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| SET | A |
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CLASS : XI
DATE: 16-02-2023

# INDIAN SCHOOL MUSCAT <br> FINAL EXAMINATION 2023 <br> ACCOUNTANCY (055) 

TIME ALLOTED : 3 HRS.
MAXIMUM MARKS: 80

## GENERAL INSTRUCTIONS:

1. This question paper contains 34 questions. All questions are compulsory.
2. Questions 1 to 20 carries 1 mark each.
3. Questions 21 to 26 carries 3 marks each.
4. Questions from 27 to 29 carries 4 marks each
5. Questions from 30 to 34 carries 6 marks each
6. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.
7. 'Classification is the process of grouping transactions or entries of one nature at one place.' Which is the next step of Accounting?
(a) Summarising
(b) Recording
(c) Measuring the Identified Transactions
(d) Communicating

OR
'A systematic and timely recording of transaction obviates the necessity to remember transactions.' Which advantage of Accounting does this point stress upon?
(a) Assistance to Management
(b) Replaces Memory
(c) Facilitates Comparative Study
(d) Evidence in Court
2. Identify the correct group of Current Assets from the following:
(a) Bills Payable and Debtors
(b) Bills Receivables and Creditors
(c) Bank Overdraft and Cash
(d) Stock and Cash in Hand

## OR

Which statement is true for Cash Basis of Accounting?
(a) Correct profit or loss is ascertained.
(b) More reliable as it records both cash and credit transactions
(c) Not recognised by Companies Act, 2013.
(d) Prepaid and Outstanding Expenses are accounted in the Profit and Loss Account.

Question nos. 3, 4 and 5 are based on the hypothetical situation given below.
Olly and Robin are two friends who graduated from a top college of the country. After college, they decided to build a start up in their hometown, Bengaluru. They decided to start a subscription service of fruits in the nearby cities. For obtaining high-quality fruits, they entered into 5 -year contracts with farmers in and around Karnataka. They also decided to purchase machinery for cleansing and quality check of the fruits. The business of the company started booming.

Two years down the line, they had built a strong brand and reputation. To leverage the same, the company decided to venture into other states as well with the similar service line. They first expanded to Tamil Nadu and got great demand. While accounting, company usually booked a normal loss to account for spoiled fruits that they might get. Moreover, they charged depreciation on the machinery to ensure that expenses are distributed over the years. With all these good practices, after four more years of operations, the company attained a unicorn status.
3. Which concept is highlighted in the fact that company made long-term contracts with the farmers?
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One outgoing cheque of ₹ 500 was recorded twice in the cash book. How will it be treated for the purpose of bank reconciliation statement?
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Reason (R) In case, goods are purchased on credit, goods (assets) are increased and creditors (liabilities) are increased, but there is no change in the capital.
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(a) Depreciation A/c Dr.
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To Provision for Depreciation A/c
(c) Depreciation A/c Dr.
(d) Provision for Depreciation A/c Dr.
To Asset A/c

## OR

Nishita, who owed ₹ 40,000 became insolvent. 70 paise in a rupee was received from her estate.
Bad Debts Account will be debited by
(a) ₹ 40,000
(b) ₹ 20,000
(c) ₹ 12,000
(d) ₹ 28,000
9. A machine is purchased on $1^{\text {st }}$ April, 2019 for ₹ 80,000 . Expenses incurred on its installation is ₹20,000. The residual value at the end of its expected useful life of 4 years is estimated at $₹ 10,000$. The amount of depreciation under Straight Line Method, for the year ended $31^{\text {st }}$ March, 2020 will be.
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(d) ₹ 13,125
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(a) Omission
(b) Commission
(c) Principle
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11. Posting of transaction means:
(a) Entering transactions in Journal
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(d) Entering transactions in Financial Statements
12. Naveen purchased 10,000 Add Gel Roller Pens @ ₹ 50 each less Trade Discount of $20 \%$. Purchases Account will be debited by
(a) ₹ $5,00,000$
(b) ₹ $4,00,000$
(c) ₹ $4,50,000$
(d) ₹ $6,00,000$
13. Loss on sale of an old car is debited to
(a) Profit and Loss A/c
(b) Car A/c
(c) Depreciation $\mathrm{A} / \mathrm{c}$
(d) Trading A/c

OR
Which of the following is not shown in Balance Sheet?
(a) Patents
(b) Debtors
(c) Opening Stock
(d) Closing Stock
14. Which type of expenses are shown in the Trading Account?
(a) Indirect Expenses
(b) Opening Expenses
(c) Direct Expenses
(d) Direct and Indirect Expenses

## OR

Salaries and Wages Account is shown in
(a) Trading Account
(b) Profit and Loss Account
(c) Balance Sheet
(d) Trading Account and Balance Sheet
15. Income Tax paid by a sole trader is shown
(a) On the debit side of Trading Account
(b) On the debit side of Profit and Loss Account
(c) As deduction from Capital in the Balance Sheet
(d) As addition to Capital in the Balance Sheet
16. Balance Sheet is
(a) A list of all accounts in the books of a business
(b) An account showing trading activities of a business
(c) An account showing the financial position of a business as on a certain date.
(d) A list of assets, liabilities and capital of a business at a certain date.
17. Closing Stock is valued at
(a) Cost
(b) Net Realisable Value (Market Value)
(c) Cost or Net Realisable Value (Market Value), whichever is more
(d) Cost or Net Realisable Value, whichever is less

## OR

Which of the following is correct?
(a) Gross Profit + Sales + Net Purchases $=$ Net Profit
(b) Gross Profit + Net Purchases + Administrative and Other Expenses $=$ Net Profit
(c) Gross Profit + Sales + Administrative and Other Expenses $=$ Net Profit
(d) Gross Profit - Administrative, Selling and Other Expenses $=$ Net Profit
18. Following information is taken from the Trial Balance of a business:

Sales: ₹ $1,00,000$; Purchase ₹ 60,000 ; Wages ₹ 7,000 . Closing Stock was ₹ 3,000 more than Opening Stock. What was the Gross Profit?
(a) ₹ 30,000
(b) ₹ 33,000
(c) ₹ 36,000
(d) ₹ 40,000
19. What is the correct sequence of the following actions for preparation of Final Accounts?
(i) Preparation of Trial Balance
(ii) Balancing of Accounts
(iii) Preparation of Annual Financial Statements
(iv) Passing Adjusting Entries

Select the correct answer from the code given below
(a) (iv), (ii), (iii), (i)
(b) (ii), (iv), (iii), (i)
(c) (ii), (i), (iv), (iii)
(d) (iv), (ii), (iii), (i)
20. Balance of Provision for Doubtful Debt (As on $1^{\text {st }}$ April, 2022): ₹ 1,250; Bad Debts during the year were: ₹ 300. Provision for Doubtful Debts is required @ $5 \%$ on debtors of ₹ 10,000 . Provision for Doubtful Debts credited to Profit and Loss Account will be
(a) ₹ 400
(b) ₹ 500
(c) ₹ 600
(d) ₹ 450
21. Define GST. Explain any two characteristics of GST.
22. Tamanna Khurana started a boutique on $1^{\text {st }}$ April, 2020 by investing ₹ $4,50,000$ in cash and took
creditors were ₹30,000 (other than bank loan). Find out her capital on $31^{\text {st }}$ March, 2021 and profit earned during the year.
23. Enter the following transactions in the Purchases Return Book of Sri Gopal. 2021
April 15 Returned goods to Prakash \& Sons for ₹ 20,000 , allowed Trade Discount @ $10 \%$
April 20 Returned goods to Govind for ₹ 15,000 , as the goods were not as per sample.
24. Geet has recently started her own cloth trading business. Her business is doing quite well and she is deciding to expand it. She decides to maintain accounts of the firm in proper form as per various legal requirements. She is not really well versed with the aspects of Accountancy. She is confused what reserves to maintain and what provisions to create. You are a Chartered Accountant. Geet approaches you for advice.
(a) Why should Geet create provisions?
(b) How will Geet show the amount of Provision in the balance sheet?
(c) Geet wants to create a reserve which the management can freely utilise for any purpose. Which reserve should she create?

## OR

(a) Differentiate between Reserve and Provision on the basis of Nature and Effect on Profit.
(b) What do you mean by Secret Reserve?
25. Which of the following are Capital Expenditure and Revenue Expenditure?
(a) Whitewash Expenses
(b) Insurance premium paid to insure machinery at the time of its purchase
(c) Loss on Investments
(d) ₹ 5,000 spent on the overhaul of machine purchased second hand
(e) Paper purchased to use as stationery
(f) Expenses incurred for purchase of Patents
26. Profit of a firm for the year ended $31^{\text {st }}$ March, 2021 is $₹ 21,000$ before charging commission. Manager of the firm is entitled to commission of $5 \%$ on profit. Calculate commission payable to manager, if manager is allowed commission on profit after charging such commission.
Also, show the treatment in Final Accounts for the year ended $31{ }^{\text {st }}$ March, 2021.
27. While preparing the accounts of a company following issues were faced. You are required to
(i) State which accounting concept you would follow in dealing with each of the issues and
(ii) Explain briefly what each concepts means.
(a) Production Manager is interested in recording good industrial relations in the accounts.
(b) One of the shareholders of the company has invested his savings in shares of another company.
(c) At the end of the accounting period, factory rent of the company is outstanding for ₹ 10,000.
(d) A debtor who owes an amount to the company is likely to be declared insolvent.
28. Show an Accounting Equation for the following transactions:
(a) Damodar commenced business with cash ₹ 50,000 and ₹ $1,00,000$ by cheque; goods ₹ 60,000 ; machinery ₹ $1,00,000$ and furniture ₹ 50,000
(b) $1 / 3^{\text {rd }}$ of the above goods sold at a profit of $10 \%$ on cost and half of the payment is received in cash.
(c) Depreciation on machinery provided @ $10 \%$.
(d) Cash withdrawn for personal use.

## OR

Record the following transactions in Double Column Cash Book and balance the book on $31^{\text {st }}$ March, 2021

| 2021 |  | $₹$ |
| :--- | :--- | ---: |
| March 1 | Cash in Hand | 12,750 |
|  | Cash at Bank | 72,400 |
| March 4 | Received from Asha cash of ₹ 1,200 and a cheque for ₹ 3,200, |  |
|  | allowed discount ₹ 400 | 25,600 |
| March 7 | Paid salary to staff by cheque | 21,900 |
| March 9 | Withdrawn cash from bank for office use | 1,200 |
| March 12 | Interest paid by bank on bank balance | 16,500 |
| March 16 | Purchased furniture in cash | 10,900 |
| March 21 | Paid to Mohan \& Co. by cheque, discount received ₹ 100 | 11,600 |
| March 24 | Proprietor withdrew from office cash for his personal use | 14,800 |
| March 29 | Sold goods to Manoj for cash | 21,200 |

29. From the following information, prepare Trading Account for the year ended $31^{\text {st }}$ March, 2022
$1,00,000$ Wages 2,000

2,80,000 Freight Inwards 3,600
80,000 Carriage Inwards 1,000
Carriage Outwards 2,000
30. Journalise the following transactions.
(a) Goods costing ₹ 5,000 given as charity.
(b) Sold goods to Madhav of ₹ $1,00,000$, payable $25 \%$ by cheque at the time of sale and balance after 30 days of sale.
(c) Received ₹ 9,750 from Hiren in settlement of his account of ₹ 10,000 .
(d) Received dividend of 60 paise in a rupee from the Official Receiver of Rajan, who owed us ₹ 10,000 .
(e) Charge Interest on Drawings ₹ 1,500 .
(f) Paid Income Tax ₹ 15,000 .
31. Prepare Bank Reconciliation Statement from the following particulars on June 30, 2022. Bank statement showed a favourable balance of ₹9,214.
(a) On $29^{\text {th }}$ June, the bank credited the sum of ₹ 1,650 in error.
(b) Certain cheques, valued at ₹ 4,500 issued before June 30 , were not cleared.
(c) A hire purchase payment of ₹ 950 , made by a standing order was not entered in the cash book.
(d) A cheque of ₹ 600 received, deposited and credited by bank, was accounted as a receipt in the cash column of the cash book.
(e) Other cheques for ₹ 8,500 were deposited in June but cheques for ₹ 6,000 only were cleared by the bankers.
32. Following balances appear in the books of Hari Bros.

On $1^{\text {st }}$ April, 2020, they decided to sell a machine for ₹ 8,700 . The machine was purchased for ₹ 16,000 in April, 2016. Prepare the Provision for Depreciation Account and Machinery Account on $31^{\text {st }}$ March, 2021, assuming the firm has been charging depreciation at $10 \%$ p.a. on Straight Line Method. Also prepare Machine Disposal Account.

## OR

Following balances appear in the books of Priyam Bros.
$1^{\text {st }}$ April, 2020 Machinery A/c
Provision for Depreciation A/c
Provision for Depreciation A/c
$8,00,000$
₹

On $1^{\text {st }}$ April, 2020, they decide to sell a machine for ₹ $5,00,000$. This machine was purchased for ₹750,000 on $1^{\text {st }}$ April, 2017. Prepare the Machinery Account and Provision for Depreciation Account for the year ended $31^{\text {st }}$ March, 2021 assuming that the firm has been charging Depreciation @ $10 \%$ p.a. on the Straight Line Method.
33. Trial Balance of Anuj did not agree. It showed an excess credit of ₹ 6,000 . He put the difference in Suspense Account. He discovered the following errors.
(a) Cash received from Ravish ₹ 8,000 posted to his account as ₹ 6,000 .
(b) Returns Inwards book overcast by ₹ 1,000 .
(c) Total of Sales Book ₹ 10,000 was not posted to Sales Account.
(d) Credit purchases from Nanak ₹ 7,000 were recorded in Sales Book. However, Nanak's Account was correctly credited.
(e) Machinery purchased for ₹ 10,000 was posted to Purchase Account as ₹5,000.

Rectify the above errors and prepare Suspense Account.
34. From the following balances taken from the books of Reddy \& Sons and adjustments, prepare the Balance Sheet as at $31^{\text {st }}$ March, 2022.

| Particulars | $₹$ | Particulars | $₹$ |
| :--- | ---: | :--- | ---: |
| Opening Stock | 15,000 | Rent | 4,000 |
| Purchases | $1,09,000$ | Rent Outstanding | 600 |
| Sales | $1,80,000$ | Provision for Doubtful Debts | 1,000 |
| Manufacturing Wages | 8,000 | Furniture (Purchased on $1^{\text {st }}$ <br> October, 2020 for ₹ 1,000) | 5,000 |
| Fuel, Power and Light | 12,000 | Bills Receivable | 6,000 |
| Salaries | 11,000 | Bills Payable | 1,600 |
| Bad Debts | 500 | Machinery | 72,000 |
| Income Tax | 5,500 | Sundry Debtors | 28,000 |
| Loan to Param at 10\% p.a. ( ${ }^{\text {st }}$ <br> April, 2020) | 5,000 | Sundry Creditors | 13,000 |
| Interest on Loan to Param | 300 | Capital | $1,00,000$ |
| Commission Received | 4,500 | Cash in Hand | 20,000 |

Adjustments
(i) Closing Stock at cost was ₹ 35,000 . Its net realizable value (market value) was ₹ 30,000.
(ii) Write off further ₹500 as bad debt. Also, maintain a Provision for Doubtful Debts @ 5\% on Sundry Debtors.
(iii) Create a provision of $2 \%$ for discount on debtors.
(iv) Commission received includes ₹ 3,000 received in advance.
(v) Depreciate furniture by $10 \%$ p.a.
(vi) Salaries for the month of March, 2021 were outstanding.
(vii) Net Profit transferred to Capital Account ₹ $49,653$.

## OR

On 31 ${ }^{\text {st }}$ March, 2021 the following Trial Balance was extracted from the books of Swayam Verma.

Trial Balance
as at $31^{\text {st }}$ March, 2021

| Heads of Accounts | L.F | Dr. ₹ | Cr. ₹ |
| :--- | :--- | ---: | ---: |
| Wages |  | 4,000 |  |
| Capital |  |  | 30,000 |
| Drawings |  | 5,000 |  |
| Debtors and Creditors |  | 20,000 | 10,000 |
| Bank Loan @ 12\% (1st December, 2020) |  |  | 9,500 |
| Interest on Loan |  | 300 |  |
| Cash |  | 2,000 |  |
| Provision for Bad Debts |  | 6,800 | 700 |
| Stock (1 April, 2020) |  | 10,000 |  |
| Motor Vehicles |  | 3,500 |  |
| Bank |  | 6,000 |  |
| Land \& Building |  | 500 |  |
| Bad Debts |  | 8,000 | $1,10,000$ |
| Purchases and Sales |  | 2,500 | 1,500 |
| Returns |  | 5,000 |  |
| Carriage Outward |  | 3,000 |  |
| Carriage Inwards |  |  |  |
| Salaries |  | 3,500 |  |
| Rent and Insurance |  | 6,000 |  |
| Advertising |  |  | 2,000 |
| Discount |  | $1,64,500$ | $1,64,500$ |
| General Expenses |  |  |  |
| Bills Receivable and Bills Payable |  |  |  |
| Rent | Total |  |  |
| Prin |  |  |  |

Prepare Profit and Loss Account for the year ended $31^{\text {st }}$ March, 2021 after taking into account the following:
(i) Stock on $31^{\text {st }}$ March, 2021 was valued at ₹ 3,500 (Market Price ₹ 4,000 ).
(ii) Advertising ₹ 500 are outstanding.
(iii) Insurance ₹ 1,000 prepaid.
(iv) Further ₹ 500 as Bad Debts and make a Provision for Doubtful Debts @ $10 \%$ on Sundry Debtors.
(v) Gross Profit transferred to Profit and Loss Account is ₹ 27,200

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| SET | B |
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To Depreciation A/c
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To Asset A/c
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(b) Opening Expenses
(c) Direct Expenses
(d) Direct and Indirect Expenses
OR

Salaries and Wages Account is shown in
(a) Trading Account
(b) Profit and Loss Account
(c) Balance Sheet
(d) Trading Account and Balance Sheet
16. Closing Stock is valued at
(a) Cost
(b) Net Realisable Value (Market Value)
(c) Cost or Net Realisable Value (Market Value), whichever is more
(d) Cost or Net Realisable Value, whiche ver is less

## OR

Which of the following is correct?
(a) Gross Profit + Sales + Net Purchases $=$ Net Profit
(b) Gross Profit + Net Purchases + Administrative and Other Expenses $=$ Net Profit
(c) Gross Profit + Sales + Administrative and Other Expenses $=$ Net Profit
(d) Gross Profit - Administrative, Selling and Other Expenses $=$ Net Profit
17. Balance of Provision for Doubtful Debt (As on $1^{\text {st }}$ April, 2022): ₹ 1,250 ; Bad Debts during the year were: ₹ 300 . Provision for Doubtful Debts is required @ $5 \%$ on debtors of ₹ 10,000 . Provision for Doubtful Debts credited to Profit and Loss Account will be
(a) ₹ 400
(b) ₹ 500
(c) ₹ 600
(d) ₹ 450
18. What is the correct sequence of the following actions for preparation of Final Accounts?
(i) Preparation of Trial Balance
(ii) Balancing of Accounts
(iii) Preparation of Annual Financial Statements
(iv) Passing Adjusting Entries

Select the correct answer from the code given below
(a) (iv), (ii), (iii), (i)
(b) (ii), (iv), (iii), (i)
(c) (ii), (i), (iv), (iii)
(d) (iv), (ii), (iii), (i)
19. Following information is taken from the Trial Balance of a business:

Sales: ₹ $1,00,000$; Purchase ₹ 60,000 ; Wages ₹ 7,000 . Closing Stock was ₹ 3,000 more than Opening Stock. What was the Gross Profit?
(a) ₹ 30,000
(b) ₹ 33,000
(c) ₹ 36,000
(d) ₹ 40,000
20. Balance Sheet is
(a) A list of all accounts in the books of a business
(b) An account showing trading activities of a business
(c) An account showing the financial position of a business as on a certain date.
(d) A list of assets, liabilities and capital of a business at a certain date.
21. Reema Garg started a spa on $1^{\text {st }}$ April, 2021 by investing $₹ 2,25,000$ in cash and took a loan of $₹ 75,000$ from the bank. On $31^{\text {st }}$ March, 2022 her assets were ₹ $4,50,000$ and trade creditors were ₹ 15,000 (other than bank loan). Find out her capital on $31^{\text {st }}$ March, 2022 and profit earned during the year.
22. Enter the following transactions in the Purchases Return Book of Sri Gopal. 2021
April 15 Returned goods to Prakash \& Sons for ₹20,000, allowed Trade Discount @ $10 \%$
April 20 Returned goods to Govind for ₹ 15,000 , as the goods were not as per sample.
23. Which of the following are Capital Expenditure and Revenue Expenditure?
(a) Computer purchased for resale.
(b) ₹ 1,500 spent on repairs of machine
(c) Expenses incurred to get the manager's office air conditioned
(d) Brokerage paid in connection with purchase of land
(e) Depreciation on Fixed Assets
(f) Wages paid for installation of new machine
24. Define GST. Explain any two characteristics of GST.
25. Profit of a firm for the year ended $31^{\text {st }}$ March, 2021 is ₹ 42,000 before charging commission. Manager of the firm is entitled to commission of $5 \%$ on profit. Calculate commission payable to manager, if manager is allowed commission on profit after charging such commission.
Also, show the treatment in Final Accounts for the year ended 31 ${ }^{\text {st }}$ March, 2021.
26. Geet has recently started her own cloth trading business. Her business is doing quite well and she is deciding to expand it. She decides to maintain accounts of the firm in proper form as per various legal requirements. She is not really well versed with the aspects of Accountancy. She is confused what reserves to maintain and what provisions to create. You are a Chartered Accountant. Geet approaches you for advice.
(a) Why should Geet create provisions?
(b) How will Geet show the amount of Provision in the balance sheet?
(c) Geet wants to create a reserve which the management can freely utilise for any purpose. Which reserve should she create?

## OR

(a) Differentiate between Reserve and Provision on the basis of Nature and Effect on Profit.
(b) What do you mean by Secret Reserve?
27. Show an Accounting Equation for the following transactions:
(a) Damodar commenced business with cash ₹ 50,000 and ₹ $1,00,000$ by cheque; goods ₹ 60,000 ; machinery ₹ $1,00,000$ and furniture ₹ 50,000
(b) $1 / 3^{\text {rd }}$ of the above goods sold at a profit of $10 \%$ on cost and half of the payment is received in cash.
(c) Depreciation on machinery provided @ $10 \%$.
(d) Cash withdrawn for personal use.

## OR

Record the following transactions in Double Column Cash Book and balance the book on $31^{\text {st }}$ March, 2021
2021
March 1 Cash in Hand
Cash at Bank
72,400
March 4 Received from Asha cash of ₹ 1,200 and a cheque for ₹ 3,200 , allowed discount ₹ 400
March 7 Paid salary to staff by cheque
March 9 Withdrawn cash from bank for office use

| March 12 | Interest paid by bank on bank balance | 1,200 |
| :--- | :--- | ---: |
| March 16 | Purchased furniture in cash | 16,500 |
| March 21 | Paid to Mohan \& Co. by cheque, discount received ₹ 100 | 10,900 |
| March 24 | Proprietor withdrew from office cash for his personal use | 11,600 |
| March 29 | Sold goods to Manoj for cash | 14,800 |
| March 31 | Deposited office cash in bank | 21,200 |

28. From the following information, prepare Trading Account for the year ended $31^{\text {st }}$ March, 2022

Opening Stock 2,00,000 Wages 4,000
Purchases 5,60,000 Freight Inwards 7,200
Closing Stock 1,60,000 Carriage Inwards 2,000
Gross Profit on Sales is 20\% Freight Outwards 4,000

| $₹$ | $₹$ |
| ---: | ---: |
| $2,00,000$ | Wages |
| $5,60,000$ | Freight Inwards |
| $1,60,000$ | Carriage Inwards |
|  | Freight Outwards |

29. While preparing the accounts of a company following issues were faced. You are required to
(i) State which accounting concept you would follow in dealing with each of the issues and
(ii) Explain briefly what each concepts means.
(a) Production Manager is interested in recording good industrial relations in the accounts.
(b) One of the shareholders of the company has invested his savings in shares of another company.
(c) At the end of the accounting period, factory rent of the company is outstanding for ₹ 10,000.
(d) A debtor who owes an amount to the company is likely to be declared insolvent.
30. Prepare Bank Reconciliation Statement from the following particulars on June 30, 2022. Bank statement showed a favourable balance of ₹ 9,214 .
(a) On $29^{\text {th }}$ June, the bank credited the sum of ₹ 1,650 in error.
(b) Certain cheques, valued at ₹ 4,500 issued before June 30 , were not cleared.
(c) A hire purchase payment of ₹ 950 , made by a standing order was not entered in the cash book.
(d) A cheque of ₹ 600 received, deposited and credited by bank, was accounted as a receipt in the cash column of the cash book.
(e) Other cheques for ₹ 8,500 were deposited in June but cheques for ₹ 6,000 only were cleared by the bankers.
31. Following balances appear in the books of Hari Bros.

|  |  | $₹$ |
| :--- | :--- | ---: |
| 1 st | Fpril, 2020 | Machinery A/c |
|  | Provision for Depreciation A/c | 80,000 |
|  | 36,000 |  |

On $1^{\text {st }}$ April, 2020, they decided to sell a machine for ₹ 8,700 . The machine was purchased for ₹ 16,000 in April, 2016. Prepare the Provision for Depreciation Account and Machinery Account on $31^{\text {st }}$ March, 2021, assuming the firm has been charging depreciation at $10 \%$ p.a. on Straight Line Method. Also prepare Machine Disposal Account.

## OR

Following balances appear in the books of Priyam Bros.
$1^{\text {st }}$ April, 2020
Machinery A/c
Provision for Depreciation A/c

$$
\begin{array}{r}
₹ \\
20,00,000 \\
8,00,000
\end{array}
$$

On $1^{\text {st }}$ April, 2020, they decide to sell a machine for $₹ 5,00,000$. This machine was purchased for ₹ 750,000 on $1^{\text {st }}$ April, 2017. Prepare the Machinery Account and Provision for Depreciation Account for the year ended $31^{\text {st }}$ March, 2021 assuming that the firm has been charging Depreciation @ $10 \%$ p.a. on the Straight Line Method.
32. Trial Balance of Anuj did not agree. It showed an excess credit of $₹ 6,000$. He put the difference in Suspense Account. He discovered the following errors.
(a) Cash received from Ravish ₹ 8,000 posted to his account as ₹ 6,000 .
(b) Returns Inwards book overcast by ₹ 1,000 .
(c) Total of Sales Book ₹ 10,000 was not posted to Sales Account.
(d) Credit purchases from Nanak ₹ 7,000 were recorded in Sales Book. However, Nanak's Account was correctly credited.
(e) Machinery purchased for ₹ 10,000 was posted to Purchase Account as ₹ 5,000.

Rectify the above errors and prepare Suspense Account.
33. From the following balances taken from the books of Reddy \& Sons and adjustments, prepare the Balance Sheet as at $31^{\text {st }}$ March, 2022.

| Particulars | $₹$ | Particulars | $₹$ |
| :--- | ---: | :--- | ---: |
| Opening Stock | 15,000 | Rent | 4,000 |
| Purchases | $1,09,000$ | Rent Outstanding | 600 |
| Sales | $1,80,000$ | Provision for Doubtful Debts | 1,000 |
| Manufacturing Wages | 8,000 | Furniture (Purchased on <br> October, 2020 for ₹ 1,000) | 5,000 |
| Fuel, Power and Light | 12,000 | Bills Receivable | 6,000 |
| Salaries | 11,000 | Bills Payable | 1,600 |
| Bad Debts | 500 | Machinery | 72,000 |
| Income Tax | 5,500 | Sundry Debtors | 28,000 |
| Loan to Param at 10\% p.a. (1 |  |  |  |
| Apt | 5,000 | Sundry Creditors | 13,000 |
| Interest on Loan to Param | 300 | Capital | $1,00,000$ |
| Commission Received | 4,500 | Cash in Hand | 20,000 |

Adjustments
(i) Closing Stock at cost was ₹ 35,000 . Its net realizable value (market value) was ₹ 30,000.
(ii) Write off further ₹ 500 as bad debt. Also, maintain a Provision for Doubtful Debts @ 5\% on Sundry Debtors.
(iii) Create a provision of $2 \%$ for discount on debtors.
(iv) Commission received includes ₹ 3,000 received in advance.
(v) Depreciate furniture by $10 \%$ p.a.
(vi) Salaries for the month of March, 2021 were outstanding.
(vii) Net Profit transferred to Capital Account ₹ $49,653$.

## OR

On 31 ${ }^{\text {st }}$ March, 2021 the following Trial Balance was extracted from the books of Swayam Verma.

Trial Balance
as at $31^{\text {st }}$ March, 2021

| Heads of Accounts | L.F | Dr. ₹ | Cr. ₹ |
| :--- | ---: | ---: | ---: |
| Wages |  | 4,000 |  |
| Capital |  |  | 30,000 |
| Drawings |  | 5,000 |  |
| Debtors and Creditors |  | 20,000 | 10,000 |
| Bank Loan @ 12\% (1st December, 2020) |  |  | 9,500 |


| Interest on Loan |  | 300 |  |
| :--- | :--- | ---: | ---: |
| Cash |  | 2,000 |  |
| Provision for Bad Debts |  |  | 700 |
| Stock (1 $1^{\text {st April, 2020) }}$ |  | 6,800 |  |
| Motor Vehicles |  | 10,000 |  |
| Bank |  | 3,500 |  |
| Land \& Building |  | 12,000 |  |
| Bad Debts |  | 600 |  |
| Purchases and Sales |  | 8,000 | $1,10,000$ |
| Returns |  | 2,500 | 1,500 |
| Carriage Outward |  | 3,000 |  |
| Carriage Inwards |  | 3,000 |  |
| Salaries |  | 3,000 |  |
| Rent and Insurance |  |  |  |
| Advertising |  | 3,400 |  |
| Discount |  | 6,000 | 2,000 |
| General Expenses |  |  | 300 |
| Bills Receivable and Bills Payable |  | $1,64,500$ | $1,64,500$ |
| Rent |  |  |  |
| Total |  |  |  |

Prepare Profit and Loss Account for the year ended $31^{\text {st }}$ March, 2021 after taking into account the following:
(i) Stock on $31^{\text {st }}$ March, 2021 was valued at ₹ 3,500 (Market Price ₹ 4,000 ).
(ii) Advertising ₹ 500 are outstanding.
(iii) Insurance ₹ 1,000 prepaid.
(iv) Further ₹ 500 as Bad Debts and make a Provision for Doubtful Debts @ 10\% on Sundry Debtors.
(v) Gross Profit transferred to Profit and Loss Account is ₹ 27,200
34. Journalise the following transactions.
(a) Goods costing ₹5,000 given as charity.
(b) Sold goods to Madhav of ₹ $1,00,000$, payable $25 \%$ by cheque at the time of sale and balance after 30 days of sale.
(c) Received ₹ 9,750 from Hiren in settlement of his account of ₹ 10,000 .
(d) Received dividend of 60 paise in a rupee from the Official Receiver of Rajan, who owed us ₹ 10,000 .
(e) Charge Interest on Drawings ₹ 1,500 .
(f) Paid Income Tax ₹ 15,000 .


# INDIAN SCHOOL MUSCAT FINAL EXAMINATION 2023 ACCOUNTANCY (055) 




DATE: 16-02-2023

TIME ALLOTED : 3 HRS.
MAXIMUM MARKS: 80

## GENERAL INSTRUCTIONS:

1. This question paper contains 34 questions. All questions are compulsory.
2. Questions 1 to 20 carries 1 mark each.
3. Questions 21 to 26 carries 3 marks each.
4. Questions from 27 to 29 carries 4 marks each
5. Questions from 30 to 34 carries 6 marks each
6. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.
7. Find out the bank balance as per cash book if overdraft as per pass book is ₹ 20,000 and cheques deposited in the bank but not credited are for ₹ 8,000 .
(a) ₹ 12,000 favourable balance
(b) ₹ 28,000 favourable balance
(c) ₹ 28,000 overdraft
(d) ₹ 12,000 overdraft

OR
One outgoing cheque of ₹ 500 was recorded twice in the cash book. How will it be treated for the purpose of bank reconciliation statement?
(a) ₹ 1,000 will be added to the balance as per cash book.
(b) ₹ 500 will be deducted from the balance as per cash book.
(c) ₹ 500 will be added to the balance as per cash book.
(d) ₹ 1,000 will be deducted from the balance as per cash book.
2. Assertion (A) If goods worth $₹ 4,000$ are purchased on credit, then assets will increase by $₹ 4,000$, liabilities will increase by $₹ 4,000$ and capital will remain unchanged.
Reason (R) In case, goods are purchased on credit, goods (assets) are increased and creditors (liabilities) are increased, but there is no change in the capital.
(a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
(c) Assertion (A) is true, but Reason (R) is false
(d) Assertion (A) is false, but Reason (R) is true

Question nos. 3, 4 and 5 are based on the hypothetical situation given below.
Olly and Robin are two friends who graduated from a top college of the country. After college, they decided to build a start up in their hometown, Bengaluru. They decided to start a subscription service of fruits in the nearby cities. For obtaining high-quality fruits, they entered
into 5-year contracts with farmers in and around Karnataka. They also decided to purchase machinery for cleansing and quality check of the fruits. The business of the company started booming.
Two years down the line, they had built a strong brand and reputation. To leverage the same, the company decided to venture into other states as well with the similar service line. They first expanded to Tamil Nadu and got great demand. While accounting, company usually booked a normal loss to account for spoiled fruits that they might get. Moreover, they charged depreciation on the machinery to ensure that expenses are distributed over the years. With all these good practices, after four more years of operations, the company attained a unicorn status.
3. "They first expanded to Tamil Nadu and got great demand." Which type of GST is applicable on this supply to Tamil Nadu?
(a) Centre GST
(b) State GST
(c) Integrated GST
(d) Both CGST and SGST
4. 'While accounting, company usually booked a normal loss, to account for spoiled fruits that they might get". Accounting should be free from error and bias. It should be such that users can depend upon the information provided. The given description describes an essential qualitative characteristic of accounting information. Name it.
(a) Relevance
(b) Reliability
(c) Comparability
(d) Understandability
5. Which concept is highlighted in the fact that company made long-term contracts with the farmers?
(a) Going Concern Concept
(b) Accrual Concept
(c) Consistency Concept
(d) Both Going Concern and Accrual Concepts
6. 'Classification is the process of grouping transactions or entries of one nature at one place.' Which is the next step of Accounting?
(a) Summarising
(b) Recording
(c) Measuring the Identified Transactions
(d) Communicating
OR
'A systematic and timely recording of transaction obviates the necessity to remember transactions.' Which advantage of Accounting does this point stress upon?
(a) Assistance to Management
(b) Replaces Memory
(c) Facilitates Comparative Study
(d) Evidence in Court
7. Identify the correct group of Current Assets from the following:
(a) Bills Payable and Debtors
(b) Bills Receivables and Creditors
(c) Bank Overdraft and Cash
(d) Stock and Cash in Hand

OR
Which statement is true for Cash Basis of Accounting?
(a) Correct profit or loss is ascertained.
(b) More reliable as it records both cash and credit transactions
(c) Not recognised by Companies Act, 2013.
(d) Prepaid and Outstanding Expenses are accounted in the Profit and Loss Account.
8. '₹ 20,000 paid as repairs of machinery has been debited to Machinery Account'. This is an error of $\qquad$ .
(a) Omission
(b) Commission
(c) Principle
(d) Compensating
9. Posting of transaction means:
(a) Entering transactions in Journal
(b) Entering transactions in Ledger
(c) Entering transactions in Trial Balance
(d) Entering transactions in Financial Statements
10. What is the journal entry for crediting depreciation amount to Provision for Depreciation 1 Account?
(a) Depreciation A/c Dr.
(b) Provision for Depreciation A/c Dr.
To Provision for Depreciation A/c To Depreciation A/c
(c) Depreciation A/c Dr.
To Asset A/c
(d) Provision for Depreciation A/c Dr. To Asset A/c

## OR

Nishita, who owed ₹ 40,000 became insolvent. 70 paise in a rupee was received from her estate. Bad Debts Account will be debited by
(a) ₹ 40,000
(b) ₹ 20,000
(c) ₹ 12,000
(d) ₹ 28,000
11. A machine is purchased on $1^{\text {st }}$ April, 2019 for ₹ 80,000 . Expenses incurred on its installation is ₹ 20,000 . The residual value at the end of its expected useful life of 4 years is estimated at ₹ 10,000 . The amount of depreciation under Straight Line Method, for the year ended $31^{\text {st }}$ March, 2020 will be.
(a) ₹ 22,500
(b) ₹ 20,000
(c) ₹ 17,500
(d) ₹ 13,125
12. Which type of expenses are shown in the Trading Account?
(a) Indirect Expenses
(b) Opening Expenses
(c) Direct Expenses
(d) Direct and Indirect Expenses

OR
Salaries and Wages Account is shown in
(a) Trading Account
(b) Profit and Loss Account
(c) Balance Sheet
(d) Trading Account and Balance Sheet
13. Income Tax paid by a sole trader is shown
(a) On the debit side of Trading Account
(b) On the debit side of Profit and Loss Account
(c) As deduction from Capital in the Balance Sheet
(d) As addition to Capital in the Balance Sheet
14. Naveen purchased 10,000 Add Gel Roller Pens @ ₹50 each less Trade Discount of $20 \%$. 1 Purchases Account will be debited by
(a) ₹ $5,00,000$
(b) ₹ $4,00,000$
(c) ₹ $4,50,000$
(d) ₹ $6,00,000$
15. Loss on sale of an old car is debited to
(a) Profit and Loss A/c
(b) Car A/c
(c) Depreciation $\mathrm{A} / \mathrm{c}$
(d) Trading A/c

Which of the following is not shown in Balance Sheet?
(a) Patents
(b) Debtors
(c) Opening Stock
(d) Closing Stock
16. Following information is taken from the Trial Balance of a business:

Sales: ₹ $1,00,000$; Purchase ₹ 60,000 ; Wages ₹ 7,000 . Closing Stock was ₹ 3,000 more than Opening Stock. What was the Gross Profit?
(a) ₹ 30,000
(b) ₹ 33,000
(c) ₹ 36,000
(d) ₹ 40,000
17. Balance of Provision for Doubtful Debt (As on $1^{\text {st }}$ April, 2022): ₹ 1,250 ; Bad Debts during the year were: ₹ 300 . Provision for Doubtful Debts is required @ $5 \%$ on debtors of ₹ 10,000 . Provision for Doubtful Debts credited to Profit and Loss Account will be
(a) ₹ 400
(b) ₹ 500
(c) ₹ 600
(d) ₹ 450
18. Balance Sheet is
(a) A list of all accounts in the books of a business
(b) An account showing trading activities of a business
(c) An account showing the financial position of a business as on a certain date.
(d) A list of assets, liabilities and capital of a business at a certain date.
19. Closing Stock is valued at
(a) Cost
(b) Net Realisable Value (Market Value)
(c) Cost or Net Realisable Value (Market Value), whichever is more
(d) Cost or Net Realisable Value, whichever is less

## OR

Which of the following is correct?
(a) Gross Profit + Sales + Net Purchases $=$ Net Profit
(b) Gross Profit + Net Purchases + Administrative and Other Expenses $=$ Net Profit
(c) Gross Profit + Sales + Administrative and Other Expenses $=$ Net Profit
(d) Gross Profit - Administrative, Selling and Other Expenses $=$ Net Profit
20. What is the correct sequence of the following actions for preparation of Final Accounts?
(i) Preparation of Trial Balance
(ii) Balancing of Accounts
(iii) Preparation of Annual Financial Statements
(iv) Passing Adjusting Entries

Select the correct answer from the code given below
(a) (iv), (ii), (iii), (i)
(b) (ii), (iv), (iii), (i)
(c) (ii), (i), (iv), (iii)
(d) (iv), (ii), (iii), (i)
21. Which of the following are Capital Expenditure and Revenue Expenditure?
(a) Expenses to move the stock of goods from one place to another
(b) Fees paid to lawyer to register the land purchased
(c) Purchase of machinery for production.
(d) Freight paid to bring new machine to the factory
(e) Expenses incurred for maintenance of fixed assets
22. Rashi Mehta started a salon on $1^{\text {st }}$ April, 2019 by investing ₹ $9,00,000$ in cash and took a loan of $₹ 3,00,000$ from the bank. On $31^{\text {st }}$ March, 2020 her assets were ₹ $18,00,000$ and trade creditors were ₹ 60,000 (other than bank loan). Find out her capital on $31^{\text {st }}$ March, 2020 and profit earned during the year.
23. Geet has recently started her own cloth trading business. Her business is doing quite well and she is deciding to expand it. She decides to maintain accounts of the firm in proper form as per various legal requirements. She is not really well versed with the aspects of Accountancy. She is confused what reserves to maintain and what provisions to create. You are a Chartered Accountant. Geet approaches you for advice.
(a) Why should Geet create provisions?
(b) How will Geet show the amount of Provision in the balance sheet?
(c) Geet wants to create a reserve which the management can freely utilise for any purpose. Which reserve should she create?

## OR

(a) Differentiate between Reserve and Provision on the basis of Nature and Effect on Profit.
(b) What do you mean by Secret Reserve?
24. Profit of a firm for the year ended $31^{\text {st }}$ March, 2021 is ₹ 21,000 before charging commission. Manager of the firm is entitled to commission of $5 \%$ on profit. Calculate commission payable to manager, if manager is allowed commission on profit before charging such commission. Also, show the treatment in Final Accounts for the year ended 31 ${ }^{\text {st }}$ March, 2021.
25. Enter the following transactions in the Purchases Return Book of Sri Gopal. 2021
April 15 Returned goods to Prakash \& Sons for ₹ 20,000, allowed Trade Discount @ $10 \%$
April 20 Returned goods to Govind for ₹ 15,000 , as the goods were not as per sample.
26. Define GST. Explain any two characteristics of GST.
27. From the following information, prepare Trading Account for the year ended $31^{\text {st }}$ March, 2022

|  | $₹$ | $₹$ |
| :--- | ---: | :--- |
| Opening Stock | 50,000 | Wages |
| Purchases | $1,40,000$ | Freight Inwards |
| Closing Stock | 40,000 | Carriage Inwards |
| Gross Profit on Sales is $20 \%$ |  | Salary |

28. While preparing the accounts of a company following issues were faced. You are required to
(i) State which accounting concept you would follow in dealing with each of the issues and
(ii) Explain briefly what each concepts means.
(a) Production Manager is interested in recording good industrial relations in the accounts.
(b) One of the shareholders of the company has invested his savings in shares of another company.
(c) At the end of the accounting period, factory rent of the company is outstanding for ₹ 10,000.
(d) A debtor who owes an amount to the company is likely to be declared insolvent.
29. Show an Accounting Equation for the following transactions:
(a) Damodar commenced business with cash ₹ 50,000 and ₹ $1,00,000$ by cheque; goods ₹ 60,000 ; machinery ₹ $1,00,000$ and furniture ₹ 50,000
(b) $1 / 3^{\text {rd }}$ of the above goods sold at a profit of $10 \%$ on cost and half of the payment is received in cash.
(c) Depreciation on machinery provided @ $10 \%$.
(d) Cash withdrawn for personal use.

## OR

Record the following transactions in Double Column Cash Book and balance the book on $31^{\text {st }}$ March, 2021

| 2021 |  | $₹$ |
| :--- | :--- | ---: |
| March 1 | Cash in Hand | 12,750 |
|  | Cash at Bank | 72,400 |
| March 4 | Received from Asha cash of ₹ 1,200 and a cheque for ₹ 3,200, |  |
|  | allowed discount ₹ 400 | 25,600 |
| March 7 | Paid salary to staff by cheque | 21,900 |
| March 9 | Withdrawn cash from bank for office use | 1,200 |
| March 12 | Interest paid by bank on bank balance | 16,500 |
| March 16 | Purchased furniture in cash | 10,900 |
| March 21 | Paid to Mohan \& Co. by cheque, discount received ₹ 100 | 11,600 |
| March 24 | Proprietor withdrew from office cash for his personal use | 14,800 |
| March 29 | Sold goods to Manoj for cash | 21,200 |

30. From the following balances taken from the books of Reddy \& Sons and adjustments, prepare
the Balance Sheet as at $31^{\text {st }}$ March, 2022.

| Particulars | ₹ | Particulars | ₹ |
| :---: | :---: | :---: | :---: |
| Opening Stock | 15,000 | Rent | 4,000 |
| Purchases | 1,09,000 | Rent Outstanding | 600 |
| Sales | 1,80,000 | Provision for Doubtful Debts | 1,000 |
| Manufacturing Wages | 8,000 | Furniture (Purchased on $1^{\text {st }}$ October, 2020 for ₹ 1,000 ) | 5,000 |
| Fuel, Power and Light | 12,000 | Bills Receivable | 6,000 |
| Salaries | 11,000 | Bills Payable | 1,600 |
| Bad Debts | 500 | Machinery | 72,000 |
| Income Tax | 5,500 | Sundry Debtors | 28,000 |
| Loan to Param at $10 \%$ p.a. (1 ${ }^{\text {st }}$ April, 2020) | 5,000 | Sundry Creditors | 13,000 |
| Interest on Loan to Param | 300 | Capital | 1,00,000 |
| Commission Received | 4,500 | Cash in Hand | 20,000 |

Adjustments
(i) Closing Stock at cost was ₹ 35,000 . Its net realizable value (market value) was ₹ 30,000.
(ii) Write off further ₹ 500 as bad debt. Also, maintain a Provision for Doubtful Debts @ 5\% on Sundry Debtors.
(iii) Create a provision of $2 \%$ for discount on debtors.
(iv) Commission received includes ₹ 3,000 received in advance.
(v) Depreciate furniture by $10 \%$ p.a.
(vi) Salaries for the month of March, 2021 were outstanding.
(vii) Net Profit transferred to Capital Account ₹ 49,653.

## OR

On $31^{\text {st }}$ March, 2021 the following Trial Balance was extracted from the books of Swayam Verma.

Trial Balance
as at $31^{\text {st }}$ March, 2021

| Heads of Accounts | L.F | Dr. ₹ | Cr. ₹ |
| :--- | :--- | ---: | ---: |
| Wages |  | 4,000 |  |
| Capital |  |  | 30,000 |
| Drawings |  | 5,000 |  |
| Debtors and Creditors | 20,000 | 10,000 |  |
| Bank Loan @ 12\% (1st December, 2020) |  |  | 9,500 |
| Interest on Loan |  | 300 |  |
| Cash |  | 2,000 |  |
| Provision for Bad Debts |  | 6,800 |  |
| Stock (1st April, 2020) |  | 10,000 |  |
| Motor Vehicles |  | 3,500 |  |
| Bank |  | 6,000 |  |
| Land \& Building |  | 500 |  |
| Bad Debts |  | 8,000 | $1,10,000$ |
| Purchases and Sales |  | 2,500 | 1,500 |
| Returns |  | 5,000 |  |
| Carriage Outward |  | 3,000 |  |
| Carriage Inwards |  | 3,500 |  |
| Salaries |  | 3,400 |  |
| Rent and Insurance |  | 6,000 | 2,000 |
| Advertising |  |  | 300 |
| Discount |  | $1,64,500$ | $1,64,500$ |
| General Expenses |  |  |  |
| Bills Receivable and Bills Payable | Rent |  |  |
| Total |  |  |  |

Prepare Profit and Loss Account for the year ended $31^{\text {st }}$ March, 2021 after taking into account the following:
(i) Stock on $31^{\text {st }}$ March, 2021 was valued at ₹ 3,500 (Market Price ₹ 4,000).
(ii) Advertising ₹ 500 are outstanding.
(iii) Insurance ₹ 1,000 prepaid.
(iv) Further ₹ 500 as Bad Debts and make a Provision for Doubtful Debts @ $10 \%$ on Sundry Debtors.
(v) Gross Profit transferred to Profit and Loss Account is ₹ 27,200
31. Trial Balance of Anuj did not agree. It showed an excess credit of ₹ 6,000 . He put the difference 6 in Suspense Account. He discovered the following errors.
(a) Cash received from Ravish ₹ 8,000 posted to his account as ₹ 6,000 .
(b) Returns Inwards book overcast by ₹ 1,000 .
(c) Total of Sales Book ₹ 10,000 was not posted to Sales Account.
(d) Credit purchases from Nanak ₹ 7,000 were recorded in Sales Book. However, Nanak's Account was correctly credited.
(e) Machinery purchased for ₹ 10,000 was posted to Purchase Account as ₹ 5,000.

Rectify the above errors and prepare Suspense Account.
32. Prepare Bank Reconciliation Statement from the following particulars on June 30, 2022. Bank statement showed a favourable balance of ₹ 9,214 .
(a) On $29^{\text {th }}$ June, the bank credited the sum of ₹ 1,650 in error.
(b) Certain cheques, valued at ₹ 4,500 issued before June 30 , were not cleared.
(c) A hire purchase payment of ₹ 950 , made by a standing order was not entered in the cash book.
(d) A cheque of ₹ 600 received, deposited and credited by bank, was accounted as a receipt in the cash column of the cash book.
(e) Other cheques for ₹ 8,500 were deposited in June but cheques for ₹ 6,000 only were cleared by the bankers.
33. Journalise the following transactions.
(a) Goods costing ₹ 5,000 given as charity.
(b) Sold goods to Madhav of ₹ $1,00,000$, payable $25 \%$ by cheque at the time of sale and balance after 30 days of sale.
(c) Received ₹ 9,750 from Hiren in settlement of his account of ₹ 10,000 .
(d) Received dividend of 60 paise in a rupee from the Official Receiver of Rajan, who owed us ₹ 10,000 .
(e) Charge Interest on Drawings ₹ 1,500 .
(f) Paid Income Tax ₹ 15,000 .
34. Following balances appear in the books of Hari Bros.
$1^{\text {st }}$ April, 2020 Machinery A/c 80,000
Provision for Depreciation A/c 36,000

On $1^{\text {st }}$ April, 2020, they decided to sell a machine for ₹ 8,700 . The machine was purchased for ₹ 16,000 in April, 2016. Prepare the Provision for Depreciation Account and Machinery Account on $31^{\text {st }}$ March, 2021, assuming the firm has been charging depreciation at $10 \%$ p.a. on Straight Line Method. Also prepare Machine Disposal Account.

## OR

Following balances appear in the books of Priyam Bros.
$1^{\text {st }}$ April, 2020 Machinery A/c 20,00,000
Provision for Depreciation A/c $8,00,000$
On $1^{\text {st }}$ April, 2020, they decide to sell a machine for ₹ $5,00,000$. This machine was purchased for ₹ 750,000 on $1^{\text {st }}$ April, 2017. Prepare the Machinery Account and Provision for Depreciation Account for the year ended $31^{\text {st }}$ March, 2021 assuming that the firm has been charging Depreciation @ $10 \%$ p.a. on the Straight Line Method.

