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NB/XI/ACC/1

**2021**  
**ACCOUNTANCY**

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 that all pages of the question paper is complete as indicated on the top left side.*

- |   |          |
|---|----------|
| 1. What is meant by accountancy?  | <b>1</b> |
| 2. Write the full form of GAAP.   | <b>1</b> |
| 3. Name two parties to a promissory note.   | <b>1</b> |
| 4. Define balance sheet.  | <b>1</b> |
| 5. Write two examples of current assets.  | <b>1</b> |
| 6. Explain the objectives of a trial balance.                                       | <b>3</b> |
| 7. Explain any three activities covered in book keeping.                            | <b>3</b> |
| 8. List the errors not affecting the trial balance.                                 | <b>3</b> |
| 9. Write any three differences between capital expenditure and revenue expenditure. | <b>3</b> |
| 10. State any three differences between book keeping and accounting.                | <b>3</b> |
| 11. a) Explain any six accounting principles.                                       |          |
| <b>Or</b>   | <b>6</b> |
| b) Explain any six scopes and functions of Accounting Standard Board.               |          |

12. Answer **any two** from the following: **6x2=12**

a. Transactions of Ramesh for April 2019 are given below. Journalize them,

Date	Transactions	₹
2019		
April.01	Ramesh started business with cash	10,000
April. 13	Bought from Shyam goods on credit	225
April. 20	Sold to Krishna goods on credit	150
April. 24	Received from Krishna	145
	Allowed him Discount	5
April. 28	Paid Shyam cash	215
	Discount allowed	10
April. 30	Paid salary	100

b. Make the following entries in a three column cash book.

Date	Particulars	₹
2020		
Jan.01	Cash in hand	1,891
	Cash at bank	54,841
Jan.02	Discounted a bill for ₹600 at 1% through bank	
Jan.03	Bought goods for ₹1,200 paid cheque for them, allowed 1% discount	
Jan.15	Paid trade expenses	72
Jan.16	Paid taxes	240
Jan.25	Sold goods for ₹7,500, received cheque for them, Discount allowed 1%	
Jan 28	Received cheque from John & Co	3,600

c. Distinguish between trade discount and cash discount.

13. a. Write six features of a promissory note.

**Or**

**6**

b. On 1<sup>st</sup> January, *A* sold goods worth ₹6,000 to *B* and drew a bill on *B* at three months for the amount. *B* accepted the bill and returned it to *A*. One month after the acceptance, *A* sent the bill to his bank for collection. On the due date, the bank got the payment and charged 1% commission. Pass entries in the books of *A* and *B*.

14. a. Explain any six applications of computers in accounting.

**Or**

**6**

b. Explain any six capabilities of a computer.

15. a. On 1<sup>st</sup> April 2015, Tulsian Ltd. purchased a second hand machine for ₹80,000 and spent ₹20,000 on it's cartage, repairs and installation. The residual value at the end of it's expected useful life of four years is estimated at ₹40,000. On 30<sup>th</sup> September 2016, repairs and renewals amounted to ₹2,000. On 30<sup>th</sup> September 2017, this machine is sold for ₹50,000. Depreciation is to be provided according to Straight Line Method.

Prepare Machinery Account for the first three years assuming that the accounts are closed on 31<sup>st</sup> March each year.

10

Or

- b. What is reserve? List five objectives of creating reserve. Write any four points of difference between provision and reserve. (1+5+4=10)

16. a. The following is the trial balance of Tom on 31<sup>st</sup> March, 2020.

Particulars	Dr. ₹	Cr. ₹
Capital	-	7,670
Cash in hand	30	-
Purchases	8,990	-
Sales	-	11,060
Cash at bank	885	-
Fixtures and fittings	225	-
Free hold premises	1,500	-
Lighting and heating	65	-
Bills receivables	825	-
Returns Inward	30	-
Salaries	1,075	-
Creditors	-	1,890
Debtors	5,700	-
Stock at 1 <sup>st</sup> April 2019	3,000	-
Printing	225	-
Bills Payable	-	1,875
Rates, Taxes & Insurance	190	-
Discount received	-	445
Discount allowed	200	-
	22,940	22,940

Prepare Trading, Profit & Loss Account and the Balance Sheet after taking into account the following adjustments:

- Stock on hand on 31<sup>st</sup> March, 2020 was valued at ₹1,800.
- Depreciate fixtures and fittings by ₹25.
- ₹35 was due and unpaid in respect of salaries.
- Rate and Insurance had been paid in advance to the extent of ₹40.

Or

10

- b. Explain in broad the users of Financial Statements.

- 17.a. Mr. A keeps his account on single entry system. He wants to know the results of his business on 31<sup>st</sup> December, 2019 and for that the following information is available:

Particulars	1 <sup>st</sup> Jan, 2019 ₹	31 <sup>st</sup> Dec, 2019 ₹
Cash in hand	150	175
Bank balance	750	500
Furniture	100	100
Stock	500	650
Creditors	350	400
Debtors	250	300

During the year, he had withdrawn ₹500 for his personal use and invested ₹250 as additional capital.

Calculate his profits for the year ended 31<sup>st</sup> December, 2019.

**Or**

**10**

- b. An accountant maintains his books on single entry system. His books provide the following information:

Particulars	1.04.2019 ₹	31.03.2020 ₹
Furniture	200	200
Stock	2,800	3,050
Sundry debtors	2,100	3,400
Cash	150	200
Sundry creditors	1,750	1,900
Bills receivable	—	300
Loan taken	—	500
Investment	—	1,000

His drawings during the year were ₹500. Depreciate furniture by 10% and make a provision for doubtful debts @ 10%.

Prepare the statement showing profits for the year.

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