



Sample Question Paper

ACCOUNTANCY

Time : 2½ hours

Written Exam Marks : 90 Marks

We have prepared and given here Sample Paper for Practice only.

Kind Attention to the Students

- ✦ From this year onwards, blue print system has been abolished.
- ✦ Please note that questions will be framed from IN-TEXT portions ALSO.
- ✦ Approximately 20% of the questions will be asked from IN-TEXT portions.
- ✦ These questions will be based on Reasoning and Understanding of the lessons.
- ✦ Further, Creative and Higher Order Thinking Skills questions will also be asked. It requires the students to clearly understand the lessons. So the students have to think and answer such questions.
- ✦ It is instructed that henceforth if any questions are asked from 'out of syllabus', grace marks will not be given.
- ✦ Term Test, Revision Test and Model Exam will be conducted based on the above pattern only.
- ✦ Concentrating only on the book-back questions and/or previous year questions, henceforth, may not ensure to score 100% marks.
- ✦ Also note that the answers must be written either in blue ink or in black ink. Avoid using both the colour inks to answer the questions.
- ✦ For MCQs, the answers should be written in full. Simply writing (a) or (b) etc. will not get full marks. You have to write (a) or (b) etc., along with the answer given in the options.

11th STD.

SURA'S SAMPLE QUESTION PAPER

Time : 2.30 Hours

ACCOUNTANCY

Marks : 90

PART - I

Answer **all** the questions.

Choose the correct answer.

20 × 1 = 20

1. The root of financial accounting system is _____ .
 - (a) Social accounting
 - (b) Stewardship accounting
 - (c) Management accounting
 - (d) Responsibility accounting
2. Prepaid rent is a _____ .
 - (a) Nominal A/c
 - (b) Personal A/c
 - (c) Real A/c
 - (d) Representative personal A/c
3. Which of the following statements is not true?
 - (a) Cash discount is recorded in the books of accounts
 - (b) Assets purchased on credit are recorded in journal proper
 - (c) Trade discount is recorded in the books of accounts
 - (d) 3 grace days are added while determining the due date of the bill
4. The profounder of double entry system of book-keeping is
 - (a) J. R. Batlibai
 - (b) Luca Pacioli
 - (c) Old Kesal
 - (d) Menhar
5. Land and Building ₹ 6,00,000. Depreciation is provided at 10%. The value of land and Building will be _____ .
 - (a) ₹ 6,60,000
 - (b) ₹ 5,40,000
 - (c) ₹ 60,000
 - (d) ₹ 3,30,000
6. After the preparation of ledger, the next step is the preparation of _____ .
 - (a) Trading account
 - (b) Trial balance
 - (c) Journal
 - (d) Profit and loss account

7. Cash book is a _____.
- (a) Subsidiary book (b) Principal book
(c) Journal proper (d) Both subsidiary book and principal book
8. Cash received from sale of fixed asset is credited to _____.
- (a) Profit and loss account (b) Fixed asset account
(c) Depreciation account (d) Bank account
9. Goodwill is classified as _____.
- (a) A current asset (b) A liquid asset
(c) A tangible asset (d) An intangible asset
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. _____ is the interface between the user and the computer system.
- (a) System software (b) Application software
(c) Operating system (d) Connectivity software
12. Revenue expenditure is intended to benefit _____.
- (a) Past period (b) Future period
(c) Current period (d) Any period
13. In triple column cash book, cash withdrawn from bank for office use will appear in _____.
- (a) debit side of the cash book only (b) both sides of the cash book
(c) credit side of the cash book only (d) debit side of the pass book only
14. A credit purchase of furniture from Athiyaman was debited to purchases account. Which of the following accounts should be debited while rectifying this error?
- (a) Purchases account (b) Athiyaman account
(c) Furniture account (d) None of these
15. The liabilities of a business are ₹ 30,000, the Capital of the proprietor is ₹ 70,000. The total assets are _____.
- (a) ₹ 70,000 (b) ₹ 1,00,000
(c) ₹ 40,000 (d) ₹ 50,000

16. The process of transferring the debit and credit items from journal to ledger accounts is called _____.
- (a) Casting (b) Posting
(c) Journalising (d) Balancing
17. A prepayment of insurance premium will appear in _____.
- (a) The trading account on the debit side
(b) The profit and loss account on the credit side
(c) The balance sheet on the assets side
(d) The balance sheet on the liabilities side
18. An example of output device is _____.
- (a) Mouse (b) Printer
(c) Scanner (d) Keyboard
19. Suspense account in the trial balance is entered in the _____.
- (a) Trading Account (b) Profit and Loss A/c
(c) Balance Sheet (d) None of these
20. Accounting cycle begins with recording of business transactions and ends with the preparation of _____.
- (a) Final accounts (b) Cost accounts
(c) Financial accounts (d) Management accounts

PART - II

Answer any **seven** questions in which question **No.21** is compulsory.

7 × 2 = 14

21. Name any two bases of recording accounting information.
22. Write any one transaction which : a) Decreases the assets and decreases the liabilities
b) Increases one asset and decreases another asset
23. What is an opening entry?
24. Find out the amount of sales from the following information:

Particulars	₹	Particulars	₹
Opening stock	30,000	Closing stock	20,000
Purchases less returns	2,00,000	Gross profit margin (on sales)	30%

25. Prepare Furniture A/c from the following transactions

2016 Jan.		₹
1	Furniture in hand	2,000
1	Purchased furniture for cash	4,000
30	Sold furniture	400

26. What is prepaid expense?

27. What is cash discount?

28. What is suspense account?

29. From the following particulars prepare a bank reconciliation statement of Jayakumar as on 31st December, 2016.

(a) Balance as per cash book ₹ 7,130

(b) Cheque deposited but not cleared ₹ 1,000

(c) A customer has deposited ₹ 800 into the bank directly

30. Rectify the following errors discovered before the preparation of the trial balance:

(a) Sales book was undercast by ₹ 100

(b) Purchases returns book was overcast by ₹ 200

PART - III

Answer any **seven** questions in which question **No.31** is compulsory.

7 × 3 = 21

31. "Business units last indefinitely". Mention and explain the concept on which the statement is based.

32. Radhika Traders started Business with the following on 1st April 2017.

Assets: Cash ₹ 8,000; Bank ₹ 7,000; Stock ₹ 30,000; Debtors ₹ 40,000;

(Mono ₹ 25,000 and Suman ₹ 15,000) Furniture ₹ 5,000 and Building ₹ 25,000

Liabilities : Creditors ₹ 18,000 (Suresh ₹ 10,000 and Ramesh ₹ 8,000) Pass the Journal Entry.

33. State whether the following expenditures are capital, revenue or deferred revenue.

i) Advertising expenditure, the benefits of which will last for three years.

ii) Registration fees paid at the time of registration of a building.

iii) Expenditure incurred on repairs and whitewashing at the time of purchase of an old building in order to make it usable.

34. Enter the following transactions in the Purchases book of M/s. Subhashree Electric Co., which deals in electric goods.

2017 April 5	Purchased from Karthik Electric Co., on credit
	10 Electric iron box @ ₹ 2,500 each
	5 electric stoves @ ₹ 2,000 each
April 19	Purchased on credit from Khaitan Electric Co.,
	3 electric heaters @ ₹ 6,000 each
April 25	Purchased from Polar Electric Co., on credit
	10 Fans @ ₹ 2,000 each
April 29	Purchased from M & Co. for cash
	10 electric stoves @ ₹ 3,000 each

35. 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

36. 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.

37. Enter the following transactions in a single column cash book of Pandeewari for the month of June, 2017.

		₹
June 2	Started business with cash	50,000
8	Paid rent in cash	4,000
10	Purchased printer for cash	7,500
11	Cash purchases	15,000
14	Cash sales	10,000
17	Commission received in cash	6,000
19	Interest paid for loan in cash	2,000
20	Cash withdrawn for personal use	3,000
21	Paid speed post charges in cash	3,500

38. On preparing final accounts of Suresh, bad debt account has a balance of ₹ 800 and sundry debtors account has a balance of ₹ 16,000 of which ₹ 1,200 is to be written off as further bad debts. Pass adjusting entry for bad debts. And also show how it would appear in profit and loss account and balance sheet.

39. Prepare the trial balance from the following balances of Chandramohan as on 31st March, 2017.

	₹		₹
Capital	1,24,500	Bank overdraft	5,800
Drawings	2,000	Motor car	20,000
Loan borrowed	7,000	General expenses	2,500
Sales	53,400	Building	1,10,000
Purchases	40,000	Stock	16,200

40. State the relationship between information and decision.

PART - IV

Answer **all** the questions.

(7 × 5 = 35)

41. a) Mary is a cement dealer having business for more than 5 years. Pass journal entries in her books for the period of March, 2018.

March		₹
1	Cement bags bought on credit form Sibi	20,000
2	Electricity charges paid through net banking	500
3	Returned goods bought form Sibi	5,000
4	Cement bags taken for personal use	1,000
5	Advertisement expenses paid	2,000
6	Goods sold to Mano	20,000
7	Goods returned by Mano	5,000
8	Payment received from Mano through NEFT	

(or)

b) From the following balances extracted from the books of Rajeshwari as on 31st March, 2017, prepare the trial balance.

	₹		₹
Cash at bank	28,000	Rent and rates	4,000
Sundry debtors	59,600	Bank charges	400
Furniture and Fixtures	1,72,000	Bad debts	4,000
Office equipment	1,10,000	Drawings	20,000
Adjusted purchases	2,80,000	Insurance Premium	4,000
Sales returns	3,000	Capital	3,00,000
Closing stock	15,000	Sundry creditors	64,000
Sales	2,36,000	Loan (Cr.)	1,00,000

42. a) From the Trial balance, given by Saif, prepare final accounts for the year ended 31st March, 2018 in his books.

Debit Balances	₹	Credit Balances	₹
Land	40,000	Purchases returns	15,000
Opening stock	40,000	Bill payable	7,000
Machinery	66,000	Capital	1,50,000
Purchases	1,30,000	Sales	2,20,000
Wages	35,000	Creditors	60,000
Interest paid	13,000		
Cash	2,300		
Debtors	80,000		
Bill receivable	15,000		
Office rent paid	12,700		
Furniture	3,000		
Drawings	5,000		
Sales returns	10,000		
	4,52,000		4,52,000

Closing stock (31.12.2017) ₹ 14,500

(or)

- b) Record the following transactions in the sales book and sales returns book of M/s. Ponni & Co., and post them to ledger.

2017 Aug 1 Sold goods to Senthil as per Invoice No. 68 for ₹ 20,500 on credit

Aug 4 Sold goods to Madhavan as per Invoice No. 74 for ₹ 12,800 on credit

Aug 7 Sold goods to Kanagasabai as per Invoice No. 78 for ₹ 7,500 on credit

Aug 15 Returns inward by Senthil as per Credit Note no. 7 for ₹ 1,500 for which cash is not paid

Aug 20 Sold goods to Selvam for ₹ 13,300 for cash

Aug 25 Sales returns of ₹ 1,800 by Madhavan as per Credit Note No. 11 for which cash is not paid

43. a) Show the direct ledger postings for the following transactions:

2017 June

1 Raja commenced business with cash ₹ 50,000

6 Sold goods for cash ₹ 8,000

8 Sold goods to Devi on credit ₹ 9,000

15 Goods purchased for cash ₹ 4,000

20 Goods purchased from Shanthi on credit ₹ 5,000

(or)

- b) Enter the following transactions of Fathima in the cash book with cash, bank and discount columns for the month of May, 2017.

		₹	
2017	May 1	Cash balance	17,200
		Bank balance	43,000
	4	Received from Rajkumar by cheque on account	6,500
	9	Sold goods to Kumar for cash	12,000
	15	Bought laptop for business use and payment made through NEFT	21,000
	17	Withdrawn cash from Bank	9,600
	24	Goods purchased for cash ₹ 12,400 and by cheque	18,200
	25	Deposited cash with bank	14,000
	28	Paid staff salaries by cheque	8,000
	29	Dividend received in cash	4,700
	30	Paid office rent in cash	12,000

44. a) Ragul purchased machinery on April 1, 2014 for ₹ 2,00,000. On 1st October 2015, a new machine costing ₹ 1,20,000 was purchased. On 30th September 2016, the machinery purchased on April 1, 2014 was sold for ₹ 1,20,000. Books of accounts are closed on 31st March and depreciation is to be provided at 10% p.a. on straight line method. Prepare machinery account and depreciation account for the years 2014-15 to 2016-17.

(or)

- b) Prepare analytical petty cash book from the following particulars under imprest system:

		₹	
2017	July 1	Received advance form cashier	2,000
	7	Paid for writing pads and registers	100
	8	Purchased white papers	50
	10	Paid auto charges	200
	15	Paid wages	300
	18	Postal charges	100
	21	Purchased Stationery	450
	23	Tea expenses	60
	25	Paid for speed post	150
	27	Refreshment expenses	250
	31	Paid for carriage	150

45. a) Prepare bank reconciliation statement as on 31st March, 2017 from the following extracts of cash book and bank statement.

Dr.			Cash Book [Ban column only]			Cr.		
Date	Particulars	Amount ₹	Date	Particulars	Amount ₹			
2017 Mar 1	To Balance b/d	9,000	2017 Mar 4	By Drawings	1,700			
3	To Ram	2,200	8	By Sumi	3,300			
9	To Prem	1,500	12	By Salary	2,800			
16	To Pavithra	3,400	16	By Kayal	1,700			
23	To Devi	2,600	18	By Pooja	4,200			
27	To Mani	1,100	26	By Sam	2,000			
30	To Shankar	350	28	By Raheem	1,100			
			30	By Rent	1,100			
			30	By Balance c/d	2,250			
		20,150			20,150			

Bank Statement

Date	Particulars	Dr. Withdrawals ₹	Cr. Deposits ₹	Balance Dr. / Cr. ₹
2017 Mar 1	By balance b/d			9,000 Cr.
	To cheque-Drawings	700		8,300 Cr.
5	By cheque - Ram		2,200	10,500 Cr.
9	To cheque - Sumi	3,300		7,200 Cr.
11	By cheque - Prem		1,500	8,700 Cr.
12	To cheque - Salary	2,800		5,900 Cr.
17	To cheque - Kayal	1,700		4,200 Cr.
20	By cheque - Devi		2,600	6,800 Cr.
30	By Interest received		900	7,700 Cr.
30	To bank charges	15		7,685 Cr.

(or)

b) Create an accounting equation on the basis of the following transactions:

- (i) Rakesh started business with a capital of ₹ 1,50,000
- (ii) Deposited money with the bank ₹ 80,000
- (iii) Purchased goods from Mahesh and paid through credit card ₹ 25,000
- (iv) Sold goods (costing ₹ 10,000) to Mohan for ₹ 14,000 who pays through debit card
- (v) Commission received by cheque and deposited the same in the bank ₹ 2,000
- (vi) Paid office rent through ECS ₹ 6,000
- (vii) Sold goods to Raman for ₹ 15,000 of which ₹ 5,000 was received at once

46. a) A Book keeper found his trial balance not balanced placed the difference amount in the suspense account and subsequently found the following errors :

- (a) Sales book was overcast by ₹ 1,500.
- (b) ₹ 2,900 received from Vani in full settlement of his account of ₹ 3,000 was posted in cash book but omitted to be entered in her account.
- (c) The total of the sales book ₹ 12,000 was debited to sales returns account.
- (d) ₹ 1,000 received as interest was credited to interest account as ₹ 100.

(or)

b) Write the following transactions in proper subsidiary books of Mr. Rajasekaran.

- 2014 May 10 Purchased goods from Raman ₹ 15,000.
 May 14 Returned goods to Raman ₹ 500.
 May 18 Purchased goods from Sekaran ₹ 10,000.
 May 20 Pradeep sold goods to us ₹ 20,000.
 May 24 Sent a Debit note to Sekaran for goods damaged in transit ₹ 1,000.

47. a) From the following trial balance of Ramesh as on 31st March, 2017, prepare the trading and profit and loss account and the balance sheet as on that date.

Particulars	Debit ₹	Credit ₹
Stock (01.04.2016)	40,000	
Purchases	85,000	
Sales		1,90,000
Sundry creditors		48,000
Furniture and fixtures	65,000	
Debtors	45,000	
Cash at bank	21,000	

Wages	37,500	
Drawings	15,000	
Telephone charges	3,000	
Bad debts	2,000	
Provision for bad debts		2,500
Discount received		3,000
Capital		85,000
Advertising	15,000	
	3,28,500	3,28,500

Adjustments:

- Closing stock was valued at ₹ 35,000
- Unexpired advertising ₹ 250
- Provision for bad and doubtful debts is to be increased to ₹ 3,000
- Provide 2% for discount on debtors.

(or)

- b) Balan who has a car driving school gives you the following ledger balances. Prepare trial balance as on 31st December, 2016.

	₹		₹
Computer	26,000	Freehold land	30,000
Salaries to drivers	4,000	Bank loan	15,000
Taxes and insurance	16,500	Fees received	18,150
Fuel and Power	2,000	Capital	53,850
Rent and rates	1,500	Advertisement	7,000

★★★★

ANSWERS

PART - I

1. (b) Stewardship accounting
2. (d) Representative personal A/c
3. (c) Trade discount is recorded in the books of accounts
4. (b) Luca Pacioli
5. (b) ₹ 5,40,000
6. (b) Trial balance
7. (d) Both subsidiary book and principal book
8. (b) Fixed asset account
9. (d) An intangible asset
10. (c) Bank statement and bank column of the cash book
11. (c) Operating system
12. (c) Current period
13. (b) both sides of the cash book
14. (c) Furniture account
15. (b) ₹ 1,00,000
16. (b) Posting
17. (c) The balance sheet on the assets side
18. (b) Printer
19. (c) Balance Sheet
20. (a) Final accounts

PART - II

21. There are three bases of accounting in common usage, namely
 - (i) Cash Basis
 - (ii) Accrual or mercantile basis
 - (iii) Mixed or hybrid basis
22. **(a)** Cash withdrawn by proprietor - Decrease in Cash and decrease in capital.
(b) Purchase of furniture for cash-Increase in furniture and decrease in cash.
23. **(i)** At the end of the accounting year, all nominal accounts are closed but the business has to be carried on with previous year's assets and liabilities.
(ii) 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.

$$\begin{aligned}
 24. \text{ Cost of goods sold} &= \text{Opening stock} + \text{Net purchases} + \text{Direct expenses} - \text{Closing stock} \\
 &= 30,000 + 2,00,000 - 20,000 \\
 &= ₹ 2,10,000
 \end{aligned}$$

Let the sales be	100
Less : Gross profit (30% on sales, i.e., 100)	<u>30</u>
Cost of goods sold	<u>70</u>

Therefore, Gross profit on Cost of goods sold is $\frac{30}{70} \times 2,10,000 = ₹ 90,000$

$$\begin{aligned}
 \text{Sales} &= \text{Cost of goods sold} + \text{Gross profit} \\
 &= ₹ 2,10,000 + 90,000 = 3,00,000
 \end{aligned}$$

25. Dr. **Furniture Account** Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2016 Jan 1	To Cash A/c		2,000	2016 Jan 30	By Cash A/c		400
11	To Cash A/c		4,000	31	By Balance c/d		5,600
			6,000				6,000
2016 Feb 1	To Balance b/d		5,600				

26. (i) Prepaid expenses refer to amount paid in the current accounting year for the benefit or services to be received in the next accounting year.
- (ii) They are also called as unexpired expenses. Prepaid expense account is a representative personal account.
27. (i) Cash discount is allowed to the parties making prompt or immediate payment. It is discount allowed (loss) for the creditor and discount received (gain) for the debtor who makes payment.
- (ii) The discount is allowed when payment is received or made and hence the entry for discount is also passed with the entry of payment.
28. (i) After transferring all the ledger account balances, if the trial balance does not tally, steps must be taken to locate and rectify errors.
- (ii) If the errors cannot be rectified, then the trial balance is tallied by transferring the difference between the total of debit balances and the total of credit balances to a temporary account called suspense account.

29. **Bank Reconciliation Statement as on 31st December 2016**

Particulars	Amount ₹	Amount ₹
Balance as per cash book		7,130
Add : Direct deposit by a customer		800
		7,930
Less : Cheque deposited but not clearly		1,000
Balances as per bank statement		6,930

30. (a) Sales account should be credited with ₹ 100.
 (b) Purchases returns account should be debited with ₹ 200.

PART - III

31. (i) “Business units last indefinitely”. This statement is used in Going Concern Concept.
 (ii) Going concern concept influences Accounting practices in relation to valuation of assets and liabilities, depreciation of the fixed assets, treatment of outstanding and prepaid expenses and incomes.
 (iii) The values involved in the going concern concept are :
- Growth :** By following the going concern concept, business activities are to be carried out for future growth.
 - Preparing for future :** By following the going concern assumption, business firm always intends to prepare for the future.

32.

Particulars	₹	₹
Assets Taken over :		
Stock	30,000	
Cash	8,000	
Bank	7,000	
Debtors	40,000	
Furniture	5,000	
Building	25,000	1,15,000
Less : Liabilities taken over :		
Creditors		18,000
Net Assets (Capital)		97,000

In the books of Radhika Traders Journal Entries

Date	Particulars	L.F.	Debit ₹	Credit ₹
2017 April 01	Stock A/c	Dr.	30,000	
	Cash A/c	Dr.	8,000	
	Bank A/c	Dr.	7,000	
	Debtors A/c	Dr.	40,000	
	Furniture A/c	Dr.	5,000	
	Building A/c	Dr.	25,000	
	To Creditors A/c			18,000
To Capital A/c			97,000	
(Being the amount of assets and liabilities acquired from Radhika Traders)				

33.

S.No.	Transactions	Classification
i)	Advertising Expenditure, the benefits of which will last for three years.	Deferred Revenue Expenditure
ii)	Registration fees paid at the time of registration of a building.	Capital Expenditure
iii)	Expenditure incurred on repairs and whitewashing of an old building.	Capital Expenditure

34.

In the Books of M/s. Subhashree Electric Co.,**Purchases Book**

Date	Particulars	Inward Invoice No.	L.F.	Amount	
				Details ₹	Total ₹
2017 April 5	Karthik Electric Co.,				
	10 Electric iron box @ ₹ 2,500 each			25,000	
April 19	5 Electric stoves @ ₹ 2,000 each			10,000	35,000
	Khaitan Electric Co.,				
April 25	3 Electric heaters @ ₹ 6,000 each				18,000
	Polar Electric Co.,				
	10 Fans @ ₹ 2,000 each				20,000
	Purchases A/c	Dr.			73,000

Note : Purchases on April 29th 2017 will not be recorded in the purchases book, because it is cash purchases.

35. **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				

Bank Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2016 Jan 5	To Cash A/c		5,000	2016 Jan 31	By Balance c/d		5,000
			5,000				5,000
2016 Feb 1	To Balance b/d		5,000				

Capital Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2016 Jan 31	To Balance c/d		10,000	2016 Jan 1	By Cash A/c		10,000
			10,000				10,000
				2016 Feb 1	By Balance b/d		10,000

Dr.		Purchases Account				Cr.	
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2016 Jan 7	To Cash A/c		1,000	2016 Jan 31	By Balance c/d		1,000
			1,000				1,000
2016 Feb 1	To Balance b/d		1,000				

36.

Calculation of Profit or Loss on sale of Plant

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

37.

**In the Books of Pandeeswari
Cash Book (Single column)**

Dr.				Cr.					
Date	Receipts	R.N.	L.F.	Amount (₹)	Date	Payments	V.N.	L.F.	Amount (₹)
2017 June					2017 June				
2	To Pandeeswari Capital A/c			50,000	8	By Rent A/c			4,000
14	To Sales A/c			10,000	10	By Printer A/c			7,500
17	To Commission A/c			6,000	11	By Purchases A/c			15,000
					19	By Interest on Loan			2,000
					20	By Drawings A/c			3,000
					21	By Post charges A/c			3,500
					30	By Balance c/d			31,000
				66,000					66,000
July 1	To Balance b/d			31,000					

38.

Adjusting Entry

Date	Particulars	L.F.	Debit ₹	Credit ₹
	Bad debts A/c To Sundry debtors A/c (Bad debts written off)	Dr.	1,200	1,200

Dr.

Profit and loss account for the year ended

Cr.

Particulars	Amount ₹	Amount ₹	Particulars	Amount ₹	Amount ₹
To Bad debts	800				
Add : Additional Bad debts	1,200				
		2,000			

Balance Sheet

Liabilities	Amount ₹	Amount ₹	Assets	Amount ₹	Amount ₹
			Sundry Debtors	16,000	
			Less : Additional Bad debts	1,200	
					14,800

39.

In the books of Mr. Chandramohan Trial Balance as on 31.03.2017

S.No.	Name of account	L.F.	Debit balance ₹	Credit balance ₹
1.	Capital			1,24,500
2.	Drawings		2,000	
3.	Loan borrowed			7,000
4.	Sales			53,400
5.	Purchases		40,000	
6.	Bank overdraft			5,800
7.	Motor car		20,000	
8.	General expenses		2,500	
9.	Building		1,10,000	
10.	Stock		16,200	
	Total		1,90,700	1,90,700

40. (i) As a system, every organisation accepts inputs and transforms them into outputs.
(ii) All organisational systems pursue certain objectives through a process of resource allocation, which is accomplished through the process of managerial decision-making.
(iii) Information facilitates decisions regarding allocation of resources and thereby assists an organisation in pursuit of its objectives.

PART - IV

41. a)

**In the books of Mary
Journal Entries**

Date	Particulars	L.F.	Debit ₹	Credit ₹
2018 March 1	Cement bags A/c To Sibi A/c (Cement bags bought on credit)	Dr.	20,000	20,000
2	Electricity charges A/c To Bank A/c (Electricity charged paid by net banking)	Dr.	500	500
3	Sibi A/c To Purchases return A/c (Goods returned to Sibi)	Dr.	5,000	5,000
4	Drawings A/c To Purchases A/c (Being goods taken for personal use)	Dr.	1,000	1,000
5	Advertisements expenses A/c To Cash A/c (Advertisement expenses paid)	Dr.	2,000	2,000
6	Mano A/c To Sales A/c (Credit sales)	Dr.	20,000	20,000
7	Sales return A/c To Mono A/c (Goods returned to Mano)	Dr.	5,000	5,000
8	Bank A/c To Mano A/c (Payment received from Mano through NEFT)	Dr.	15,000	15,000

(or)

b) **In the books of Rajeshwari Trial Balance as on 31.03.2017**

S.No.	Name of account	L.F.	Debit balance ₹	Credit balance ₹
1.	Cash at bank		28,000	
2.	Sundry debtors		59,600	
3.	Furniture and Fixtures		1,72,000	
4.	Office equipment		1,10,000	
5.	Adjusted purchases		2,80,000	

6.	Sales returns		3,000	
7.	Closing stock		15,000	
8.	Sales			2,36,000
9.	Rent and rates		4,000	
10.	Bank charges		400	
11.	Bad debts		4,000	
12.	Drawings		20,000	
13.	Insurance Premium		4,000	
14.	Capital			3,00,000
15.	Sundry creditors			64,000
16.	Loan (Cr.)			1,00,000
	Total		7,00,000	7,00,000

42. a)

In the Books of Mrs. Saif

Dr. **Trading and Profit and Loss account for the year ended 31.03.2018** Cr.

Debit Balances	₹	₹	Credit Balances	₹	₹
To Opening stock		40,000	By Sales	2,20,000	
To Wages		35,000	Less : Sales returns	10,000	2,10,000
To Purchases	1,30,000		By Closing stock		14,500
Less : Purchases returns	15,000	1,15,000			
To Gross profit c/d		34,500			
		2,24,500			2,24,500
To Office rent		12,700	By Gross profit b/d		34,500
To Interest paid		13,000			
To Net profit c/d (Transferred to Capital accounts)		8,800			
		34,500			34,500

Balance as on 31st March 2018

Liabilities	₹	₹	Assets	₹	₹
Bills payable		7,000	Land		40,000
Capital	1,50,000		Machinery		66,000
Add : Net profit	8,800		Cash		2,300
	1,58,800		Debtors		80,000
Less : Drawings	5,000	1,53,800	Bills receivable		15,000

Creditors		60,000	Furniture		3,000
			Closing stock		14,500
		2,20,800			2,20,800

(or)

b) **In the Books of M/s. Ponni & Co.,
Sales Book**

Date	Particulars	Outward Invoice No.	L.F.	Amount	
				Details (₹)	Total (₹)
2017 Aug 1	Senthil	68			20,500
Aug 4	Madhavan	74			12,800
Aug 7	Kanagasabai	78			7,500
	Sales A/c	Cr.			40,800

Note : Sales on August 20 will not be recorded in the sales because they are Cash sales.

**Ledger Account
Sales Account**

Dr.				Cr.			
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
				2017 Aug 31	By Sundries as per Sales Book		40,800

Dr. Senthil Account Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 Aug 1	To Sales A/c		20,500				

Dr. Madhavan Account Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 Aug 4	To Sales A/c		12,800				

Dr. Kanagasabai Account Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 Aug 7	To Sales A/c		7,500				

Sales Return Book

Date	Particulars	Credit Note No.	L.F.	Amount		Remarks
				Details (₹)	Total (₹)	
2017 Aug 15	Senthil	7			1,500	
Aug 25	Madhavan	11			1,800	
	Sales return A/c Dr.				3,300	

Ledger Account

Dr. **Sales return account** Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 Aug 31	To Sundries as per Sales return Book		3,300				

Dr. **Senthil Account** Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
				2017 Aug 15	By Sales Return A/c		1,500

Dr. **Madhavan Account** Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
				2017 Aug 25	By Sales return A./c		1,800

43. a) **Ledger Account**

Dr. **Cash Account** Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 June 1	To Raja Capital A/c		50,000	2017 June 15	By Purchases A/c		4,000
6	To Sales A/c		8,000	31	By Balance c/d		54,000
			58,000				58,000
2017 July 1	To Balance b/d		54,000				

Dr. **Raja Capital Account** Cr.

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

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

Dr.				Devi Account				Cr.			
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹				
2017 June 8	To Sales A/c		9,000	2017 June 31	By Balance c/d		9,000				
			9,000				9,000				
2017 July 1	To Balance b/d		9,000								

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

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

(or)

b) **In the Books of Fathima**
Dr. **Cash Book (Three columns)** Cr.

Date	Receipts	L.F.	Amount			Date	Payments	V.N.	L.F.	Amount		
			Discount allowed	Cash	Bank					Discount received	Cash (₹)	Bank
			(₹)	(₹)	(₹)				(₹)	(₹)	(₹)	
2017 May						2017 May						
1	To Balance b/d			17,200	43,000	15	By Laptop A/c				21,000	
4	To Rajkumar A/c			6,500		17	By Cash A/c		'C'		9,600	
9	To Sales A/c			12,000		24	By Purchases A/c			12,400	18,200	
17	To Bank A/c	'C'		9,600		25	By Bank A/c		'C'	14,000		
25	To Cash A/c	'C'			14,000	28	By Salary A/c				8,000	
29	To Dividend A/c			4,700		30	By Office Rent A/c			12,000		
						31	By Balance c/d			11,600	200	
			-	50,000	57,000				-	50,000	57,000	
June 1	To Balance b/d			11,600	200							

44. a) **Calculation of profit or loss on sale of machinery**

Particulars	Amount ₹
Cost of machinery (April 2014)	2,00,000
Less : Depreciation for 2014 - 15	20,000
	1,80,000
Less : Depreciation for 2015 - 16	20,000
	1,60,000
Less : Depreciation till the date of sale 30.09.2016	10,000
$2,00,000 \times \frac{10}{100} \times \frac{6}{12}$	
Book value on that date of sale	1,50,000
Selling price	1,20,000
Loss on sale of machinery	30,000

Ledger Account

Dr.

Machinery Account

Cr.

Date	Particulars	Amount ₹	Date	Particulars	Amount ₹
2014 April 1	To Bank A/c	2,00,000	2015 Mar 31	By Depreciation A/c	20,000
					Mar 31
		2,00,000			2,00,000
2015 April 1	To Balance b/d	1,80,000	2016 Mar 31	By Depreciation A/c (20,000 + 6,000)	26,000
Oct 1	To Bank A/c	1,20,000	Mar 31	By Balance c/d	2,74,000
		3,00,000			3,00,000
2016 April 1	To Balance b/d	2,74,000	2016 Sep 30	By Depreciation A/c	10,000
			Sep 30	By Bank A/c	1,20,000
			Sep 30	By Profit and loss A/c (Loss on sale)	30,000
			2017 Mar 31	By Depreciation A/c	12,000
			"	By Balance c/d	1,02,000
		2,74,000			2,74,000
2017 April 1	To Balance b/d	1,02,000			

Dr.

Depreciation Account

Cr.

Date	Particulars	Amount ₹	Date	Particulars	Amount ₹
2015 Mar 31	To Machinery A/c	20,000	2015 Mar 31	By Profit and loss A/c	20,000
		20,000			20,000
2016 Mar 31	To Machinery A/c	26,000	2016 Mar 31	By Profit and loss A/c	26,000
		26,000			26,000
2017 Sep 30	To Machinery A/c	10,000	2017 Mar 31	By Profit and loss A/c	22,000
2017 Mar 31	To Machinery A/c	12,000			22,000
		22,000			22,000

(or)

b)

Analytical Petty cash book

Dr.

Analysis of Payments

Cr.

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

45. a)

Bank reconciliation statement as on 31st March 2017

Particulars	Amount ₹	Amount ₹
Bank as per cash book		2,250
Add : By Interest received	900	
By Cheque issued but not received	4,200	
Cheque deposited into bank but not collected	350	5,450
		7,700
Less : Bank charges		15
Balance as per pass book		7,685

(or)

b)

S. No.	Transaction	Cash ₹	Bank ₹	Stock ₹	Drs ₹	Total Assets ₹	=	Total Liabilities ₹	Capital ₹
i)	Started business with capital	+1,50,000							+1,50,000
	Balance	+1,50,000							+1,50,000
	Equation					+1,50,000	=	+1,50,000	
ii)	Deposited money with the bank	-80,000	+80,000						
	Balance	+70,000	+80,000						+1,50,000
	Equation					+1,50,000	=	+1,50,000	
iii)	Purchased goods from credit card		-25,000	+25,000					
	Balance	+70,000	+55,000	+25,000					+1,50,000
	Equation					+1,50,000	=	+1,50,000	
iv)	Cash sales			-10,000	+14,000				+ 4,000
	Balance	+70,000	+55,000	+15,000	+14,000				+1,54,000
	Equation					+1,54,000	=	+1,54,000	
v)	Commission received by cheque		+2,000						+2,000
	Balance	+70,000	+57,000	15,000	+14,000				+1,56,000
	Equation					+1,56,000	=	+1,56,000	
vi)	Paid rent by ECS		-6,000						- 6,000
	Balance	+70,000	+51,000	15,000	+14,000				+1,50,000
	Equation					+1,50,000	=	+1,50,000	
vii)	Sold goods to Raman	+5,000		-15,000					-10,000
	Balance	+75,000	+51,000	0	+14,000				+1,40,000
	Equation					+1,40,000	=	+1,40,000	

46. a) **Rectification of Errors**

S. No.	Particulars	L.F.	Debit ₹	Credit ₹
(a)	Sales A/c To Suspense A/c (Excess credit in sales book now rectified)	Dr.	1,500	1,500
(b)	Suspense A/c To Vani's A/c (Partial omission in credit of Vani's A/c now recorded)	Dr.	3,000	3,000
(c)	Suspense A/c To Sales A/c To Sales return A/c (Wrong posting on Sales return A/c for Sales A/c is rectified)	Dr.	24,000	12,000 12,000
(d)	Suspense A/c To Interest A/c (Correction in interest received A/c)	Dr.	900	900

Dr. **Suspense Account** Cr.

Particulars	Amount ₹	Particulars	Amount ₹
To Vani's A/c	3,000	By Sales A/c	1,500
To Sales A/c	12,000	By Difference in trial Balance	26,400
To Sales return A/c	12,000	(Balancing Figure)	
To Interest A/c	900		
	27,900		27,900

(or)

b) **In the Books of Mr. Rajasekaran**

Purchases Book

Date	Particulars	Inward Invoice No.	L.F.	Amount	
				Details (₹)	Total (₹)
2017 May 10	Raman				15,000
May 18	Sekaran				10,000
May 20	Pradeep				20,000
	Purchases A/c	Dr.			45,000

Purchases Return Book

Date	Particulars	Debit Note No.	L.F.	Amount		Remarks
				Details (₹)	Total (₹)	
2014 May 14	Raman				500	Damaged in transit
May 24	Sekaran				1,000	
	Purchases return A/c	Cr.			1,500	

47. a) Dr. **Trading and profit and loss account of Ramesh for the year ended 31st March 2016** Cr.

Particulars	Amount ₹	Amount ₹	Particulars	Amount ₹	Amount ₹
To Opening stock		40,000	By Sales		1,90,000
To Purchases		85,000	By Closing stock		35,000
To Wages		37,500			
To Gross profit c/d (Transferred to profit and loss account)		62,500			
		2,25,000			2,25,000
To Bad debts	2,000		By Gross profit b/d (Transferred from trading account)		62,500
Add : New Provision for bad debts	3,000				
	5,000				
Less : Old provision for bad debts	2,500		By Discount received		3,000
		2,500			
To Provision for discount on debtors		840			
To Telephone charges		3,000			
To Advertising	15,000				
Less : Unexpired	250	14,750			
To Net profit (Transferred to capital account)		44,410			
		65,500			65,500

Balance sheet for the year ended 31st March 2016

Liabilities	Amount ₹	Amount ₹	Assets	Amount ₹	Amount ₹
Sundry Creditors		48,000	Furniture and Fixtures		65,000
Capital	85,000		Debtors	45,000	
Add : Net profit	44,410		Less : Provision for bad debts	3,000	
				42,000	
	1,29,410		Less : Provision for discount on debtors	840	
Less : Drawings	15,000				41,160
		1,14,410	Cash in bank		21,000
			Closing stock		35,000
			Unexpired advertising		250
		1,62,410			1,62,410

(or)

b) In the books of Balan Driving School Trial Balance as on 31.12.2016

S.No.	Name of account	L.F.	Debit balance ₹	Credit balance ₹
1.	Computer		26,000	
2.	Salaries to drivers		4,000	
3.	Taxes and insurance		16,500	
4.	Fuel and Power		2,000	
5.	Rent and rates		1,500	
6.	Freehold land		30,000	
7.	Bank loan			15,000
8.	Fees received			18,150
9.	Capital			53,850
10.	Advertisement		7,000	
	Total		87,000	87,000



NOTES

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