

11th
STD

PUBLIC EXAMINATION MARCH - 2024

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. Closing stock is an item of _____.
(a) Fictitious Asset (b) Fixed Asset
(c) Intangible Asset (d) Current Asset
2. The concept which assumes that a business will last indefinitely is :
(a) Periodicity (b) Business Entity
(c) Conservation (d) Going Concern
3. The process of transferring the debit and credit items from Journal to Ledger accounts is called :
(a) Journalising (b) Casting
(c) Balancing (d) Posting
4. Customised accounting software is suitable for :
(a) Large, Medium Business
(b) Large, Typical Business
(c) Small Conventional Business
(d) None of the above
5. The Trial Balance contains the balances of :
(a) Only Nominal accounts
(b) Only Personal accounts
(c) All accounts (d) Only Real accounts
6. Which one of the following is correctly matched ?
(a) Bad debt - Creditor
(b) Depreciation - Trading Account
(c) Indian Income Tax Act - 1961
(d) Closing Stock - Profit and Loss Account
7. The process of allocating the cost of an intangible asset over a period of time is called _____.
(a) Profit and Loss account (b) Amortisation
(c) Provision for depreciation
(d) Annual depreciation
8. If there is no existing provision for doubtful debts, provision created for doubtful debts is _____.
(a) Credited to Bad debts account
(b) Debited to Bad debts account
(c) Debited to Profit and Loss account
(d) Debited to Sundry debtors account
9. A bank statement is a copy of :
(a) A customer's account in the Bank's book
(b) Cash column of the Cash book
(c) Cheques issued by the business
(d) Bank column of the Cash book
10. GAAPs are :
(a) Generally Accepted Accounting Principles
(b) Generally Accepted Accounting Provisions
(c) Generally Accepted Accounting Policies
(d) None of these
11. Depreciation is caused by :
(a) Usage (b) Obsolescence
(c) Lapse of time (d) (a), (b) and (c)
12. Trading, and Profit and Loss account is a _____ in nature.
(a) Personal account
(b) Nominal account
(c) Representative Personal account
(d) Real account
13. The incorrect accounting equation is :
(a) Liabilities = Assets + Capital
(b) Assets = Liabilities + Capital
(c) Capital = Assets - Liabilities
(d) Assets = Capital + Liabilities
14. The difference in Trial Balance is taken to :
(a) The Suspense account
(b) The Capital account
(c) The Profit and Loss account
(d) The Trading account
15. Who is considered to be the internal user of the financial information?
(a) Customer (b) Creditor
(c) Government (d) Employee
16. A Bank Reconciliation statement is prepared by :
(a) Debtors to the business
(b) Bank
(c) Creditors to the business
(d) Business
17. Balance Sheet shows the _____ of the business.
(a) Sales (b) Profitability
(c) Purchases (d) Financial Position

18. If the rate of depreciation is same, then the amount of depreciation under Straight Line method vis-a-vis Written Down Value method will be:
- Equal in the first year but lower in subsequent years
 - Equal in all years
 - Lower in the first year but equal in subsequent years
 - Equal in the first year but higher in subsequent years
19. The source document or voucher used for recording entries in Sales Book is :
- Invoice
 - Debit note
 - Cash receipt
 - Credit note
20. Small payments are recorded in a book called :
- Bills Payable book
 - Cash book
 - Petty Cash book
 - Purchases book
32. Classify the following into Personal, Real and Nominal accounts.
- Bank
 - Purchases
 - Kavitha
 - Sales
 - Commission Received
 - Outstanding wages
33. Explain any three procedures for balancing a ledger account.
34. Journalise the following transactions and post them to ledger.
On May 20, 2018, Ram paid Salaries ₹ 15,000, Electricity charges ₹ 8,000 and Wages ₹ 2,000.
35. Prepare the Trial Balance from the following information.

Name of the account	₹	Name of the account	₹
Bank Loan	1,00,000	Purchases	90,000
Bills Payable	50,000	Sales	1,50,000
Stock	35,000	Debtors	2,00,000
Capital	1,25,000	Bank	1,00,000

PART - II

Note : Answer any seven questions. Question No. 30 is **Compulsory.** $7 \times 2 = 14$

21. Define Accounting.
22. Give the golden rules of Double Entry accounting system.
23. What are the methods of preparation of Trial Balance?
24. What are wasting assets?
25. What are mnemonic codes?
26. State whether the balance of each of the following accounts should be placed in the debit or the credit column of the Trial Balance.
- Sundry Creditors
 - Furniture
 - Discount Allowed
 - Bank Overdraft
27. The following errors were detected before preparation of Trial Balance. Rectify them.
- Purchases returns book is undercast by ₹ 500
 - Purchase returns book is overcast by ₹ 600
 - Sales returns book is undercast by ₹ 700
 - Sales returns book is overcast by ₹ 800
28. Compute the cost of goods sold from the following information.

Particulars	₹	Particulars	₹
Opening Stock	10,000	Indirect Expenses	5,000
Purchases	80,000	Closing Stock	15,000
Direct Expenses	7,000		

29. Calculate the Due date for bill.

Date of Bill	Period of Bill	Days of grace	Due date
12 th July	1 Month	3	?
1 st October	30 days	3	?

30. Which formula is used to compute Annuity Factor?

PART - III

Note : Answer any seven questions. Question No. 40 is **Compulsory.** $7 \times 3 = 21$

31. State the differences between book-keeping and accounting (any 3).

36. What are the objectives of providing Depreciation?
37. Enter the following transactions in a simple cash book of Kunal.
- 2017
- | | ₹ |
|---------------------------------|--------|
| Jan. 1 Cash in Hand | 11,200 |
| 5 Received from Ramesh | 300 |
| 7 Paid Rent | 30 |
| 8 Sold goods for cash | 300 |
| 10 Paid Mohan | 700 |
| 27 Purchased furniture for cash | 200 |
| 31 Paid Salaries | 100 |
38. From the following particulars of Simon Traders, prepare a Bank Reconciliation statement as on 31st March, 2018.
- Debit balance as per Bank statement ₹ 2,500
 - Cheques deposited amounting to ₹10,000 not yet credited by bank.
 - Payment through net banking for ₹ 2,000 omitted in the Cash book.
39. From the following transactions write up the Sales Day Book of M/s. Ram and 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 Jagadish Sons on credit 6 dozen pens @ ₹ 360 per dozen.
 - Jan. 10 Sold old newspapers for cash @ ₹ 620.
 - Jan. 15 Sold on Credit to M/s. Elango & Co., 10 drawing boards @ ₹ 170 per piece.
 - Jan. 20 Sold to Kani & Co., 4 writing tables at ₹ 1,520 per table for cash.
40. What is Bad debts? Give the Adjusting Entry for it.

PART - IV**Note :** Answer all the questions. $7 \times 5 = 35$

41. (a) Pass Journal entries in the books of Sasikumar who is dealing in automobiles.

2017		₹
Oct. 1	Commenced business with goods	40,000
3	Cash introduced in the business	60,000
4	Purchased goods from Arul on Credit	70,000
6	Returned goods to Arul	10,000
10	Paid cash to Arul's account	60,000
15	Sold goods to Chandar on credit	30,000
18	Chandar returned goods worth	6,000
20	Received cash from Chandar in full settlement	23,000
25	Paid Salaries through ECS	2,000
30	Sasikumar took for personal use goods worth	10,000

(OR)

- (b) Prepare accounting equation for the following transactions.
- Murugan commenced business with cash ₹ 80,000
 - Purchased goods for cash ₹ 30,000
 - Paid Salaries by cash ₹ 5,000
 - Bought goods from Kumar for ₹ 5,000 and deposited the money in CDM.
 - Introduced additional capital of ₹ 10,000

42. (a) Given below are the balances extracted from the books of Nagarajan as on 31st March, 2016.

Particulars	₹	Particulars	₹
Purchases	10,000	Sales	15,100
Wages	600	Commission received	1,900
Freight inwards	750	Rent received	600
Advertisement	500	Creditors	2,400
Carriage outwards	400	Capital	5,000
Cash	1,200		
Machinery	8,000		
Debtors	2,250		
Bills Receivable	300		
Stock 1 st Jan. 2016	1,000		
	25,000		25,000

Prepare the Trading and Profit and Loss account for the year ended 31st March, 2016 and the balance sheet as on that date after adjusting the following:

- Commission received in advance ₹ 400
- Advertisement paid in advance ₹ 150
- Wages outstanding ₹ 200
- Closing stock as on 31.03.2016, ₹ 2,100

(OR)

- (b) Classify the following items into Capital or Revenue.
- Audit fees paid ₹10,000.
 - Labour welfare expenses ₹ 5,000.
 - ₹ 2,000 paid for servicing the company vehicle.
 - Repair to Machinery purchased second hand ₹ 3,000.
 - Rent paid for the factory ₹12,000

43. (a) M/s. Ramco Textile Mills purchased Machinery on 1st April 2014 for ₹ 2,00,000 on credit from M/s. Nila & Co. and spent ₹10,000 on its installation. Depreciation is provided at 10% per annum on the written down value method. Prepare Machinery account and Depreciation account for the first three years. Books are closed on 31st March every year.

(OR)

- (b) Mention any five limitations of computerised accounting system.

44. (a) Show the direct Ledger postings for the following transactions:

2017

- June 1 Raja commenced business with cash ₹ 50,000
- 6 Sold goods for cash ₹ 8,000
- 8 Sold goods to Devi on credit ₹ 9,000
- 15 Goods purchased for Cash ₹ 4,000
- 20 Goods purchased from Shanthi on credit ₹ 5,000

(OR)

- (b) The following errors were located after the preparation of the Trial Balance. Assume that there exists a Suspense account. Rectify them.

- Sale of goods on credit to Arun for ₹ 152 posted to his account as ₹ 125.
- Bought goods from Lakshmi on credit for ₹ 550, credited to her account as ₹ 505.
- Purchase of furniture from Abirupa for ₹ 404 on credit was debited to Furniture account as ₹ 440.
- Purchased machinery for cash ₹ 200 was not posted to Machinery account.
- The total of Purchases book ₹ 89 was carried forward as ₹ 98.

45. (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 of Business Statistics Books @ ₹80 each
100 copies of Accountancy Books @ ₹150 each
- Dec. 7 Sold to Sridevi & Co., on credit
240 copies of Business Statistics books @ ₹90 each
250 copies of Accountancy books @ ₹170 each
- Dec. 10 Bought from Subha & Co.,
40 Copies of Economics books @ ₹80 each
Less: 15% Trade Discount
- Dec. 15 Returned to M/s. Umadevi 10 copies of damaged Accountancy books for which cash is not received
- Dec. 18 Sold to Gupta Bros., on credit
200 copies of Economics books @ ₹95 each
- Dec. 26 Returned 6 copies of Economics books to Subha & Co.,

(OR)

- (b) From the following transactions prepare three column cash book of Thiru Durairaj.

2017

- | | ₹ |
|--|--------|
| March 1 Cash in hand | 12,000 |
| Cash at Bank | 15,000 |
| 2 Cash paid into bank | 11,000 |
| 3 Goods sold ₹ 18,500. Half of it is received in cash and half of it is received by cheque which is immediately deposited in the bank. | |
| 4 Sold on credit to Jayaraj for | 7,000 |
| 8 Jayaraj sent a cheque in full settlement | 6,900 |
| 12 Jayaraj's cheque was sent to bank | |
| 14 Bought goods from Iqbal and issued a cheque to him immediately | 8,500 |
| 15 Bought goods from Murali on Credit | 4,000 |
| 19 Received a cheque from Kannappan in full settlement of his account of ₹ 2,000 | 1,975 |
| 20 Drew cash ₹ 3000 and by cheque ₹ 5,000 for personal use | |
| 25 Paid to Vinod by cheque in full settlement of his account of ₹ 2,000 | 1,850 |

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

2017

- | | ₹ |
|---------------------------------------|-------|
| July 1 Received advance from cashier | 2,000 |
| 7 Paid for writing pads and registers | 100 |
| 8 Purchased white papers | 50 |

- | | |
|-------------------------|-----|
| 10 Paid auto charges | 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) Show necessary entries to adjust the following on 31st December, 2017.

- (i) Outstanding salaries ₹ 1,200
(ii) Outstanding rent ₹ 300
(iii) Prepaid insurance premium ₹ 450
(iv) Interest on investment accrued ₹ 400
(v) Bad debts written off ₹ 200

47. (a) The following balances are extracted from the books of Ravichandran on 31st December, 2016. Prepare the Trial Balance.

Particulars	₹	Particulars	₹
Capital	1,50,000	Sales	75,000
Debtors	22,800	Return inwards	1,000
Rent received	500	Discount Allowed	800
Bank overdraft	3,100	Discount Received	1,000
Creditors	5,500	Wages	2,900
Premises	1,46,000	Salaries	3,500
Opening Stock	10,000	Commission paid	1,100
Purchases	45,000	General expenses	2,000

(OR)

- (b) 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 instruction but not recorded in the cash book	300
(vi)	Cheques deposited but not yet credited	900

ANSWER**PART - I**

1. (d) Current Asset
2. (d) Going Concern
3. (d) Posting
4. (a) Large, Medium Business
5. (c) All accounts
6. (c) Indian Income Tax Act - 1961
7. (b) Amortisation
8. (c) Debited to Profit and Loss account
9. (a) A customer's account in the Bank's book
10. (a) Generally Accepted Accounting Principles
11. (d) (a), (b) and (c)
12. (b) Nominal account
13. (a) Liabilities = Assets + Capital
14. (a) The Suspense account
15. (d) Employee
16. (d) Business
17. (d) Financial Position
18. (d) Equal in the first year but higher in subsequent years
19. (a) Invoice
20. (c) Petty Cash book

PART - II

21. American Accounting Association has defined accounting as "the process of identifying, measuring and communicating economic information to permit informed judgments and decisions by users of the information."

22. 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

23. A trial balance can be prepared in the following methods.
- (i) Balance Method
 - (ii) Total Method
 - (iii) Total and Balance Method

24. Wasting assets are the assets which get exhausted gradually in the process of excavation.

Examples : mines and quarries.

25. A mnemonic code consists of alphabets or abbreviations as symbols to codify a piece of information. For example:

CODE	Information
SJ	Sales Journals
HQ	Head Quarters

26. **Debit or credit column of the Trial Balance**

S.No	Name of the Accounts	Debit ₹	Credit ₹
(i)	Sundry Creditors	-	xxx
(ii)	Furniture	xxx	-
(iii)	Discount Allowed	xxx	-
(iv)	Bank Overdraft	-	xxx

27. (i) Purchases returns account should be credited with ₹ 500.
(ii) Purchases returns account should be debited with ₹ 600.
(iii) Sales returns account should be debited with ₹ 700
(iv) Sales returns account should be credited with ₹ 800

28. Cost of goods sold = Opening stock + Purchases + Direct expenses - Closing Stock
= 10,000 + 80,000 + 7,000 - 15,000
= ₹ 82,000

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

29.

Date of Bill	Period of Bill	Days of grace	Due date
12 th July	1 Month	3	14 th August, since 15 th August (being Independence day) is a public holiday.
1 st October	30 days	3	3 rd November

30. Formula is used to compute annuity factor:

$$\text{Annuity factor} = \frac{i(1+i)^n}{(1+i)^n - 1}$$

where, i = interest rate

n = estimated life of the asset in number of years

PART - III

31.

S. No.	Basis of distinction	Book-keeping	Accounting
1.	Scope	It is concerned with recording and classifying the business transactions.	It is concerned with recording, classifying, summarising, analysing and interpreting the financial data.
2.	Stage	Book-keeping is the primary stage in accounting. It is the base for accounting.	Apart from the primary stage, it includes secondary stage of analysis and interpretation.
3.	Nature of job	It is routine and clerical in nature.	It is analytical in nature.

32.

SI. No	Items		Name of the Account
(a)	Bank	-	Personal Account
(b)	Purchases	-	Nominal Account
(c)	Kavitha	-	Personal Account

SI. No	Items		Name of the Account
(d)	Sales	-	Nominal Account
(e)	Commission Received	-	Nominal Account
(f)	Outstanding wages	-	Personal Account

33. Procedure for balancing a ledger account :

- The debit and credit columns of an account are to be totalled separately.
- The difference between the two totals is to be ascertained.
- The difference is to be placed in the amount column of the side having lesser total. 'Balance c/d' is to be entered in the particulars column against the difference and in the date column the last day of the accounting period is entered.

34.

In the books of Ram Journal Entries

Date	Particulars	L.F.	Debit ₹	Credit ₹
2018	Salaries A/c	Dr.	15,000	
May 20	Electricity charges A/c	Dr.	8,000	
	Wages A/c	Dr.	2,000	
	To Cash A/c (Expenses paid)			25,000

Ledger Accounts

Dr.

Salaries Account

Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2018 May 20	To Cash A/c		15,000				

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Dr. **Electricity Charges Account** Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2018 May 20	To Cash A/c		8,000				40,000

Dr. **Wages Account** Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2018 May 20	To Cash A/c		2,000				40,000

Dr. **Cash Account** Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
				2018 May 20	By Salaries A/c		15,000
					By Electricity charges A/c		8,000
					By Wages A/c		2,000

35. **Trial Balance**

S. No.	Name of account	L.F.	Debit balance ₹	Credit balance ₹
1.	Bank Loan			1,00,000
2.	Bills payable			50,000
3.	Stock		35,000	
4.	Capital			1,25,000
5.	Purchases		90,000	
6.	Sales			1,50,000
7.	Debtors		2,00,000	
8.	Bank		1,00,000	
	Total		4,25,000	4,25,000

36. Following are the objectives of providing depreciation :

(i) **To find out the true profit or loss :**

- When an asset is used for generating income for a business, the reduction in the value of the asset proportionate to the benefit derived from it, should be charged against the revenue.
- This is to be done to find out the true profit or loss of the business for every accounting period.

(ii) **To present the true and fair view of financial position :**

- When the depreciation is charged on fixed assets, the book value of fixed assets are reduced to that extent and the remaining value is shown in the balance sheet.
- The balance represents the value of benefit that is yet to be derived from them.

(iii) To facilitate replacement of fixed assets:

- (a) Depreciation is a non-cash item. That is why, when the depreciation is debited to profit and loss account, an equal amount is retained in the business.
- (b) When the life of an asset comes to an end, a new asset can be purchased by using the resources available in the business.

(iv) To comply with legal requirements :

Depreciation is provided on fixed assets to comply with the provisions of law.

37. Dr. In the Books of Kunal Cash Book (Single column) Cr.

Date	Receipts	L.F.	₹	Date	Payments	L.F.	₹
2017 Jan. 1	To Balance b/d		11,200	2017 Jan. 7	By Rent A/c		30
				10	By Mohan A/c		700
5	To Ramesh A/c		300	27	By Furniture a/c		200
8	To Sales A/c		300	31	By Salaries a/c		100
				31	By Balance c/d		10,770
			11,800				11,800
Feb 1	To Balance b/d		10,770				

38. Bank Reconciliation Statement as on 31st March 2018

Particulars	Amount ₹	Amount ₹
Debit balance as per bank statement		2,500
Less : Cheques deposited but not credited	10,000	
Overcasting payment	2,000	12,000
Balance as per cash book		9,500

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

Date	Particulars	Outward Invoice No.	L.F.	Amount	
				Details (₹)	Total (₹)
2017 Jan 1	Anbu & Co., 20 reams of white paper @ ₹ 150				3,000
Jan 2	Jagadish & Sons 6 dozen pens @ ₹ 360				2,160
Jan 15	M/s. Elango & Co., 10 drawing boards @ ₹ 170				1,700
	Sales A/c	Cr.			6,860

[Note : (i) The transaction of cash sales on January 10 should not be recorded in sales book.

(ii) Sold of writing tables on January 20 should not be recorded in this book, because table is an asset for the firm dealing in furniture.]

40. Bad debts :

- (i) Debts which cannot be recovered or become irrecoverable are called bad debts.
- (ii) It is a loss for the business and should be adjusted against profit.

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Adjusting Entry :

Date	Particulars	L.F.	Debit ₹	Credit ₹
	Bad debts A/c Dr. To Sundry debtors A/c (Bad debts written off)		XXXX	XXXX

PART - IV

41. (a)

In the books of Sasikumar - Journal Entries

Date	Particulars	L.F.	Debit ₹	Credit ₹
2017 Oct. 1	Stock A/c Dr. To Sasi Kumar's capital A/c (Business started with goods)		40,000	40,000
3	Cash A/c Dr. To Sasi Kumar's Capital A/c (Capital introduced)		60,000	60,000
4	Purchase A/c Dr. To Arul's A/c (Credit Purchases)		70,000	70,000
6	Arul's A/c Dr. To Purchase return A/c (Goods returned to Arul)		10,000	10,000
10	Arul's A/c Dr. To Cash A/c (Cash Paid)		60,000	60,000
15	Chandar's A/c Dr. To Sales A/c (Credit Sales)		30,000	30,000
18	Sales Return A/c Dr. To Chandar's A/c (Goods returned from Chandar)		6,000	6,000
20	Cash A/c Dr. Discount allowed A/c Dr. To Chandar's A/c (Received cash from Chandar)		23,000 1,000	24,000
25	Salaries A/c Dr. To Bank A/c (Paid salaries through ECS)		2,000	2,000
30	Drawings A/c Dr. To Purchases A/c (Being goods taken away by proprietor for personal use)		10,000	10,000

(OR)

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(b) Accounting equation

S. No.	Transactions	Cash ₹	Stock ₹	Total Assets ₹	=	Total Liabilities ₹	Capital ₹
a)	Started business with cash	+80,000					+80,000
	Balance	+80,000					+80,000
	Equation			+80,000	=	+80,000	
b)	Cash purchases	-30,000	+30,000				
	Balance	+50,000	+30,000				+80,000
	Equation			+80,000	=	+80,000	
c)	Paid salaries by cash	-5,000					-5,000
	Balance	+45,000	+30,000				+75,000
	Equation			+75,000	=	+75,000	
d)	Deposited money in CDM	-5,000	+5,000				
	Balance	+40,000	+35,000				+75,000
	Equation			+75,000	=	+75,000	
e)	Introduced additional capital	+10,000					+10,000
	Balance	+50,000	+35,000				+85,000
	Equation			+85,000	=	+85,000	

42. (a) In the books of Nagarajan

Dr. Trading and Profit and Loss Account for the year ended 31st March 2016

Cr.

Particulars	₹	₹	Particulars	₹	₹
To Opening stock		1,000	By Sales		15,100
To Purchases		10,000	By Closing stock		2,100
To Wages	600				
Add : Outstanding	200	800			
To Freight inwards		750			
To Gross profit c/d		4,650			
		17,200			17,200
To Advertisement	500		By Gross profit b/d		4,650
Less : Prepaid advertisement	150	350	By Commission received	1,900	
To Carriage outwards		400	Less : Received in advance	400	1,500
To Net profit (transferred to capital a/c)		6,000	By Rent Received		600
		6,750			6,750

Balance Sheet as on 31st March 2016

Liabilities	₹	₹	Assets	₹	₹
Capital	5,000		Machinery		8,000
Add : Net Profit	6,000	11,000	Stock in trade		2,100
Creditors		2,400	Debtors		300
Commission received in advance		400	Bills receivable		2,250
Outstanding wages		200	Advertisement prepaid		150
		14,000	Cash		1,200
					14,000

(OR)

(b)

S. No.	Transactions	Classification
i)	Audit fees paid ₹10,000.	Revenue expenditure
ii)	Labour welfare expenses ₹ 5,000.	Revenue expenditure
iii)	₹ 2,000 paid for servicing the company vehicle.	Revenue expenditure
iv)	Repair to Machinery purchased second hand ₹ 3,000.	Capital expenditure
v)	Rent paid for the factory	Revenue expenditure

43. (a)

Dr.

Machinery Account

Cr.

Date	Particulars	Amount ₹	Date	Particulars	Amount ₹
2014 Apr. 1	To Nila & Co A/c	2,00,000	2015 Mar. 31	By Depreciation A/c (2,10,000 × 10/100)	21,000
Apr. 1	To Bank A/c	10,000	Mar. 31	By Balance c/d	1,89,000
		2,10,000			2,10,000
2015 Apr. 1	To Balance b/d	1,89,000	2016 Mar. 31	By Depreciation A/c (1,89,000 × 10/100)	18,900
			Mar. 31	By Balance c/d	1,70,100
		1,89,000			1,89,000
2016 Apr. 1	To Balance b/d	1,70,100	2017 Mar. 31	By Depreciation A/c (1,70,100 × 10/100)	17,010
			Mar. 31	By Balance c/d	1,53,090
		1,70,100			1,70,100
2017 Apr. 1	To Balance b/d	1,53,090			

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Dr. **Depreciation Account** Cr.

Date	Particulars	Amount ₹	Date	Particulars	Amount ₹
2015 Mar. 31	To Machinery A/c	21,000	2015 Mar. 31	By Profit & Loss A/c	21,000
		21,000			21,000
2016 Mar. 31	To Machinery A/c	18,900	2016 Mar. 31	By Profit & Loss A/c	18,900
		18,900			18,900
2017 Mar. 31	To Machinery A/c	17,010	2017 Mar. 31	By Profit & Loss A/c	17,010
		17,010			17,010

(OR)

(b) Limitations of computerised accounting system :

- Heavy cost of installation :** Computer hardware needs replacement and software needs to be updated from time to time with the availability of newer versions.
- Cost of training :** To ensure effective and efficient use of computerised system of accounting, newer versions of hardware and software are to be introduced.
- 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.
- 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.
- 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.

44. (a) In the books of Raja - Ledger AccountDr. **Cash Account** Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 June 1	To Raja Capital A/c		50,000	2017 June 15	By Purchases A/c		4,000
6	To Sales A/c		8,000	30	By Balance c/d		54,000
			58,000				58,000
2017 July 1	To Balance b/d		54,000				

Dr. **Raja Capital Account** Cr.

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

Dr. **Sales Account** Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 June 30	To Balance c/d		17,000	2017 June 6	By Cash A/c		8,000
			17,000	8	By Devi A/c		9,000
							17,000
				2017 July 1	By Balance b/d		17,000

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

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

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

(OR)

(b) Rectifying entries

Date	Particulars	L.F.	Debit ₹	Credit ₹
(i)	Arun A/c Dr. To Suspense A/c (Wrong amount posted to Arun account rectified)		27	27
(ii)	Suspense A/c Dr. To Lakshmi A/c (Short credit to Lakshmi account rectified)		45	45
(iii)	Suspense A/c Dr. To Furniture A/c (Excess debit to furniture account rectified)		36	36
(iv)	Machinery A/c Dr. To Suspense A/c (Omission to debit machinery account rectified)		200	200
(v)	Suspense A/c Dr. To Purchases A/c (Excess amount carried forward to purchases account rectified)		9	9

45. (a)

In the Books of Nalanda Book Stores

I. Purchases Book

Date	Particulars	Inward Invoice No.	L.F.	Amount	
				Details (₹)	Total (₹)
2017 Dec 1	M/s. Umadevi				
	100 copies of Business Statistics Books @ ₹ 80 each			8,000	
	100 copies of Accountancy Books @ 150 each			15,000	23,000
Dec 10	Subha & Co.,				
	40 copies of Economics books @ 80 each			3,200	
	Less : Trade Discount @ 15%			480	2,720
	Purchases A/c	Dr.			25,720

II. Purchase Returns Book

Date	Particulars	Debit Note No.	L.F.	Amount		Remarks
				Details (₹)	Total (₹)	
2017 Dec 15	M/s. Umadevi					
	10 copies of Accountancy book @ ₹150 each				1,500	Damaged
Dec 26	Subha & Co.,					
	6 Copies of Economics books @ ₹ 80 each			480		
	Less : 15% Trade Discount			72	408	
	Purchases return A/c	Cr.			1,908	

III. Sales Book

Date	Particulars	Outward Invoice No.	L.F.	Amount	
				Details (₹)	Total (₹)
2017 Dec 7	Sridevi & Co.				
	240 copies of Business Statistics books @ ₹ 90 each			21,600	
	250 copies of Accountancy books @ ₹ 170 each			42,500	64,100
Dec 18	Gupta Bros.,				
	200 copies of Economics books @ ₹ 95 each				19,000
	Sales A/c	Cr.			83,100

(OR)

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(b) In the Books of Durairaj - Three-column cash book

Dr.

Cr.

Date	Receipts	R.N.	L.F.	Amount			Date	Payments	V.N.	L.F.	Amount		
				Discount allowed	Cash	Bank					Discount received	Cash (₹)	Bank
				(₹)	(₹)	(₹)					(₹)	(₹)	(₹)
2017							2017						
Mar							Mar						
1	To Balance b/d				12,000	15,000	2	By Bank A/c	C		11,000		
2	To Cash A/c		C			11,000	12	By Bank A/c	C		6,900		
3	To Sales A/c				9,250	9,250	14	By Purchase A/c					8,500
8	To Jayaraj A/c			100	6,900		20	By Drawings A/c			3,000		5,000
12	To Cash A/c		C			6,900	25	By Vinod A/c		150			1,850
19	To Kannappan A/c			25	1,975		31	By Balance c/d			9,225	26,800	
				125	30,125	42,150				150	30,125	42,150	
April 1	To Balance b/d				9,225	26,800							

46. (a)

Analytical Petty cash book

Dr.

Analysis of Payments

Cr.

Receipts	C. B. F. N.	Date	Particulars	V. N.	Total Payment	Printing & Stationery	Conveyance	Wages	Postage and telegrams	Carriage	Sundries	L. F.
					(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	
2,000		2017										
		July										
		1	To Cash A/c									
		7	By Writing pads and registers		100	100						
		8	By White papers		50	50						
		10	By Auto charges		200		200					
		15	By Wages		300			300				
		18	By Postal charges		100				100			
		21	By Stationery		450	450						
		23	By Tea expenses		60						60	
		25	By Speed Post		150				150			
		27	By Refreshment Expenses		250						250	
		31	By Carriage		150					150		
					1,810	600	200	300	250	150	310	
		31	By Balance c/d		190							
2,000					2,000							
190		Aug										
1810		1	To Balance b/d									
			To Cash A/c									

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(OR)

(b) Adjusting entry

Date	Particulars	L.F.	Debit ₹	Credit ₹
2017 Dec. 31	Salaries A/c To Outstanding Salaries A/c (Salaries outstanding provided)	Dr.	1,200	1,200
Dec. 31	Rent A/c To Outstanding rent A/c (Provided for rent outstanding)	Dr.	300	300
Dec. 31	Prepaid Insurance premium A/c To Insurance premium A/c (Insurance prepaid)	Dr.	450	450
Dec. 31	Accrued Interest on investment A/c To Interest on investment A/c (Provided for interest accrued)	Dr.	400	400
Dec. 31	Bad debts A/c To Sundry debtors A/c (Bad debts written off)	Dr.	200	200

47. (a) In the books of Ravichandran trial balance
as on 31.12.2016

S. No.	Name of account	L.F.	Debit balance ₹	Credit balance ₹
1.	Capital			1,50,000
2.	Debtors		22,800	
3.	Rent received			500
4.	Bank overdraft			3,100
5.	Creditors			5,500
6.	Premises		1,46,000	
7.	Opening Stock		10,000	
8.	Purchases		45,000	
9.	Sales			75,000
10.	Return inwards		1,000	
11.	Discount allowed		800	
12.	Discount received			1,000
13.	Wages		2,900	
14.	Salaries		3,500	
15.	Commission paid		1,100	
16.	General expenses		2,000	
	Total		2,35,100	2,35,100

(OR)

(b) Bank Reconciliation Statement
as on 31st March 2018

Particulars	Amount ₹	Amount ₹
Bank balance as per bank statement		15,000
Add : 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
Less : Cheques issued but not yet presented		2,500
Balance as per Cash book		14,450

