

## SECTION – I

Answer any 8 questions from 1 to 10. Each carries 1 score.

(8 × 1 = 8)

1. Amount spent for purchasing fixed asset is a \_\_\_\_\_.
  - (a) Revenue expenditure
  - (b) Capital expenditure
  - (c) Expenses
  - (d) None of the above
  
2. Accounting equation satisfies the \_\_\_\_\_ concept of accounting.
  - (a) Matching concept
  - (b) Money measurement concept
  - (c) Duality concept
  - (d) All the above
  
3. Rent received in Advance, increase in \_\_\_\_\_.
  - (a) Expenses
  - (b) Income
  - (c) Capital
  - (d) Liability
  
4. Excess of Asset over liability is \_\_\_\_\_.
  - (a) Capital
  - (b) Income
  - (c) Asset
  - (d) Liability
  
5. The Source Document of Purchase is \_\_\_\_\_.
  - (a) Voucher
  - (b) Invoice
  - (c) Cash memo
  - (d) Credit note
  
6. Bank Reconciliation Statement is prepared by
  - (a) Auditor
  - (b) Creditor
  - (c) Banker
  - (d) Customer's Accountant/Customer





22. “Do not change Policies frequently otherwise it will loose the Comparability quality of financial statement” – Identify the concept behind this statement.

**SECTION – IV**

**Answer any 4 questions from 23 to 27. Each carries 4 scores.**

**(4 × 4 = 16)**

23. Explain briefly :

- (a) Business entity concept
- (b) Full disclosure concept
- (c) Materiality concept
- (d) Accounting period concept

24. Journalise the following transaction :

**2022**

- Jan. 1 Anil started business with capital ₹ 2,50,000
- Jan. 3 Purchased goods for cash ₹ 50,000
- Jan. 7 Bought machinery for cash ₹ 3,00,000
- Jan. 8 Purchase return ₹ 2,000
- Jan. 17 Paid wages ₹ 5,000
- Jan. 21 Sold goods on credit to Mohan ₹ 2,00,000
- Jan. 27 Sold goods for ₹ 7,50,000
- Jan. 31 Paid rent for residential building of the owner ₹ 7,000

25. Explain the Rule of Debit and Credit of the following :

| <b>Name of Account</b> | <b>Debit</b> | <b>Credit</b> |
|------------------------|--------------|---------------|
| Asset                  | Increase     | Decrease      |
| Liabilities            | –            | –             |
| Capital                | –            | –             |
| Revenue                | –            | –             |
| Expenditure            | –            | –             |

26. Prepare a Bank Reconciliation Statement with the Particulars of Vimala as on 31-3-2023.
- (1) Balance as Per Cash Book ₹ 50,000.
  - (2) Cheque of ₹ 8,000 issued but not presented for payment.
  - (3) Dividend of ₹ 4,000 collected directly by the bank and the same was credited in the bank but not entered in the cash book.
  - (4) Bank charges ₹ 400-debited in the bank only.
  - (5) A cheque for ₹ 6,000 was deposited but not collected by the bank.
27. Calculate the amount of depreciation of machinery purchased on 1-4-2019 for ₹ 2,00,000 by Nakshatra Traders under written down value method. They spent ₹ 10,000 for installation.

Depreciation is provided @ 10%. p.a. Prepare Machinery Account for the first three years. Accounts are closed on 31<sup>st</sup> March every year.

#### SECTION – V

**Answer any 3 questions from 28 to 31. Each carries 5 scores.**

**(3 × 5 = 15)**

28. What do you understand the financial statements and explain the different components of it.
29. Briefly explain the qualitative characteristics of accounting informations.
30. Explain the different courses of mismatching the Pass book balances with cash book balances.
31. Credit sales to Babu ₹ 20,000 was posted to his account as ₹ 2,000 only. Suggest rectification entry.

## SECTION – VI

Answer any 2 questions from 32 to 34. Each carries 8 scores.

(2 × 8 = 16)

32. Mr. Sudhakar has the following transactions. Prepare Accounting equation.

- (1) Started business with cash ₹ 1,75,000
- (2) Purchased goods from Rajan ₹ 50,000
- (3) Sold goods (costing ₹ 17,500) on credit to Mohan ₹ 20,000
- (4) Purchased furniture for office use ₹ 10,000
- (5) Cash paid to Rajan in full settlement of ₹ 48,500
- (6) Cash received from Mohan ₹ 20,000
- (7) Paid Rent ₹ 1,000
- (8) Cash withdrew for personal use ₹ 3,000

33. Will you help your friend Master Sankar in your class to prepare the double column cash book with the following information :

2023

- Jan. 1 Cash balances ₹ 15,000  
Bank balances ₹ 42,000
- 2 Purchased goods by cheque ₹ 12,000
- 3 Sold goods for cash ₹ 6,000
- 7 Purchased machinery and issued cheque ₹ 5,500
- 9 Sold goods and received cheque ₹ 4,500.  
(Deposited same day into the bank)
- 12 Purchased goods form Rafeek ₹ 17,400.
- 13 Purchased stationery and paid by cheque ₹ 1,100
- 18 Cheque issued to Rohit ₹ 10,000
- 21 Rent paid by cheque ₹ 2,500
- 29 Paid salary ₹ 3,500

34. Prepare a Final Account of Star Traders Ltd. for the year ending 31<sup>st</sup> March, 2024.

**Trial Balance as on 31-3-2024**

| Name of Accounts        | Amount<br>(₹) Dr. | Amount<br>(₹) Cr. |
|-------------------------|-------------------|-------------------|
| Opening Stock           | 25,000            |                   |
| Furniture               | 20,000            |                   |
| Plant & Machinery       | 1,00,000          |                   |
| Bills receivable        | 14,000            |                   |
| Sundry Debtors          | 80,000            |                   |
| Purchase                | 1,80,000          |                   |
| Wages                   | 10,000            |                   |
| Cash in hand            | 6,000             |                   |
| Investment              | 40,000            |                   |
| Motor car               | 51,000            |                   |
| Discount allowed        | 2,000             |                   |
| Return inward           | 7,000             |                   |
| Freight                 | 4,000             |                   |
| Rent, Rates and Taxes   | 5,000             |                   |
| Bad debts               | 1,000             |                   |
| Trade Expenses          | 2,400             |                   |
| Printing and Stationery | 2,000             |                   |
| Drawings                | 20,000            |                   |
| Capital                 |                   | 2,00,000          |
| Sales                   |                   | 2,76,000          |
| Bills payable           |                   | 15,400            |
| Return outward          |                   | 2,000             |
| Bank overdraft          |                   | 12,000            |
| Provision for bad debts |                   | 4,000             |
| Sundry creditors        |                   | 60,000            |
| <b>Total</b>            | <b>5,69,400</b>   | <b>5,69,400</b>   |

**Adjustments :**

- (1) Closing stock 45,000.
- (2) Provision for doubtful debts is to be maintained @ 2% on debtor.
- (3) Depreciation on Furniture 5%, Plant and machinery @6% and Motor car @10%.
- (4) A machine of ₹ 30,000 purchased on 1<sup>st</sup> October 2023.

