

**2022**

**ACCOUNTANCY**  
**( Commerce )**

*Full Marks : 80*

*Time : 3 hours*

*The figures in the margin indicate full marks for the questions*

*General Instructions:*

- (i) All questions are compulsory.
- (ii) Marks are shown against each questions
- (iii) This question paper is divided into two parts, Part-A and Part-B.

**PART – A**

**1.** Choose the correct answer: 1 x 8 = 8

(a) Which balance does an Asset accounts show?

- (i) Debit
- (ii) Credit
- (iii) Contra
- (iv) All of the above.

(b) The debts which are to be repaid within a short period are known as:

- (i) Current liabilities
- (ii) Fixed liabilities
- (iii) Contingent liabilities
- (iv) All of the above.

(c) According to the double entry system of accounting, an account that obtains benefit is:

- (i) Credited
- (ii) Debited
- (iii) Income received
- (iv) No need to show as accounting record.

(d) When a transaction is wholly or partially recorded incorrectly, it is called:

- (i) Error of commission
- (ii) Error of principle
- (iii) Error of omission
- (iv) Error of posting.

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- (e) Bank Reconciliation Statement is prepared by:
- (i) Bank
  - (ii) Customer's Accountant
  - (iii) Auditors
  - (iv) None of the above.
- (f) The act of transferring the bill from one person to another is called:
- (i) Discounting
  - (ii) Acceptance
  - (iii) Endorsement
  - (iv) Retirement.
- (g) The liability arising from the purchase of goods or services on credit is called:
- (i) Creditors
  - (ii) Accounts payable
  - (iii) Loan
  - (iv) Accounts receivable

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- (h) According to concept of conservatism, the stock in trade is valued at:
- (i) Market price
  - (ii) Cost price
  - (iii) Market price or cost price, whichever is higher
  - (iv) Market price or cost price, whichever is lower.

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| 2. | What do you mean by automation of accounting process?  | 1 |
| 3. | What is meant by business entity concept?  | 1 |
| 4. | What do you mean by 'EDPS'?  | 1 |
| 5. | What do you mean by GST?   | 1 |
| 6. | Give one example of deferred revenue expenditure.  | 1 |
| 7. | In which side of the balance sheet 'prepaid expenses' is recorded?                                   | 1 |
| 8. | 'Installation charges of a plant' is considered as what type of expenditure?                         | 1 |
| 9. | Explain briefly any two attributes of quantitative characteristics of Accounting Information System. | 3 |

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10. Distinguish between capital reserve and revenue reserve. (*any two points*) 3
11. What do you mean by IFRS? Write any one objective of IFRS. 4
12. Mr. Sujay has the following transactions. Show accounting equation for the same: 4
- (i) Commenced business with cash ₹ 3,00,000.
  - (ii) Purchased goods for cash ₹ 80,000.
  - (iii) Purchased machinery on credit ₹ 1,25,000.
  - (iv) Purchased old car for personal use for ₹ 1,00,000.
13. Explain the meaning and objective of Accounting Standards. 6
14. Prepare a Bank reconciliation statement from the following particulars: 6
- (i) Overdraft as per cash book on 31st Dec. 2018 ₹ 8,000
  - (ii) Cheques paid into the bank but not cleared before 31st Dec. 2018 ₹ 2,000
  - (iii) Cheques issued but not cashed by the customer prior to 31st Dec. 2018 ₹ 1,200

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- (iv) Bank charges for the period ₹ 100
  - (v) Interest on overdraft charged by the bank ₹ 200
  - (vi) Direct deposits by customers collected by the bank not shown in the cash book ₹ 500
15. Esha maintains her books of accounts on calendar year basis. She purchased on 1-1-2016 a Machine for ₹ 40,000. She purchased another machine on 1st October, 2016 for ₹ 20,000 and on 1st July, 2017 for ₹ 10,000. On 1st July, 2018, the machine installed on 1st January, 2016 became obsolete and was sold for ₹ 6,800.
- Show how the machinery account will appear in the books of Esha for all the three years under fixed installment method and written down value method @ of 10% depreciation. 8

PART – B

16. Choose the correct Answer : 1 x 2 = 2
- (a) Wages paid for the installation of a machinery is:
    - (i) Capital Expenditure
    - (ii) Revenue Expenditure

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(iii) Deferred Revenue Expenditure

(iv) Revenue Payment.

(b) If closing stock appears in the trial balance, it is transferred to:

(i) Trading Account

(ii) P & L Account

(iii) Balance Sheet

(iv) Trading Account & Balance Sheet.

17. What is meant by software component of a computer? 1

18. Write one advantage of AIS. 1

19. What is database? 1

20. Distinguish between Single Entry System and Double Entry System (*Any Four Points*). 4

21. What is the role of computer in Accounting? 4

22. Opening Capital ₹1,40,000, Profit for the year ₹40,000, Drawings ₹14,000.  
During the year, proprietor sold ornaments of his wife for ₹40,000 and invested the same in the business. Calculate closing capital. 4

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23. The following trial balance is extracted from the books of Basubadutta Traders for the year ending 31<sup>st</sup> March, 2018:

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Particulars	Debit Balance ₹	Credit Balance ₹
Opening Stock	8,000	–
Purchase and Sales	35,000	80,000
Returns	2,000	3,000
Drawings and Capital	8,500	25,000
Furniture	15,000	–
Discount	1,700	3,100
Salaries	1,600	–
Insurance	2,500	–
Wages	1,200	–
Building	20,000	–
Bills Receivable and Payable	5,000	1,400
Debtors and Creditors	9,600	2,000
Cash	4,400	–
<b>Total</b>	<b>1,14,500</b>	<b>1,14,500</b>

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Adjustments:

- (i) Closing stock on 31-03-2018 was valued at ₹ 12,500.
- (ii) Insurance prepaid is ₹ 100
- (iii) Salaries outstanding ₹ 500
- (iv) Depreciate Building by 10% and Furniture by 5%

Prepare final accounts.

**24.** Explain two Accounting Software System known to you.

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*Or*

What do you mean by Automation of Accounting Process? What are the various stages in automation?

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