

P. Datta
30.7.2019.



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



First Term

Sub: Accountancy Model Answer

Class: XI B & D

F.M.: 80

Group – A

1. Answer the following questions (Select the correct answer):

1x24=24

- (i) Which of the following is not a sub-division of accounting?
(d) Book-keeping.
- (ii) Internal users of accounting information include:
(d) management.
(b) debtor
(iv) In accounts recording is made of:
(a) only financial transactions
(v) On January 1, 2019, a businessman paid rent ₹5,000. This can be classified as:
(d) both (b) and (c)
- (vi) The father of double entry system is:
(b) Fra Luca Pacioli
- (vii) Under which basis of accounting only cash receipts and cash payments for a particular year are taken into account:
(a) cash basis
- (viii) In respect of capital expenditure which of the following statement is incorrect?
(c) it helps to redeem a liability
- (ix) Accounting standards are issued in India by:
(a) ICAI
- (x) Assets are recorded at the cost of acquisition under concept:
(b) historical cost
- (xi) Under which concept business is considered a separate entity distinct from its owners?
(a) entity concept
(xii) Income is measured on the basis of which concept?
(d) money measurement concept.
- (xiii) Matching of expenses against _____ is known as Matching Concept.
(c) revenue
- (xiv) IFRS is based on:
(a) historical cost
- (xv) Accounting Standard 3 relates to:
(c) Cash Flow Statement
- (xvi) Accounting equation is a statement of equality between:
(b) assets and capital
- (xvii) Personal account debit balance means:
(b) debtor;
- (xviii) When trial balance does not agree the difference is put to:
(a) suspense account
- (xix) Suspense account is:
(d) temporary a/c.
- (xx) When a petty cashier is given money for making petty payments, the two accounts involved are:
(c) Petty Cash A/c and Cash A/c
- (xxi) If goods worth ₹600 taken over by the owner from business; which account is credited?

- (c) purchase a/c
(xxii) A bank reconciliation statement is a part of:
(d) none of these.
(xxiii) Which of the following is not the book of original entry?
(d) Ledger.
(xxiv) Outstanding wages account is:
(b) personal account.

Group – B

2. Answer the following questions:

1x12=12

(i) Define accounting.

It is the art of recording, classifying and summarizing in a significant manner and in terms of money, transaction and events which are, in part at least, of a financial character and interpreting the results thereof.

(ii) Which system of accounting is most widely used and why?

Double entry system of accounting is most widely used, because this system of accounting is considered as the scientific system.

(iii) State one objective of financial accounting.

One important objective of financial accounting is to provide accounting information to the internal and external users.

(iv) Mention one important branch of accounting.

Financial accounting.

(v) Define journal.

Journal is the first book of accounting where transactions are recorded chronologically after classifying them into debit and credit, with short description i.e. narration.

(vi) What are current liabilities?

The liability which is required to be paid within a short period of time i.e. generally one year or less is known as Current Liability. Sundry Creditors, Bills Payable, Bank Overdraft, Outstanding Expenses etc. are the current liabilities.

(vii) Give one example of fixed asset.

Building

(viii) Which accounting concept requires that the life of a business be broken into smaller parts?

Going Concern Concept.

(ix) What do you mean by accounting standards?

A set of guidelines or normative prescriptions relating to accounting policies and practices, developed and issued by the apex regulatory accounting bodies, for bringing uniformity in accounting actions and making financial statements more dependable and effective to the users. The Council of The Institute of Chartered Accountants of India (ICAI) is responsible for drafting, implementing and regulating the Accounting Standards (AS's) in India.

(x) What is dual aspect concept?

The accounting principle by which transactions of an accounting unit are being recorded in the books of accounts by explaining and analyzing the two aspects i.e. receiving aspect or debit and giving aspect or credit of each transaction, is called duality or dual aspect principle.

(xi) Name any two source of documents.

Voucher, Bank Statement.

(xii) What is principle of materiality?

This doctrine speaks about the relative importance of the accounting information, only that information which is relevant and of material importance should be adequately disclosed.

3.(i) Prepare Accounting Equation from the following:

- (a) Commenced business with cash ₹ 35,000.
(b) Bought goods on credit ₹ 10,000.

(c) Bought goods by cash ₹25,000.

(d) Goods sold for cash (cost ₹6,000) at ₹8,000.

Accounting Equation

Serial No.	Transactions	Assets		=	Liabilities	+	Capital
		Cash	+	Stock	=	Creditors	+
(a)	Commenced business with cash ₹35,000.	35,000			=		35,000
(b)	Bought goods on credit ₹10,000.			10,000	=	10,000	
(c)	Bought goods by cash ₹25,000.	(25,000)	+	25,000	=		
(d)	Goods sold for cash (cost ₹6,000) at ₹8,000	8,000	+	(6,000)	=		2,000
	New Equation	18,000	+	29,000	=	10,000	37,000

(ii) Prepare a Purchase Day Book from the following transactions of M/s Optical House: 2019

Jan. 1 : Purchased from M/s Sonam Optics:

50 sunglasses @ ₹220 each

20 spectacles @ ₹450 each

Trade discount @ 10%; CGST @ 5% & SGST @ 5%.

Jan. 9 : Purchased from M/s Tara Optics for cash:

10 sunglasses @ ₹125 each

Trade discount @ 10%; CGST & SGST @ 5% each.

Jan. 18: Purchased from M/s Ahuja Optics:

25 pairs of contact lenses @ ₹1,200 each

40 sunglasses @ ₹375 each.

Trade discount @ 5%, CGST & SGST @ 5% each.

In the books of M/s Optical House

Purchase Day Book

Date	Particulars	Invoice No.	L/f	Details (₹)	Amount(₹)	Remarks
2019						
Jan. 1	M/s Sonam Optics					
	50 sunglasses @ ₹220 each			11,000		
	20 spectacles @ ₹450 each			9,000		
				<u>20,000</u>		
	Less: T.D. @ 10%			(2,000)		CGST @
				<u>18,000</u>		5% &
	Add: CGST @ 5%			900		SGST @
	Add: SGST @ 5%			900		5%.
Jan.18	M/s Ahuja Optics				19,800	
	25 pairs of contact lenses @ ₹1,200 each			30,000		
	40 sunglasses @ ₹375 each.			15,000		
				<u>45,000</u>		
	Less: T.D.@ 5%			(2,250)		CGST @
				<u>42,750</u>		5% &
	Add: CGST @ 5%			2,137		SGST @
	Add: SGST @ 5%			2,138		5%.
					47,025	
					<u>66,825</u>	

(iii) Prepare Petty Cash Book from the following transactions based on Imprest System:
2019

Mar. 1 : The Imprest amount is ₹800

Mar. 3 : Bus fare ₹40, Stationery ₹60

Mar. 7 : Travelling expenses ₹130

Mar. 10: Rickshaw fare ₹35, Postage ₹45.

Mar. 16: Courier charges ₹140

Mar. 18: Coolie charges ₹80, Stationery ₹30.

Mar. 26: Telephone charges ₹20

Mar. 30: Carriage charges ₹35.

In the books of
Imprest Analytical Petty Cash Book

Amount Received (₹)	C.B. Folio	Date	Particulars	Amount (₹)	Travelling & Conveyance (₹)	Stationery (₹)	Postage & Courier Charges (₹)	Carriage & Coolie Charges (₹)	Miscellaneous (₹)
800		2019 Mar. 1	To Cash A/c						
		3	By Bus fare	40	40				
			By Stationery	60		60			
		7	By Travelling Expenses	130	130				
		10	By Rickshaw Fare	35	35				
			By Postage	45			45		
		16	By Courier Charges	140			140		
		18	By Coolie Ch.	80				80	
			By Stationery	30		30			
		26	By Telephone Charges	20					20
		30	By Carriage	35				35	
				615	205	90	185	115	20
800		31	By Balance c/d	185					
185		Apr. 1	To Balance b/d	800					
615			To Cash A/c						

(iv) Write at least four differences between sales account and sales day book.
Show the differences between sales account and sales day book.

Group – D

4. Answer the following questions:

(i) Prepare Cash Book with Cash and two Bank Columns from the following transactions:
2019

- Mar. 1: Balance in hand ₹6,000; UCO Bank ₹10,000; Canara Bank (Overdraft) ₹5,000.
 Mar. 3: Sold goods for cash ₹30,000 of which ₹18,000 deposited in UCO Bank.
 Mar. 6: Transfer ₹8,000 from UCO Bank to Canara Bank.
 Mar.14: Received two cheques from Rajnath ₹6,000 and ₹8,000.
 Mar.15: First cheque is endorsed to Prakash and the second is deposited to Canara Bank.
 Mar.27: Bank allowed interest ₹400(UCO Bank) but charged interest (Canara Bank) ₹350
 Mar. 30: After retaining ₹10,000 in cash, deposit excess amount equally in both the banks.

In the books of

Dr.						Cash Book (Double Column with Two Bank Column)						Cr.	
Date	Particulars	V · N ·	L · F ·	Cash (₹)	UCO Bank (₹)	Canara Bank (₹)	Date	Particulars	V · N ·	L · F ·	Cash (₹)	UCO Bank (₹)	Canara Bank (₹)
1.3.19	To Balance b/f			6,000	10,000		1.3.19	By Balance b/f					5,000
3.3.19	To Sales A/c			12,000	18,000		6.3.19	By Canara Bank				8,000	
6.3.19	To UCO Bank A/c		C			8,000		A/c		C			
14.3.19	To Rajnath A/c		C	14,000			15.3.19	By Prakash A/c			6,000		
15.3.19	To Cash A/c		C			8,000		By Canara Bank		C	8,000		
27.3.19	To Int. Recd. A/c				400			A/c					
30.3.19	To Cash A/c		C		4,000	4,000	27.3.19	By Bank Ch. A/c					350
							30.3.19	By UCO Bank		C	4,000		
								A/c					
								By Canara Bank		C	4,000		
								A/c					
							31.3.19	By Balance c/d			10,000	24,400	14,650
				32,000	32,400	20,000					32,000	32,400	20,000

- (ii) Why is cash book called journalised ledger? State reasons.
 Write the similarities of cash book with journal and ledger.
 (iii) Redraft correctly the Trial Balance given below:

Particulars	(₹)	Particulars	(₹)
Capital	8,000	Debtors	7,580
Creditors	1,250	Bank Deposit	2,750
Rent	360	Drawings	600
Salaries	850	Bills Payable	1,350
Cash in hand	210	Discount Allowed	40
Opening stock	2,450	Returns Inward	450
Purchase	11,870	Sales	14,690
Bad Debt Recovered	250		
Return Outward	350		
Bank Overdraft	1,570		
Postage	300		
	27,460		27,460

Trial Balance as on

Serial No.	Heads of Accounts	L/f	Debit (₹)	Credit (₹)	Reasons
1.	Capital			8,000	Liability
2.	Creditors			1,250	"
3.	Rent		360		
4.	Salaries		850		
5.	Cash in hand		210		
6.	Opening stock		2,450		
7.	Purchase		11,870		
8.	Bad Debt Recovered			250	Income
9.	Return Outward			350	Gain
10.	Bank Overdraft			1,570	Liability
11.	Postage		300		
12.	Debtors		7,580		Asset
13.	Bank Deposit		2,750		"
14.	Drawings		600		"
15.	Bills Payable			1,350	
16.	Discount Allowed		40		Loss
17.	Return Inward		450		"
18.	Sales			14,690	
			27,460	27,460	

Group – E

5. Journalised following transactions and prepare Cash Account & Mr. Guha Account:
2019

	(₹)
Mar. 3: Started business with cash	60,000
Mar. 5: Opened a bank account by depositing cash	50,000
Mar.12: Good purchased from Mr. Ganguli	25,000
Mar.15: Received loan from Mr. Ghosh and deposited the same into bank	10,000
Mar.17: Goods sold to Mr.Guha	18,000
Mar.22: Purchased machinery and paid by cheque	20,000
Mar.25: Goods returned by Mr. Guha being defective	1,000
Mar.27: Paid salary for the month of March	2,000
Mar.29: Received a cheque from Mr. Guha in full settlement and deposited into bank	16,500
Mar. 31: Withdrew cash from business for personal use	3,000

In the books of Mr. Guha
Journal

Date	Particulars	L/f	Dr. Amount (₹)	Cr. Amount(₹)
2019				
Mar. 3	Cash A/c.....Dr. To Capital A/c		60,000	60,000
Mar. 5	Bank A/c.....Dr. To Cash A/c		50,000	50,000
Mar.12	Purchases A/c.....Dr. To Mr. Ganguli A/c		25,000	25,000
Mar.15	Bank A/c.....Dr. To Mr. Ghosh's Loan A/c		10,000	10,000
Mar.17	Mr. Guha A/c.....Dr. To Sales A/c		18,000	18,000
Mar.22	Machinery A/c.....Dr. To Bank A/c		20,000	20,000
Mar.25	Return Inward A/c.....Dr. To Mr. Guha A/c		1,000	1,000
Mar.27	Salary A/c.....Dr. To Cash A/c		2,000	2,000
Mar.29	Bank A/c.....Dr. Discount Allowed A/c.....Dr. To Mr. Guha A/c		16,500 500	17,000
Mar.31	Drawings A/c.....Dr. To Cash A/c		3,000	3,000

Dr.				Cr.			
Date	Particulars	J/f	Amount(₹)	Date	Particulars	J/f	Amount(₹)
2019				2019			
Mar. 3	To Capital A/c		60,000	Mar. 5	By Bank A/c		50,000
				Mar. 27	By Salary A/c		2,000
				Mar. 31	By Drawings A/c		3,000
					By Balance c/d		5,000
			60,000				60,000
Apr. 1	To Balance c/d		5,000				

Dr.				Cr.			
Date	Particulars	J/f	Amount(₹)	Date	Particulars	J/f	Amount(₹)
2019				2019			
Mar. 17	To Sales A/c		18,000	Mar. 25	By Return Inward A/c		1,000
				Mar. 29	By Bank A/c		16,500
					By Discount Allowed A/c		500
			18,000				18,000