

2022
ACCOUNTANCY

Full marks : 80

Time : 3 hours

General instructions:

- i) *Approximately 15 minutes is allotted to read the question paper and revise the answers.*
- ii) *The question paper consists of 17 questions. All questions are compulsory.*
- iii) *Marks are indicated against each question.*
- iv) *Internal choice has been provided in some questions.*

N.B: *Check to ensure that all pages of the question paper is complete as indicated on the top left side.*

1. What is a business transaction? 1
2. State the purpose of Credit Vouchers. 1
3. What is the nature of GST? 1
4. When is Balance Sheet prepared? 1
5. Name any two intangible fixed assets. 1
6. Explain three criteria on which GAAP depends upon. 3
7. Write any three points of differences between Accrual Basis of Accounting and Cash Basis of Accounting. 3
8. Pass the necessary journal entries to rectify the following errors: 3
 - a) The payment side of bank column in cash book has been short-totaled by ₹5,000.
 - b) A sum of ₹1,000 paid towards cost of a second-hand typewriter purchased has been debited to repairs A/C.
 - c) Sale of old furniture for ₹2,000 was treated as sale of goods.
9. Explain any three subsidiary books. 3
10. Cash Sales ₹29,000, Credits Sales ₹31,000, Cost of goods sold ₹52,000, Expenses on purchases ₹3,000, Expenses on sales ₹6,700. Find out Gross Profit and Net Profit. 3
11. a. State six steps involved in an Accounting Cycle. 6

Or

- b. Explain the advantages and arguments of setting Accounting Standards.

12. Answer **any two** (2) from the following questions: **2x6=12**
- a. Explain three advantages and three limitations of Journal.
- b. Prepare a two-column Cash Book from the following transactions of Mr. Robert.
- | Date | Particulars | ₹ |
|--------|---------------------------|-------|
| 2021 | | |
| Dec.1 | Cash in hand | 4,000 |
| Dec.6 | Cash purchases | 2,000 |
| Dec.10 | Wages paid | 40 |
| Dec.11 | Cash Sales | 6,000 |
| Dec.12 | Cash received from Suresh | 1,980 |
| | Allowed him discount | 20 |
| Dec.19 | Cash paid to John | 2,470 |
| | Discount received | 30 |
| Dec.27 | Cash paid to Mary | 400 |
| Dec.28 | Purchased goods for cash | 2,070 |
- c. A Limited provides you the following information:
- The balance as per the Cash Book was ₹120
 - Cheques deposited but not yet collected by bank ₹900
 - Cheques issued but not yet presented for payment ₹1,500
 - Bank charges debited in Pass Book only ₹120
 - Interest allowed in Pass Book only ₹60
 - Insurance premium paid directly by bank under standing advice ₹300.
 - Bills receivables directly collected by bank ₹1,200
- Prepare a Bank Reconciliation Statement as at 31.03.2021
13. a. Write any six points of differences between a Bill of Exchange and a Promissory Note. **6**
- Or**
- b. On 1st January, X sold goods worth ₹50,000 to Y and drew a bill on Y at three months for the amount. Y accepted the bill and returned it to X. The bill is duly honoured at maturity. Pass the entries in the books of X and Y, if X retained the bill till the due date.
14. a. Explain any six areas where a computerized system can be used. **6**
- Or**
- b. Explain six advantages of pre-packaged accounting software.
15. a. X & Co. had bought machinery for ₹2,00,000 including a boiler worth ₹20,000. The machinery account had been credited for depreciation on the reducing instalment system for the past four years at the rate of 10% per annum. In the beginning of the fifth year, the boiler became useless on account of damaged to some of its vital parts and the damaged boiler is sold for ₹4,000. Write up the machinery account for five years. **10**

Or

- b. Define “Depletion” and “Amortisation”. Explain any four causes of depreciation and four needs for providing depreciation. (2+4+4= 10)

16. a. On 31st March 2020, the following trial balance was extracted from the books of Mohan:

Particulars	Dr.(₹)	Cr.(₹)
Capital & Drawings	5,000	30,000
Debtors and Creditors	20,000	10,000
Loan	-	9,500
Interest on loan	300	-
Cash	2,000	-
Stock(1-4-2019)	6,800	-
Provision for doubtful debts	-	700
Motor Vehicles	10,000	-
Bank	3,500	-
Land and Building	12,000	-
Bad debts	500	-
Purchases and Sales	66,000	1,10,000
Returns	8,000	1,500
Carriage Outwards	2,500	-
Carriage Inwards	3,000	-
Salaries	9,000	-
Rent and Insurance	3,000	-
Advertising	3,500	-
Discount	-	500
General Expenses	3,400	-
Bills Receivable & Bills Payable	6,000	2,000
Rent received	-	300
Total	1,64,500	1,64,500

Prepare Trading and Profits & Loss Account for the year ended on 31st March, 2020 and Balance Sheet as on that date after making adjustments for the following:

- Depreciate Land and Building at 2½% per annum and Motor Vehicles at 20% per annum.
- Salaries outstanding ₹200.
- Prepare Insurance ₹200.
- Provision for doubtful debts is to be maintained at 5% on Sundry Debtors.
- Stock-in-hand on 31st March, 2020 was valued at ₹7,000

Or

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- b. From the following details, prepare Trading and Profit & Loss Account for the year ending 31st March, 2020 and Balance Sheet as on that date.

Particulars	₹	Particulars	₹
Land & Building	70,000	Cash at bank	7,000
Plant & Machinery	60,000	Cash in hand	1,000
Loose Tools	10,000	Debtors	80,000
Bills Receivable	15,000	Bad debts	4,000
Opening stock	50,000	Furniture	20,000
Purchases	1,40,000	Advertising	8,000
Wages	40,000	Sales Returns	15,000
Carriage	5,000	Sales	3,00,000
Salaries	25,000	Purchase Returns	12,000
Rent & Taxes	5,000	Capital	1,50,000
Discount allowed	4,000	Creditors	97,000

Closing Stock ₹71,000, Depreciate Plant & Machinery at 10% per annum, Loose Tools at 20% per annum, Furniture at 10% per annum and Land and Building at 5% per annum. Make a provision for discount on debtors @ 2% and a provision for doubtful debts at 5% on debtors, outstanding wages were ₹2,000.

17. a. Mr. Tom keeps his books by single entry method. He supplies you the following information relating to his business for the year 2020.

Particulars	31.12.2019 ₹	31.12.2020 ₹
Cash at bank	5,000	6,000
Cash in hand	5,700	4,800
Bank over draft	22,500	20,000
Stock	7,000	8,400
Office equipment	20,000	20,000
Sundry creditors	19,300	18,600
Sundry debtors	15,100	14,900
Bills receivable	21,200	20,400
Land & buildings	26,500	26,500
Furniture & fittings	2,300	2,300
Bills payable	31,000	29,000

During the year, Tom introduced ₹2,000 as additional capital and withdrew ₹1,000 as drawing.

Depreciation is to be calculated on Office Equipment at 2% and on Office Furniture and Fittings at 10% per annum. Provide for doubtful debts at 5% on Sundry Debtors. Ascertain the Profit or Loss for the year 2020.

Or

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- b. Mr. Mhabemo keeps his books of accounts by the Single Entry Method. His position on 31st March 2020 and 31st March 2021, are as follows:-

Particulars	31.3.2020 ₹	31.3.2021 ₹
Cash in hand	3,000	2,000
Cash at bank	25,000	28,000
Debtors	18,000	25,000
Stock	29,000	31,000
Furniture	5,000	6,000
Machinery	5,000	5,000
Creditors	18,000	25,000
Expenses outstanding	1,500	-
Prepaid Insurance	-	400

On 1st October 2020, Mr. Mhabemo introduced ₹5,000 as further capital in the business and withdrew on the same date ₹2,000 for personal use.

Depreciation is to be calculated on machinery at 10% per annum. A provision for doubtful debts is to be created on sundry debtors at 5%. Goods taken for personal use amounted to ₹1,500. Also provide interest on capital at 10% per annum.

Prepare necessary statement showing the Profit or Loss made by him during the year ending 31 March 2021.
