

DINDIGUL DISTRICT

HALF YEARLY EXAMINATION -2024

CLASS:11

ACCOUNTANCY

Reg.No

Time : 3.00 Hours

MARKS : 90

Part - I

Note : Answer all the questions.

Choose the most suitable answer from the given four alternatives and write the option code and the corresponding answer.

- 20x1=20
1. Choose the correct Answers:-
1. 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.
 2. Who is considered to be the internal user of the financial information?

(a) Creditor	(b) Employee
(c) Customer	(d) Government
 3. 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
 4. The incorrect accounting equation is

(a) Assets = Liabilities + Capital	(b) Assets = Capital + Liabilities
(c) Liabilities = Assets + Capital	(d) Capital = Assets - Liabilities
 5. Which one of the following is representative personal account?

(a) Building A/c	(b) Outstanding salary A/c
(c) Mahesh A/c	(d) Balan & Co
 6. The amount brought into the business by the proprietor should be credited to

(a) Cash account	(b) Drawings account
(c) Capital account	(d) Suspense account
 7. A list which contains balances of accounts to know whether the debit and credit balances are matched is

(a) Journal	(b) Day book
(c) Trial balance	(d) Balance sheet
 8. The total of the sales book is posted periodically to the credit of

(a) Sales account	(b) Cash account
(c) Purchases account	(d) Journal proper
 9. If the debit and credit aspects of a transaction are recorded in the cash book, it is

(a) Contra entry	(b) Compound entry
(c) Single entry	(d) Simple entry
 10. 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

11. When money is withdrawn from bank, the bank
 (a) Credits customer's account (b) Debits customer's account
 (c) Debits and credits customer's account (d) None of these
12. Which of the following errors will not affect the trial balance?
 (a) Wrong balancing of an account
 (b) Posting an amount in the wrong account but on the correct side
 (c) Wrong totalling of an account
 (d) Carried forward wrong amount in a ledger account
13. Under straight line method, the amount of depreciation is
 (a) Increasing every year (b) Decreasing every year
 (c) Constant for all the years (d) Fluctuating every year
14. A depreciable asset may suffer obsolescence due to ____
 (a) Passage of time (b) Wear and tear
 (c) Technological changes (d) None of the above.
15. Revenue expenditure is intended to benefit
 (a) Past period (b) Future period
 (c) Current period (d) Any period
16. Balance sheet shows the ____ of the business.
 (a) Profitability (b) Financial position
 (c) Sales (d) Purchases
17. Accrued interest on investment will be shown
 (a) On the credit side of profit and loss account
 (b) On the assets side of balance sheet
 (c) Both (a) and (b) (d) None of these
18. One of the limitations of computerised accounting system is
 (a) System failure (b) Accuracy
 (c) Versatility (d) Storage
19. Match List I with List II and select the correct answer using the codes given below:

S.No	List I	S.No	List II
i)	Purchase Book	1	Only credit sales
ii)	Sales Book	2	To record bills accepted
iii)	Bills Receivable Book	3	Only credit purchases
iv)	Bills payable Book	4	To record bills drawn

Codes:

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

20. Which one of the following is not correctly matched?
- (a) Assets - Fixed & Current Assets
 (b) Liabilities - Building purchased
 (c) Revenue - Sales & Other income
 (d) Expenses - Direct & Indirect expenses

Note:

Part – II

Answer any Seven questions in which question No.30 is compulsory.

21. Who are the parties interested in accounting information?
22. Give the golden rules of double entry accounting system.
23. What are the different types of cash book?
24. Give two examples of Readymade software.
25. Show the accounting equation on the basis of the following transactions.
 - (a) Started business with cash ₹80,000
 - (b) Good bought on credit from Ramesh ₹10,000
 - (c) Purchased furniture for cash ₹6,000
 - (d) Paid creditors by cash ₹8,000
26. Write the narration with reference to the following journal entries.

S.No	Particulars	L.F	Dr. (₹)	Cr. (₹)
1.	Cash a/c..... Dr To Ramesh's Capital a/c ()		5,00,000	5,00,000
2.	Building a/c..... Dr To Bank a/c ()		3,50,000	3,50,000

27. Prepare Furniture account from the following transactions.

Jan 1 2016 Furniture in hand ₹2,000

 1 Purchased furniture for cash ₹4,000

 30 Sold furniture ₹400
28. From the following particulars of Simon traders, prepare a Bank Reconciliation statement as on 31st March, 2018.
 - (a) Debit balance as per Bank statement ₹2,500
 - (b) Cheques deposited amounting to ₹10,000, not yet credited by bank.
 - (c) Payment through net banking for ₹2,000, omitted in the cash book.
29. The following errors were detected before preparation of trial balance. Rectify them.
 - (a) The total of rent received account is carried forward ₹900 short.
 - (b) The total of rent received account is carried forward ₹1,000 excess.
 - (c) The total of salary account is carried forward ₹1,100 short.
 - (d) The total of salary account is carried forward ₹1,200 excess.
30. Joy and Co. purchased machinery on 1st April 2016 for ₹75,000. On 31st March 2018, it sold the machinery for ₹62,000. Depreciation is to be provided every year at 10% per annum on the fixed instalment method. Accounts are closed on 31st March every year. Find out the profit or loss on sale of machinery.

Note:

Part – III

Answer any seven questions in which question No.40 is compulsory.

31. State the input and output devices of a computer system.
32. Distinguish between capital receipt and revenue receipt.
33. What are the objectives of providing depreciation? (any 3)
34. What are the three different types of Personal accounts?
35. 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.
36. Prepare the trial balance from the following information.

Name of the account	₹	Name of the account	₹
Purchases	1,00,000	Sales	1,50,000
Bank loan	75,000	Creditors	50,000
Debtors	1,50,000	Cash	90,000
Stock	35,000	Capital	1,00,000

37. From the following transactions write up the Sales day book of M/s. Ram & Co., a stationary 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 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
38. The following errors were located before the preparation of the trial balance. Rectify them.
- (a) Goods sold to Anand for ₹1,000 on credit was not entered in the sales book.
- (b) An amount of ₹400 paid for repairs to the machinery stands wrongly posted to machinery account.
- (c) Salaries ₹2,000 paid to Gandhiraj was wrongly debited to his personal account in the ledger.
39. Classify the following items into capital and revenue.
- (i) ₹50,000 spent for railway siding.
- (ii) Loss on sale of old furniture
- (iii) Carriage paid on goods sold.
40. Find out the amount of sales from the following information:

Particulars	₹
Opening stock	20,000
Purchases less returns	70,000
Direct expenses	10,000
Closing stock	30,000
Gross profit margin (on Sales)	20%

Part - IV

7x5=35

Note: Answer all the questions.

41. (a) Show the effect of following business transactions on the accounting equation.
- Anbu started business with cash ₹20,000; Goods ₹12,000 and Machine ₹8,000
 - Purchased goods from Ramani on credit ₹7,000
 - Payment made to Ramani in full settlement ₹6,900
 - Sold goods to Rajan on credit costing ₹5,400 for ₹6,000
 - Received from Rajan ₹5,800 in full settlement of his account
 - Wages outstanding ₹400

(OR)

- (b) Deepak is a dealer in stationery items. From the following transactions, pass journal entries for the month of January, 2018.

- Jan. 1 Commenced business with cash ₹2,00,000
 2 Opened a bank account by depositing cash ₹1,00,000
 3 'A 4 papers' sold on credit to Padmini and Co. ₹60,000
 4 Bills received from Padmini and Co. for the amount due
 5 Bills received from Padmini and Co. discounted with the bank ₹58,000
 Feb 15 Bills of Padmini and Co. dishonoured.

42. (a) The following are the transactions of Kumaran, dealing in stationery items. Prepare ledger accounts.
 2017

- June 5 Started business with cash ₹2,00,000
 8 Opened bank account by depositing ₹80,000
 12 Bought goods on credit from Sri Ram for ₹30,000
 15 Sold goods on credit to Selva for ₹10,000
 22 Goods sold for cash ₹15,000
 25 Paid Sri Ram ₹30,000 through NEFT
 28 Received a cheque from Selva and deposited the same in bank ₹10,000

(OR)

- (b) Record the following transactions in the Purchase book of Shanthi Furniture Mart.
 2017

- March 1 Purchased from Mohan Furniture Mart, Madurai
 20 chairs @ ₹450 each
 2 tables @ ₹1,000 each
 Less : Trade discount @10%
 March 6 Purchased for cash from Welcome Furniture, Vellore
 2 almirahs @ ₹2,000 each

- March 7 Bought from Ramesh & co., Royapettah
2 stools @ ₹500 each
10 rolling chairs @ ₹200 each
Delivery charges and cartage ₹150
- March 20 Purchased 2 computers for office use from Anandan & Co., Adayar
on credit for ₹15,550 each
- March 21 Purchased from Kamal & Co., Karaikal
10 chairs @ ₹750 each
15 steel cabinets @ ₹1500 each
Packing and delivery charges ₹250
Less: Trade discount @10%

43. (a) From the following balances, prepare trial balance of Baskar as on 31st March, 2017.
Transfer the difference, if any, to suspense account.

Particulars	₹	Particulars	₹
Opening stock	40,000	Debtors	25,000
Capital	90,000	Carriage inwards	16,500
Sales	1,77,200	Bills receivable	20,000
Salaries	12,000	Commission received	5,550
Bills payable	9,450	Cash at bank	17,000
Telephone charges	2,350	Furniture	19,000
Creditors	16,000	Plant & Machinery	55,800
Purchases	85,000	Repairs	550

(OR)

- (b) Enter the following transactions in a single column cash book of Ramalingam for month of July, 2017.

July		₹
1	Cash in hand	32,000
5	Received from Keerthana	5,000
6	Paid packing charges in cash	300
7	Cash purchases	12,400
8	Sold goods for cash	2,600
10	Paid salary to manager in cash	7,000
11	Paid to Bala	3,000
12	Purchased goods from Bose	2,500
24	Cash deposited into bank through CDM	4,000
27	Withdraw cash from bank	2,000
31	Paid office rent in cash	6,000

44. (a) Prepare bank reconciliation statement as on 31st December, 2017 from the following information:

- (i) Balance as per bank statement (pass book) is ₹25,000
- (ii) No record has been made in the cash book for a dishonour of a cheque for ₹250
- (iii) Cheques deposited into bank amounting to ₹3,500 were not yet collected
- (iv) Bank charges of ₹300 have not been entered in the cash book.
- (v) Cheques issued amounting to ₹9,000 have not been presented for payment.

(OR)

(b) The following errors were located after the preparation of the trial balance. Assume that there exists a suspense account. Rectify them.

- (i) Sale of goods on credit to Arun for ₹152 posted to his account as ₹125.
 - (ii) Bought goods from Lakshmi on credit for ₹550, credited to her account as ₹505.
 - (iii) Purchase of furniture from Abirupa for ₹404 on credit was debited to furniture account as ₹440.
 - (iv) Purchased machinery for cash ₹200 was not posted to machinery account.
 - (v) The total of purchases book ₹89 was carried forward as ₹98.
45. (a) Anand bought a machinery for ₹1,00,000 on 1-1-2015. On 1-7-2016, he bought another machine for ₹50,000. On 1-10-2017, he purchased another machine for ₹20,000. Provide depreciation at 10% p.a. on straight line method. Prepare machinery account for the years 2015 to 2017 by using accounts by assuming accounts are closed on 31st December every year.

(OR)

(b) Discuss the role of an accountant in the modern business world. (any 5)

46. (a) Classify the following receipts into capital and revenue.
- (i) Sale proceeds of goods ₹75,000.
 - (ii) Loan borrowed from bank ₹2,50,000
 - (iii) Sale of investment ₹1,20,000.
 - (iv) Commission received ₹30,000.
 - (v) ₹1,400 wages paid in connection with the erection of new machinery.

(OR)

(b) List out the various reports generated by computerized accounting system.

47. (a) From the following balances of Niruban, prepare Balance sheet as on 31st December, 2017.

Particulars	(Dr) ₹	(Cr) ₹
Plant and Machinery	8,00,000	
Land and Building	6,00,000	
Furniture	1,50,000	
Cash in hand	20,000	
Bank overdraft		1,80,000
Debtors and Creditors	3,20,000	2,40,000
Bills receivable and Bills payable	1,00,000	60,000
Closing stock	4,00,000	
Investments (short-term)	80,000	
Capital		15,00,000
Drawings	1,30,000	
Net profit		6,20,000
	26,00,000	26,00,000

(OR)

(b) 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 on 1 st January, 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 on 31st March 2016, ₹ 2,100

VIVEKANANDA VIDYALAYA MATRIC HR SEC SCHOOL, PANNAIKADU PIRIVU**DINDIGUL DISTRICT****HALF YEARLY EXAMINATION – DECEMBER 2024****CLASS: 11 STD****ACCOUNTANCY – ANSWER KEY****MARKS: 90****I. CHOOSE THE CORRECT ANSWER:****20*1=20**

1	d). None of the above	11	b). Debits customer account
2	b). Employee	12	Posting an account in the wrong account but on the correct side
3	d). The Institute of Chartered accountants of India	13	c). Technological changes
4	c). Liabilities = Assets + Capital	14	c). Constant for all the years
5	b). Outstanding Salary a/c	15	c). Current period
6	c). Capital account	16	b). Financial position
7	c). Trial balance	17	c). Both (a) and (b)
8	a). Sales account	18	a). System failure
9	a). Contra entry	19	b). 3 1 4 2
10	c). Bank statement and bank column of the cash book	20	b). Liabilities - Building purchased

II. ANSWER THE FOLLOWING QUESTIONS: (Q.NO: 30 IS CUMPULSORY)**7*2=14****21 Who are the parties interested in accounting information?**

- * Owners
- * Managements
- * Employees
- * Customers
- * Government

22 Give the golden rules of double entry accounting system.

Personal A/c	=	Debit the Receiver Credit the Giver
Real A/c	=	Debit what comes in Credit what goes out
Nominal A/c	=	Debit All expenses and Losses Credit All income and gains

23 What are the different types of cash book?

- ✪ Single Column Cash Book (Only Cash Column)
- ✪ Double Column Cash Book (Cash and Discount Columns)
- ✪ Three Column Cash Book (Cash, Discount and Bank Columns)
- ✪ Petty Cash Book

24 Give any two examples of readymade software.

- Tally
- EX

- Busy
- Professional Accountant

25 Show the accounting equation on the basis of the following transactions:

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

Solution

In the books of Rani
Accounting Equation

Transaction	Assets			Capital ₹	Creditors ₹
	Cash ₹	Stock ₹	Furniture ₹		
(i) Started business with cash	+80,000			+80,000	
Equation	+80,000			= +80,000	
(ii) Credit purchases		+10,000			+10,000
Equation	+80,000	+10,000		= +80,000	+10,000
(iii) Cash purchase of furniture	-6,000		+6,000		
Equation	+74,000	+10,000	+6,000	= +80,000	+10,000
(iv) Paid creditors by cash	-8,000				-8,000
Equation	+66,000	+10,000	+6,000	= +80,000	+2,000

26 Write the narration with reference to the following journal entries.

Date	Particulars	L.F	Debit	Credit
2018 April 1	Cash A/c To Shyam's capital A/c (Ramesh Started business with cash)	Dr.	5,00,000	5,00,000
2	Building A/c To Bank A/c (Purchased Building by paying through the bank)	Dr.	3,50,000	3,50,000

27 Preparation of Furniture Account:

Ans: 5600 Dr

28 Preparation of Bank Reconciliation Statement

Bank Reconciliation Statement Rs. 9500

29 Rectification of Errors:

- Rent received account is to be credited with 900
- Rent received account is to be debited with 1,000
- Salary account is to be debited with 1,100
- Salary account is to be credited with 1,200

30 Calculation of Profit or Loss on Sale of machinery:

Calculation of profit or loss on sale of machinery

Particulars	₹
Cost price	75,000
Less: Depreciation for 2016-17 (75,000 x 10%)	7,500
	67,500
Less: Depreciation for 2017-18 (75,000 x 10%)	7,500
Book value on the date of sale	60,000
Less: Selling price	62,000
Profit on sale	- 2,000

II. ANSWER THE FOLLOWING QUESTIONS: (Q.NO: 40 IS CUMPULSORY)**7*3=21****31 State the input and output devices of a computer system.**

Input Devices	Output Device
<ul style="list-style-type: none"> * Keyboard * Gamepad * Scanner * Scanner * Microphone * OMR * Digital Camera 	<ul style="list-style-type: none"> ❖ Monitor ❖ Printers ❖ Speakers ❖ Headphone ❖ Projector ❖ Film Recorder

32 Distinguish between capital receipt and revenue receipt.

S. no	Difference	Capital Receipt	Revenue Receipt
1	Nature	Non Recurring in nature	Recurring in nature
2	Size	Amount generally substantial	Amount generally smaller
3	Distribution	These amounts are not available for distribution as profits	The excess of revenue receipts over the revenue expenses can be used.
4	Shown in	In Balance sheet	Income Statement
5	Term	Long Term	Short Term

33 What are the objectives of providing depreciation?**(i) To find out the true profit or loss**

- ♣ The expenses incurred during a period must be matched with revenue earned during that period.
- ♣ 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 is reduced to that extent and the remaining value is shown in the balance sheet.
- ✘ The balance sheet must represent a true and fair view of financial status.

(iii) To avail tax benefits

- ❖ As per the Indian Income Tax Act, while computing tax on business income, depreciation is deductible from income.
- ❖ Hence, depreciation is computed and charged to profit and loss account to reduce tax liability.

34 What are the three different types of personal accounts?**(a) Natural person's account:**

- Natural person means human beings.
- Example: Vinoth account, Malini account.

(b) Artificial person's account:

- ◆ Artificial person refers to the persons other than human beings recognized by law as persons.
- ◆ Example: BHEL account, Bank account.

(c) Representative personal accounts:

- These are the accounts which represent persons natural or artificial or a group of persons.
- Example: Outstanding salaries account, Prepaid rent account.

35 Preparation of Machinery account and Depreciation account of M/S Ramco**Ledger accounts**

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

Dr.			Depreciation Account			Cr.		
Date	Particulars	₹	Date	Particulars	₹			
2015 March 31	To Machinery A/c	21,000	2015 March 31	By Profit & Loss A/c	21,000			
		21,000			21,000			
2016 March 31	To Machinery A/c	18,900	2016 March 31	By Profit & Loss A/c	18,900			
		18,900			18,900			
2017 March 31	To Machinery A/c	17,010	2017 March 31	By Profit & Loss A/c	17,010			
		17,010			17,010			

36 Trial Balance

Rs. 375000

37 Preparation of Sales Book

Sales a/c (Cr): Rs. 6860

38 Rectifying Entries**Rectifying entries**

	Particulars	L.F.	Dr. ₹	Cr. ₹
a	Anand A/c To Sales A/c (Sale of goods to Anand not entered in sales book, now rectified)	Dr.	1,000	1,000
b	Repairs A/c To Machinery A/c (Repairs wrongly debited to machinery account, now rectified)	Dr.	400	400
c	Salaries A/c To Gandhiraj A/c (Salaries paid to Gandhiraj wrongly debited to his account, now rectified)	Dr.	2,000	2,000

39 Capital or Revenue:

- i). Capital
- ii). Revenue
- iii). Revenue

40 Calculation of Amount of Sales:

Cost of goods sold = Opening stock + Net purchases + Direct expenses – Closing stock
 = 20,000 + 70,000 + 10,000 – 30,000
 = ₹ 70,000

Let the sales be 100
 Less: Gross profit (20% on sales, i.e., 100) 20
 Cost of goods sold 80

Therefore, percentage of Gross profit on Cost of goods sold is $\frac{20}{80} \times 100 = 25\%$

Gross profit = 25 % on ₹ 70,000 i.e. $\frac{25}{100} \times 70,000 = ₹ 17,500$

Sales = Cost of goods sold + Gross profit
 = 70,000 + 17,500 = ₹ 87,500

IV. ANSWER THE FOLLOWING QUESTIONS:**(7*5=35)****41 a). Accounting Equation:****Accounting Equation**

Transaction	Assets				Capital ₹	Liabilities ₹
	Cash ₹	Stock ₹	Machine ₹	Debtors ₹		
(i) Started business with cash, stock & machine	+20,000	+12,000	+8,000		+40,000	
Equation	+20,000	+12,000	+8,000		= +40,000	
(ii) Credit purchases		+7,000				+7,000
Equation	+20,000	+19,000	+8,000		= +40,000	+7,000
(iii) Payment made to Ramani in full settlement	-6,900				+100	-7,000
Equation	+13,100	+19,000	+8,000		= +40,100	
(iv) Credit sales		-5,400		+6,000	+600	
Equation	+13,100	+13,600	+8,000	+6,000	= +40,700	
(v) Cash receipt from Rajan. in full settlement	+5,800			-6,000	-200	
Equation	+18,900	+13,600	+8,000		= +40,500	
(vi) Wages outstanding					-400	+400
Equation	+18,900	+13,600	+8,000		= +40,100	+400

b). Journal Entry**In the books of Deepak
Journal entries**

Date	Particulars	L.F.	Debit ₹	Credit ₹
2018 Jan. 1	Cash A/c To Deepak's capital A/c (Capital contributed by Deepak)	Dr.	2,00,000	2,00,000
2	Bank A/c To Cash A/c (Cash deposited with the bank)	Dr.	1,00,000	1,00,000
3	Padmini and Co. A/c To Sales A/c (Credit sales to Padmini and Co.)	Dr.	60,000	60,000
4	Bills receivable A/c To Padmini and Co. A/c (Bill received for the amount due)	Dr.	60,000	60,000
5	Bank A/c Discount A/c To Bills receivable A/c (Bills receivable discounted with the bank)	Dr. Dr.	58,000 2,000	60,000
Feb. 15	Padmini and Co. A/c To Bank A/c (Bill discounted with the bank dishonoured)	Dr.	60,000	60,000

42 a). Preparation of Ledger account**Ledger accounts**

Dr.				Cr.			
Cash account							
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	Amount ₹
2017 June 5	To Kumaran's capital A/c		2,00,000	2017 June 8	By Bank A/c		80,000
22	To Sales A/c		15,000	25	By Balance c/d		1,35,000
			2,15,000				2,15,000
July 1	To Balance b/d		1,35,000				

Dr.				Cr.			
Kumaran's capital account							
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2017 June 30	To Balance c/d		2,00,000	2017 June 5	By Cash A/c		2,00,000
			2,00,000	July 1	By Balance b/d		2,00,000

Dr.				Cr.			
Bank account							
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2017 June 8	To Cash A/c		80,000	2017 June 25	By Sri Ram A/c		30,000
28	To Selva A/c		10,000	30	By Balance c/d		60,000
			90,000				90,000
July 1	To Balance b/d		60,000				

Dr.				Cr.			
Purchases account							
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2017 June 12	To Sri Ram A/c		30,000	2017 June 30	By Balance c/d		30,000
			30,000				30,000
July 1	To Balance b/d		30,000				

Dr. **Sri Ram account** Cr.

Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2017 June 25	To Bank A/c		30,000	2017 June 12	By Purchases A/c		30,000
			30,000				30,000

Dr. **Selva account** Cr.

Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2017 June 15	To Sales A/c		10,000	2017 June 28	By Bank A/c		10,000
			10,000				10,000

Dr. **Sales account** Cr.

Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2017 June 30	To Balance c/d		25,000	2017 June 15	By Selva A/c		10,000
			25,000	22	By Cash A/c		15,000
				July 1	By Balance b/d		25,000

b). Preparation of Purchase Book:

Solution

**In the books of Shanthi Furniture Mart
Purchases book / Purchases journal**

Date	Particulars	Invoice No.	L.F.	Amount ₹	
				Details	Total
2017 March 1	Mohan Furniture Mart, Madurai 20 chairs @ ₹ 450 each 2 tables @ ₹ 1,000 each			9,000 2,000 11,000	9,900
	Less: Trade discount @ 10%			1,100	
March 7	Ramesh & Co., Royapettah 2 stools @ ₹ 500 each 10 rolling chairs @ ₹ 200 each			1,000 2,000 3,000	3,150
	Add: Delivery charges and cartage			150	
March 21	Kamal & Co., Karaikal 10 chairs @ ₹ 750 each 15 steel cabinets @ ₹ 1,500 each			7,500 22,500 30,000	27,250
	Less: Trade discount @ 10%			3,000	
	Add: Packing and delivery charges			250	
	Purchases A/c	Dr.			40,300

43 a). Trial balance:

Suspense account: 5,000 (Dr.)

Trial balance Total: 2,98,200

b). Single Column Cash Book

Cash Balance ` 8,900

44 a). Preparation Of Bank reconciliation Statement

Bank reconciliation statement as on 31st December, 2017

Particulars	Amount ₹	Amount ₹
Balance as per bank statement		25,000
Add: Dishonour of a cheque	250	
Cheques deposited into bank , but not yet collected	3,500	
Bank charges not entered in the cash book	300	4,050
		29,050
Less: Cheques issued, but not presented for payment		9,000
Balance as per cash book		20,050

b). Rectifying Entries:

Rectifying entries

	Particulars	L.F.	Dr. ₹	Cr. ₹
a	Arun A/c To Suspense A/c (Wrong amount posted to Arun account rectified)	Dr.	27	27
b	Suspense A/c To Lakshmi A/c (Short credit to Lakshmi account rectified)	Dr.	45	45
	To Furniture A/c (Excess debit to furniture account rectified)			36
d	Machinery A/c To Suspense A/c (Omission to debit machinery account rectified)	Dr.	200	200
e	Suspense A/c To Purchases A/c (Excess amount carried forward to purchases account rectified)	Dr.	9	9

45 a). Preparation of Machinery Account:

SOLUTION

Dr.			Machinery Account			Cr.		
Date	Particulars	₹	Date	Particulars	₹			
2015 Jan 1	To Bank A/c	1,00,000	2015 Dec 31	By Depreciation A/c	10,000			
			Dec 31	By Balance c/d	90,000			
		1,00,000			1,00,000			
2016 Jan 1	To Balance b/d	90,000	2016 Dec 31	By Depreciation A/c	12,500			
June 1	To Bank A/c	50,000	Dec 31	By Balance c/d	1,27,500			
		1,40,000			1,40,000			
2017 Jan 1	To Balance b/d	1,27,500	2017 Dec 31	By Depreciation A/c	15,500			
Oct 1	To Bank A/c	20,000	Dec 31	By Balance c/d	1,32,000			
		1,47,500			1,47,500			
2018 Jan 1	To Balance b/d	1,32,000						

b). Discuss the role of an accountant in the modern business world?

An accountant designs the accounting procedures for an enterprise. He plays several roles in an organization as follows:

(i) Record keeper

- ♣ The accountant maintains a systematic record of financial transactions.
- ♣ He also prepares the financial statements and other financial reports.

(ii) Provider of information to the management

- ♣ The accountant assists the management by providing financial information required for decision making and for exercising control.

(iii) 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.
- ♣ He advises the management about insurance of various assets and the maintenance of the same.

(iv) Financial advisor

- ♣ The accountant analyses financial information and advises the business managers regarding investment opportunities, strategies for cost savings, capital budgeting, provision for future growth and development, expansion of enterprise, etc.

(v) Tax manager

- ♣ The accountant ensures that tax returns are prepared and filed correctly on time and payment of tax is made on time.
- ♣ The accountant can advise the managers regarding tax management, reducing tax burden, availing tax exemptions, etc.

(vi) Public relation officer

- ♣ The accountant provides accounting information to various interested users for analysis as per their requirements.

46 a). Capital or Revenue:

- i). Revenue
- ii). Capital
- iii). Capital
- iv). Revenue
- v). Capital

b). List out the various report generated by CAS?

- ✦ Sales Report
- ✦ Purchase report
- ✦ Sales Return
- ✦ Stock report
- ✦ Trading and Profit or Loss account
- ✦ Balance sheet

47 a). Balance Sheet Preparation:

Solution

In the books of Niruban
Balance sheet as on 31st December, 2017

Liabilities	₹	₹	Assets	₹	₹
Capital	15,00,000		Land and building		6,00,000
Add: Net profit	6,20,000		Plant and machinery		8,00,000
	21,20,000		Furniture		1,50,000
Less: Drawings	1,30,000	19,90,000	Investments (short-term)		80,000
Creditors		2,40,000	Stock in trade		4,00,000
Bills payable		60,000	Debtors		3,20,000
Bank overdraft		1,80,000	Bills receivable		1,00,000
			Cash in hand		20,000
		24,70,000			24,70,000

b). Preparation of Final account

Solution

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

Particulars	₹	₹	Particulars	₹	₹
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

@* @* @* @* @* @*

- ❖ All of the above I mentioned is my own proposed list.
- ❖ This is not final decision.
- ❖ This subject to be changed.
- ❖ If there is any error in this, please correct it.

PREPARED BY

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