

2019

ACCOUNTANCY
(Commerce)

Full Marks : 90

Time : 3 hours

The figures in the margin indicate full marks for the questions

General Instructions:

- (i) All questions are compulsory.
- (ii) Marks are indicated against each questions
- (iii) Paper has Part–A and Part B. Part–A carries 55 marks and Part–B carries 35 Marks.

PART – A

(Marks : 55)

1. Choose the correct answer:

1 x 3 = 3

(a) Capital + liability=

- (i) Reserve
- (ii) Creditors
- (iii) Debtors
- (iv) Assets

(b) Recording of transactions in the Journal is called.

- (i) Entry Making
- (ii) Posting
- (iii) Adjusting
- (iv) Journalising

(c) The concept that a business enterprise will not be sold or liquidated in the near future is known as

- (i) Going Concern concept
- (ii) Business entity concept
- (iii) Cost concept
- (iv) Dual concept

2. Give any three objectives of accounting. 3

3. Distinguish between revenue expenditure and capital expenditure. 3

4. Rectify the following errors. 4

- (i) Salary ₹ 2,000 paid to the manager Mr. Karan was debited to his personal account.

(3)

- (ii) Purchase book was overcast by ₹ 600.
- (iii) A sum of ₹ 400 spent on repair of machinery was debited to machinery account.
- (iv) Goods worth ₹ 3,000 withdrawn by the proprietor was omitted to be recorded in the books of account.

5. Distinguish between a bill of exchange and a promissory note. 4
6. What is a trial balance? State any three objectives of a trial balance. 4
7. On 31st March, 2018, the Cash book shows a debit bank balance of ₹ 7,000. Prepare Bank Reconciliation Statement on the basis of the following information. 4
- (i) Cheques deposited but not credited ₹ 2,500.
 - (ii) Cheques issued but not presented for payment ₹ 3,000.
 - (iii) Interest credited by the bank ₹ 1,200.
 - (iv) Cheques deposited in bank but dishonoured ₹2,000.
8. Distinguish between Provisions and Reserves. 4

(4)

9. Write short notes on the following. (any three) 3 x 2 = 6

- (i) Accrual concept
- (ii) Matching concept
- (iii) Going concern concept
- (iv) Business entity concept

10. Prepare a double column Cash book (Cash and Bank) from the following information. 6

March 2018

March 1 Cash in hand ₹ 7,500 and bank overdraft ₹ 3,500.

March 3 Salary paid ₹ 1,000.

March 10 Withdrawn from the bank ₹ 400.

March 15 Paid rent ₹ 500 by cheque.

March 18 Goods purchased and paid by cheque ₹ 1,500.

March 20 Cash sale ₹ 7,000.

March 24 Cash deposited in bank ₹ 4,000.

March 25 Received a cheque from a customer ₹ 2,000.

(5)

11. On 1st June, 2018 Amar sold goods worth ₹ 5,000 on credit to Manoj. On the same day Amar drew a bill on Manoj for the amount, payable after three months. Manoj accepted the bill and returned it to Amar. The bill was discounted with the bank by Amar on 1st July, 2018 @ 12% p.a. The bill was duly met on maturity. Show journal entries in the books of Amar and Manoj.

6

12. On 1st April, 2014 S Ltd. purchased a machinery for ₹ 3,90,000. A further ₹10,000 was spent on its installation. On 1st November, 2015 another machinery costing ₹ 1,00,000 was purchased and the company spent ₹ 10,000 on carriage and a further ₹ 10,000 on installation. On 30th September, 2016 the machinery purchased in 2014 was sold for ₹ 1,80,000. The company charges depreciation @ 10% on written down value basis. Accounts are closed every year on 31st March. Prepare Machinery Account upto 31st March, 2017.

8

PART – B
(Marks : 35)

13. Choose the correct answer:

1 x 3 = 3

(a) Report, the need for which is not anticipated is called

(i) Simple report

(6)

(ii) Casual report

(iii) Parameter report

(iv) E-mail report

(b) Trade-marks is shown in

(i) Trading A/c

(ii) Balance Sheet

(iii) Profit and Loss A/c

(iv) None of the above.

(c) Credit sales can be ascertained by preparing

(i) Debtors A/c

(ii) Creditors A/c

(iii) Statement of Affairs

(iv) Statement of Profit and Loss

14. State any three limitations of Single entry system of Accounting.

3

(7)

15. Calculate cost of goods sold from the following:
Opening Stock ₹22,000, Purchase ₹ 1,55,400, Return outward ₹ 1,400, Carriage inward ₹ 2,000, Carriage outward ₹ 5,000, Wage ₹ 6,000, Salary ₹ 12,000, Closing stock ₹ 25,000. 3
16. What are financial statements? State any two objectives of preparing financial statements. 3
17. Explain briefly how Accounting Information System receives and provides information to other functional Management Information System. 3
18. Vivek commenced his business on 1st April, 2017 with a capital of ₹ 20,000. On 31st March, 2018 his position of assets and liabilities was as follows:
Cash at bank ₹ 4,300, Cash in hand ₹ 3,600, Stock ₹ 9,000, Debtors 6,400, Machinery ₹ 6,500, Bills payable ₹ 3,200, Bills Receivable ₹ 2,800, Creditor ₹ 1,800. During the year, Vivek introduced further capital ₹ 2,000 and his drawings was ₹ 800 per month. Prepare a statement showing Profit and Loss made by Vivek during the year. 6
19. Define computerised accounting system. Distinguish between manual and computerised accounting system. 6

(8)

20. From the following trial balance of R.K. Traders prepare Trading and Profit and Loss A/c and a Balance Sheet as on 31st March, 2018. 2 + 3 + 3 = 8

Trial Balance			
Dr.			Cr.
Debtors	32,000	Creditor	5,650
Opening Stock	22,000	Sales	1,39,000
Cash at Bank	1,580	Bills Payable	7,500
Machinery	17,500	Capital	79,500
Trade Expenses	1,075		
Salaries	2,225		
Carriage	400		
Rent	2,000		
Purchases	1,18,370		
Land & Building	34,500		
TOTAL	<u>2,31,650</u>		<u>2,31,650</u>

Adjustment:

- (i) Stock as on 31st March, 2018 was ₹ 12,450.
(ii) Rent outstanding amounted to ₹ 200.
(iii) Depreciate Machinery by 10%.
(iv) Make a provision for bad and doubtful debts @ 10% on Debtors .

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