.	Total Rs.
2017 Aug. 1	Senthil		68		20,500
4	Madhavan		74		12,800
7	Kanagasabai		78		7,500
	Sales A/c				40,800
		Cr.			

Sales Return Book

Date	Particulars	Credit Note No.	L.F.	Amount		Remarks
				Details Rs.	Total Rs.	
2017 Aug. 15	Senthil		7		1,500	Cash is not paid
25	Madhavan		11		1,800	Cash is not paid
	Sales Returns A/c				3,300	

46) (a)

In the books of Manohar
Journal entries

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
2018 March 1	Cash A/c To Manohar's Capital A/c (Manohar started business with cash)	Dr.	60,000	60,000
2	Furniture A/c To Cash A/c (Purchase Furniture for cash)	Dr.	10,000	10,000
3	Purchases A/c To Cash A/c (Goods purchased by cash)	Dr.	25,000	25,000
6	Purchases A/c To Arun A/c (Goods purchased on credit)	Dr.	15,000	15,000
8	Cash A/c To Sales A/c (Cash sales made)	Dr.	28,000	28,000

[OR]

(b)

Differences 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. The earlier the payment, the more will be the cash discount.	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. Cash discount allowed is shown on the debit side of cash book. Cash discount received is shown on the credit side of the cash book.	Trade discount is not recorded in the books of account. No journal entry is made for the same.

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.
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47) (a)48) **In the books of Raju Trial balance as on 31st March, 2017**

S. No	Name of account	L.F.	Debit balance Rs.	Credit balance Rs.
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
	Total		1,19,700	1,19,700

[OR]**(b)****Calculation of Due date for bill**

Date of Bill	Period of Bill	Due Date
2017 July 1	3 Months	4 th October, 2017
July 20	3 Months	23 rd October, 2017
July 31	60 Days	1 st October, 2017
August 5	6 Months	8 th February, 2018
August 11	90 Days	12 th November, 2017

***** All the Best *****