



SHRI KRISHNA ACADEMY

ACCOUNTANCY-MINIMUM MATERIAL 2019-2020

சிறப்பம்சங்கள்

- அரசுப் பொதுத்தேர்வு விடைக்குப்புகள் அடிப்படையில் கற்றல் கையேடு(Minimum Material) உருவாக்கப்பட்டுள்ளது.
- மெல்லக் கற்கும் மாணவர்கள் விரைவாகக் கற்று அதிக மதிப்பெண் பெறும் வகையில் இவ்விடைக்களஞ்சியம் அமைக்கப்பட்டுள்ளது.
- அரசுப் பொதுத்தேர்வு தேர்வில் கட்டாயமாகக் கேட்கப்படும் வினாக்களுக்கு(அகவய வினாக்கள்) விடைகள் கொடுக்கப்பட்டுள்ளது.
- கற்பதற்கு எளிய நடையில் வடிவமைக்கப்பட்டுள்ளது.
- புறவய வினாக்கள் மற்றும் அகவய வினாக்கள் விடைக்குறிப்புகளுடன் அமைந்துள்ளது.

CONTACT:9965531727,9443231727

UNIT -1 ACCOUNTS FROM INCOMPLETE RECORDS – SINGLE ENTRY
BOOK BACK - ONE MARK

ONE MARK:

Multiple choice questions :

1. Incomplete records are generally maintained by
 - (a) A company
 - (b) Government
 - (c) Small sized sole trader business
 - (d) Multinational enterprises
2. Statement of affairs is a
 - (a) Statement of income and expenditure
 - (b) Statement of assets and liabilities
 - (c) Summary of cash transactions
 - (d) Summary of credit transactions
3. Opening statement of affairs is usually prepared to find out the
 - (a) Capital in the beginning of the year
 - (b) Capital at the end of the year
 - (c) Profit made during the year
 - (d) Loss occurred during the year
4. The excess of assets over liabilities is
 - (a) Loss
 - (b) Cash
 - (c) Capital
 - (d) Profit
5. Which of the following items relating to bills payable is transferred to total creditors account?
 - (a) Opening balance of bills payable
 - (b) Closing balance of bills payable
 - (c) Bills payable accepted during the year
 - (d) Cash paid for bills payable
6. The amount of credit sales can be computed from
 - (a) Total debtors account
 - (b) Total creditors account
 - (c) Bills receivable account
 - (d) Bills payable account
7. Which one of the following statements is not true in relation to incomplete records?
 - (a) It is an unscientific method of recording transactions
 - (b) Records are maintained only for cash and personal accounts
 - (c) It is suitable for all types of organizations
 - (d) Tax authorities do not accept
8. What is the amount of capital of the proprietor, if his assets are Rs. 85,000 and liabilities are Rs. 21,000?
 - (a) Rs. 85,000
 - (b) Rs.1,06,000
 - (c) Rs. 21,000
 - (d) Rs. 64,000
9. When capital in the beginning is Rs.10,000, drawings during the year is Rs.6,000, profit made during the year is Rs. 2,000 and the additional capital introduced is Rs.3,000, find out the amount of capital at the end.
 - (a) Rs. 9,000
 - (b) Rs. 11,000
 - (c) Rs. 21,000
 - (d) Rs. 3,000
10. Opening balance of debtors: Rs. 30,000, cash received: Rs.1,00,000, credit sales: Rs. 90,000; closing balance of debtors is
 - (a) Rs. 30,000
 - (b) Rs. 1,30,000
 - (c) Rs. 40,000
 - (d) Rs. 20,000

Answers 1. (c) 2. (b) 3. (a) 4. (c) 5. (c) 6. (a) 7.(c) 8. (d) 9. (a) 10.(d)

II. Very short answer questions**1. What is meant by incomplete records?**

When accounting records are not strictly maintained according to double entry system, these records are called incomplete accounting records.

2. State the accounts generally maintained by small sized sole trader when double entry accounting system is not followed.

Incomplete accounting records.

III Short answer questions**1. What are the features of incomplete records?****Features of incomplete records:**

Following are the features of incomplete records:

(i) Nature:

It is an unscientific and unsystematic way of recording transactions. Accounting principles and accounting standards are not followed properly.

(ii) Type of accounts maintained:

In general, only cash and personal accounts are maintained fully. Real accounts and nominal accounts are not maintained properly. Some transactions are completely omitted.

(iii) Lack of uniformity:

There is no uniformity in recording the transactions among different organisations. Different organisations record their transactions according to their needs and conveniences.

2. What are the limitations of incomplete records?**Limitations of incomplete records**

Following are the limitations of incomplete records:

(i) Lack of proper maintenance of records:

It is an unscientific and unsystematic way of maintaining records. Real and nominal accounts are not maintained properly.

(ii) Difficulty in preparing trial balance:

As accounts are not maintained for all items, the accounting records are incomplete. Hence, it is difficult to prepare trial balance to check the arithmetical accuracy of the accounts.

(iii) Errors and frauds cannot be detected easily:

As only partial records are available, it may not be possible to have internal checks in maintaining accounts to detect errors and frauds.

3. State the differences between double entry system and incomplete records.

S.No	Basis of distinction	Double entry system	Incomplete records
1	Recording of transactions	Both debit and credit aspects of all the transactions are recorded.	Debit and credit aspects of all the transactions are not recorded completely.
2	Type of accounts maintained	Personal, real and nominal accounts are maintained fully.	In general, only personal and cash accounts are maintained fully. Real and nominal accounts are not maintained fully.

3	Preparation of trial balance	Trial balance can be prepared to check the arithmetical accuracy of the entries made in the books of accounts.	It is difficult to prepare the trial balance to check arithmetic accuracy of accounts.
4	Determination of financial position	Balance sheet can be prepared to know the true financial position.	Balance sheet cannot be prepared financial position cannot be ascertained.
5	Suitability	It is suitable for all types of organisations.	It may be suitable for small sized sole traders and partnership firms.
6	Reliability	It is reliable since it is a scientific system of accounting.	It is not reliable since it is unscientific.

4. Differentiate between statement of affairs and balance sheet. (any three)

Basis of distinction	Statement of affairs	Balance sheet
1. Objective	Statement of affairs is generally prepared to find out the capital of the business.	Balance sheet is prepared to ascertain the financial position of the business.
2. Accounting system	Statement of affairs is prepared when double entry system is not strictly followed.	Balance sheet is prepared when accounts are maintained under double entry system.
3. Basis of preparation	It is not fully based on ledger balances.	It is prepared exclusively on the basis of ledger balances.
4. Reliability	It is not reliable as it is based on incomplete records.	It is reliable as it is prepared under double entry system.
5. Missing items	It is difficult to trace the items omitted as complete records are not maintained	Since both the aspects of all transactions are duly recorded,

Total debtors account

Particulars	Rs.	Particulars	Rs.
To Balance b/d (Op.Bal.)	xxxx	By Cash received	xxxx
To Credit sales (Bal.Fi.)	xxxx	By Discount allowed	xxxx
		By Sales returns	xxxx
		By balance c/d (Clos.Bal)	
	xxxx		xxxx

ACCOUNTS FROM INCOMPLETE RECORDS – SINGLE ENTRY
BOOK BACK SUM EXERCISE

2. Solution Statement of profit or loss for the year ended-----

Particulars	Amount
Closing capital	1,80,000
Add: Drawings	50,000
	2,30,000
Less: Additional capital	40,000
Adjusted closing capital	1,90,000
Less: Opening capital	2,20,000
	30,000
Loss made during the year	-----
Ans : Loss Rs.30,000	

3. Statement of profit or loss for the year ended-----

Particulars	Amount
Closing capital	80,000
Add: Drawings	15,000
	95,000
Less: Additional capital	30,000
Adjusted closing capital	65,000
Less: Opening capital	90,000
	25,000
Loss made during the year	-----
Ans : Loss Rs.25,000	

5. Solution Statement of profit or loss for the year ended-----

Particulars	Amount
Closing capital	50,000
Add: Drawings	5,000
	55,000
Less: Additional capital	7,000
Adjusted closing capital	48,000
Less: Opening capital	40,000
Profit made during the year	8,000

Ans : Drawing Rs.5,000	

7. Solution www.Padasalai.Net In the Books of M/s. Subha www.Trb TnpSC.com

Statement of Affairs as on 31.03.2019

Liabilities	Amount	Assets	Amount
Creditors	90,000	Stock in	1,60,000
Bills Payable	2,40,000	trade	60,000
Bank Over Draft	50,000	Cash in	1,80,000
Closing Capital	4,20,000	hand	70,000
(B/f)		Debtors	30,000
		Bills	3,00,000
		receivable	
	8,00,000	Computer	8,00,000
		Machinery	

Statement of profit or loss for the year ended-----

Particulars	Amount
Closing capital	4,20,000
Add: Drawings	30,000
	4,50,000
Less: Additional capital	40,000
Adjusted closing capital	4,10,000
Less: Opening capital	1,20,000
	2,90,000
Profit made during the year	-----
Ans : Profit Rs.2,90,000	

8. Calculation of Opening Capital :

In the Books of Mr. Raju

Statement of Affairs as on 01.01.2018

Liabilities	Amount	Assets	Amount
Creditors	1,30,000	Cash at Bank	80,000
Bank Loan	60,000	Stock of	1,80,000
Bills payable	80,000	goods	90,000
Opening Capital	2,50,000	Debtors	
(B/f)		Plants &	1,70,000
		Machinery	
	5,20,000		5,20,000

Calculation of Closing Capital :**In the Books of Mr. Raju
Statement of Affairs as on 31.12.2018**

Liabilities	Amount	Assets	Amount
Creditors	1,95,000	Cash at Bank	90,000
Bank Loan	60,000	Stock of goods	1,40,000
Bills payable	45,000	Debtors	2,00,000
Closing Capital (B/f)	3,00,000	Plants & Machinery	1,70,000
	6,00,000		6,00,000

Statement of profit or loss for the year ended-----

Particulars	Amount
Closing capital	3,00,000
Add: Drawings	30,000
(Rs.2,500x12)	3,30,000
	50,000
Less: Additional capital	2,80,000
Adjusted closing capital	2,50,000
Less: Opening capital	30,000

Profit made during the year	
Ans : Profit Rs.30,000	

10.Calculation of Credit Sales :

Dr		Total Debtors Accounts		Cr	
Particulars	Amount	Particulars	Amount		
To Balance B/d	1,00,000	By Cash received	2,30,000		
To Credit Sales (B/f)	2,80,000	By Discount Allowed	5,000 25,000		
		By Return inwards	1,20,000		
	3,80,000	By Balance c/d	3,80,000		

12.Solution : Dr Bills Receivable Accounts Cr

Particulars	Amount	Particulars	Amount
To Balance B/d	1,40,000	By Cash A/c	3,90,000
To Debtors A/c (B/f) (Bills received during the year)	4,80,000	By Debtors A/c (Dishonoured)	30,000
		By Balance C/d	2,00,000
	6,20,000		6,20,000

13.Solution: Dr Bills Receivable Accounts Cr

Particulars	Amount	Particulars	Amount
To Balance B/d	60,000	By Cash A/c	1,60,000
To Debtors A/c (B/f) (Bills received during the year)	2,05,000	By Debtors A/c (Bills receivable Dishonoured)	15,000
		By Balance c/d	90,000
	2,65,000		2,65,000

Dr Total Debtors Accounts Cr

Particulars	Amount	Particulars	Amount
To Balance B/d	2,50,000	By Cash A/c	7,25,000
To Bills receivable A/c (dishonour)	15,000	By Sales return A/c	50,000
To Credit Sales (B/f)	9,85,000	By Bills receivable	2,05,000
		By Bad debts A/c	30,000
	12,50,000	By Balance c/d	2,40,000
			12,50,000

14.Solution: Dr Total Creditors Accounts Cr

Particulars	Amount	Particulars	Amount
To Purchase return	20,000	By Opening Creditors	1,70,000
To Cash paid to creditors	4,50,000	By Credit Purchase	4,90,000
To Closing Creditors	1,90,000		
	6,60,000		6,60,000

16.Solution

I. Bills Receivable Accounts

Dr.

Cr.

Particulars	Amount	Particulars	Amount
To Balance B/d	30,000	By Cash A/c	60,000
To Debtors A/c (B/f) (Bills received)	42,000	By Debtors A/c (Bills receivable Dishonoured)	4,000
		By Balance c/d	8,000
	72,000		72,000

Dr

II.Total Debtors Accounts

Cr

Particulars	Amount	Particulars	Amount
To Balance B/d	2,40,000	By Cash A/c	6,00,000
To Bills receivable A/c (dishonour)	4,000	By Discount allowed A/c	25,000
To Credit Sales (B/f)	6,59,000	By Bad debts A/c	42,000
		By Bills receivable a/c (Bills received)	2,20,000
	9,03,000	By Balance c/d	9,03,000

Dr

II. Bills Payable Accounts

Cr

Particulars	Amount	Particulars	Amount
To Cash A/c (bills paid)	30,000	By Balance B/d	10,000
To Balance c/d	20,000	By Sundry Creditors (b/f) (Bills accepted)	40,000
	50,000		50,000

Dr

IV.Total Creditors Accounts

Cr

Particulars	Amount	Particulars	Amount
To cash a/c (Paid)	3,20,000	By Balance B/d	1,20,000
To Discount received a/c	10,000	By Purchase A/c (Credit b/f)	4,00,000
To Bills payable A/c (Bills Accepted)	1,50,000		
To Balance c/d	5,20,000		5,20,000

17. Solution Dr I. Total Debtors Accounts Cr

Particulars	Amount	Particulars	Amount
To Balance B/d	5,30,000	By Cash received	12,50,000
To Credit Sales (B/f)	13,85,000	By Discount Allowed	6,40,000
		By Sales return	
	19,15,000	By Balance c/d	19,15,000

II. Total Creditors Accounts

Dr

Cr

Particulars	Amount	Particulars	Amount
To cash a/c (Paid)	11,00,000	By Balance B/d	3,70,000
To Discount received a/c	35,000	By Credit purchase B/f	11,85,000
To purchase return	4,20,000		
To Balance c/d			
	55,55,000		55,55,000

Dr Trading Profit & Loss Accounts of Mr. Rakesh for the year ended 31.03.2019 Cr

Particulars	Amount	Particulars	Amount	Amount
To Opening Stock	2,20,000	By Sales :		
To Purchase	11,85,000	Cash sales	20,000	
To Gross Profit c/d	1,60,000	Add: Credit sales	13,85,000	14,05,000
			-----	1,60,000
		By Closing Stock		15,65,000
	15,65,000			
To Discount Allowed	25,000	By Gross Profit B/d		1,60,000
To Rent paid	1,20,000	By Discount received		35,000
	50,000			
To Net Profit C/d (Transferred to capital Accounts)	1,95,000			1,95,000

Balance Sheet of Mr. Rakesh for the year ended 31.03.2019

Liabilities	Amount	Amount	Assets	Amount
Capital	5,20,000		Stock	1,60,000
Add : Net Profit	50,000		Debtors	6,40,000
	5,70,000		Cash @ Bank	10,000 80,000
Less : Drawings	1,00,000	4,70,000	Machinery	
Creditors		4,20,000		
		8,90,000		8,90,000

19. Calculation of Opening capital

Statement of Affairs Mr.Arun as on 31.12.2017

Liabilities	Amount	Assets	Amount
Creditors	50,000	Land & Building	2,40,000
Opening capital (B/f)	3,80,000	Stock-in-Trade	1,20,000
	4,30,000	Debtors	40,000
		Cash @ Bank	30,000
			4,30,000

Dr Total Creditors Accounts

Cr

Particulars	Amount	Particulars	Amount
To cash a/c (Paid)	6,00,000	By Balance B/d	50,000
To purchase return	30,000	By Credit purchase	6,25,000
To Balance c/d	45,000	B/f	
	6,75,000		6,75,000

Dr Trading Profit & Loss Accounts of Ms. Mary for the year ended 31.03.2019 Cr

Particulars	Amount	Amount	Particulars	Amount	Amount
To Opening Stock		1,20,000	By Sales	7,70,000	
To Purchase	6,25,000		Less: sales return	25,000	
(-) purchase return	30,000				7,45,000
		5,95,000	By Closing stock		1,70,000
To Wages		65,000			
To Gross Profit c/d		1,35,000			
					9,15,000
		9,15,000			

To Carriage	7,500	By Gross Profit	1,35,000
Outwards	28,000	B/d	
To Sundry Expenses	12,000		
To Depreciation on Land & Building	1,500		
To Bad & doubtful debts			
To Net Profit c/d	86,000		
	1,35,000		1,35,000

Balance Sheet of Mr. Arun for the year ended

Liabilities	Amount	Amount	Assets	Amount	Amount
Capital	3,80,000		Land & Building	2,40,000	
(+) Net Profit	86,000		(-) Depreciation	12,000	2,28,000
	4,66,000		Stock-in-Trade		1,70,000
(-) Drawing	10,000	4,56,000	Debtors	51,500	
		45,000	(-) Bad & doubtful	1,500	50,000
Creditors			Cash at Bank		53,000
		5,01,000			5,01,000

INTERIOR ONE MARK

(ii) Match list I with List II and Select the Correct Answer using the codes given below:

- | | |
|------------------------------------|-------------------------------|
| 1. List I | List II |
| (i) Incomplete records | - 1. Net worth method |
| (ii) Single entry system | - 2. double entry |
| (iii) Statements of affairs method | - 3. Small traders |
| (iv) Nominal Accounts | - 4. Incomplete double system |

codes:

- | | | | | |
|------------|----------|----------|----------|----------|
| | (i) | (ii) | (iii) | (iv) |
| (a) | 1 | 2 | 3 | 4 |
| (b) | 4 | 3 | 1 | 2 |
| (c) | 2 | 3 | 1 | 4 |
| (d) | 3 | 4 | 1 | 2 |

1. If it is desired to calculate profit by preparing trading and profit and loss accounts under single entry then it is called ----- method.
 a) Net worth b) statement of affairs **c) conversion** d) None of these

(iv) Pick the Odd One Out

1. (a) Incomplete (b) Unsystematic **(c) Balance sheet** (d) Unscientific

Reason: Balance sheet is a statement which gives the position of assets and liabilities on a particular date. Other three limitations of incomplete records.

(v) Which one of the following is correctly matched?

1. (a) Adjusted closing capital = Closing capital – drawings – additional capital

(b) Profit /loss = Closing capital + Drawings – Additional capital – opening capital

Capital = Assets + liabilities

Closing capital = Opening capital + Drawings

(vi) Consider the following Statements:

(b) Both (A) and (R) are true and (R) is not the correct explanation of (A)

(c) (A) is true, but (R) is false.

(d) (A) is false, but (R) is true.

(c) (A) is true, but (R) is false

(d) (A) is false, but (R) is true

(vii) Choose the Correct statement :

1. (i) Double Entry System is an incomplete, inaccurate, unscientific and unsystematic system of book keeping.

(ii) the double Entry system is suitable only for traders and partnership firms.

(iii) Single Entry System is an incomplete, inaccurate, unscientific and unsystematic system of book keeping.

(a) (i) is correct

(b) (ii) is correct

(c) (iii) is correct

(d) (i) and (ii) are correct