

11TH ACCOUNTANCY QUARTERLY EXAM – ANSWER KEY SEPTEMBER - 2024

I. Choose the most appropriate answer

20 x 1 = 20

| | | | | | |
|----|---|--------------------------------|----|---|---------------------------|
| 1 | D | None of the above | 11 | C | An Asset |
| 2 | C | Business Entity Concept | 12 | B | Cash Transaction Only |
| 3 | C | Liabilities = Assets + Capital | 13 | B | Debits Customer's A/c |
| 4 | A | Furniture A/c | 14 | B | Business |
| 5 | B | Debit Balance | 15 | D | Bank Column Credit Side |
| 6 | A | Statement | 16 | C | All Credit Sales of goods |
| 7 | C | Suspense A/c | 17 | C | Government |
| 8 | D | Journal Proper | 18 | B | Tangible Assets A/c |
| 9 | C | Invoice | 19 | A | Dual Aspect |
| 10 | A | Contra Entry | 20 | A | Rs.1,000 |

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

7 x 2 = 14

21) Parties interested in accounting information

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

22) Definition of Book-Keeping: (Any 1)

“Book – keeping is an art of recording business dealings in a set of books”- **J.R.Batlibai**

“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”- **R.N. Carter**

23) Accounting Equation

| | | | | |
|--------------------|---|----------|---|---------------|
| Assets | = | Capital | + | Liabilities |
| a) 1,50,000 | = | 80,000 | + | 70,000 |
| b) 1,90,000 | = | 1,20,000 | + | 70,000 |

24) Golden Rules of Double Entry Accounting 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 |

25) Journal Entry

| Date | Particulars | L.F. | Debit Rs. | Credit Rs. |
|------|---|------------|---------------|---------------|
| | Purchase A/c To Cash A/c (Goods purchased for cash Rs.20,000) | Dr. | 20,000 | 20,000 |

26) Debit or Credit column of the Trial Balance

| Sl.No | Name of the Accounts | Debit Rs. | Credit Rs. |
|-------|----------------------|--------------|---------------|
| (i) | Carriage Outwards | xxxx | -- |
| (ii) | Salaries | xxxx | -- |
| (iii) | Creditors | -- | xxxx |
| (iv) | Discount Received | -- | xxxx |

27) The following are the four types of subsidiary books.

1. Cash book
2. Purchases book
3. Sales book
4. Bills receivable book

28) The format of Triple Column Cash Book :

Dr. Triple Column Cash Book Cr.

| Date | Receipts | R.N. | L.F. | Amount Rs. | | | Date | Payments | V.N | L.F. | Amount Rs. | | |
|------|----------|------|------|---------------|------|------|------|----------|-----|------|---------------|------|------|
| | | | | Discount | Cash | Bank | | | | | Discount | Cash | Bank |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |

29)

Dr. Cash Book (Single column) Cr.

| Date | Receipts | L.F. | Amount Rs. | Date | Payments | L.F. | Amount Rs. |
|----------------|-------------------|------------|---------------|----------------|-----------------|------|---------------|
| 2017 July 1 | To Balance B/d | | 32,000 | 2017 July 5 | By Purchase A/c | | 12,400 |
| 10 | To Sales A/c | | 7,200 | 30 | By Balance c/d | | 26,800 |
| | | | 39,200 | | | | 39,200 |
| Aug. 1 | To Balance | B/d | 26,800 | | | | |

- 30) (i) No
(ii) No

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

31) **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 |
| 4 | Furniture A/c To Cash A/c (Purchase Furniture for cash) | Dr. | 15,000 | 15,000 |
| 10 | Hari A/c To Sales A/c (Sold goods to Hari on credit) | Dr. | 20,000 | 20,000 |

32) **Dr. Format of analytical petty cash book Cr.**

| Receipts ₹ | C.B.F.N | Date | Particulars | V.N. | Total payments ₹ | Postage ₹ | Stationery ₹ | Carriage ₹ | Travelling expenses ₹ | Refreshments ₹ | Sundries ₹ | Personal accounts ₹ | L.F. |
|------------|---------|------|----------------|------|---------------------|-----------|--------------|------------|--------------------------|-------------------|------------|------------------------|------|
| | | | Total expenses | | xxx | xxx | xxx | xxx | xxx | xxx | xxx | xxx | |
| | | | Balance c/d | | xxx | | | | | | | | |
| xxx | | | Balance b/d | | xxx | | | | | | | | |
| xxx | | | Cash a/c | | | | | | | | | | |
| xxx | | | | | | | | | | | | | |

33)

Journal entries

| Date | Particulars | L.F. | Debit Rs. | Credit Rs. |
|----------------|---|------|--------------|---------------|
| 2020 June 1 | Cash A/c To Sales A/c (Cash Sales) | Dr. | 70,000 | 70,000 |
| 10 | Cash A/c To Capital A/c (Additional Capital introduced) | Dr. | 50,000 | 50,000 |
| 15 | Drawings A/c To Cash A/c (Withdraw for personal use) | Dr. | 10,000 | 10,000 |

| Dr. | | Cash Account | | | | Cr. | |
|----------------------|--------------------------------|--------------|------------------|-----------------------|-----------------------------------|-----|--------------------|
| Date | Particulars | J.F. | Amount Rs. | Date | Particulars | J.F | Amount Rs. |
| 2020 June 1 10 | To Sales A/c To Capital A/c | | 70,000 50,000 | 2020 June 15 30 | By Drawings A/c By Balance C/d | | 10,000 1,10,000 |
| | | | 1,20,000 | | | | 1,20,000 |
| July 1 | To Balance b/d | | 1,10,000 | | | | |

34) Errors not disclosed by a trial balance:

- ✘ Certain errors will not affect the agreement of trial balance.
- ✘ Though such errors occur in the books of accounts, the total of debit and credit balance will be the same.
- ✘ The trial balance will tally.
- ✘ Errors of complete omission, error of principle, compensating error, wrong entry in the subsidiary books are not disclosed by the trial balance.

35) Subsidiary Books:

| Transaction | Subsidiary Books |
|--|----------------------|
| i) Sale of goods for cash | Cash Book |
| ii) Sale of goods on credit | Sales Book |
| iii) Purchases of goods on credit | Purchase Book |
| iv) Asset purchased as credit. | Journal Proper Book |
| v) When the proprietor takes goods for personal use | Journal Proper Book |
| vi) Goods returned to suppliers for which cash is not received immediately | Purchase Return Book |

36)

Trial balance

| S. No. | Name of account | L.F. | Debit balance Rs. | Credit balance Rs. |
|--------|-----------------|------|----------------------|-----------------------|
| 1 | Bank Loan | | -- | 2,00,000 |
| 2 | Bills payable | | -- | 1,00,000 |
| 3 | Stock | | 70,000 | -- |
| 4 | Capital | | -- | 2,50,000 |
| 5 | Purchase | | 1,80,000 | -- |
| 6 | Sales | | -- | 3,00,000 |
| 7 | Debtors | | 6,00,000 | -- |
| | Total | | 8,50,000 | 8,50,000 |

37) Dr.

Cash Book (Single column)

Cr.

| Date | Receipts | L.F. | Amount Rs. | Date | Payments | L.F. | Amount Rs. |
|----------------|------------------|------|---------------|-----------------|-----------------|------|---------------|
| 2018 July 1 | To Balance b/d | | 32,000 | 2018 July 10 | By Purchase A/c | | 12,700 |
| 5 | To Keerthana A/c | | 5,000 | 20 | By Salary A/c | | 10,000 |
| 15 | To Sales A/c | | 2,600 | 31 | By Balance c/d | | 16,900 |
| | | | 39,600 | | | | 39,600 |
| Aug. 1 | To Balance | B/d | 16,900 | | | | |

38)

Bank reconciliation statement

| 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 |

39) **“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.

40)

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. Answer all the questions**7 x 5 = 35****41) (a) Advantages of subsidiary books:****a) Division of work**

- As journal is sub-divided, the work will be sub-divided and different persons can work on different books at the same time and the work can be speedily completed.

b) Efficiency

- ✓ The sub-division of work gives the advantage of specialisation.
- ✓ When the same work is done by a person repeatedly the person becomes efficient in handling it.
- ✓ Thus, specialisation leads to efficiency in accounting work.

c) Detailed information available

- ❖ As all transactions relating to a particular item are entered in a subsidiary book, it gives detailed information.
- ❖ It is easy to arrive at monthly or quarterly totals.

d) Saving in time

- As there are many subsidiary books, work of entering can be done simultaneously by many persons.
- Thus, it saves time and accounting work can be completed quickly.

e) Labour of posting is reduced

- Labour of posting is reduced as posting is made in periodical totals to the impersonal account, for example, Purchases account.

[OR]**41) b.****In the books of Ramesh
Journal entries**

| Date | Particulars | L.F. | Debit Rs. | Credit Rs. |
|-------------------|---|------|--------------|---------------|
| 2018 Oct. 1 | Cash A/c To Capital A/c (Commenced business with cash) | Dr. | 25,000 | 25,000 |
| 5 | Bank A/c To Cash A/c (Cash deposited into bank) | Dr. | 12,500 | 12,500 |
| 10 | Furniture A/c To Bank A/c (Purchased furniture and payment by cheque) | Dr. | 2,000 | 2,000 |
| 15 | Purchase A/c To Cash A/c (Purchased goods for cash) | Dr. | 5,000 | 5,000 |

42) A.

Subsidiary books**Purchase Book**

| Date | Particulars | I.N | L.F. | Amount | |
|-------------|---------------------|------------|------|-------------|---------------|
| | | | | Details Rs. | Total Rs. |
| 2017 Feb. 1 | Mukil Traders | | | | 12,480 |
| 14 | Mukil Traders | | | | 15,200 |
| | Purchase A/c | Dr. | | | 27,680 |

Sales Book

| Date | Particulars | I.N | L.F. | Amount | |
|-------------|------------------|------------|------|-------------|---------------|
| | | | | Details Rs. | Total Rs. |
| 2017 Feb. 4 | Sachin Traders | | | | 15,000 |
| 6 | Manish Traders | | | | 12,100 |
| 10 | Manish Traders | | | | 13,300 |
| | Sales A/c | Cr. | | | 40,400 |

Purchase Return Book

| Date | Particulars | Credit Note No. | L.F. | Amount | | Remarks |
|-------------|-----------------------------|-----------------|------|-------------|--------------|----------------------|
| | | | | Details Rs. | Total Rs. | |
| 2017 Feb. 9 | Mukil Traders | | | | 1,500 | Cash is not received |
| | Purchase Returns A/c | Dr. | | | 1,500 | |

Sales Return Book

| Date | Particulars | Debit Note No. | L.F. | Amount | | Remarks |
|-------------|--------------------------|----------------|------|-------------|--------------|------------------|
| | | | | Details Rs. | Total Rs. | |
| 2017 Feb. 7 | Sachin Traders | | | | 1,200 | Cash is not paid |
| | Sales Returns A/c | Cr. | | | 1,200 | |

[OR]

42) b.

Bank reconciliation statement as on 31st December, 2017

| Particulars | Amount Rs. | Amount Rs. |
|---|------------|---------------|
| Overdraft as per cash book | | 10,000 |
| Add: Cheques deposited but not yet credited | 5,000 | |
| Interest on overdraft debited by bank | 1,000 | |
| Amount wrongly debited by bank | 300 | 6,300 |
| | | 16,300 |
| Less: Cheques issued but not yet presented for payment | 1,000 | |
| Payment received from the customer directly by the bank | 500 | 1,500 |
| Overdraft Balance as per Bank statement | | 14,800 |

43) A.)

Rectifying Entries

| | Particulars | L.F. | Dr. Rs. | Cr. Rs. |
|---|--|------|------------|--------------|
| a | Machinery A/c To Wages A/c (Being wages paid Rs.2,000 for the erection of machinery was debited to wages account account, now rectified) | Dr. | 2,000 | 2,000 |
| b | Sales Return A/c To Suspense A/c (Being the mistake in totaling of sales return accounts, now rectified) | Dr. | 1,000 | 1,000 |
| c | Suspense A/c To Purchases A/c (Being the purchase book overcast, now rectified) | Dr. | 1,800 | 1,800 |
| d | Sales A/c To Suspense A/c (Being sales book overcast by Rs.1,500, now rectified) | Dr. | 1,500 | 1,500 |
| e | Mukil A/c To Akhil's A/c To Suspense A/c (Being cash paid to Mukil Rs.2,800 to debited Akil account of Rs.2,000, now rectified) | Dr. | 2,800 | 2,000 800 |

[OR]

43) b.

Trial balance

| Name of account | L.F. | Debit balance Rs. | Credit balance Rs. |
|-------------------|------|----------------------|-----------------------|
| Capital | | --- | 1,50,000 |
| Debtors | | 22,800 | --- |
| Rent received | | --- | 500 |
| Bank overdraft | | --- | 3,100 |
| Creditors | | --- | 5,500 |
| Buildings | | 1,46,000 | --- |
| Wages | | 3,500 | --- |
| Salaries | | 1,100 | --- |
| Opening Stock | | 10,000 | --- |
| Purchase | | 45,000 | --- |
| Sales | | --- | 75,000 |
| Return inwards | | 1,000 | --- |
| Discount allowed | | 800 | --- |
| Discount Received | | --- | 1,000 |
| General expenses | | 2,000 | --- |
| Commission paid | | 2,900 | --- |
| Total | | 2,35,100 | 2,35,100 |

44) A.

**In the books of Ramesh
Journal entries**

| Date | Particulars | L.F. | Debit Rs. | Credit Rs. |
|-------------------|--|-------------------|------------------------------|---------------|
| 2018 Jan. 1 | Cash A/c Stock A/c Furniture A/c To Ramesh's Capital A/c (Commenced business with cash, goods and furniture) | Dr. Dr. Dr. | 3,00,000 80,000 27,000 | 4,07,000 |
| 2 | Bank A/c To Cash A/c (Cash Deposited into bank) | Dr. | 2,00,000 | 2,00,000 |
| 4 | Purchase A/c To Bank A/c (Purchased goods from Asohan for Rs. 5,000 by paying through debit card) | Dr. | 5,000 | 5,000 |
| 7 | Purchase A/c To Shyam A/c (Purchased goods from Shyam on credit) | Dr. | 50,000 | 50,000 |
| 15 | Drawings A/c To Cash A/c (Withdraw cash for personal use) | Dr. | 8,000 | 8,000 |

[OR]

44) b. Role of an accountant is:

- 1. Record keeper:** The accountant maintains a systematic record of financial transactions.
- 2. Provider of information to the management :** The accountant assists the management by providing financial information required for decision making and for exercising controls.
- 3. Protector of business assets:** The accountant maintains records of assets owned by the business which enables the management to protect and exercise control over these assets.
- 4. Tax managers:** The accountant ensures that tax returns are prepared and filed correctly on time and payment of tax is made on time
- 5. Public relation officer:** The accountant provides accounting information to various interest users for analysis as per their requirements.

45) A.)

Dr. Cash Book with Discount and cash column Cr.

| Date | Receipts | L. F. | Dis. | Amount Rs. | Date | Payments | L. F. | Dis. | Amount Rs. |
|--------|------------------|-------|-----------|---------------|--------|-------------------|-------|-----------|---------------|
| 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 Purchase 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 | | | 11,445 |
| | | | 20 | 12,880 | | | | 25 | 12,880 |
| Feb. 1 | To Balance B/d | | | 11,445 | | | | | |

[OR]

45) b.

Accounting Equation

| Transaction | Assets | | = | Liabilities | |
|--------------------------------|----------------|---------------|----------|----------------|---------------|
| | Cash Rs. | Stock Rs. | | Capital Rs. | Creditors 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 | -15,000 | -- | | -15,000 | -- |
| Equation | +35,000 | 30,000 | = | +65,000 | -- |
| (iv) Cash Sales | +25,000 | -20,000 | | + 5,000 | -- |
| Equation | 60,000 | 10,000 | = | 70,000 | -- |
| (v) Bought goods from Ravi | -- | +50,000 | | -- | 50,000 |
| Equation | 60,000 | 60,000 | = | 70,000 | 50,000 |

46) A.)

Petty Cash Book – Analysis of payments**Dr.****Cr.**

| Receipts | C.B.F.N | Date | Particulars | V.N | Total Payments | Conveyance | Postage | Wages | Stationary | Repairs & Carriage | Sundries | L.F. | Personal A/c |
|----------|---------|----------------|-------------------|-----|----------------|------------|---------|-------|------------|--------------------|----------|------|--------------|
| 2,000 | | 2017 June 1 | To Cash A/c | | | | | | | | | | |
| | | 2 | By Conveyance | | 150 | 150 | | | | | | | |
| | | 5 | By Vehicle Charge | | 300 | 300 | | | | | | | |
| | | 8 | By Postage | | 70 | | 70 | | | | | | |
| | | 10 | By Wages | | 250 | | | 250 | | | | | |
| | | 15 | By Stationery | | 350 | | | | 350 | | | | |
| | | | By Conveyance | | 270 | 270 | | | | | | | |
| | | | By Repairs | | 180 | | | | | 180 | | | |
| | | | By Carriage | | 380 | | | | | 380 | | | |
| | | | | | 1,950 | 720 | 70 | 250 | 350 | 560 | | | |
| | | Feb. 28 | By Balance c/d | | 50 | | | | | | | | |
| 2,000 | | | | | 2,000 | | | | | | | | |
| 50 | | 2017 Jul. 1 | To Balance b/d | | | | | | | | | | |
| 1,950 | | 1 | To Cash A/c | | | | | | | | | | |

[OR]

46) b.

(i) Error of Principle – Meaning:

- It means the mistake committed in the application of fundamental accounting principles in recording a transaction in the books of accounts.

Suspense Account – Short**Note:**

- When the trial balance does not tally, the amount of difference is placed to the debit (when the total of the credit column is higher than the debit column) or credit (when the total of the debit column is higher than the credit column) to a temporary account is known as ‘Suspense Account’.

(iii) Compensating Errors – Meaning:

- The errors that make up for each other or neutralize each other are known as compensating errors.
- These errors may occur in related or unrelated accounts.
- Thus, excess debit or credit in one account may be compensated by excess credit or debit in some other account.
- These are also known as offsetting errors.

47) A.)Dr.

Triple column cash book

Cr.

| Date | Receipts | R. N | L . F | Amount Rs. | | | Date | Payments | V . N | L . F | Amount Rs. | | |
|--------------------------|---|---------|----------|---------------|-----------------|------------------|--------------------------------|---|----------|----------|---------------|-----------------|---------------------------|
| | | | | Dis. All. | Cash | Bank | | | | | Dis. Rec | Cash | Bank |
| 2017 Feb.1 8 10 | To Balance b/d To Daniel A/c To Sales A/c | | | 100 | 25,000 9,900 | 10,000 40,000 | 2017 Jan.5 6 12 28 | By Water Purifier A/c By Purchase By Amala By Balance c/d | | | 500 | 9,000 25,900 | 8,000 14,500 27,500 |
| | | | | 100 | 34,900 | 50,000 | | | | | | 34,900 | 50,000 |
| Mar.1 | To Balance b/d | | | | 25,900 | 27,500 | | | | | | | |

[OR]

47) b.

Bank reconciliation statement as on 31st March, 2018

| Particulars | Amount Rs. | Amount Rs. |
|---|---------------|---------------|
| Balance as per Bank Statement | | 15,000 |
| <u>Add:</u> Bank charges not recorded in the cash book | 250 | |
| Interest charged by the bank not recorded in the cash book | 500 | |
| Bank paid insurance premium but not recorded in the cash book | 300 | |
| Cheque deposited but not yet credited | 900 | 1,950 |
| | | 16,950 |
| <u>Less:</u> Cheque issued but not yet presented for payment | 2,500 | 2,500 |
| Balance as per Cash Book | | 14,450 |

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