



ACCOUNTANCY

11th Standard

Based on the updated new textbook

Salient Features

- Prepared as per the updated new textbook.
- Exhaustive Additional MCQs, VSA, SA, LA questions with answers are given in each chapter.
- All the objective type (1 Mark) questions, are given with 4 options.
 - (i) Choosing the correct option
 - (ii) Matching
 - (iii) Filling the blanks
 - (iv) Picking the Odd one Out
 - (v) Assertion & Reason
 - (vi) Choosing the correct Statement
- Govt. Model Question Paper-2018 [**Govt. MQP-2018**], First Mid-Term Test (2018) [**First Mid-2018**], March Public Exam 2019 - [**Mar.19**], Supplementary Exam - 2019 - [**June-2019**], Quarterly Exam - 2018, 2019 [**QY-2018; 2019**], Half Yearly Exam - 2018, 2019 [**HY-2018; 2019**] and Board Expected Questions [**BEQ**] are incorporated at appropriate sections.
- Govt. Model Question Paper (2018), Quarterly Question Paper (2019), Half Yearly Question Paper (2019) and Sura's Model Question Paper are given.



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UNIT 1

INTRODUCTION TO ACCOUNTING

CHAPTER SNAPSHOT

- 1.1 Introduction to Accounting
- 1.2 Evolution of Accounting
- 1.3 Meaning and Definition of Accounting
- 1.4 Accounting Cycle
- 1.5 Objectives of Accounting
- 1.6 Functions of Accounting
- 1.7 Importance of Accounting
- 1.8 Basic Accounting terminologies
- 1.9 Branches of Accounting
- 1.10 Bases of Accounting
- 1.11 Users of Accounting information
- 1.12 Role of an accountant

3. Under the basis,
 - a) Any income received
 - b) Any expenditure paid
 - c) Any asset purchased for which cash is paid.
 - d) Any liability paid during the accounting period. Whether related to the past, present or future is taken into account.

(ii) Accrual or mercantile basis :

- 1) Under accrual basis of accounting, the income whether received or not but has been earned or accrued during the period and expenses incurred whether paid or not are recorded.
- 2) Under this basis,
 - a) Any income earned whether received or not
 - b) Any expenditure incurred whether paid or not
 - c) Any asset purchased whether cash is paid or not
 - d) Any liability incurred whether paid or not during the accounting period is recorded.

(iii) Hybrid or mixed basis :

1. Under mixed basis of accounting both cash basis and accrual basis are followed.
2. Incomes are generally recorded on cash basis whereas expenses are generally taken on accrual basis.

5. Describe the informational needs of external users. [BEQ]

Ans. External users are the persons who are outside the organisation but make use of accounting information for their own purposes. They are :

(i) Creditors and Financial institutions :

1. Suppliers of goods and services, commercial banks, public deposit holders, debenture holders etc; are included in this category.
2. They are interested in the liquidity position and repaying capacity of the business to know the safety of getting the interest and get back the principal amount.

(ii) Investors :

1. Persons who are interested in investing their surplus funds should know about the financial condition of a business unit while making their investment decisions.
2. They are more interested in future earning and risk.

(iii) Customers :

1. Those who use the products and services of a firm are interested in knowing the justification for the prices charged to them.
2. They examine the expenses, sales and profits to see if they are paying fair prices for the products and services.

(iv) Tax authorities :

1. Accounting information helps them in computing goods and services Tax, Income tax etc., to be collected from business units.
2. They scrutinise the revenues and expenses of business firms to determine their accuracy.

(v) Government :

1. Government also administers prices of certain trades.
2. In such cases, government agencies have to ensure that the guidelines for pricing are followed.

(vi) Researchers :

Researchers to carry out their research can make use of the published financial statements in their analysis and evaluation.

Creative Questions

VERY SHORT ANSWER QUESTIONS. 2 MARKS

1. "The role of accounting has changed over the period of time". Do you agree?

Ans. Earlier the role of Accounting was limited to recording of transactions. Now, it has sifted to providing information to managers and interested parties, to help them take appropriate decision. It is now regarded as an information system.

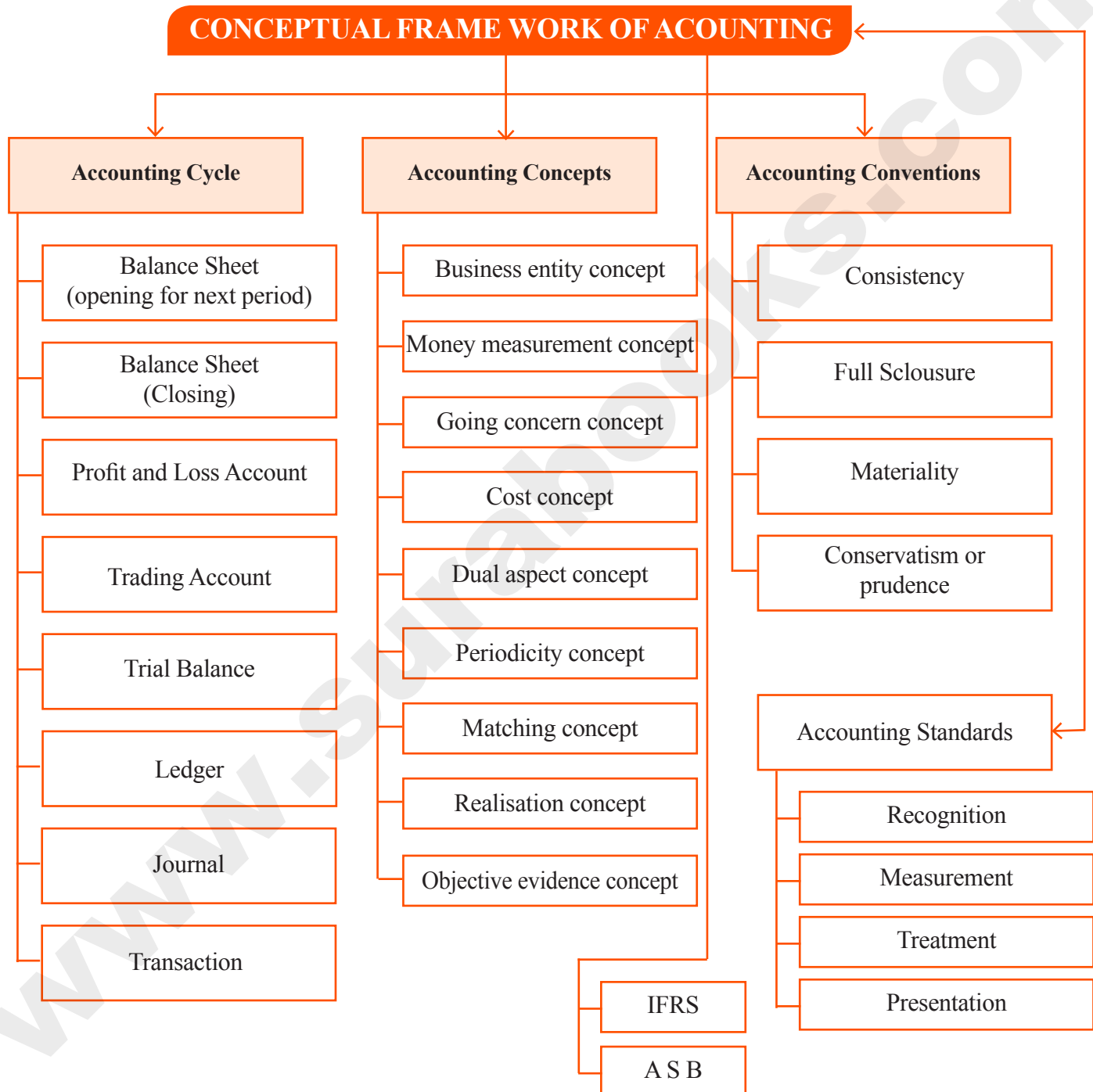
UNIT 2

CONCEPTUAL FRAMEWORK OF ACCOUNTING

CHAPTER SNAPSHOT

- 2.1 Book-keeping – An introduction**
 - 2.1.1** Meaning of book-keeping
 - 2.1.2** Definition of book-keeping
 - 2.1.3** Features of book-keeping
 - 2.1.4** Objectives of book-keeping
 - 2.1.5** Advantages of Book-keeping
 - 2.1.6** Limitations of book-keeping
- 2.2 Book- keeping Vs. Accounting**
- 2.3 Relationship among Book-keeping, Accounting and Accountancy**
- 2.4 Accounting Principles**
- 2.5 Accounting Standards (AS)**
 - 2.5.1** Need for accounting standards
- 2.6 International Financial Reporting Standards (IFRS)**
- 2.7 Accounting Standards in India**

CONCEPT MAP



UNIT 3

BOOKS OF PRIME ENTRY

CHAPTER SNAPSHOT

- 3.1** Introduction
- 3.2** Source documents
- 3.3** Double entry system
 - 3.3.1** Definition
 - 3.3.2** Principles of double entry system
 - 3.3.3** Advantages of double entry system
- 3.4** Transaction
- 3.5** Account
- 3.6** Approaches of recording transactions
 - 3.6.1** Accounting equation approach
 - 3.6.2** Traditional approach
- 3.7** Accounting rules
- 3.8** Journal entries
 - 3.8.1** Meaning
 - 3.8.2** Format of Journal
 - 3.8.3** Steps in journalising
 - 3.8.4** Different types of journal entries
 - 3.8.5** Application of rules of double entry system
 - 3.8.6** Analysis of transactions
 - 3.8.7** Advantages of journal

SELF-EXAMINATION QUESTIONS

I. MULTIPLE CHOICE QUESTIONS.

CHOOSE THE CORRECT ANSWER.

1. Accounting equation signifies [BEQ] [First Mid-2018]

- (a) Capital of a business is equal to assets
- (b) Liabilities of a business are equal to assets
- (c) Capital of a business is equal to liabilities
- (d) Assets of a business are equal to the total of capital and liabilities

[Ans. (d) Assets of a business are equal to the total of capital and liabilities]

2. 'Cash withdrawn by the proprietor from the business for his personal use' causes

- (a) Decrease in assets and decrease in owner's capital
- (b) Increase in one asset and decrease in another asset
- (c) Increase in one asset and increase in liabilities
- (d) Increase in asset and decrease in capital

[Ans. (a) Decrease in assets and decrease in owner's capital]

3. A firm has assets of ₹1,00,000 and the external liabilities of ₹60,000. Its capital would be [Mar.-2019]

- (a) ₹1,60,000
- (b) ₹60,000
- (c) ₹1,00,000
- (d) ₹40,000

[Ans. (d) ₹40,000]

4. The incorrect accounting equation is

- (a) Assets = Liabilities + Capital
- (b) Assets = Capital + Liabilities
- (c) Liabilities = Assets + Capital
- (d) Capital = Assets – Liabilities

[Ans. (c) Liabilities = Assets + Capital]

5. Accounting equation is formed based on the accounting principle of [BEQ] [QY-2018; HY-2018]

- (a) Dual aspect
- (b) Consistency
- (c) Going concern
- (d) Accrual

[Ans. (a) Dual aspect]

6. Real account deals with [BEQ] [First Mid-2018]

- (a) Individual persons
- (b) Expenses and losses
- (c) Assets
- (d) Incomes and gains

[Ans. (c) Assets]

7. Which one of the following is representative personal account? [BEQ] [HY-2018; QY-2019]

- (a) Building A/c
- (b) Outstanding salary A/c
- (c) Mahesh A/c
- (d) Balan & Co

[Ans. (b) Outstanding salary A/c]

8. Prepaid rent is a [QY-2018; HY-2019]

- (a) Nominal A/c
- (b) Personal A/c
- (c) Real A/c
- (d) Representative personal A/c

[Ans. (d) Representative personal A/c]

9. Withdrawal of cash from business by the proprietor should be credited to

[BEQ] [Govt. MQP-2018]

- (a) Drawings A/c
- (b) Cash A/c
- (c) Capital A/c
- (d) Purchases A/c

[Ans. (b) Cash A/c]

10. In double entry system of book keeping, every business transaction affects

- (a) Minimum of two accounts
- (b) Same account on two different dates
- (c) Two sides of the same account
- (d) Minimum three accounts

[Ans. (a) Minimum of two accounts]

II. VERY SHORT ANSWER QUESTIONS.

1. What are source documents?

Ans. (i) Source documents are the authentic financial evidence of transactions. These documents show the nature of transaction, the date, the amount and the parties involved.

(ii) Source documents include cash receipt, invoice, debit note, credit note, pay-in-slip, salary bills, wage bills, counterfoils of cheques and any other form of written document proof.

2. What is accounting equation?

Ans. (i) Accounting equation is a mathematical expression which shows that the total of assets is equal to the total of liabilities and capital.

iv)	Credit sales		-10,000		+12,000				+2,000		
	Balance	+26,000	+28,000	+16,000	+12,000				+82,000		
	Equation					+82,000	=	+82,000			
v)	Wages outstanding								-800		+800
	Balance	+26,000	+28,000	+16,000	+12,000				+81,200		+800
	Equation					+82,000	=	+82,000			

14. Arya is a trader dealing in Textiles, Pass journal entries for the month of January 2018. [HY-2019]

1	Commenced business with cash	₹ 3,50,000
5	Purchased goods from X and Co. on credit	₹ 15,000
10	Cash deposited into bank	₹ 20,000
15	Cash withdrawn from bank for personal use	₹ 30,000
20	Goods (table cloth) used for office use	₹ 1,000

Solution :

**In the books of Arya
Journal Entries**

Date	Particulars	L.F.	Debit ₹	Credit ₹
2018 Jan. 1	Cash A/c Dr. To Arya's capital A/c (Commenced business with cash)		3,50,000	3,50,000
5	Purchases A/c Dr. To X and Co. A/c (credit purchases made)		15,000	15,000
10	Bank A/c Dr. To Cash A/c (Cash deposited into bank)		20,000	20,000
15	Drawings A/c Dr. To Bank A/c (Cash withdraw from bank for personal use)		30,000	30,000
20	Office expenses A/c Dr. To Purchases A/c (Goods used for office use)		1,000	1,000

Additional Questions and Answers

I. CHOOSE THE CORRECT ANSWER.

1 MARK

(i) CHOOSE THE CORRECT OPTION.

1. A debit note is called as [BEQ]

- (a) debit memo (b) credit memo
(c) pay-in-slip (d) receipts

[Ans. (a) debit memo]

2. The relationship of assets with that of liabilities to outsiders and to owners in the form is known as

- (a) single entry system
(b) double entry system
(c) accounting equation
(d) none of these

[Ans. (c) accounting equation]

UNIT 4

LEDGER

CHAPTER SNAPSHOT

- 4.1 Introduction
- 4.2 Utilities of ledger
- 4.3 Format of ledger account
- 4.4 Distinction between journal and ledger
- 4.5 Procedure for posting
 - 4.5.1 Posting of opening journal entry
 - 4.5.2 Posting of compound journal entry
- 4.6 Balancing of ledger accounts
 - 4.6.1 Procedure for balancing an account
 - 4.6.2 Direct ledger posting

- (iv) Record the amount of the debit in the 'Amount column'.
- (v) Locate the Ledger account that is credited in the journal entry. Open the respective account in the ledger if already not opened.
- (vi) Write the name of the account in the top middle. If already opened, locate the account from the ledger index.
- (vii) Record the name of the account debited in the journal entry particulars column with the prefix 'By' and write the amount in the amount column.

4. Explain the procedure for balancing a ledger account.

- Ans.**
- (i) The debit and credit columns of an account are to be totalled separately.
 - (ii) The difference between the two totals is to be ascertained.
 - (iii) 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.
 - (iv) Now both the debit and credit columns are to be total and the totals will be equal. The totals of both sides are to be recorded in the same line horizontally.
 - (v) The total is to be distinguished from other figures by drawing lines above and below the amount.
 - (vi) The difference has to be brought down to the opposite side below the total.

- (vii) 'Balance b/d' is to be entered in the particulars column against the difference brought down and in the date column, the first day of the next accounting period is entered.

- (viii) If the total on the debit side of an account is higher, the balancing figure is debit balance and if the credit side of an account has higher total, the balancing figure is credit balance. If the two sides are equal, that account will show nil balance.

IV. EXERCISES.

1. Journalise the following transactions and post them to Ledger.

2016 Jan.	₹
1 Started business with cash	10,000
5 Paid into bank	5,000
7 Purchased goods from Ram for cash	1,000

Solution :

Journal Entries

Date	Particulars	L.F.	Debit ₹	Credit ₹
2016 Jan. 1	Cash A/c Dr. To Capital A/c (Started business with cash)		10,000	10,000
5	Bank A/c Dr. To Cash A/c (Amount paid into Bank)		5,000	5,000
7	Purchases A/c Dr. To Cash A/c (Cash purchases)		1,000	1,000

Ledger Account

Cash Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2016 Jan 1	To Capital A/c		10,000	2016 Jan 5	By Bank A/c		5,000
				7	By Purchases A/c		1,000
				31	By Balance c/d		4,000
			10,000				10,000
2016 Feb 1	To Balance b/d		4,000				

Dr. **Ratnakumar Capital Account** Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 June 30	To Balance c/d		60,000	2017 June 1	By Cash A/c		60,000
			60,000				60,000
				2017 July 1	By Balance b/d		60,000

Dr. **Drawings Account** Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 June 8	To Bank A/c		500	2017 June 30	By Balance c/d		500
			500				500
2017 July 1	To Balance b/d		500				

Dr. **Salary Account** Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 June 10	To Bank A/c		3,000	2017 June 30	By Balance c/d		3,000
			3,000				3,000
2017 July 1	To Balance b/d		3,000				

Dr. **Furniture Account** Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 June 15	To Bank A/c		5,000	2017 June 30	By Balance c/d		5,000
			5,000				5,000
2017 July 1	To Balance b/d		5,000				

HOTS Questions

VERY SHORT ANSWER QUESTIONS.

2 MARKS

1. Does debit always mean increase and credit always mean decrease?

Ans. No, it is not true. Debit does not always mean increase and credit does not always mean decrease. It depends upon the accounts involved.

2. What is the purpose of a Ledger?

Ans. The purpose of a ledger account is to classify the transactions according to their nature and item.



UNIT

5

TRIAL BALANCE

CHAPTER SNAPSHOT

- 5.1 Introduction to trial balance
- 5.2 Need for preparing trial balance
- 5.3 Definition of trial balance
- 5.4 Features of trial balance
- 5.5 Objectives of preparing trial balance
- 5.6 Limitations of trial balance
- 5.7 Methods of preparing trial balance
 - 5.7.1 Balance method
 - 5.7.2 Total method
 - 5.7.3 Total and Balance method
- 5.8 Suspense account

Solution :**Trial Balance**

S. No.	Particulars	L.F.	Debit balance ₹	Credit balance ₹
1.	Opening Stock		1,00,000	
2.	Salaries		36,000	
3.	Creditors			1,32,000
4.	Bank		35,000	
5.	Carriage inwards		18,000	
6.	Rent received			9,000
7.	Discount allowed		6,000	
8.	Purchases		3,48,000	
9.	Bills payable			60,000
10.	Debtors		45,000	
11.	Carriage outwards		15,000	
12.	Capital			1,63,000
13.	Returns inwards		9,000	
14.	Discount received			12,000
15.	Trade expenses		18,000	
16.	Sales			3,68,000
17.	Building		1,14,000	
	Total		7,44,000	7,44,000

CASE STUDY.

1. Mary runs a textile store. She has prepared the following trial balance from her ledger balances. Her trial balance does not tally. She needs your help to check whether what she has done is correct.

S. No.	Name of the account	L.F.	Debit balance ₹	Credit balance ₹
1.	Capital		50,000	
2.	Discount received			3,000
3.	Rent paid			15,000
4.	Salaries paid		1,000	
5.	Purchases of textiles			20,000
6.	Sale of textiles			30,000
7.	Salesmen commission paid			9,000
8.	Transport charges paid		6,000	
9.	Cash balance		32,000	
	Total		89,000	77,000

Solution :**Correct Trial Balance**

S. No.	Name of account	L.F.	Debit balance ₹	Credit balance ₹
1.	Capital			50,000
2.	Discount received			3,000
3.	Rent paid		15,000	
4.	Salaries paid		1,000	
5.	Purchases of textiles		20,000	
6.	Sale of textiles			30,000
7.	Salesmen commission paid		9,000	
8.	Transport charges paid		6,000	
9.	Cash balance		32,000	
	Total		83,000	83,000

Government Exam Questions and Answers**I. CHOOSE THE CORRECT ANSWER.****1 MARK****(i) CHOOSE THE CORRECT OPTION.**

1. State the order in which accounting system is followed

[BEQ] [Govt. MQP-2018]

- (i) Final account (ii) Ledger
(iii) Trial balance (iv) Journal

Choose the correct order using the codes given below:

- (a) (i) (ii) (iii) (iv) (b) (iv) (iii) (ii) (i)
(c) (iv) (ii) (iii) (i) (d) (iii) (iv) (i) (ii)

[Ans. (c) (iv) (ii) (iii) (i)]

2. The total of the debit column is short by ₹500 in the trial balance. This difference will be :

[June-2019]

- (a) Debited to suspense account
(b) Credited to suspense account
(c) Adjusted to any of the debit balance
(d) Adjusted to any of the credit balance

[Ans. (a) Debited to suspense account]**II. VERY SHORT ANSWER QUESTIONS.****2 MARKS**

1. What is suspense account? [HY-2019]

Ans. (i) After transferring all the ledger account balances, if the trial balance does not tally, steps must be taken to locate and rectify errors.

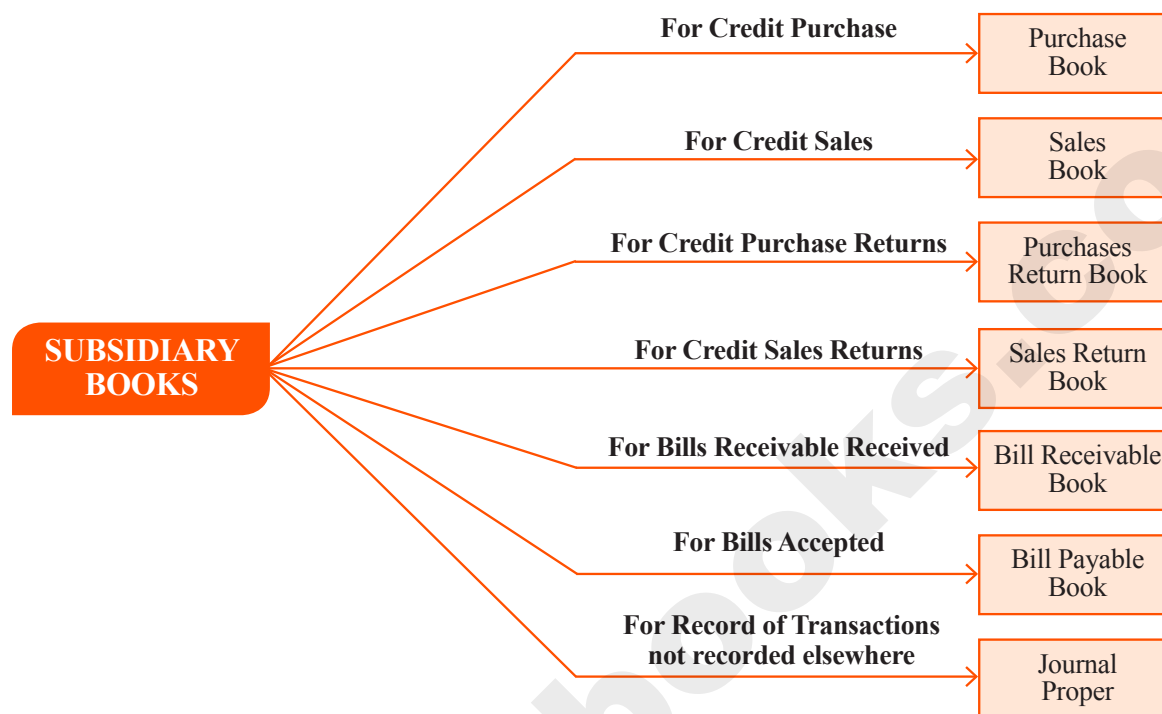
UNIT 6

SUBSIDIARY BOOKS - I

CHAPTER SNAPSHOT

- | | |
|---|---|
| 6.1 Introduction | 6.8 Sales returns book |
| 6.2 Meaning of subsidiary books | 6.8.1 Posting from sales returns book |
| 6.3 Types of subsidiary books | 6.8.2 Credit note – Source document for returns inward |
| 6.4 Advantages of subsidiary books | |
| 6.5 Purchases book | 6.9 Bills of exchange |
| 6.5.1 Invoice | 6.9.1 Introduction |
| 6.5.2 Trade discount | 6.9.2 Definition of bill of exchange |
| 6.5.3 Posting from purchases book | 6.9.3 Features of bills of exchange |
| 6.6 Purchases returns book | 6.9.4 Specimen of bill of exchange |
| 6.6.1 Posting from the purchases returns book | 6.9.5 Important terms |
| 6.6.2 Debit note – the source document for returns outward | 6.10 Bills receivable book |
| 6.7 Sales book | 6.11 Bills payable book |
| 6.7.1 Posting from sales book | 6.12 Journal proper |

CONCEPT MAP



IMPORTANT POINTS

- ❑ Cash receipts and payments can be grouped in one category and credit transactions in yet another class.
- ❑ Instead of recording in one journal, the transactions are recorded in a number of prescribed books called subsidiary books or subsidiary journals.
- ❑ Purchases book is one of the most important books, in which credit purchases of goods are recorded.
- ❑ Trade allowance is outrightly deducted from the list or catalogue price of the article at the time of selling.
- ❑ Transactions relating to previously purchased goods returned to the suppliers are recorded in a separate subsidiary book which is called purchases returns book.
- ❑ Sales book is maintained to record only credit sale of goods in which the business is dealing.
- ❑ Credit note is a statement prepared by a trader who receives back from his customer the goods sold.
- ❑ Bills receivable book contains the details of bills drawn and its disposal.
- ❑ Bills payable book is used for the purpose of recording the details of bills payable.
- ❑ Journal Entry made in the beginning of the current year with the balances of assets and liabilities of the previous year is opening journal entry.
- ❑ Transfer entries are passed in the journals proper for transferring an item entered in one account to another account.
- ❑ Rectifying entries are passed for rectifying errors which are committed in the books of accounts.

Government Exam Questions and Answers

I. CHOOSE THE CORRECT ANSWER.

1 MARK

(i) CHOOSE THE CORRECT OPTION.

1. A trader follows which discount from the following credit transactions. [BEQ] [QY-2018]

(a) cash discount (b) credit discount
(c) trade discount (d) all of these

[Ans. (c) trade discount]

2. From the following, which date denotes payable Bill date 2017 March 1, Months -2, Gross day - 3 [BEQ] [QY-2018]

(a) May - 3 (b) May - 4
(c) May - 1 (d) May - 5

[Ans. (b) May - 4]

3. Days of grace are _____ in number.

(a) 3 (b) 4 [QY-2019]
(c) 2 (d) 6 [Ans. (a) 3]

4. Which of the following statement is not true? A bill of exchange is : [HY-2019]

(a) a written document
(b) signed by the drawer
(c) a conditional order
(d) to be accepted by the acceptor

[Ans. (c) a conditional order]

(ii) CHOOSE THE WRONG STATEMENT

1. [BEQ] [Govt. MQP-2018]

(a) Sales book is meant for recording sales of goods on credit
(b) Purchase book is meant for recording purchases of goods on credit
(c) Petty cash book is meant for recording small expenses
(d) Pass book is meant for recording all expenses

[Ans. (d) Pass book is meant for recording all expenses]

II. PROBLEMS

2 MARKS

1. Complete the sales book of Mr. Kumar from the following details.

[BEQ] [Govt. MQP-2018]

Date	Particulars	Invoice No.	L.F.	Amount	
				Details Rs.	Total Rs.
2018 July 5	Sarvana Traders, Sayalkudi 10 packs of A4 Sheets @ Rs. 250 per pack 10 dozens writing pads @ Rs. 850 per dozen			2,500 -----	
				11,000 -----	9,900
July 20	Less: 10% Trade discount Mohan & Co., Mudukulathur 5 white boards @ Rs. 2,200 each 10 dozens writing pads @ Rs. 850 per dozen			----- -----	19,500
	Sales A/c	Cr.			29,400

UNIT 7

SUBSIDIARY BOOKS - II CASH BOOK

CHAPTER SNAPSHOT

- | | |
|---|---|
| 7.1 Introduction | 7.8.2 Posting from double column cash book |
| 7.2 Meaning of cash book | |
| 7.3 Cash book – A subsidiary book and principal book of accounts | 7.9 Three column cash book |
| 7.4 Importance of cash book | 7.9.1 Format |
| 7.5 Types of cash book | 7.9.2 Contra entry |
| 7.6 Single column cash book | 7.10 Petty cash book |
| 7.6.1 Balancing of single column cash book | 7.10.1 Imprest system of petty cash |
| 7.6.2 Posting from single column cash book | 7.10.2 Advantages of maintaining petty cash book |
| 7.7 Cash discount and trade discount | 7.10.3 Types of petty cash book |
| 7.7.1 Differences between cash discount and trade discount | 7.10.4 Balancing petty cash book |
| 7.8 Double column cash book | 7.10.5 Posting of entries from petty cash book to ledger |
| 7.8.1 Balancing the double column cash book | |

3. Write the advantages of maintaining petty cash book.

Ans. Following are the advantages of maintaining petty cash book:

- (i) There can be better control over petty payments.
- (ii) There is saving of time of the main cashier.
- (iii) Cash book is not loaded with many petty payments.
- (iv) Posting of entries from main cash book and petty cash book is comparatively easy.

4. Write a brief note on accounting treatment of discount in cash book.

- Ans.**
- (i) Discount column appears on both side of the cash book. In the discount allowed and cash discount received are recorded.
 - (ii) Discount column represents discount allowed on the debit side and discount received on the credit side.
 - (iii) For the seller who allows cash discount, it is a loss and hence it is debited and shown on the debit side of the cash book.

- (iv) For the person making the payment, discount received is a gain because less payment is made and because less payment is made and it is credited and shown on the credit side of the cash book.
- (v) Discount columns are not balanced, since, debit represents discount allowed and credit represents discount received. They are totaled separately.

5. Briefly explain about contra entry with examples.

Ans. When the two accounts involved in a transaction are cash account and bank account, then both the aspects are entered in cash book itself. As both the debit and credit aspects of a transaction are recorded in the cash book, such entries are called contra entries.

Example :

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

IV. EXERCISES.**SINGLE COLUMN CASH BOOK.****1. Enter the following transactions in a single column cash book of Seshadri for May, 2017.**

		₹
May 1	Cash in hand	40,000
5	Cash received from Swathi	4,000
7	Paid wages in cash	2,000
10	Purchased goods from Sasikala for cash	6,000
15	Sold goods for cash	9,000
18	Purchased computer	15,000
22	Cash paid to Sabapathi	5,000
28	Paid Salary	2,500
30	Interest received	500

3. Prepare Petty Cash book on imprest system from the following particulars :

		₹
2016 Sep 1	Received for petty cash payments	1,000
4	Paid for stationery	140
9	Paid for postage	80
10	Paid for printing charges	150
11	Paid for carriage	125
17	Paid for telegrams	25
20	Purchased envelops	30
21	Paid for coffee to office staff	30
22	Paid for office cleaning	50
30	Paid to Rajeev	200

Solution :**Analytical Petty Cash Book**

Dr.

Analysis of Payments

Cr.

Receipts	C. B. F. N.	Date	Particulars	V. N.	Total Payment	Postage and telegrams	Carriage	Printing & Stationery	Sundries	L. F.	Personal Accounts
(₹)					(₹)	(₹)	(₹)	(₹)	(₹)		(₹)
1,000		2016 Sep 1	To Cash A/c								
		4	By Stationery		140			140			
		9	By Postage		80	80					
		10	By Printing Charges		150			150			
		11	By Carriage		125		125				
		17	By Telegrams		25	25					
		20	By Envelops		30	30					
		21	By coffee to staff		30				30		
		22	By Cleaning charges		50				50		
		30	By Rajeev		200						200
					830	135	125	290	80		200
		30	By Balance c/d		170						
1,000					1,000						
170		Oct 1	To Balance b/d								
830		1	To Cash A/c								

UNIT 8

BANK RECONCILIATION STATEMENT

CHAPTER SNAPSHOT

8.1 Introduction

8.1.1 Bank statement or bank pass book

8.1.2 Bank overdraft

8.1.3 Difference between bank column of cash book and bank statement

8.2. Bank reconciliation statement (BRS)

8.2.1 Need for bank reconciliation statement

8.3. Reasons why bank column of cash book and bank statement may differ

8.3.1 Timing differences

8.3.2 Errors in recording

8.4. Preparation of bank reconciliation statement

8.4.1 Balance presentation method

8.4.2 Plus or Minus presentation

III. PROBLEMS**5 MARKS**

1. Given below are the entries in the Bank column of the Cash book and the pass book. Prepare a Bank reconciliation statement of Mr. Sekar as on August 31, 2013. [BEQ] [Govt. MQP-2018]

Cash Book

Dr.

(Bank Columns)

Cr.

Date	Particulars	Amount ₹	Date	Particulars	Amount ₹
2013 Aug 1	To Balance b/d	20,525	2013 Aug 8	By Kokila A/c	12,000
18	To Shankar A/c	6,943	26	By Geetha A/c	9,740
19	To Sales A/c (Rajan)	450	28	By Latha A/c	11,780
20	To Commission A/c (Babu)	200	30	By Salaries A/c (Amala)	720
20	To Nirmala A/c	7,810	31	By Balance c/d	1,688
		35,928			35,928
2013 Sep 1	To Balance b/d	1,688			

Pass Book

Date	Particulars	Dr. With- drawals ₹	Cr. Deposits ₹	Balance Dr. / Cr. ₹
2013 Aug 1	By balance b/d			20,525 Cr.
9	To Kokila	12,000		8,525 Cr.
19	By Shankar		6,943	15,468 Cr.
25	By Rajan		450	15,918 Cr.
26	To Geetha	9,740		6,178 Cr.
27	By Babu		200	6,378 Cr.
28	To Amala	720		5,658 Cr.
30	By B/R		20,000	
„	By Interest		25	
„	By Interest on Investment		1,820	27,503 Cr.
2013 Aug 31	To B/P	4,000		25,503 Cr.

Less : Cheque paid into bank, but not collected - Nirmala	7,810	
Bills payable paid, not entered in Cash book	4,000	11,810
Balance as per pass book		23,503

2. From the following particulars of Veera traders, prepare a bank reconciliation statement as on 31st December, 2017

[BEQ] [HY-2018]

- Credit balance as per bank statement ₹6,000
- Amount received by bank through NEFT for ₹3,500, entered twice in the cash book.
- Cheque dishonoured amounting to ₹2,500, not entered in cash book.

Solution :

In the books of Mr. Sekar Bank
Reconciliation Statement as on August 31, 2013

Particulars	Amount ₹	Amount ₹
Balance as per Cash book		1,688
Add : Bills receivable collected, not entered in cash book	20,000	
Interest collected, not entered in cash book	25	
Interest on Investment collected, not entered in cash book	1,820	
Cheques issued but not collected - Latha	11,780	33,625
		35,313

Solution :

Bank Reconciliation Statement
as on 31st December 2017

Particulars	Amount ₹	Amount ₹
Credit balance as per bank statement		6,000
Add : Amount received by the bank	3,500	
Cheque dishonoured	2,500	6,000
Balance as per Cash book		12,000

UNIT 9

RECTIFICATION OF ERRORS

CHAPTER SNAPSHOT

- | | |
|--|--|
| 9.1 Introduction | 9.6 Steps to locate errors |
| 9.2 Meaning of errors | 9.6.1 Location of errors before preparation of trial balance |
| 9.3 Errors at different stages of accounting | 9.6.2 Location of errors after the preparation of trial balance |
| 9.4 Classification of errors | 9.7 Suspense account |
| 9.4.1 Error of omission | 9.7.1 Meaning of suspense account |
| 9.4.2 Error of commission | 9.7.2 Preparation of suspense account |
| 9.4.3 Error of principle | 9.8 Rectification of errors |
| 9.4.4 Compensating errors | 9.8.1 Stages of rectification of errors |
| 9.5 Errors disclosed by the trial balance and errors not disclosed by the trial balance | 9.9 Errors in computerised accounting |
| 9.5.1 Errors disclosed by the trial balance | |
| 9.5.2 Errors not disclosed by the trial balance | |

Dr.		Suspense Account		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹		
To Balance b/d	922	By Purchases A/c	1,000		
To Discount received A/c	78				
	1,000		1,000		

Government Exam Questions and Answers

I. CHOOSE THE CORRECT ANSWER.

1 MARK

(i) CHOOSE THE CORRECT OPTION.

1. The following error becomes unavoidable in computerised accounting: [Mar.-2019]

- (a) Error of partial omission
- (b) Error in carrying forward
- (c) Casting error
- (d) Error of duplication

[Ans. (d) Error of duplication]

2. The total of purchases book was undercast. Which of the following accounts should be credited in the rectifying journal entry?

- (a) Purchases account [June-2019]
- (b) Creditors account
- (c) Suspense account
- (d) Debtors account

[Ans. (c) Suspense account]

II. PROBLEMS

2 MARKS

1. Rectify the following errors discovered before the preparation of the trail balance.

(a) Return inward book was undercast by ₹1,000. [June-2019]

(b) Return outward book was overcast by ₹2,000.

Ans. (a) Sales returns account should be debited with ₹1,000.

(b) Purchases return account should be debited with ₹2,000.

III. PROBLEMS

3 MARKS

1. Rectify the following errors located after the preparation of trial balance: [HY-2018]

- (a) Purchases book was undercast by ₹900.
- (b) Sale of old furniture for ₹1,000 was credited to sales account.
- (c) Purchase of goods from Arul for ₹1,500 on credit was not recorded in the books.

Solution :

Rectification of Errors

S. No.	Particulars	L.F.	Debit ₹	Credit ₹
(a)	Purchases A/c Dr. To Suspense A/c (Being the undercasting in the purchases book now rectified)		900	900
(b)	Sales A/c Dr. To Furniture A/c (Sale of old furniture on book value, error rectification recording was wrongly credited to sales account)		1,000	1,000
(c)	Purchases A/c Dr. To Arul A/c (Credit purchases from Arul, error rectification recording, not recorded earlier)		1,500	1,500

UNIT 10

DEPRECIATION ACCOUNTING

CHAPTER SNAPSHOT

- | | |
|--|---|
| 10.1 Introduction | 10.7.2 Written down value / Diminishing balance method |
| 10.2 Depreciation – Meaning and definition | 10.7.3 Sum of years of digits method |
| 10.2.1 Useful life of the asset | 10.7.4 Machine hour rate method |
| 10.2.2 Depreciable assets | 10.7.5 Depletion method |
| 10.3 Objectives of providing depreciation | 10.7.6 Annuity method |
| 10.4 Causes of depreciation | 10.7.7 Revaluation method |
| 10.5 Characteristics of depreciation | 10.7.8 Sinking fund method |
| 10.6 Factors determining the amount of depreciation | 10.7.9 Insurance policy method |
| 10.7 Methods of providing depreciation | 10.8 Methods of recording depreciation |
| 10.7.1 Straight line method/ Fixed instalment method / Original cost method | 10.8.1 Charging depreciation to asset account |
| | 10.9 Calculation of profit or loss on sale of asset |

WRITTEN DOWN VALUE METHOD :

- 11.** An asset is purchased for ₹50,000. The rate of depreciation is 15% p.a. Calculate the annual depreciation for the first two years under diminishing balance method. [HY-2019]

Solution :

**Calculate the amount of depreciation
for the first two years**

Particulars	Amount ₹
Cost price	50,000
Less : I st year depreciation $\left(50,000 \times \frac{15}{100}\right)$	7,500
	42,500
Less : II nd year depreciation $\left(42,500 \times \frac{15}{100}\right)$	6,375
Balance of an asset	36,125

∴ Ist year depreciation = ₹7,500
IInd year depreciation = ₹6,375

- 12.** A boiler was purchased on 1st January 2015 from abroad for ₹10,000. Shipping and forwarding charges amounted to ₹2,000. Import duty ₹7,000 and expenses of installation amounted to ₹1,000. Calculate depreciation for the first 3 years @10% p.a. on diminishing balance method assuming that the accounts are closed 31st December each year.

Solution :

Calculation of depreciation for the first three years

Date	Particulars	Amount ₹
01.01.2015	Cost Price (10,000 + 2,000 + 7,000 + 1,000)	20,000
31.12.2015	Less : Depreciation $\left(20,000 \times \frac{10}{100}\right)$	2,000
		18,000

31.12.2016	Less : Depreciation $\left(18,000 \times \frac{10}{100}\right)$	1,800
		16,200
31.12.2017	Less : Depreciation $\left(16,200 \times \frac{10}{100}\right)$	1,620
	Book Value of the Asset	14,580

∴ Amount of Depreciation : 2015 = ₹2,000
2016 = ₹1,800
2017 = ₹1,620

- 13.** A furniture costing ₹5,000 was purchased on 1.1.2016, the installation charges being ₹1,000. The furniture is to be depreciated @10% p.a. on the diminishing balance method. Pass journal entries for the first two years.

Solution :

Year / Date	Particulars	Amount ₹
Ist Year (2016) 1.1.2016	Purchase Price of furniture 5,000	
	Add : Installation charges 1,000	6,000
31.12.2013	Less : Depreciation $\left(6,000 \times \frac{10}{100}\right)$	600
		5,400
IInd Year (2017) 31.12.2017	Less : Depreciation $\left(5,400 \times \frac{10}{100}\right)$	540
	Book value (or) balance of furniture	4,860

Dr.			Depreciation Account			Cr.		
Date	Particulars	Amount ₹	Date	Particulars	Amount ₹			
2013 Mar 31	To Machinery A/c	5,000	2013 Mar 31	By Profit & Loss A/c	5,000			
		5,000			5,000			
2014 Mar 31	To Machinery A/c	4,500	2014 Mar 31	By Profit & Loss A/c	4,500			
		4,500			4,500			
2015 Mar 31	To Machinery A/c	4,050	2015 Mar 31	By Profit & Loss A/c	4,050			
		4,050			4,050			

HOTS Questions

VERY SHORT ANSWER QUESTIONS.

2 MARKS

1. A company purchased a land in an urban area. It does not provide any depreciation on the purchased land at the end of the year. Is the company correct in doing so?

Ans. Yes, land is not a depreciable assets because its useful life is not limited to few years, rather its value increases with the passage of time.

2. Depreciation is a non-cash expense which should not be provided for in the profit and loss account comment.

Ans. It is not comment to say that depreciation being a non-cash expense should not be allowed for in the books. If depreciation is not provided for, it will result in overstatement of assets and profits. It is also not in agreement with the matching principle which says that expenses for a period should be matched with the revenues.

3. An asset can be obsolete while it is not fully depreciated comment.

Ans. The statement is correct as an asset can be obsolete even when if it is capable of being used and is not fully depreciated. It is due to the technological innovation or change in market demand for the product.

VERY SHORT ANSWER QUESTIONS.

3 MARKS

1. John uses his business car for his personal use also. During the financial year ended 2015-16, the car was used to travel for 20,000 kms, out of which 5,000 kms was for her personal use. The cost of the car is ₹40,000 and it is to be depreciated @15% per annum on straight line method. The car was purchased on 1st July, 2015. Compute the amount of depreciation to be charged to profit and loss account and pass the entry for it.

Solution :

Car cost on 1st July, 2012 = ₹4,00,000

Total depreciation = $4,00,000 \times \frac{5}{100} \times \frac{9}{12}$
= ₹45,000

Car was used for ₹20,000 ks = for first 15,000 km for business use and for remaining 5,000 km for personal use. Therefore proportion of usage = 3 : 1, Hence total depreciation is to be divided in 3 : 1 i.e., ₹33,750 and ₹11,250.

Date	Particulars	L.F.	Debit ₹	Credit ₹
	Profit and loss A/c Dr. To Depreciation on car A/c (Being depreciation charge on car for office use)		33,750	33,750

UNIT 11

CAPITAL AND REVENUE TRANSACTIONS

CHAPTER SNAPSHOT

- 11.1** Introduction
- 11.2** Considerations in determining capital and revenue expenditures
- 11.3** Classification of expenditure
- 11.4** Capital expenditure
 - 11.4.1** Features of capital expenditure
- 11.5** Revenue expenditure
 - 11.5.1** Features of revenue expenditure
- 11.6** Deferred revenue expenditure
 - 11.6.1** Features of deferred revenue expenditure
- 11.7** Comparison of capital, revenue and deferred revenue expenditure
- 11.8** Capital and revenue receipts
 - 11.8.1** Capital receipt
 - 11.8.2** Revenue receipt
- 11.9** Distinction between capital and revenue receipts

CONCEPT MAP**FINAL ACCOUNTS****Trading Account****Debit side**

1. Opening stock
2. Purchases and Purchases returns
3. Direct expenses
4. Cost of goods manufactured

Credit side

1. Sales and sales returns
2. Closing stock

Profit and Loss Account**Debit side**

1. Gross loss
2. Indirect expenses
3. Office and administrative expenses
4. Selling and distribution expenses
5. Other indirect expenses and losses

Credit side

1. Gross Profit
2. Other incomes and gains

Balance Sheet**Assets**

1. Fixed assets
2. Current assets
3. Liquid assets
4. Investments
5. Wasting assets
6. Tangible assets
7. Intangible assets
8. Fictitious or Nominal assets

Liabilities

1. Fixed or long term liabilities
2. Current or short term liabilities
3. Contingent liabilities

Additional Questions and Answers

I. CHOOSE THE CORRECT ANSWER.

1 MARK

(i) CHOOSE THE CORRECT OPTION.

1. If the amount of sales exceeds the cost of goods sold, the difference is

- (a) Gross profit (b) Net profit
(c) Gross loss (d) Net loss

[Ans. (a) Gross profit]

2. All the expenses incurred on the purchase of goods are

- (a) Direct expenses
(b) Indirect expenses
(c) Selling expenses
(d) Administration expenses

[Ans. (a) Direct expenses]

3. The goods remaining unsold at the end of the accounting period are known as

- (a) Opening stock (b) Closing stock
(c) Average stock (d) None of these

[Ans. (b) Closing stock]

4. The Liabilities which are to be repaid after one year or more are termed as

- (a) Long-term liabilities
(b) Short-term liabilities
(c) Contingent liabilities
(d) None of these

[Ans. (a) Long-term liabilities]

5. Opening stock is

- (a) debited in trading account
(b) credited in trading account
(c) Credit in profit and loss account
(d) none of these

[Ans. (a) debited in trading account]

6. Cash in hand is an example of

- (a) Current assets
(b) Fixed assets
(c) Current liability
(d) Contingent liability

[Ans. (a) Current assets]

7. Drawing must be deducted from

- (a) Net profit (b) Capital
(c) Gross profit (d) Sales

[Ans. (b) Capital]

8. Net profit is added to

- (a) Current Asset (b) Drawings
(c) Capital (d) Fixed Asset

[Ans. (c) Capital]

9. Profit on sale of fixed asset is an example of

- (a) Revenue profit
(b) Capital profit
(c) Net receipt
(d) Revenue expenditure

[Ans. (b) Capital profit]

(ii) MATCH LIST I WITH LIST II AND SELECT THE CORRECT ANSWER USING THE CODES GIVEN BELOW.

	List I	List II
1.	(i) Trading account	(1) Land and Building
	(ii) Profit and loss account	(2) Bills payable
	(iii) Liabilities	(3) Import duty
	(iv) Assets	(4) Indirect expenses

Codes :

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

[Ans. (b) (i) - 3, (ii) - 4, (iii) - 2, (iv) - 1]

(iii) CHOOSE THE CORRECT OPTION AND FILL IN THE BLANKS.

1. At the end of the accounting year the balance in purchases returns account is closed by transferring to _____ account.

- (a) Capital (b) Purchases
(c) Sales (d) None of these

[Ans. (b) Purchases]

2. _____ refers to buying and selling of goods with the intention of making profit.

- (a) Trading
(b) Trial balance
(c) Balance Sheet
(d) Profit and Loss Account

[Ans. (a) Trading]

UNIT 13

FINAL ACCOUNTS OF SOLE PROPRIETORS-II

CHAPTER SNAPSHOT

13.1 Introduction

13.1.1 Rationale of making adjustments at the time of preparing final accounts

13.2 Adjustment entries and accounting treatment of adjustments

13.2.1 Meaning of adjustment entries

13.2.2 Purpose of adjustment entries

13.2.3 Need for adjustment entries

13.2.4 Adjustments and adjustment entries

13.3 Summary of adjusting entries and accounting treatment of adjustments

13.4 Final accounts with adjustments

8. The following are the extracts from the trial balance.

Particulars	Debit ₹	Credit ₹
Sundry debtors	50,000	
Discount on debtors	2,000	
Bad debts	3,000	

Additional information:

(a) Create a provision for doubtful debts @ 10% on sundry debtors.

(b) Create a provision for discount on debtors @ 5% on sundry debtors.

You are required to pass necessary adjusting entries and show how these items will appear in the final accounts.

Solution :**Adjusting Entries**

Date	Particulars	L.F.	Debit ₹	Credit ₹
2016 Mar 31	Profit and Loss A/c Dr. To Provision for bad and doubtful debts A/c (Provision for Bad and doubtful debts $50,000 \times \frac{10}{100}$)		5,000	5,000
31	Profit and loss A/c Dr. To Provision for discount on debtors A/c (Provision for discount on debtors A/c)		2,250	2,250

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

Particulars	Amount ₹	Amount ₹	Particulars	Amount ₹	Amount ₹
To Provision for doubtful debts (Adj.)	5,000				
Add : Bad debts	3,000	8,000			
To Discount allowed	2,000				
Add : Provision for discount on debtors	2,250				
		4,250			

Balance Sheet as on 31st March 2016

Liabilities	Amount ₹	Amount ₹	Assets	Amount ₹	Amount ₹
			Sundry Debtors	50,000	
			Less : Provision for bad and doubtful debts 10%	5,000	
				45,000	
			Less : Provision for discount on debtors 5%	2,250	
					42,750

Balance Sheet of Ms. Anuradha agencies as on 31st March 2012

Liabilities	Amount ₹	Amount ₹	Assets	Amount ₹	Amount ₹
Capital	80,000		Cash at Bank		20,200
Add : Net profit	8,376		Loose Tools		6,100
	88,376		Goodwill		10,000
Add : Interest on Capital			Sundry debtors	28,000	
@ 8%	6,400		Less : Provision for bad and doubtful debts @ 5%	1,400	
	94,776			26,600	
Less : Drawings	1,800		Less : Provision for discount on debtors @ 2%	532	26,068
	92,976			15,000	
Less : Interest on drawings @ 6%	108	92,868	Buildings	15,000	
Sundry creditors		10,000	Less : Depreciation @ 5%	750	14,250
Loan from Hari @ 6%		15,000	Furniture and fittings	7,500	
General reserve		20,000	Less : Depreciation @ 10%	750	6,750
			Computer	25,000	
			Less : Depreciation @ 10%	2,500	22,500
			Closing stock		32,000
		1,37,868			1,37,868

HOTS Questions

VERY SHORT ANSWER QUESTIONS. 2 MARKS

1. Goods worth ₹3,00,000 were burnt by fire and claim of ₹1,80,000 has been accepted by the insurance company. How it will be recorded in final accounts?

Ans. ₹3,00,000 will be deducted from purchases on the debit side of trading account, ₹1,20,000 will be shown on the debit side of profit and loss account and ₹1,80,000 will be shown on the assets side of the balance sheets.

2. Accrued income is credited to the profit and loss account and shown in the balance sheet as a current asset. Why?

Ans. Under the accrual concept of accounting income is recognised when goods or services have been sold, whether the amount has been received or not. Since it is income, it is credited

to the profit and loss amount. And since the amount is due to the enterprise, it is shown as a current asset in the balance sheet.

3. If unearned income is credited to the profit and loss account would it be correct?

Ans. No, because unearned income represents the amount that has been received against which goods or services will be sold in the next year.

4. If depreciation reduces profits, reduces value of assets and also reduces capital of the proprietor, then why do enterprises provide for depreciation?

Ans. Financial statements must show a true and fair view of the financial performance and position of the business. If depreciation is not provided, both fixed asset and profit will be shown at inflated amounts.

UNIT 14

COMPUTERISED ACCOUNTING

CHAPTER SNAPSHOT

- 14.1** Introduction to computers
- 14.2** Computerised Accounting System (CAS)
 - 14.2.1** Features of computerised accounting system
 - 14.2.2** Components of Computerised Accounting System
- 14.3** Advantages of computerised accounting system
- 14.4** Limitations of computerised accounting system
- 14.5** Differences between manual and computerised accounting system
- 14.6** Accounting software
- 14.7** Grouping and codification of accounts
 - 14.7.1** Grouping of accounts
 - 14.7.2** Codifications of accounts
 - 14.7.3** Methods of codification
- 14.8** Microsoft office - MS Word and MS Excel practical
 - 14.8.1** MS-Word
 - 14.8.2** MS-Excel

Government Exam Questions and Answers

I. VERY SHORT ANSWER QUESTIONS.

2 MARKS

1. Write the components of computerised Accounting System (CAS).

[June-2019]

Ans. Components of computerised Accounting System can be classified into six categories, namely,

- | | | | |
|--------------|-------------------|--------------|----------------|
| (i) Hardware | (ii) Software | (iii) People | (iv) Procedure |
| (v) Data | (vi) Connectivity | | |

Additional Questions and Answers

I. CHOOSE THE CORRECT ANSWER.

1 MARK

(i) CHOOSE THE CORRECT OPTION.

1. Today, the most commonly used word in this world is [BEQ]

- | | |
|--------------|-------------------|
| (a) T.V. | (b) Radio |
| (c) Computer | (d) None of these |

[Ans. (d) None of these]

2. A computer system accepts input in the form of raw data, processes it and gives desired results called

- | | |
|-----------|-------------------|
| (a) Input | (b) Output |
| (c) both | (d) None of these |

[Ans. (b) Output]

3. Impact of computer is seriously felt in accounting more than any other department of the

- | | |
|--------------|-------------------|
| (a) business | (b) organisation |
| (c) both | (d) none of these |

[Ans. (a) business]

4. Computerised accounting system refers to the system of maintaining accounts using

- | | |
|---------------|---------------|
| (a) Printers | (b) Scanners |
| (c) Computers | (d) Softwares |

[Ans. (c) Computers]

5. Computerised accounting system facilitates the management and other users to maintain accounts and prepare

- | | |
|--------------------|-----------------------------|
| (a) final accounts | (b) profit and loss account |
| (c) balance sheet | (d) financial statements |

[Ans. (d) financial statements]

6. Computerised accounting has become cheaper as compared to [BEQ]

- | | |
|-------------|------------------|
| (a) Capital | (b) Labour |
| (c) Wages | (d) Human labour |

[Ans. (d) Human labour]

7. The physical components of a computer constitute its

- | | |
|--------------|--------------|
| (a) Hardware | (b) Software |
| (c) Keyboard | (d) Mouse |

[Ans. (a) Hardware]

8. The facts and figures that are fed into a computer for further processing are called

- | | |
|------------------|---------------|
| (a) Connectivity | (b) Procedure |
| (c) data | (d) software |

[Ans. (c) data]

9. Processed and useful data are called information which is used for

- | | |
|-------------------|---------------------|
| (a) Motivation | (b) Decision making |
| (c) Co-ordination | (d) None of these |

[Ans. (b) Decision making]

10. The most important element in computerised Accounting system.

- | | |
|--------------|---------------|
| (a) Hardware | (b) Procedure |
| (c) Software | (d) People |

[Ans. (d) People]

(ii) MATCH LIST I WITH LIST II AND SELECT THE CORRECT ANSWER USING THE CODES GIVEN BELOW.

1.

List I	List II
(i) CPU	(1) Management Information System
(ii) CAS	(2) Accounting Standards Board
(iii) MIS	(3) Computerised Accounting System
(iv) ASB	(4) Central Processing Unit

On 21.08.2018, Model Question Paper is released by the Govt.

11th STD.

GOVT. MODEL QUESTION PAPER - 1 (CHAPTER 1 TO 8)

Accountancy

Time : 3.00 Hours ★] as per Govt. Notifications

[Maximum Marks : 90

SECTION - I

(20 × 1 = 20)

Note : (a) Answer all the questions.

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

- 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
- Pick the odd one out from the following.
(a) Accountancy (b) Accounting
(c) Book keeping (d) Discount
- The business is liable to the proprietor of the business in respect of capital introduced by the person according to
(a) Money measurement concept (b) Cost concept
(c) Business entity concept (d) Dual aspect concept
- 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
- Consider the following statement
Assertion (A) : Book keeping provides a permanent and reliable record for all business transactions.
Reason (R) : Transactions are recorded systematically in chronological order in the books of account.
Select the correct answer:
(a) Both (A) and (R) are true and (R) is the correct explanation of (A)
(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
- Withdrawal of cash from business by the proprietor should be credited to _____.
(a) Drawings A/c (b) Cash A/c
(c) Capital A/c (d) Purchases A/c
- Main objective of preparing ledger account is to _____.
(a) Ascertain the financial position
(b) Ascertain the profit or loss
(c) Ascertain the profit or loss and the financial position
(d) Know the balance of each ledger account
- If the total of the debit side of an account exceeds the total of its credit side, it means _____.
(a) Credit balance (b) Debit balance
(c) Nil balance (d) Debit and credit balance

- The trial balance contains the balances of _____.
(a) Only personal accounts (b) Only real accounts
(c) Only nominal accounts (d) All accounts
- Point out the wrong statement in the following statement:
(a) Sales book is meant for recording sales of goods on credit
(b) Purchase book is meant for recording purchases of goods on credit
(c) Petty cash book is meant for recording small expenses
(d) Pass book is meant for recording all expenses
- Match List I with List II and select the correct answer using the codes given below:

List I	List II
(i) Internal user of accounting information	1. Human Resource Accounting
(ii) External user of accounting information	2. Tax manager
(iii) Role of an accountant	3. Researchers
(iv) Branches of accounting	4. Employees

Codes:

- | | | | | |
|-----|-----|------|-------|------|
| | (i) | (ii) | (iii) | (iv) |
| (a) | 1 | 2 | 3 | 4 |
| (b) | 3 | 4 | 1 | 2 |
| (c) | 4 | 3 | 2 | 1 |
| (d) | 2 | 3 | 1 | 4 |
- Which one of the following is not correctly matched
(a) Journal - Ledger Folio
(b) Ledger - Journal Folio
(c) Purchase book - Invoice number
(d) Sales returns book - Debit note number
 - Which of the following is recorded as contra entry?
(a) Withdrew cash from bank for personal use
(b) Withdrew cash from bank for office use
(c) Direct payment by the customer in the bank account of the business
(d) When bank charges interest
 - The balance in the petty cash book is _____.
(a) An expense (b) A profit (c) An asset (d) A liability
 - A bank statement is a copy of _____.
(a) Cash column of the cash book
(b) Bank column of the cash book
(c) A customer's account in the bank's book
(d) Cheques issued by the business

COMMON QUARTERLY EXAMINATION - SEP 2019

PART - III

Register Number

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ACCOUNTANCY

Time allowed : 2.30 hours]

[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:** (1) Answer **all** the questions.
- (2) Choose the most appropriate answer from the given **four** alternatives and write the option code and the corresponding answer.

(20 × 1 = 20)

- Who is considered to be the internal user of the financial information?
 - Creditor
 - Employee
 - Customer
 - Government
- In _____ Luca Pacioli an Italian developed double entry book keeping system
 - 1449
 - 1494
 - 1944
 - 1459
- The concept which assumes that a business will last indefinitely is
 - Business Entity
 - Going concern
 - Periodicity
 - Conservatism
- In India, Accounting Standards are issued by
 - Reserve Bank of India
 - The Cost and Management Accountants of India
 - Supreme Court of India
 - The Institute of Chartered Accountants of India
- A firm has assets of ₹20,000 and the external liabilities of ₹12,000. Its capital would be
 - ₹2,000
 - ₹8,000
 - ₹22,000
 - ₹18,000
- Which one of the following is representative personal account?
 - Building A/c
 - Outstanding salary A/c
 - Salary A/c
 - Balan & Co A/c
- Main objective of preparing ledger account is to
 - Ascertain the Financial position
 - Ascertain the profit or loss
 - Ascertain the profit or loss and the financial position
 - Know the balance of each ledger account
- If Ganesan's account discloses the total of the debit side of an account exceeds the total of its credit side, it means
 - Credit Balance
 - Debit Balance
 - Nil Balance
 - Debit and Credit Balance
- After the preparation of ledger, the next step is the preparation of
 - Trading account
 - Trial balance
 - Journal
 - Profit and loss account
- The account which has a debit balance and is shown in the debit column of the trial balance is
 - Sundry Creditors account
 - Bills payable account
 - Drawings account
 - Capital account
- Sales book is used to record
 - All sales of goods
 - All credit sales of assets
 - All credit sales of goods
 - All sales of assets and goods

[399]

11th
STD.

Half Yearly Examination 2019-20

Part III – Accountancy

Regd No:

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Time Allowed : 3.00 Hours

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.

PART - I

- Note :** (i) Answer all the questions. $20 \times 1 = 20$
- (ii) Choose the most appropriate answer from the given **four** alternatives and write the option code and the corresponding answer.

1. The root of Financial Accounting System is :
 - (a) Social accounting
 - (b) Stewardship accounting
 - (c) Management accounting
 - (d) Responsibility accounting
2. Find the odd one out :
 - (a) Octroi
 - (b) Import duty
 - (c) Dock charges
 - (d) Export duty
3. GAAPs is :
 - (a) Generally Accepted Accounting Policies
 - (b) Generally Accepted Accounting Principles
 - (c) Generally Accepted Accounting Provisions
 - (d) Both (a) and (c)
4. Prepaid rent is a :
 - (a) Nominal A/c
 - (b) Personal A/c
 - (c) Real A/c
 - (d) Representative Personal A/c
5. Trial balance is a :
 - (a) Statement
 - (b) Account
 - (c) Ledger
 - (d) Journal
6. The Trial balance contains the balances of :
 - (a) Only personal accounts
 - (b) Only real accounts
 - (c) Only nominal accounts
 - (d) All accounts

7. The source document or voucher used for recording entries in sales books is :
 - (a) Debit note
 - (b) Credit note
 - (c) Invoice
 - (d) Cash Receipts
8. Small payments are recorded in :
 - (a) Cash book
 - (b) Purchase book
 - (c) Bills payable book
 - (d) Petty cash book
9. Which of the following statement is not true? A bill of exchange is :
 - (a) a written document
 - (b) signed by the drawer
 - (c) a conditional order
 - (d) to be accepted by the acceptor
10. A bank statement is a copy of :
 - (a) Cash column of the cash book
 - (b) Bank column of the cash book
 - (c) A customer's account in the bank's book
 - (d) Cheques issued by the business
11. 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
12. A transaction not recorded at all is known as an error of :
 - (a) principle
 - (b) complete omission
 - (c) partial omission
 - (d) duplication
13. Under the written down value method of depreciation, the amount of depreciation is :
 - (a) Uniform in all the years
 - (b) Decreasing every year
 - (c) Increasing every year
 - (d) Calculated on the original cost of the assets for all the years