

Answer Key – (Unofficial) – by Ajith Kanthi Wayanad

Class 11 – Accountancy CA – Feb 2024 Model Exan – Qn Code: 150

1 Score – All Questions from 1 to 7

1	c) Debtors
2	a) Integrated Goods and Service Tax
3	b) Favourable balance
4	d) Errors of Commission (<i>Errors of omission and Errors of Principle are considerable answers as there is ambiguity in question</i>)
5	
6	b) Wear and tear
7	d) Intangible b) Purchase Book

2 Score - All Questions from 8 to 12

8	a) Original / Primary / First Entry b) Secondary Entry															
9	Accounting Equation: Assets = Liabilities + Capital															
10	Objectives of Trial Balance: a) To verify the arithmetical accuracy of ledger accounts b) To locate errors c) To help in preparation of final accounts - (any 2)															
11	<p>Calculation of Gross Profit: Gross Profit = Net sales – Cost of goods sold</p> <p>Cost of Goods Sold = (Opening stock + Net Purchases + Direct Expenses) – Closing stock</p> <p>∴ Cost of Goods Sold = (30000 + 18000 + 2000) – 25000 = 25000</p> <p>∴ Gross Profit = 60000-25000 = 35000</p> <p><i>Note: Gross Profit can also be calculated by preparing a Trading Account</i></p>															
12	<p>Differences: (any 2)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Basis of Differences</th> <th style="text-align: center;">Straight Line Method</th> <th style="text-align: center;">WDV Method</th> </tr> </thead> <tbody> <tr> <td>1. Basis of charging depreciation</td> <td style="text-align: center;">Original cost</td> <td style="text-align: center;">Book Value</td> </tr> <tr> <td>2. Annual amount of depreciation</td> <td style="text-align: center;">Fixed</td> <td style="text-align: center;">Declines</td> </tr> <tr> <td>3. Total charge of depreciation and repairs</td> <td style="text-align: center;">Unequal – It increases in later years</td> <td style="text-align: center;">Almost equal every year</td> </tr> <tr> <td>4. Income Tax Act recognition</td> <td style="text-align: center;">Not recognized</td> <td style="text-align: center;">Recognized</td> </tr> </tbody> </table>	Basis of Differences	Straight Line Method	WDV Method	1. Basis of charging depreciation	Original cost	Book Value	2. Annual amount of depreciation	Fixed	Declines	3. Total charge of depreciation and repairs	Unequal – It increases in later years	Almost equal every year	4. Income Tax Act recognition	Not recognized	Recognized
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3 Score – Any 5 from 13 to 18

13	<p>Match the following:</p> <p>i) Invoice - b) Voucher ii) Salaries - c) Expenses iii) Stock - a) Inventory</p>
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4 Score – Any 5 from 19 to 24

19	Accounting Principles: i) Business entity ii) Going Concern iii) Dual Aspect iv) Cost Concept																																																
20	Objectives of Accounting 1) To maintain business records 2) Calculation of profit or loss 3) Ascertainment of financial position 4) Providing information to users (Brief explanation)																																																
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Trial Balance		
Particulars	Amount (Dr)	Amount (Cr)
Cash	50000	
Capital		40000
Purchases	10000	
Sales		15000
Commission Received		5000
	60000	60000

8 Score – Any 1 from 25 to 26

25 **Double Column Cash Book:**

Date	Receipts	LF	Cash	Bank	Date	Payments	LF	Cash	Bank
2022					2022				
Jan 1	To Balance b/d		1000	4500	Jan 4	By Purchase		3000	
Jan 2	To Sales		6000		Jan 6	By Bank	C	2000	
Jan 6	To Cash	C		2000	Jan 8	By Cash	C		1000
Jan 7	To Bank	C	1000		Jan 10	By Abin			1500
Jan 24	To Interest Rcd			500	Jan 15	By Rent			800
					Jan 20	By Drawings		500	
					Jan 25	By Bank Charges			100
					Jan 31	By Balance c/d		2500	3600
			8000	7000				8000	7000

26 **Trading & Profit and Loss A/c**

For the year ending 31st Dec 2023

Particulars	Amount	Particulars	Amount
To Opening Stock	24000	By Sales	125000
To Purchase	75000	Less: Returns	<u>4000</u>
Less: Returns	1500	By Closing Stock	30000
To Wages	11000		
To Carriage Inward	3000		
To Gross Profit c/d	39500		
	151000		151000
To Advertisement	4000	By Gross Profit b/d	39500
To Salaries	6500	By Rent Received	1500
Add: Salary O/s	<u>1500</u>		
To Sales expenses	15000		
To Depreciation – Furniture	6000		
To Net Profit (Capital A/c)	8000		
	41000		41000

Balance Sheet as on 31st Dec 2023

Liabilities		Amount	Assets		Amount
Capital	85500		Furniture	60000	
Add: Net Profit	<u>8000</u>	93500	Less: Depreciation	<u>6000</u>	54000
Bills Payable		5000	Bills Receivable		8000
Creditors		12000	Debtors		18000
Salary Outstanding		1500	Closing Stock		30000
			Cash		2000
		112000			112000

Prepared by:

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