

Strictly Based on Latest Syllabus, Design of Question Paper and Blueprint
Issued by the Department of Pre-University Education, Karnataka



KARNATAKA PUE
PUC-I

FOR MARCH
2019
EXAMINATION


ACCOUNTANCY

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LATEST SYLLABUS

Issued by PUE, Karnataka for 2019 Exam.

ACCOUNTANCY (Code -30)

CLASS : PUC I

Duration : 3 Hrs. 15 Mins.

Max. Marks : 100

| Chapter No. | Chapter Head | Periods allotted (Including POQ) | Marks allotted |
|-------------|---|-------------------------------------|----------------|
| | Bridge Course | 05 | – |
| 1. | Introduction to Accounting | 4+1 | 03 |
| 2. | Theory Base of Accounting | 04 | 03 |
| 3. | Recording of Transactions – I | 13+4 | 21 |
| 4. | Recording of Transactions – II | 13+1 | 25 |
| 5. | Bank Reconciliation Statement | 12 | 14 |
| 6. | Trial Balance and Rectification of Errors | 8+1 | 09 |
| 7. | Depreciation, Provisions and Reserves | 12+2 | 14 |
| 8. | Accounting for Bills of Exchange | 12+2 | 13 |
| 9. | Financial Statements-I | 6+2 | 08 |
| 10. | Financial Statements with Adjustments –II | 10 | 13 |
| 11. | Accounts from Incomplete Records | 12+1 | 19 |
| 12. | Applications of Computers in Accounting | 5+1 | 03 |
| 13. | Computerised Accounting System | 09 | 07 |
| | Total (Excluding POQ Marks) | – | 152 |
| | Practical Oriented Questions Marks | – | 15 |
| | Grand Total (Including POQ) | 5+120+15=140 | 167 |

SUGGESTED QUESTION PAPER DESIGN : 2018-19

| Sl No | Typology of Questions & Weightage | Very Short Answer Type (1 Mark) | Short Answer Type (2 Marks) | Long Answer Type (6 Marks) | Long Answer Type (12 Marks) | POQ (5 Marks) | %age of weightage | Total Marks |
|-------|---|---------------------------------|-----------------------------|----------------------------|-----------------------------|---------------|-------------------|-------------|
| 01 | Knowledge (Remembering) (15%) (Simple recall questions, identify, define, to know specific facts, terms, concepts, principles or theories, illustrates /cites examples) | 03 | 02 | 01 | 01 | – | 15 | 25 |
| 02 | Understanding (Comprehension) (25%) (Meaning, concept, interpret, compare, contrast, explain, identifies relationships, detection of errors, discriminates, classifies, extrapolates, solutions, summarises) | 05 | 04 | 02 | 01 | 01 | 25 | 42 |
| 03 | Application (Higher Level Understanding) (40%) Application of rules, use abstract of information in concrete situations, provide an example, solve a problem, establish relationships, reason for cause-effect relation, analysis, hypothesizes, predicts, inferences, generalises, evolve appropriate plan of action. | 01 | 01 | 02 | 04 | 01 | 40 | 68 |
| 04 | Skill : (20%) Reorganise the materials, judges adequacy, justifies, display originally draws diagrams, labels diagrams. | 01 | 01 | 02 | 01 | 01 | 20 | 32 |
| | Total Questions (35 Questions) | 10 | 08 | 07 | 07 | 03 | – | – |
| | Total Marks | 10 | 16 | 42 | 84 | 15 | 100 | 167 |

SUGGESTED QUESTION PAPER PATTERN : 2018-19

| Section | Nature of Questions | Questions given | Questions to be Answered | Marks for each Question | Total Marks |
|--------------|--|-----------------|--------------------------|-------------------------|-------------|
| A | Very Short Answer Questions | 10 | 08 | 01 | 08 |
| B | Short Answer Questions | 08 | 05 | 02 | 10 |
| C | Six Short Problems and One Long Theory Type Question | 07 | 04 | 06 | 24 |
| D | Long Problems | 07 | 04 | 12 | 48 |
| E | Practical Oriented Questions (POQs) | 03 | 02 | 05 | 10 |
| Total | | 35 | 23 | – | 100 |

CHAPTERWISE WEIGHTAGE OF MARKS, ALLOTMENT OF HOURS AND TYPOLOGY OF QUESTIONS

| Ch. No. | Chapter Head | Hours allotted | Marks (Excluding POQ) | 01 Marks Ques. | 02 Marks Ques. | 06 Marks Ques. | 12 Marks Ques. | POQ |
|---------|---|----------------|-----------------------|----------------|----------------|----------------|----------------|-----------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| | Bridge Course | 05 | – | – | – | – | – | – |
| 1. | Introduction to Accounting | 4+1 | 03 | 1 | 1 | – | – | 1 |
| 2. | Theory Base of Accounting | 04 | 03 | 1 | 1 | – | – | – |
| 3. | Recording of Transactions – I | 13+4 | 21 | 1 | 1 | 1 | 1 | 4 |
| 4. | Recording of Transactions-II | 13+1 | 25 | 1 | – | 2 | 1 | 1 |
| 5. | Bank Reconciliation Statement | 12 | 14 | – | 1 | – | 1 | – |
| 6. | Trial Balance and Rectification of Errors | 8+1 | 09 | 1 | 1 | 1 | – | 1 |
| 7. | Depreciation, Provisions and Reserves | 12+2 | 14 | – | 1 | – | 1 | 2 |
| 8. | Accounting for Bills of Exchange | 12+2 | 13 | 1 | – | – | 1 | 2 |
| 9. | Financial Statements-I | 6+2 | 08 | – | 1 | 1 | – | 2 |
| 10. | Financial Statements with Adjustments-II | 10 | 13 | 1 | – | – | 1 | – |
| 11. | Accounts from Incomplete Records | 12+1 | 19 | 1 | – | 1 | 1 | 1 |
| 12. | Applications of Computers in Accounting | 5+1 | 03 | 1 | 1 | – | – | 1 |
| 13. | Computerised Accounting System | 09 | 07 | 1 | – | 1 | – | – |
| | Total (Excluding POQs) | | 152 | 10 | 08 | 07 | 07 | 15 |
| | Practical Oriented Questions Marks | | 15 | | | | | |
| | Grand Total (Including POQ) | 140 | 167 | | | | | |

List of Practical Oriented Questions : (15 Hours for 10 Marks)

| | | | |
|----|--|-----|--|
| 1. | Draw a diagram of Accounting Process | 9. | Prepare Machinery A/c for 2 years with imaginary figures under WDM |
| 2. | Write the Accounting Equation and find the missing figures | 10. | Prepare a Specimen of Bill of Exchange |
| 3. | Pass Journal Entries from Ledger Accounts with five entries | 11. | Prepare a Specimen of Promissory Note |
| 4. | Draft a Specimen of Debit Voucher | 12. | Prepare Trading A/c with five imaginary figures |
| 5. | Draft a Specimen of Credit Voucher | 13. | Prepare Balance Sheet with five imaginary figures |
| 6. | Prepare a Simple Cash Book with five imaginary figures | 14. | Prepare Opening/Closing Statement of Affairs with five imaginary figures |
| 7. | Prepare a Trial Balance with 10 imaginary figures | 15. | Draw a Block Diagram of Main Components of Computer |
| 8. | Prepare Machinery A/c for 2 years with imaginary figures under SLM | | |

Important Note : Out of 3 POQs to be asked, Choose First POQ from Sr. No. 1 to 5, Second POQ from Sr. No. 6 to 10 and Third POQ from Sr. No. 11 to 15.

PUC I Accountancy - 2018-19 (Model Question Paper Blueprint)

| Cha. No | | Total Hrs excel Bridge Course | Total Marks incl. POQ | Knowledge 15% =25 Marks | | | | | | Understanding 25% =42 Marks | | | | | | Application 40% =68 Marks | | | | | | Skill 20% =32 Marks | | | | | | Total Questions | | | | | | | | |
|---------|--|-------------------------------|-----------------------|-------------------------|--------|--------|--------|--------|--------|-----------------------------|--------|--------|--------|--------|--------|---------------------------|--------|---------|---------|---------|---------|---------------------|---------|---------|---------|---------|---------|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|
| | | | | 1 M | 2 M | 3 M | 4 M | 5 M | 1 M | 2 M | 3 M | 4 M | 5 M | 6 M | 7 M | 8 M | 9 M | 10 M | 11 M | 12 M | 13 M | 14 M | 15 M | 16 M | 17 M | 18 M | 19 M | 20 M | 21 M | 22 M | 23 M | 24 M | 25 M | 26 M | 27 M | 28 M |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | | | | | | | | |
| 1. | Introduction to Accounting | 5 | 3+5 | 1 | | | | | | 1 | | | 1 | | | | | | | | | | | | 1 | 1 | | | | | | | | | 1 | |
| 2. | Theory Base of Accounting | 4 | 3 | | | | | | 1 | 1 | | | | | | | | | | | | | | | 1 | 1 | | | | | | | | | | |
| 3. | Recording of Transactions - I | 17 | 21 | 1 | | | 1 | | 1 | | | | | | | | | | | | | 1 | | | 1 | 1 | 1 | 1 | | | | | | | | |
| 4. | Recording of Transactions - II | 14 | 25+5 | | | | | | 1 | | 1 | | | | | | | 1 | 1 | | | 1 | | | 1 | | 2 | 1 | 1 | | | | | | | |
| 5. | Bank Reconciliation Statement | 12 | 14 | 1 | | | | | | | | | | | | | | | | | | | 1 | | | 1 | | 1 | | | | | | | | |
| 6. | Trial Balance and Rectification of Errors | 9 | 9 | 1 | | | | | | | | | | | | 1 | 1 | | | | | | | | 1 | 1 | 1 | | | | | | | | | |
| 7. | Depreciation, Provisions and Reserves | 14 | 14 | | | | | | | 1 | | | | | | | 1 | | | | | | | | | 1 | | 1 | | | | | | | | |
| 8. | Accounting for Bills of Exchange | 14 | 13 | | | | | | 1 | | | | | | | | | | | | | | | | 1 | | | 1 | | | | | | | | |
| 9. | Financial Statements-I | 8 | 8 | | | | | | | 1 | | | | | | 1 | | | | | | | | | | | | 1 | 1 | | | | | | | |
| 10. | Financial Statements with adjustments - II | 10 | 3 | | | | | | | | | | | | | | 1 | 1 | | | | | | | 1 | | | 1 | | | | | | | | |
| 11. | Accounts from Incomplete Records | 13 | 19 | | | | | | | | | 1 | | | | | | 1 | | | | | | | 1 | | 1 | 1 | | | | | | | | |
| 12. | Applications of Computers in Accounting | 6 | 3+5 | | | | | | 1 | | | | | | | | | | | | | | | | 1 | 1 | 1 | | | | | | | | | |
| 13. | Computerised Accounting System | 9 | 7 | 1 | | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Total | 135 | 167 | 3 | 2 | 1 | 1 | 1 | 5 | 4 | 2 | 1 | 1 | 1 | 1 | 1 | 2 | 4 | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 10 | 8 | 7 | 7 | 3 | | | | | | |

SOLVED PAPER

I PUC Annual Examination 2018

Accountancy
Subject Code
30 (N)

Time : 3:15 Hours

Max. Marks : 100

General Instructions :

1. All Sub Questions of section - A should be answered continuously at one place.
2. Provide working notes wherever necessary.
3. 15 minutes of Extra time have been allotted for the candidates to read the questions.
4. Figures in the right hand margin indicate full marks.

SECTION-A

I. Answer any EIGHT questions. Each question carries One marks.

8 × 1 = 8

1. Recording is made in a _____ order.
2. Give an example for voucher.
3. Rent paid to landlord is credited to _____.
(a) rent a/c (b) landlord a/c
(c) cash a/c (d) none of the above
4. What type of transaction is recorded in the sales book.
5. Trial Balance is _____.
(a) an account (b) a statement
(c) a subsidiary book (d) a principal book
6. Give the meaning of maturity of a bill.
7. Prepaid expenses are assets of the business. State true or false.
8. What is statement of affairs ?
9. Expand MIS.
10. The Accounting Software is generally tailored in _____ organisations.

SECTION-B

II. Answer any FIVE questions. Each question carries Two marks :

5 × 2 = 10

11. What is capital ?
12. What is matching concept ?
13. What is posting ?
14. State any two reasons for the difference between cash book balance and pass book balance.
15. State any two types of Errors.
16. What is depreciation ?
17. State and two distinction between Capital expenditure and Revenue expenditure.
18. State any two units of CPU.

SECTION-C

III. Answer any FOUR questions. Each question carries Six marks.

4 × 6 = 24

19. Prepare the Accounting equation for the following.
(a) Ramesh started business with cash ₹ 500,000.
(b) Purchased goods from Harish for cash ₹ 200,000.
(c) Sold goods to Rajesh costing ₹ 100,000.
20. Enter the following transactions in the petty cash book under the imprest system and balance it.
Jan 1 Received a cheque towards petty cash ₹ 1,000
Jan 3 Paid Taxi fare ₹ 250.
Jan 10 Postage charges paid ₹ 160
Jan 15 Stationery purchased ₹ 140
Jan 22 Registered parcel charges ₹ 170

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21. Prepare purchases book from the following transaction of college Book Co. Bengaluru.
- 2017 June 1 Purchased 60 Accountancy text books at ₹ 150 per book from Sapna Book Co. Hassan.
- 2017 June 2 Purchased 30 Business Studies text books at ₹ 60 each and 200 Economics text books at ₹ 90 each from New Book House, Mangaluru.
- 2014 June 8 Bought from Apna Book Co. Mysuru 100 English dictionaries at ₹ 400 each.
22. Mr. Ganesh's ledger shows the following balances, prepare a trial balance as on 31-03-2017.

| Sl. No. | Name of Account | ₹ |
|---------|-----------------|--------|
| 1. | Capital a/c | 50,000 |
| 2. | Machinery a/c | 40,000 |
| 3. | Due from Ravi | 15,000 |
| 4. | Due to Manu | 40,000 |
| 5. | Sales a/c | 60,000 |
| 6. | Wages a/c | 5,000 |
| 7. | Purchases a/c | 76,000 |
| 8. | Cash a/c | 41,000 |
| 9. | Debtors | 10,500 |
| 10. | Creditors | 37,500 |

23. Compute cost of goods sold for the year 2016-17 with the help of the following information.

| | | |
|---|---|-----------|
| Stock an on 1 st April 2016 | ₹ | 3,00,000 |
| Stock an on 31 st March 2017 | ₹ | 4,00,000 |
| Purchases during the year | ₹ | 15,00,000 |
| Sales during the year | ₹ | 20,00,000 |
| Wages | ₹ | 1,20,000 |

24. From the following information, find out closing debtors.

| | ₹ |
|----------------------------|----------|
| Debtors as on 1-4-2016 | 20,000 |
| Cash received from debtors | 70,000 |
| Credit Sales | 1,00,000 |
| Discount allowed | 5,000 |
| Returns from customers | 3,000 |

25. Explain any six advantages of Computerised Accounting System.

SECTION-D

IV. Answer any FOUR questions. Each question carries Twelve marks.

4 × 12 = 48

26. Journalise the following transaction.

| | |
|-------------|--|
| 2017 Jan 01 | Started business with cash ₹ 50,000. |
| Jan 05 | Deposited into Bank ₹ 10,000. |
| Jan 07 | Purchased goods from Jagadish on credit for ₹ 5,000. |
| Jan 09 | Sold goods to Nagaraj for cash ₹ 10,000. |
| Jan 11 | Paid cash to Jagadish ₹ 4,000. |
| Jan 13 | Paid for travelling expenses ₹ 500. |
| Jan 15 | Took goods from business for domestic use ₹ 1,000. |
| Jan 17 | Outstanding Salary ₹ 800. |
| Jan 20 | Credit Sales made to Raju ₹ 10,000. |
| Jan 22 | Paid for advertisement ₹ 2,000. |
| Jan 25 | Paid in as further capital ₹ 12,000. |
| Jan 27 | Purchased Office Furniture ₹ 3,000. |

27. Record the following transactions in two column cash book of Sagar and balance it.

| 2017 | | ₹ |
|---------|------------------------------|--------|
| Feb. 1 | Bank Balance | 50,000 |
| Feb. 1 | Cash Balance | 10,000 |
| Feb. 5 | Cash Sales | 25,000 |
| Feb. 8 | Cash Purchases | 18,000 |
| Feb. 10 | Cash deposited into the Bank | 19,000 |

| | | |
|---------|---|--------|
| Feb. 12 | Telephone bill paid by cheque | 2,500 |
| Feb. 15 | Withdrawn cash from the Bank for personal use | 15,000 |
| Feb. 16 | Cash withdrawn from Bank for office use | 10,000 |
| Feb. 22 | Paid wages | 1,500 |
| Feb. 28 | Cheque received from Kumar | 5,000 |

28. Prepare Bank Reconciliation Statement from the following particulars.
- Overdraft shown as per cash book on Dec. 31, 2016 ₹ 10,000.
 - Bank Charges debited in the pass book ₹ 100.
 - Interest on overdraft debited in the pass book ₹ 380.
 - Cheque issued but not encashed prior to Dec. 31, 2016 amounted to ₹ 2,150.
 - Interest on Investment collected by the bank and credited in the passbook ₹ 600.
 - Cheques paid into bank, but not cleared before Dec. 31, 2016 were ₹ 1,100.
 - Direct deposit in to Bank by a customer not recorded in cash book ₹ 830.
29. M/S Golden Co. Ltd., purchased a Machine for ₹ 3,60,000 on 1-10-2012 and spent ₹ 40,000 for its transportation. On 1-4-2014, the firm purchased another machine for ₹ 2,50,000. On 31-12-2014, it sold the Machine which was purchased on 1-10-2012 for ₹ 2,95,000. Company charges depreciation at the rate of 10% per annum, on straight line method every year. The book of accounts are closed on 31st March every year. Prepare Machine A/c and Depreciation A/c for first three years.
30. Prkruthi sold goods to Kavya on credit for ₹ 5,000 on 1-1-2017. On the same day Prkruthi draw a bill of exchange for three months for ₹ 5,000 on Kavya. On the due date the bill was dishonoured. Pass journal entries in the books of Prkruthi and Kavya.
31. From the following Trial Balance prepare Trading and Profit and Loss account for the year ending 31-3-2016 and the Balance Sheet as on that date.

| SI. No. | Name of the Account | Debit (₹) | Credit (₹) |
|---------|-------------------------------------|---------------|---------------|
| (a) | Capital | — | 30,000 |
| (b) | Drawings | 1,760 | — |
| (c) | Purchases and Sales | 8,900 | 15,000 |
| (d) | Stock on 1-4-2015 | 1,200 | — |
| (e) | Returns | 280 | 450 |
| (f) | Wages | 800 | — |
| (g) | Buildings | 22,000 | — |
| (h) | Freight charges | 2,000 | — |
| (i) | Trade Expenses | 200 | — |
| (j) | Advertisement | 240 | — |
| (k) | Interest | — | 650 |
| (l) | Taxes and Insurance | 430 | — |
| (m) | Debtors and Creditors | 6,500 | 1200 |
| (n) | Bills Receivables and Bills Payable | 1,500 | — |
| (o) | Cash in hand | 1,390 | — |
| (p) | Salaries | 800 | — |
| | Total | 48,000 | 48,000 |

Adjustments :

- Stock on 31-3-2016 was valued at ₹ 10,000.
 - Insurance prepaid to the extent of ₹ 100.
 - Outstanding Salaries ₹ 200.
 - Depreciate buildings at 5% p.a.
 - Provide for doubtful debts at 5% on debtors.
32. Mr. Aniket kept his books under incomplete records. He provides you the following information.

| Particulars | 01-04-2015 | 31-3-2016 |
|------------------|------------|-----------|
| Cash | 10,000 | 16,000 |
| Bank Overdraft | 20,000 | 14,000 |
| Bills Receivable | 16,000 | 20,000 |
| Debtors | 30,000 | 40,000 |
| Stock | 24,000 | 28,000 |

| | | |
|---------------|--------|--------|
| Furniture | 20,000 | 20,000 |
| Machinery | 30,000 | 30,000 |
| Bills payable | 6,000 | 10,000 |
| Buildings | 50,000 | 50,000 |
| Creditors | 14,000 | 16,000 |

During the year, he withdraw cash ₹ 13,000 and goods worth ₹ 7,000, for his personal use. He also introduced ₹ 12,000 as an additional capital.

Adjustments :

1. Depreciate Machinery by ₹ 3,000.
2. Salary due but not paid ₹ 1,000.
3. Calculate interest on capital at 8% p.a. on opening capital.

Prepare :

- (i) Statement of Affairs.
- (ii) Statement of Profit or Loss and.
- (iii) Revised Statement of affairs.

SECTION-E

(Practical Oriented Questions)

V. Answer any Two questions. Each question carries Five marks.

2 × 5 = 10

33. Draw a diagram of Accounting process.
34. Prepare a simple Cash Book with five imaginary figures.
35. Draw a Block Diagram of main components of Computer.

□□□

SOLUTIONS

As Per Scheme of Valuation

(Issued by Department of PUE, Karnataka)

SECTION-A

1. Chronological. 1
2. An invoice. 1
3. Cash A/c. 1
4. Credit sales of goods. 1
5. A statement. 1
6. The term maturity refers to the date on which a bill of exchange becomes due for payment. 1
7. True. 1
8. A statement of affairs is prepared from incomplete records, which shows estimated values of assets and liabilities. 1
9. Management Information System. 1
10. Large business. 1

SECTION-B

11. Amount invested by the owner in the firm is known as capital. It may be brought in the form of cash or assets by the owner for the business entity. 2
12. Matching concept states that expenses incurred in an accounting period should be matched with revenues during that period. 2
13. Posting is the process of transferring the entries from the books of original entry to the ledger. 2
14. (i) Cheques issued by the bank but not yet presented for payment.
(ii) Cheques paid into bank but not yet collected. (or Any other two) 2
15. (i) Errors of Commission. 1
(ii) Errors of Omission. (or Any other) 1

[Scheme of Valuation, 2018]

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Detailed Answer :

- (i) **Errors of Commission** : Are those errors arises due to wrong posting, wrong balancing etc.
- (ii) **Errors of Omission** : Arise when transaction is completely or partially omitted to be record.
16. Depreciation may be described as a permanent, continuing and gradual shrinkage in the book value of fixed assets. 2
17. (i) Capital Expenditure increases earning capacity of business whereas revenue expenditure is incurred to maintain the earning capacity. 1
- (ii) Capital expenditure is incurred to acquire fixed assets for operation of business whereas revenue expenditure is incurred on day-to-day conduct to business. 1
18. (i) Arithmetic and Logical and 1
- (ii) Memory unit (or Any other) 1

SECTION-C

19.

| Assets | = | Liabilities + Capital | |
|--------------------------------|---|-----------------------|---|
| Cash + Inventory + debtors | = | | |
| 5,00,000 | = | 5,00,000 | 2 |
| (2,00,000) | | | |
| 3,00,000 + 2,00,000 | = | 5,00,000 | 2 |
| (1,00,000) | | | |
| 3,00,000 + 1,00,000 + 1,00,000 | = | 5,00,000 | 2 |

[Scheme of Valuation, 2018]

Detailed Answer :

| No. | Transactions | Assets Cash + Stock + Debtors ₹ ₹ ₹ | = Capital + liabilities = Capital ₹ |
|-----|---|---|---|
| (a) | Ramesh started business with cash ₹ 5,00,000 | 5,00,000 | = 5,00,000 + 0 |
| (b) | Purchased Goods from Harish for cash ₹ 2,00,000 New Equation | (2,00,000) + 2,00,000 3,00,000 + 2,00,000 | = 0 + 0 = 5,00,000 + 0 |
| (c) | Sold Goods to Rajesh costing ₹ 1,00,000 New Equation | 0 + (1,00,000) + 1,00,000 3,00,000 + 1,00,000 + 1,00,000 | = 0 + 0 = 5,00,000 + 0 |

20.

Analytical Petty Cash Book

| Amt. Received | Date | Particulars | V. No. | Amount | Analysis Column | | |
|---------------|-------------|-------------------|--------|--------------|-----------------|------------|------------|
| | | | | Paid | Postage | Conveyance | Stationery |
| 1,000 | 2017 Jan 1 | Bank A/c | | | | | |
| | 2017 Jan 3 | Taxi fare | | 250 | | 250 | |
| | 2017 Jan 10 | Postage | | 160 | 160 | | |
| | 2017 Jan 15 | Stationery | | 140 | | | 140 |
| | 2017 Jan 22 | Registered Parcel | | 170 | 170 | | |
| | | | | 720 | 330 | 250 | 140 |
| | 2017 Jan 31 | By Balance c/d | | 280 | | | |
| 1,000 | | | | 1,000 | | | |
| 280 | Feb 1 | Balance b/d | | | | | |
| 720 | Feb 1 | Bank A/c | | | | | |

21.

Purchases Book

| Date | Invoice No. | Particulars | L.F. | Amount (₹) |
|------------|-------------|--------------------------|------|---------------|
| 2017 Jun 1 | | Sapna Book Co. Hassan | | 9,000 |
| 2017 Jun 2 | | New Book House Mangaluru | | 19,800 |
| 2017 Jun 8 | | Apna Book Co. Mysuru | | 40,000 |
| | | Total | | 68,800 |

[Scheme of Valuation, 2018] 6

Detailed Answer :

Purchase Book

| Date | Particulars | L.F. | Details (₹) | Amount (₹) |
|--------------|---|------|-----------------|---------------|
| 2013 June 1 | Sapna Book Co. Hassan So accousisocy Text books and @ ₹ 250 each | | | 9,000 |
| 2017 June 2 | New Book House, Mangaluru 30 Business study books @ ₹ 60 each 200 Economics books @ ₹ 90 each | | 1,800 18,000 | 19,800 |
| 2017 June 8 | Apna Book Co. Mysuru 100 English Dictionaries @ ₹ 400 each | | | 40,000 |
| 2017 June 30 | Total | | 1,64,000 | 68,800 |

22.

Trial Balance as on 31.3.2017

| S.I. No. | Particulars | Debit (₹) | Credit (₹) | |
|----------|---------------|-----------------|-----------------|--|
| (a) | Capital A/c | | 50,000 | |
| (b) | Machinery A/c | 40,000 | | |
| (c) | Due from Ravi | 15,000 | | |
| (d) | Due to Manu | | 40,000 | |
| (e) | Sales A/c | | 60,000 | |
| (f) | Wages A/c | 5,000 | | |
| (g) | Purchases A/c | 76,000 | | |
| (h) | Cash A/c | 41,000 | | |
| (i) | Debtors | 10,500 | | |
| (j) | Creditors | | 37,500 | |
| | Total | 1,87,500 | 1,87,500 | |

6

23. Calculation of Cost of Goods Sold

| | |
|----------------------|------------------|
| Opening stock | 3,00,000 |
| Purchases | 15,00,000 |
| Wages | 12,000 |
| | 18,12,000 |
| Less : Closing Stock | 4,00,000 |
| Cost to Goods Sold | 14,12,000 |

6

24.

| Dr. | | Debtors A/c | | Cr. | |
|-------------|-----------------|--------------|-----------------|-----|--|
| Particulars | Amount (₹) | Particulars | Amount (₹) | | |
| Balance b/d | 20,000 | Cash | 70,000 | | |
| Sales | 1,00,000 | Discount | 5,000 | | |
| | | Sales Return | 3,000 | | |
| | | Balance c/d | 42,000 | | |
| | | (Bal. fig) | | | |
| | 1,20,000 | | 1,20,000 | | |

6

25. Advantages of Computer accounting system.

- | | | |
|-------------------|-------------------------------------|----------------------|
| (i) Speed | (ii) Accuracy | |
| (iii) Reliability | (iv) Upto-date information | |
| (v) Legibility | (vi) Automated Document Production. | [or Any other] 3 + 3 |
- [Scheme of Valuation, 2018]

Detailed Answer :

Six advantages of computerised Accounting system :

- (i) **Speed** : It allows faster data entry than manual accounting.
- (ii) **Accuracy** : Work can be done with a high degree of accuracy.
- (iii) **Reliability** : More reliable and comparable.
- (iv) **Storage** : It has huge capacity to store data in small space.
- (v) **Access to Data** : Easy to access data specially when using online.
- (vi) **Legibility** : Eliminate possibility of error due to handwriting or any other.

SECTION-D

26.

| Date | Particulars | L.F. | Debit (₹) | Credit (₹) |
|--------------|--|------|-----------|------------|
| 2017 June 1 | Cash A/c To Capital A/c (Started business with cash) | Dr. | 50,000 | 50,000 |
| 2017 June 5 | Bank A/c To Cash A/c (Deposited in to Bank) | Dr. | 10,000 | 10,000 |
| 2017 June 7 | Purchases A/c To Jagadish (Credit purchases made) | Dr. | 5,000 | 5,000 |
| 2017 June 9 | Cash A/c To Sales A/c (Cash sales made) | Dr. | 10,000 | 10,000 |
| 2017 June 11 | Jagadish To Cash A/c (Paid to Jagadish) | Dr. | 4,000 | 4,000 |
| 2017 June 13 | Travelling Expenses To Cash A/c (Travelling expenses paid) | Dr. | 500 | 500 |
| 2017 June 15 | Drawings A/c To Purchases A/c (Goods taken for domestic use) | Dr. | 1,000 | 1,000 |
| 2017 June 17 | Salary A/c To Outstanding Salary A/c (Salary due) | Dr. | 800 | 800 |
| 2017 June 20 | Raju To Sales A/c (Credit sales made) | Dr. | 10,000 | 10,000 |
| 2017 June 22 | Advertisement A/c To Cash A/c (Advertisement expenses paid) | Dr. | 2,000 | 2,000 |
| 2017 June 25 | Cash A/c To Capital A/c (Invested further capital) | Dr. | 12,000 | 12,000 |
| 2017 June 27 | Furniture A/c To Cash A/c (Furniture purchased) | Dr. | 3,000 | 3,000 |

27.

Two Column Cash Book

| Date | Receipts | L.F. | Cash | Bank | Date | Payments | L.F. | Cash | Bank |
|--------------|--------------|------|--------|--------|--------------|-------------------|------|--------|--------|
| 2017 Feb. 1 | Balances b/d | | 10,000 | 50,000 | 2017 Feb. 8 | Purchases A/c | | 18,000 | |
| 2017 Feb. 5 | Sales A/c | | 25,000 | | 2017 Feb. 10 | Bank | C | 19,000 | |
| 2017 Feb. 10 | Cash A/c | C | | 19,000 | 2017 Feb. 12 | Telephone charges | | | 2,500 |
| 2017 Feb. 16 | Bank A/c | C | 10,000 | | 2017 Feb. 15 | Drawings | | | 15,000 |
| 2017 Feb. 28 | Kumar | | | 5,000 | 2017 Feb. 16 | Cash A/c | C | | 10,000 |
| | | | | | 2017 Feb. 22 | Wages A/c | | 1,500 | |
| | | | | | 2017 Feb. 28 | Balance c/d | | 6,500 | 46,500 |
| | | | 45,000 | 74,000 | | | | 45,000 | 74,000 |
| March 1 | Balance b/d | | 6,500 | 46,500 | | | | | |

12

28.

Bank Reconciliation Statement as on 31.12.16

| Particulars | Debit (₹) | Credit (₹) |
|---|-----------|------------|
| Bank Overdraft as per Cash Book | | 10,000 |
| Add : Bank charges debited in pass book | 100 | |
| Interest on O.D. Charged | 380 | |
| Cheques paid but not cleared | 1,100 | 1,580 |
| | | 11,580 |
| Less : Cheques issued but not encashed | 2150 | |
| Interest on Investment collected | 600 | |
| Direct deposit by a customer | 830 | 3,580 |
| Bank Overdraft as per Pass Book | | 8,000 |

12

29.

Dr.

Machinery A/c

Cr.

| Date | Particulars | Amount (₹) | Date | Particulars | Amount (₹) |
|---------|----------------|------------|----------|---------------------|------------|
| 1-10-12 | To Bank A/c | 4,00,000 | 31-3-13 | By Depreciation A/c | 20,000 |
| | | | 31-3-13 | By Balance c/d | 3,80,000 |
| | | 4,00,000 | | | 4,00,000 |
| 1-4-13 | To Balance b/d | 3,80,000 | 31-3-14 | By Depreciation A/c | 40,000 |
| | | | 31-3-14 | By Balance c/d | 3,40,000 |
| | | 3,80,000 | | | 3,80,000 |
| 1-4-14 | To Balance b/d | 3,40,000 | 31-3-14 | By Depreciation A/c | 30,000 |
| 1-4-14 | To Bank A/c | 2,50,000 | 31-12-14 | By Bank A/c | 2,95,000 |
| | | | 31-3-14 | By P & L A/c | 15,000 |
| | | | 31-3-15 | By Depreciation A/c | 25,000 |
| | | | 31-3-15 | By Balance c/d | 2,25,000 |
| | | 5,90,000 | | | 5,90,000 |

Depreciation A/c

| Date | Particulars | Amount (₹) | Date | Particulars | Amount (₹) |
|---------|---------------|------------|---------|-------------|------------|
| 31-2-13 | Machinery A/c | 20,000 | 31-3-13 | P & L A/c | 20,000 |
| | | 20,000 | | | 20,000 |
| 31-3-14 | Machinery A/c | 40,000 | 31-3-14 | P & L A/c | 40,000 |
| | | 40,000 | | | 40,000 |
| 31-3-14 | Machinery A/c | 30,000 | 31-3-15 | P & L A/c | 55,000 |
| 31-3-15 | Machinery A/c | 25,000 | | | |
| | | 55,000 | | | 55,000 |

To know about more useful books for 1-PUC [click here](#)

Working Note :

| | | |
|-----------------------------------|--------|----------|
| Cost of Machinery | | 4,00,000 |
| Less : Depreciation | | |
| 31-3-13 | 20,000 | |
| 31-3-14 | 40,000 | |
| 31-12-14 | 30,000 | 90,000 |
| 31-12-14 Value on 31-12-2014 | | 3,10,000 |
| Sales | | 2,95,000 |
| Loss on sale | | 15,000 |

12

30.

**Journal Entries
in the book of Prakruthi**

| Date | Particulars | L.F. | Debit (₹) | Credit (₹) |
|----------|--|------|-----------|------------|
| 1-1-2017 | Kavya To Sales A/c (Credit sales made) | Dr. | 5,000 | 5,000 |
| 1-1-2011 | Bills Receivable A/c To Kavya (Bill drawn) | Dr. | 5,000 | 5,000 |
| 4-4-2017 | Kavya To Bills Receivable A/c (Bill dishonoured) | Dr. | 5,000 | 5,000 |

**Journal Entries
in the book of Kavya**

| Date | Particulars | L.F. | Debit (₹) | Credit (₹) |
|----------|---|------|-----------|------------|
| 1-1-2017 | Purchase A/c To Prakruthi (Credit purchase made) | Dr. | 5,000 | 5,000 |
| 1-1-2017 | Prakruthi To Bills payable A/c (Bill accepted) | Dr. | 5,000 | 5,000 |
| 4-4-2017 | Bills payable A/c To Prakruthi (Bill dishonoured) | Dr. | 5,000 | 5,000 |

12

31. Trading and Profit and Loss A/c for the year ending 31-3-16

**Trading and Profit and Loss A/c
for the year ended 31 March, 2016**

| Dr. | | Cr. | |
|------------------|------------|----------------|------------|
| Particulars | Amount (₹) | Particulars | Amount (₹) |
| Opening stock | 1,200 | Sales | 15,000 |
| Purchase | 8,900 | Less : Returns | 280 |
| Less : Returns | 450 | Closing Stock | 10,000 |
| Wages | 800 | | |
| Freight Charges | 2,000 | | |
| Gross Profit c/d | 12,270 | | |
| | 24,720 | | 24,720 |

To know about more useful books for 1-PUC [click here](#)

| | | | |
|------------------------------|---------------|------------------|---------------|
| Trade Expenses | 200 | Gross Profit b/d | 12,270 |
| Advertisement | 240 | Interest | 650 |
| Taxes and Insurance | 430 | | |
| Less : Prepaid | <u>100</u> | | |
| Salaries | 800 | | |
| Add : Outstanding | 200 | | |
| Depreciation on Building | 1100 | | |
| Provision for doubtful Debts | 325 | | |
| Net Profit | 9,725 | | |
| | 12,920 | | 12,920 |

Balance Sheet
as on 31 March 2016

| Liabilities | Amount (₹) | Assets | Amount (₹) |
|--------------------|---------------|---------------------|---------------|
| Capital | 30,000 | Cash in Hand | 1,390 |
| Add : Net profit | <u>9,725</u> | Bills Receivable | 1,500 |
| | 39,725 | Debtors | 6,500 |
| Less : Drawings | <u>1,760</u> | Less : Provision | <u>325</u> |
| | 37,965 | | 6,175 |
| Creditors | 1,200 | Prepaid Insurance | 100 |
| Bills Payable | 700 | Stock | 10,000 |
| Outstanding Salary | 200 | Building | 22,000 |
| | | Less : Depreciation | <u>1,100</u> |
| | 40,065 | | 20,900 |
| | | | 40,065 |

12

32.

Combined Statement of Affairs
as on 1-4-15 and 31-3-16

| Liabilities | 1-4-15 | 31-3-16 | Assets | 1-4-15 | 31-3-16 |
|----------------|-----------------|-----------------|------------------|-----------------|-----------------|
| Bank Overdraft | 20,000 | 14,000 | Cash | 10,000 | 16,000 |
| Bills Payable | 6,000 | 10,000 | Bills Receivable | 16,000 | 20,000 |
| Creditors | 14,000 | 16,000 | Debtors | 30,000 | 40,000 |
| Capital | 1,40,000 | 1,64,000 | Stock | 24,000 | 28,000 |
| | | | Furniture | 20,000 | 20,000 |
| | | | Machinery | 30,000 | 30,000 |
| | | | Building | 50,000 | 50,000 |
| | 1,80,000 | 2,04,000 | | 1,80,000 | 2,04,000 |

4

Statement of Profit & Loss
for the year ended 31-3-16

| | |
|-----------------------------|---------------|
| Closing Capital | 1,64,000 |
| Add : Drawings | 20,000 |
| | 1,84,000 |
| Less : Additional capital | 12,000 |
| Adjusted capital Capital | 1,72,000 |
| Less : Opening capital | 1,40,000 |
| Gross profit | 32,000 |
| Less : Expenses | |
| Depreciation on Machinery | 3,000 |
| Outstanding salary | 1,000 |
| Interest on opening capital | 11,200 |
| | 15,200 |
| Net profit | 16,800 |

4

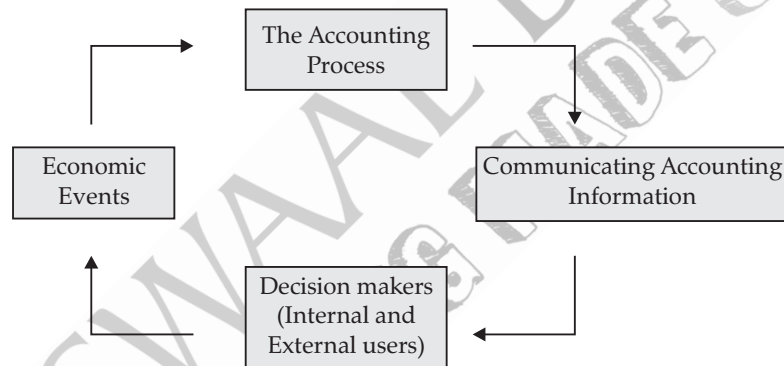
**Revised Statement of Affairs
as on 31-3-2016**

| Liabilities | | Amount (₹) | Assets | | Amount (₹) |
|---------------------|---------------|-----------------|---------------------|--------------|-----------------|
| Opening Capital | 1,40,000 | | Machinery | 30,000 | |
| Add add. Capital | 12,000 | | Less : Depreciation | <u>3,000</u> | 27,000 |
| Add int. on Capital | 11,200 | | Building | | 50,000 |
| Add net profit | <u>16,800</u> | | Furniture | | 20,000 |
| | 1,80,000 | | Stock | | 28,000 |
| Less : Drawings | 20,000 | 1,60,000 | Debtors | | 40,000 |
| Creditors | | 16,000 | Bills Receivable | | 20,000 |
| Overdraft | | 14,000 | Cash | | 16,000 |
| Bills Payable | | 10,000 | | | |
| Outstanding Salary | | 1,000 | | | |
| | | <u>2,01,000</u> | | | <u>2,01,000</u> |

4

SECTION-E

33.



5

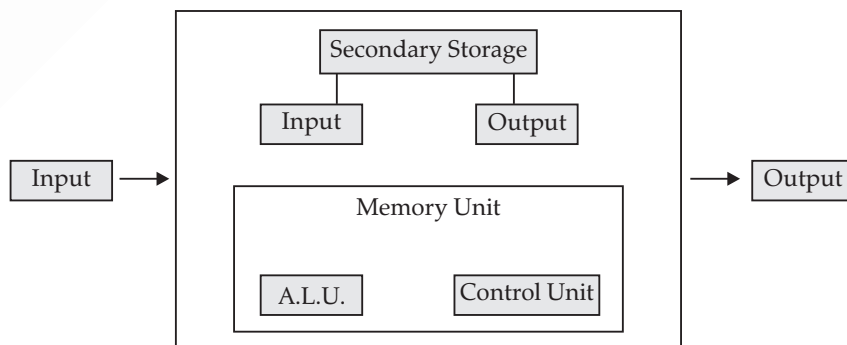
34.

Simple Cash Book

| Date | Receipts | R.No. | ₹ | Date | Payments | V. No. | ₹ |
|--------|-------------|-------|---------------|---------|---------------|--------|---------------|
| 1-1-16 | Balance b/d | | 1,000 | 5-1-16 | Purchases A/c | | 20,000 |
| 2-1-16 | Sales A/c | | 90,000 | 7-1-16 | Salary A/c | | 15,000 |
| 8-1-16 | Raju | | 5,000 | 12-1-16 | Kumar | | 2,000 |
| | | | | 31-1-16 | Balance c/d | | 59,000 |
| | | | <u>96,000</u> | | | | <u>96,000</u> |

5

35.



5

□□□

**SOLVED
PAPER**

**I PUC
Annual Examination
2018**

**Accountancy
Subject Code
30 (S)**

Time : 3:15 Hours

Max. Marks : 100

General Instructions :

1. All Sub Questions of section - A should be answered continuously at one place.
2. Provide working notes wherever necessary.
3. 15 minutes of Extra time have been allotted for the candidates to read the questions.
4. Figures in the right hand margin indicate full marks.

SECTION-A

I. Answer any EIGHT questions. Each question carries One mark.

8 × 1 = 8

1. State any one objective of Accounting.
2. A concept that a business enterprise will not be sold nor liquidated in the near future is known as :
(a) Going concern (b) Economic entity
(c) Monetary unit (d) None of the above
3. Purchased new machine for ₹ 1,70,000 and issued cheque for the same. The account to be debited is _____.
4. State whether the following statement is True or False.
Journal is a book of secondary entry.
5. Give an example for error of omission.
6. Bills of exchange are covered under
(a) Indian Contract Act - 1887 (b) Negotiable Instruments Act - 1881
(c) Sale of goods act - 1930 (d) Companies Act - 2013
7. Patent is a/an _____ Asset.
8. Is it possible to prepare Trial balance in incomplete records mechanism ?
9. Expand AIS.
10. Name any one category of Accounting packages.

SECTION-B

II. Answer any FIVE questions. Each question carries Two marks.

5 × 2 = 10

11. Mention any Two qualitative characteristics of Accounting information.
12. What is Accounting entity concept ?
13. State any Two difference between Journal and Ledger.
14. Write any Two causes of difference between Bank balance as per cash Book and as per Pass Book.
15. Name any two methods of preparing the trial balance.
16. 'X' purchased a machinery for ₹ 5,00,000. On 1 - April 2017, The scrap value of the machinery is ₹ 10,000 and its useful life is 10 years. Calculate the amount of depreciation.
17. Give any two examples of capital receipts ?
18. Write any two Advantages of computer system.

SECTION-C

III. Answer any FOUR questions. Each question carries Six marks.

4 × 6 = 24

19. Prepare Accounting Equation on the basis of the following.
(i) Jayanth started business with cash ₹ 100,000
(ii) Deposited cash in to Bank ₹ 15,000
(iii) Purchased goods from Nagesh for cash ₹ 20,000

To know about more useful books for 1-PUC [click here](#)

20. Prepare Analytical Petty cash book from the following transactions.

| | |
|---------------|--|
| 2017 April 01 | Received cash from petty cashier ₹ 1,000 |
| 10 | Spent for postage ₹ 200 |
| 15 | Bus fare ₹ 100 |
| 20 | Stationery paid ₹ 50 |
| 30 | Cartage ₹ 40 |

21. Enter the following transactions in a simple cash book.

| | | |
|--------------|--------------------------------------|--------|
| 2017 June 01 | Cash in hand | 12,000 |
| 05 | Cash received from Ram | 4,000 |
| 10 | Purchased goods from Murali for cash | 6,000 |
| 20 | Sold goods for cash | 9,000 |
| 25 | Paid salary | 3,000 |

22. Rectify the following errors, assuming that there is suspense account.

- Sales return book over cast by ₹ 1,000
- Purchase book was under cast by ₹ 600
- Goods returned to Ram ₹ 1,000 were recorded in sales book.
- Credit purchases from M and Co. ₹ 8,000 were recorded through sales book.
- Salary paid ₹ 2,000 was debited to Rani's A/c.

23. Compute cost of goods sold for the year 2016-2017. With the help of the following information.

| | ₹ |
|---------------------------|-----------|
| Stock on 01-April-2015 | 3,00,000 |
| Stock on 31-March-2016 | 4,00,000 |
| Purchases during the year | 15,00,000 |
| Sales during the year | 20,00,000 |
| wages | 1,20,000 |

24. From the following information, find out credit sales in the books of Mohan Traders.

| Mohan Traders | ₹ |
|----------------------------|--------|
| Debtors on 01-April-2013 | 50,000 |
| Debtors on 31-March-2014 | 70,000 |
| Cash received from debtors | 60,000 |
| Discount allowed | 1,000 |
| B/R | 30,000 |
| Bad debts | 3,000 |

25. Explain any six difference between manual accounting and computerised accounting system.

SECTION-D

- IV. Answer any FOUR questions. Each question carries Twelve marks.

4 × 12 = 48

26. Journalise the following transactions.

| | |
|-------------|--|
| 2017 Jan 01 | Business started with cash ₹ 1,50,000 Goods ₹ 50,000 |
| Jan 03 | Purchased goods from Harish ₹ 30,000 |
| Jan 08 | Cash sales ₹ 25,000 |
| Jan 10 | Cash paid to Harish on A/c ₹ 15,000 |
| Jan 18 | Deposited into bank ₹ 50,000 |
| Jan 20 | Draw cash for personal use ₹ 5,000 |
| Jan 25 | Cash paid to Harish in full settlement of A/c ₹ 14,700 |
| Jan 27 | Goods sold to Nithesh ₹ 7,000 |
| Jan 28 | Received cash from Nithesh ₹ 6,800 |
| Jan 28 | Rent paid by cheque ₹ 1,500 |

27. Enter the following transactions in the purchase book and the purchase return book and post them to the ledger A/c's

To know about more useful books for 1-PUC [click here](#)

- 2017 July 01 Purchase of following goods on credit from Ratna Traders 25 shirts at ₹ 300 per shirt less 10% trade discount.
- July 10 Purchased of following goods on credit from Bombay Fashion House.
10 Fancy trousers at ₹ 500 per Trouser.
- July 15 Goods returned to Ratna Traders 3 shirts at ₹ 300 per shirt.
- July 25 Purchase of following goods on credit from Bride palace.
10, Fancy lengha at ₹ 2,000 per lengha.
- July 28 Goods returned to Bride palace
1 Fancy lengha at ₹ 2,000 per lengha.
- July 30 purchase from Zolta on credit 10 Jackets at ₹ 1,000 per Jacket.
28. From the following particulars, prepare Bank reconciliation statement as on 31-3-2017.
- Bank over draft as per Pass Book ₹ 20,000
 - Bank charges debited in Pass Book ₹ 500
 - Cheque recorded in cash book, not sent to the bank for collection ₹ 2,500
 - Direct payment in to Bank by a customer ₹ 4,600.
 - Cheque issued but not presented for payment ₹ 6,980.
 - Interest credited by bank ₹ 100.
 - Insurance premium paid by bank ₹ 2,500.
29. On 01-04-13, Ajith Ltd., purchased machine costing ₹ 50,000 respect ₹ 10,000 for its installation.
On 30-6-14, it purchased new machine costing ₹ 40,000.
On 30-9-15, the machine which was purchased on 01-04-13, was sold for ₹ 42,500
Depreciation charged annually at 10% p.a. under straight line method. A/c's are closed on 31-March, every year.
Show machinery A/c and Depreciation A/c for First three years.
30. On 01-01-2017, 'X' sold goods to 'Y' for ₹ 50,000 and drew a three months bill to 'Y' for the amount. 'Y' accepted it and returned it to 'X'. 'Y' honoured his acceptance on maturity.
Pass necessary Journal entries in the books of 'X' and 'Y'.
31. From the following balance, prepare the trading and P & L A/c so Balance Sheet as on 31 March 2017.

| Debit Balance | Assets (₹) | Credit Balance | Assets (₹) |
|---------------------|------------|---------------------|------------|
| Machinery | 8,000 | Capital | 18,000 |
| Cash at Bank | 2,000 | Sales | 32,000 |
| Cash in hand | 1,000 | Sundry creditor | 9,000 |
| Wages | 2,000 | Commission received | 600 |
| Purchases | 16,000 | | |
| Stock on (01-04-16) | 12,000 | | |
| Sundry debtors | 8,800 | | |
| Bills receivable | 5,800 | | |
| Rent | 900 | | |
| Legal expense | 500 | | |
| General expense | 1,600 | | |
| Bad Debts | 1,000 | | |
| | 59,600 | | 59,600 |

Adjustment :

- Stock on 31-3-17 ₹ 16,000
- Depreciate machinery at 10%
- Prepaid Rent ₹ 200
- Provide PDD at 5% on Sundry debtors.
- Commission received in advance ₹ 400.

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32. Mahesh, a retail trader, keeps incomplete records, the following information is available from his books of A/c's.

| Particular | 01-04-16 | 31-3-17 |
|------------|----------|----------|
| Furniture | 15,000 | 15,000 |
| Machinery | 50,000 | 50,000 |
| Building | 1,00,000 | 1,00,000 |
| Stock | 25,000 | 40,000 |
| Debtors | 20,000 | 26,000 |
| B/R | 5,000 | 10,000 |
| B/P | 10,000 | 8,000 |
| Creditors | 15,000 | 25,000 |
| Bank loan | 12,000 | 10,000 |

During the year, he with drew ₹ 15,000 for his daughter's marriage expenses and invested additional capital ₹ 18,000.

Adjustment :

- (i) Write off Bad debts ₹ 1,000
- (ii) Prepaid salary ₹ 6,000
- (iii) Appreciate Buildings by 20%
- (iv) Depreciate furniture at 10% p.a.

Prepare :

- (a) Statement of Affairs
- (b) Statement of profit or loss for the year ending 31-03-2017
- (c) Revised statement of affairs as at 31-03-2017

SECTION-E

- V. Answer any TWO questions. Each question carries Five marks.

2 × 5 = 10

33. Draft a specimen of debit voucher.
34. Prepare a Trial balance with 10 imaginary figures.
35. Prepare an opening statement of Affairs with 5 imaginary figures.

□□□

SOLUTIONS
As Per Scheme of Valuation
(Issued by Department of PUE, Karnataka)

SECTION-A

- I. 1. (i) Maintenance of records of business transactions.
- (ii) Analysis and Interpretation of data.
2. (a) Going concern
3. Machine
4. False
5. Credit sales to Mohan ₹ 10,000, not entered in the sales book.
6. (b) Negotiable Instruments Act - 1881.
7. Intangible.
8. No.
9. Accounting Information system.
10. Ready to use or customised software or Tailor made software.

(Any one) 1

1

1

1

1

1

1

1

1

(Any one) 1

SECTION-B

- II. 11. (i) Reliability, (ii) Relevance or (iii) Understandability
12. This concept assumes that business has distinct and separate entity from its owners.

2

2

To know about more useful books for 1-PUC [click here](#)

13.

| S. No. | Journal | Ledger |
|--------|---|---|
| 1. | The Journal is the book of first entry (original entry) | The ledger is the book of second entry. |
| 2. | The Journal is the book for Chronological record | The ledger is the book for analytical record. |

1+1

14. (a) Cheque issued by the businessman but not yet presented for payment

(b) Cheque deposited to the bank not yet collected

(or Any other) 2

15. (a) Total method

(b) Balance method

(or Any other) 2

16.

$$\begin{aligned}
 \text{Depreciation} &= \frac{\text{Original cost} - \text{Scrap value}}{\text{Estimated life of the Asset}} \\
 &= \frac{5,00,000 - 10,000}{10} \\
 &= \frac{4,90,000}{10} \\
 &= 49,000
 \end{aligned}$$

1

17. (a) Loan taken from bank

(b) Additional capital brought in by the owner

2

18. (i) Speed

(ii) Accuracy

(iii) Reliability

(or Any other) 2

SECTION-C

III. 19.

| | Assets | + | Bank + Inventory | = | Liabilities | + | Capital | |
|-------------|----------|---|--------------------|---|-------------|---|----------|---|
| Cash ↑ | Cash | | + Bank + Inventory | | | | | |
| Capital ↑ | 1,00,000 | | | = | | | 1,00,000 | 2 |
| | | | | | | | — | |
| Bank ↑ | 1,00,000 | + | | = | | | 1,00,000 | |
| Cash ↓ | (15,000) | + | 15,000 | | | | — | 2 |
| Inventory ↑ | 85,000 | + | 15,000 | = | | | 1,00,000 | |
| Cash ↓ | (20,000) | | + 20,000 | = | | | — | 2 |
| | 65,000 | + | 15,000 + 20,000 | = | | | 1,00,000 | |

20.

| Amt. received | Date | Particulars | V. No. | Amt. Paid (₹) | Analysis of payments | | | | |
|---------------|---------|----------------|--------|---------------|----------------------|-------------|-------------|---------|---------------|
| 1,000 | 1-4-17 | To cash A/c | | | Postage | Station-ery | Convey-ance | Cartage | Misc. Expense |
| | 10-4-17 | By Postage | | 200 | 200 | 200 | | | |
| | 15-4-17 | By Bus fare | | 100 | | 100 | | | |
| | 20-4-17 | By Stationery | | 50 | 50 | | | | |
| | 30-4-17 | By Cartage | | 40 | 40 | | | 40 | |
| | | | | 390 | | | | | |
| | 30-4-17 | By Balance c/d | | 610 | 200 | 50 | 100 | 40 | — |
| 1,000 | | | | 1,000 | | | | | |
| 610 | 1-5-17 | To Balance c/d | | | | | | | |

6

21.

| Dr. Cash Book | | | | Cr. | | | |
|---------------|--------------|------|------------|---------|-----------------|------|------------|
| Date | Particulars | L.F. | Amount (₹) | Date | Particulars | L.F. | Amount (₹) |
| 1-6-17 | To bal. b/d | | 12,000 | 10-6-17 | By Purchase A/c | | 6,000 |
| 5-6-17 | To Ram | | 4,000 | 25-6-17 | By Salary A/c | | 3,000 |
| 20-6-17 | To Sales A/c | | 9,000 | 30-6-17 | By bal. c/d | | 16,000 |
| | | | 25,000 | | | | 25,000 |
| 1-7-17 | To bal. b/d | | 16,000 | | | | |

6

22.

Rectification Entries

| Date | Particulars | L.F. | Debit (₹) | Credit (₹) |
|------|--|------------|----------------|------------|
| (a) | Suspense A/c To Sales return A/c (Sales return book over cost by ₹ 1,000, now rectified) | Dr. | 1,000 | 1,000 |
| (b) | Purchase A/c To Suspense A/c (Purchase book under cast, now rectified) | Dr. | 600 | 600 |
| (c) | Sales A/c To Purchase return A/c (Purchase return recorded in sales book, now rectified) | | 1,000 | 1,000 |
| (d) | Purchase A/c Sales A/c To M and Co. (Credit purchase wrongly recorded now rectified) | Dr. Dr. | 8,000 8,000 | 16,000 |
| (e) | Salary A/c To Rani (Salary paid wrongly recorded, now rectified) | Dr. | 2,000 | 2,000 |

6

23. Cost of goods sold = Opening Stock + Net purchase + Direct Expenses – Closing Stock
 COGS = 3,00,000 + 15,00,000 + 1,20,000 – 4,00,000
 = 15,20,000

1

4

1

24.

Mohan Traders
Total Debtors A/c

| Dr. | | | | Cr. | | | |
|--------|-----------------|------|------------|------|--------------|------|------------|
| Date | Particulars | L.F. | Amount (₹) | Date | Particulars | L.F. | Amount (₹) |
| 1-4-13 | To bal. b/d | | 50,000 | | By Cash | | 60,000 |
| | To Credit sales | | 1,14,000 | | By Discount | | 1,000 |
| | | | 1,64,000 | | By B/R | | 30,000 |
| | | | | | By Bad debts | | 3,000 |
| | | | | | By bal. c/d | | 70,000 |
| | | | | | | | 1,64,000 |

6

25.

| S. No. | Manual Accounting | Computerised Accounting system |
|--------|--|---|
| (a) | It is done manually. | It is also done, manually according to principles. |
| (b) | Entries are recorded manually other calculations also done manually. | Entries are recorded manually but other calculations are done by computers. |

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| | | |
|-----|--|--|
| (c) | Transactions are classified by means of posting into ledger. | Stored transaction data is processed to appear as classified. |
| (d) | All adjustment entries are done manually | Entries related to posting are done by computers. |
| (e) | Financial statements is prepared manually | Financial statements is prepared by computer with the help of a software. |
| (f) | After the preparation of financial reports, the A/cs make preparations for the next accounting period. | There is year end processing to create and store opening balance of A/cs in data base. |

6

SECTION-D

IV. 26.

| Date | Particular | L.F. | Debit (₹) | Credit (₹) |
|---------|---|------------|--------------------|---------------|
| 1-1-17 | Cash A/c Stock A/c To Capital A/c (Started business with above assets) | Dr. Dr. | 1,50,000 50,000 | 2,00,000 |
| 3-1-17 | Purchase A/c To Harish (Purchased goods from harish) | Dr. | 30,000 | 30,000 |
| 8-1-17 | Cash A/c To Sales A/c (Cash sales) | Dr. | 25,000 | 25,000 |
| 10-1-17 | Harish To Cash A/c (Cash paid to harish) | Dr. | 15,000 | 15,000 |
| 18-1-17 | Bank A/c To Cash A/c (Cash deposited into bank) | Dr. | 50,000 | 50,000 |
| 20-1-17 | Drawings A/c To Cash A/c (Drew cash for personal use) | Dr. | 5,000 | 5,000 |
| 25-1-17 | Harish To Cash A/c To Discount A/c (Cash paid to Harish and discount received) | Dr. | 15,000 | 14,700 300 |
| 27-1-17 | Nithesh To Sales A/c (Sold goods to Nithesh on credit) | Dr. | 7,000 | 7,000 |
| 28-1-17 | Cash A/c Discount A/c To Nithesh (Being cash received) | Dr. Dr. | 6,800 200 | 7,000 |
| 30-1-17 | Rent A/c To Bank A/c (Rent paid by cheque) | Dr. | 1,500 | 1,500 |

12

27. **Purchase (Journal/Book)**

| Date | Inward Invoice No. | Particulars (Name of the supplier) | L.F. | Amount (₹) |
|--------|--------------------|---|------|------------|
| 1-7-17 | | Ratna Traders : $25 \times 300 = 7500$ (-) 10% discount 750 | | 6,750 |

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| | | | |
|---------|--|---|---------------|
| 10-7-17 | | Bombay Fashion House : (10 × 500) | 5,000 |
| 25-7-17 | | Bride Palace : (10 × 2,000) | 20,000 |
| 30-7-17 | | Zolta : 10 × 1,000 | 10,000 |
| | | Total | 41,750 |

4

Purchase Return (Journal/Book)

| Date | Debit Note | Particulars (Name of the supplier) | L.F. | Amount (₹) |
|---------|------------|-------------------------------------|------|--------------|
| 15-7-17 | | Ratna Traders : (3 × 300) | | 900 |
| 28-7-17 | | Bride Palace : (1 × 2000) | | 2,000 |
| | | Total | | 2,900 |

2

Dr. **Purchase A/c**

Cr.

| Date | Particulars | L.F. | Amount (₹) | Date | Particular | L.F. | Amount (₹) |
|---------|-------------|------|------------|------|------------|------|------------|
| 31-7-17 | To Sundries | | 31,750 | | | | |

1

Dr. **Purchase Return A/c**

Cr.

| Date | Particulars | L.F. | Amount (₹) | Date | Particular | L.F. | Amount (₹) |
|------|-------------|------|------------|---------|-------------|------|------------|
| | | | | 31-7-17 | By Sundries | | 2,900 |

1

Dr. **Ratna Trader's A/c**

Cr.

| Date | Particulars | L.F. | Amount (₹) | Date | Particular | L.F. | Amount (₹) |
|---------|------------------------|------|------------|--------|-----------------|------|------------|
| 15-7-17 | To Purchase Return A/c | | 900 | 1-7-17 | By Purchase A/c | | 6,750 |

1

Dr. **Bombay Fashion House A/c**

Cr.

| Date | Particulars | L.F. | Amount (₹) | Date | Particular | L.F. | Amount (₹) |
|------|-------------|------|------------|---------|-----------------|------|------------|
| | | | | 10-7-17 | By Purchase A/c | | 5,000 |

1

| Dr. Bride Palace A/c | | | | Cr. | | | |
|---|------------------------|------|------------|---------|-----------------|------|------------|
| Date | Particulars | L.F. | Amount (₹) | Date | Particular | L.F. | Amount (₹) |
| 28-7-17 | To Purchase Return A/c | | 2,000 | 25-7-17 | By Purchase A/c | | 20,000 |

| Dr. Zolta A/c | | | | Cr. | | | |
|--|-------------|------|------------|---------|-----------------|------|------------|
| Date | Particulars | L.F. | Amount (₹) | Date | Particulars | L.F. | Amount (₹) |
| | | | | 30-7-17 | By Purchase A/c | | 10,000 |

28. 1
Bank Reconciliation A/c

| Particulars | Debit (₹) | Credit (₹) |
|---|-----------|------------|
| Bank overdraft as per Pass Book | | 20,000 |
| Add : (1) Direct payment into Bank by a customer | 4,600 | |
| (2) Cheque issued but not presented for payment | 6,980 | |
| (3) Interest credited by bank | 100 | |
| | | 11,680 |
| | | 31,680 |
| Less : (1) Bank charges debited in Pass Book | 500 | |
| (2) Cheque recorded in Cash Book, not sent to bank for collection | 2,500 | |
| (3) Insurance premium paid by bank | 2,500 | |
| | | 5,500 |
| Balance as per Cash book | | 26,180 |

29. 12
Machinery A/c

| Date | Receipts | L.F. | Amount (₹) | Date | Payments | L.F. | Amount (₹) |
|---------|----------------------------------|------|------------|---------|--|------|------------|
| 1-4-13 | To Bank A/c (50,000 + 10,000) | | 60,000 | 31-3-14 | By Depreciation A/c $\frac{60,000 \times 10}{100}$ | | 6,000 |
| | | | | 31-3-14 | By bal. c/d | | 54,000 |
| | | | 60,000 | | | | 60,000 |
| 1-4-14 | To bal. b/d | | 54,000 | 31-3-15 | By Depreciation A/c (i) $\frac{60,000 \times 10}{100} = 6,000$ | | |
| 30-6-14 | To Bank A/c | | 40,000 | | (ii) $\frac{40,000 \times 10}{100} \times \frac{9}{12}$ = 3,000 | | 9,000 |
| | | | | 31-3-18 | By bal. c/d | | 85,000 |
| | | | 94,000 | | | | 94,000 |
| 1-4-15 | To Bal b/d | | 85,000 | 30-9-16 | By Bank A/c | | 42,500 |

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| | | | | | |
|--|--|--------|---------|--|--------|
| | | | 30-9-16 | By P & L A/c (Loss) | 1,000 |
| | | | 30-9-16 | By Depreciation A/c | 4,500 |
| | | | 30-9-16 | By Depreciation A/c $\left(\frac{40,000 \times 10}{100} \right)$ | 4,000 |
| | | | 30-9-16 | By bal. c/d | 33,000 |
| | | 85,000 | | | 85,000 |

4

Calculation for P & L on Sale of Machinery

| | | |
|---|-------|--------|
| Original cost of the machinery | | 60,000 |
| (-) Depreciation 1-4-13 to 31-3-14 $\left(\frac{60,000 \times 10}{100} \right)$ | 6,000 | |
| (-) Depreciation 1-4-14 to 31-3-15 $\frac{60,000 \times 10}{100}$ | 6,000 | |
| (-) Depreciation 1-4-14 to 30-9-16 $\frac{60,000 \times 10}{100} \times \frac{9}{12}$ | 4,500 | 16,500 |
| Original cost of the machinery | | 43,500 |
| (-) Selling price | | 42,500 |
| □ loss on sale of machinery | | 1,000 |

4

Dr.

Depreciation A/c

Cr.

| Date | Particulars | L.F. | Amount (₹) | Date | Particulars | L.F. | Amount (₹) |
|---------|------------------|------|------------|---------|--------------|------|------------|
| 31-3-14 | To Machinery A/c | | 6,000 | 31-3-14 | By P & L A/c | | 6,000 |
| | | | 6,000 | | | | 6,000 |
| 31-3-15 | To Machinery A/c | | 9,000 | 31-3-15 | By P & L A/c | | 9,000 |
| | | | 9,000 | | | | 9,000 |
| 30-9-16 | To Machinery A/c | | 4,500 | | By P & L A/c | | 8,500 |
| 30-9-16 | To Machinery A/c | | 4,000 | | | | 8,500 |
| | | | 8,500 | | | | 8,500 |

4

30.

**Journal Entries
in the book of 'X' (Drawer)**

| Date | Particulars | L.F. | Debit (₹) | Credit (₹) |
|--------|---|------|-----------|------------|
| 1-1-17 | Y To Sales A/c (Sold goods to Y on credit) | | 50,000 | 50,000 |
| 1-1-17 | Bills receivables A/c To Y (Bill is drawn) | Dr. | 50,000 | 50,000 |
| 4-4-17 | Bank A/c To Bills receivable A/c (Bill is honoured on the due date) | Dr. | 50,000 | 50,000 |

6

Journal Entries
in the book of 'Y' (Drawee)

| Date | Particular | L.F. | Debit (₹) | Credit (₹) |
|--------|--|------|-----------|------------|
| 1-1-17 | Purchase A/c To X (Goods purchased from X on credit) | | 50,000 | 50,000 |
| 1-1-17 | X To Bills payable A/c (Bill is accepted) | | 50,000 | 50,000 |
| 4-4-17 | Bills payable A/c To Bank A/c (Amount of bill is paid on due date) | | 50,000 | 50,000 |

31.

Trading and P & L A/c
as on 31-3-2017

Dr.

Cr.

| Particulars | Amount (₹) | Particular | Amount (₹) |
|--|------------|----------------------------|------------|
| To Opening Stock | 12,000 | By Sales | 32,000 |
| To Purchase | 16,000 | By Closing Stock | 16,000 |
| To Wages | 2,000 | | |
| To balance c/d (G.P.) | 18,000 | | |
| | 48,000 | | 48,000 |
| To Rent 900 | | By balance b/d | 18,000 |
| (-) Prepaid 200 | 700 | By Commission received 600 | |
| To legal expenses 500 | | (-) Advance 400 | 200 |
| To General expenses 1,600 | | | |
| To Bad debt 1,000 | | | |
| (+) P. B. D. $\left(8,800 \times \frac{5}{100}\right)$ 440 | 1,440 | | |
| To Depreciation on Machinery $\left(8,000 \times \frac{10}{100}\right)$ 800 | | | |
| To Net balance c/d (N/P) | 13,160 | | |
| | 18,200 | | 18,200 |

8

Balance Sheet
as on 31-3-2017

| Liabilities | Amount (₹) | Assets | Amount (₹) |
|------------------------------------|------------|----------------------|------------|
| Capital 18,000 | | Cash in Hand | 1,000 |
| (+) N/P 13,160 | 31,160 | Cash at Bank | 2,000 |
| Sundry Creditors 9,000 | | S. Debtors 8,800 | |
| Commission received in advance 400 | | (-) PDD 440 | 8,360 |
| | | Bills receivable | 5,800 |
| | | Prepaid rent | 200 |
| | | Closing Stock | 16,000 |
| | | Machinery 8,000 | |
| | | (-) Depreciation 800 | 7,200 |
| | 40,560 | | 40,560 |

4

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32.

Statement of Affairs
as on 1-4-16 and 31-3-17

| Liabilities | 1-4-16 (₹) | 31-3-17 (₹) | Assets | 1-4-16 (₹) | 31-3-17 (₹) |
|-----------------------------|-----------------|-----------------|-----------|-----------------|-----------------|
| B/P | 10,000 | 8,000 | Furniture | 15,000 | 15,000 |
| Creditors | 15,000 | 25,000 | Machinery | 50,000 | 50,000 |
| Bank Loan | 12,000 | 10,000 | Building | 1,00,000 | 1,00,000 |
| | | | Stock | 25,000 | 40,000 |
| Opening and Closing Capital | 1,78,000 | 1,98,000 | Debtors | 20,000 | 26,000 |
| | | | B/R | 5,000 | 10,000 |
| | 2,15,000 | 2,41,000 | | 2,15,000 | 2,41,000 |

4

Statement of Profit or Loss
for the year ended 31-3-17

| Particulars | Amount (₹) | Amount (₹) |
|--|------------|---------------|
| Closing Capital (31-3-17) | | 1,98,000 |
| Add : Drawings (Daughter's marriage) | | 15,000 |
| | | 2,13,000 |
| Less : Additional capital | | 18,000 |
| Adjusted capital | | 1,95,000 |
| Less : Opening capital | | 1,78,000 |
| Gross profit | | 17,000 |
| Add : Income : | | |
| (1) Appreciation on Building $\left(\frac{1,00,000 \times 20}{100} \right)$ | 20,000 | |
| (2) Prepaid Salary | 6,000 | 26,000 |
| | | 43,000 |
| Less : Expenses | | |
| (1) Bad debts | 1,000 | |
| (2) Depreciation on Furniture $\left(\frac{15,000 \times 10}{100} \right)$ | 1,500 | 2,500 |
| Net Profit | | 40,500 |

4

Revised Statement of Affairs
as at 31-3-2017

| Liabilities | Amount (₹) | Assets | Amount (₹) |
|------------------------|-----------------|------------------|-----------------|
| B/P | 8,000 | Furniture | 15,000 |
| Creditors | 25,000 | (-) Depreciation | 1,500 |
| Bank Loan | 10,000 | Machinery | 50,000 |
| Capital | | Building | 1,00,000 |
| Opening capital | 1,78,000 | (+) Appreciation | 20,000 |
| (+) N/P | 40,500 | Stock | 40,000 |
| | 2,18,500 | Debtors | 26,000 |
| (+) Additional Capital | 18,000 | (-) Bad debts | 1,000 |
| | 2,36,500 | B/R | 10,000 |
| (-) Drawing | 15,000 | Prepaid Salary | 6,000 |
| | 2,21,500 | | 2,64,500 |
| | 2,64,500 | | 2,64,500 |

4

SECTION-E

V. 33.

| Debit Voucher | | | | |
|---------------|------|-----------|-------------|-----------|
| Name of Firm | | | | |
| Voucher No : | | | | |
| Credit A/c : | | | | |
| Amount : | | Debit A/c | Date : | |
| Sr. No | Code | A/c name | Amount (₹) | Narration |
| | | | | |
| Authorised by | | | Prepared by | |

5

34.

Trial Balance as on 31-2-2017

| Sr. No. | Account Title | L.F. | Debit bal. (₹) | Credit bal. (₹) |
|---------|-----------------|------|----------------|-----------------|
| (a) | Capital | | | 1,00,000 |
| (b) | Drawing | | 10,000 | |
| (c) | Purchases | | 40,000 | |
| (d) | Sales | | | 50,000 |
| (e) | Cash | | 20,000 | |
| (f) | Furniture | | 30,000 | |
| (g) | Machinery | | 50,000 | |
| (h) | Stock (opening) | | 30,000 | |
| (i) | B/P | | | 50,000 |
| (j) | B/R | | 20,000 | |
| | | | 2,00,000 | 2,00,000 |

35.

Statement of Affairs as on 01-01-2017

| Liabilities | Amount (₹) | Assets | Amount (₹) |
|-----------------|------------|-----------|------------|
| Creditors | 60,000 | Cash | 30,000 |
| Bank Loan | 10,000 | Debtors | 20,000 |
| Opening Capital | 25,000 | Stock | 20,000 |
| | | Furniture | 10,000 |
| | | Machinery | 15,000 |
| | 95,000 | | 95,000 |

5

□□□