FINALISED ANSWER KEY

FIRST YEAR HIGHER SECONDARY EXAMINATION MARCH 2026

PART III

SUBJECT: ACCOUNTANCY WITH AFS **CODE NO: FY 149**

SCORES: 80 **Time: 2:30 HOURS**

Qn. No	Sub Qns	Answer Key/ Value Points	Scores	Total Scores
I. Answer any 8 of the following questions from 1 to 10. Each carries one score (8x 1=8)				
1		(a) Gain		1
2		(b) Entity Concept		1
3		(b) Journal		1
4		(b) Cash Book		1
5		(d) Assertion (A) is false , but Reason (R) is true.		1
6		(a) Errors of Commission		1
7		(d) Secret Reserve		1
8		(a) Carriage on purchase		1
9		(c) Balance sheet		1
10.		(b) Rs.1,000		1
II. Answer any 5 of the following questions from 11 to 16. Each carries 2 scores (5x 2=10)				
11	i) ii)	Capital – Cash or kind invested by the owner in the business Drawings – Amount of money or goods withdrawn by the owner for his personal use	1 1	2
12		Cash basis: Under cash basis transactions are recorded only when cash are received or paid. Accrual basis: Under accrual basis, revenues or costs are recognizes when they occur rather than when they are paid or received.	1 1	2
13		A statement prepared to reconcile the bank balance as per cash book with the balance as per passbook or bank statement. It is usually prepared by the customer of the bank.	2	2
14		An account in which the difference in the trial balance is put till such errors are located and rectified. It can appear on either the debit or credit side of the trial balance depending on the error or pending classification. It helps to maintain the trial balance tally when there are discrepancies. (Any two points)	2	2
15	i) ii)	Wages A/c Dr. 500 To Outstanding Wages A/c. 500 Income A/c Dr. 750 To Income Received in advance. 750	1 1	2
16		i) Ensures that revenues and expenses are recorded in the period they actually occur, not just when cash is received or paid. ii) Correct Matching of Income & Expenses iii) Rectification of Errors & Omissions iv) Proper Valuation of Assets & Liabilities (One score for one point)	1 1	2
III. Answer any 5 of the following questions from 17 to 22. Each carries 3 scores (5x 3=15)				
17		i) Maintain systematic records of financial transactions ii) Calculate profit or loss iii) Depict the financial position of the business	1 1 1	3

iv) Make information available to various groups and users (Any 3 points)

18 i) GST abolishes multiple tax system 1
ii) GST is a destination based tax and levied at a single point at the time of consumption of goods and services by the end consumer. 1
iii) GST is a common law through the country 1
iv) Minimum number of rates of tax does not exceed two. etc (Any 3 points) 3

19 (a) Cheques issued but not yet presented for payment. 1
(b) Cheques paid into the bank but not yet collected. 1
(c) Direct debits made by the bank on behalf of the customer 1
(d) Amounts directly deposited by a customer in the bank etc. (Any 3 points) 3

20 Trail Balance

Particulars	Amount Dr.	Amount Cr.
Capital		1,25,000
Drawings	10,000	
Cash	40,000	
Debtors	5,000	
Purchases	50,000	
Salaries	10,000	
Carriage	500	
Dividend received		5,000
Bank Over Draft		1,200
Land	50,000	
Sales		25,000
Suspense Account		9,300
Total	1,65,500	1,65,500

(1/4 Score for each correct entry) 3

21

Reserves	Provisions
It is made for strengthening the financial position of the business.	Created for a known liability
It has no effect on taxable profit	It reduces taxable profit
It can be used for dividend distribution.	It cannot be used for dividend distribution.
It is an appropriation from profit	It is a charge against profit

1
1 3
1

22 Capital expenditure: Purchase of land 1
Deferred revenue expenditure: Advertisement 1 3
Revenue Expenditure: Rent paid. 1

IV. Answer any 4 of the following questions from 23 to 27. Each carries 4 scores (4x 4=16)

23 Profit and Loss Account

Particulars		Amount	Particulars	Amount
Bad Debts	1,000			
(+) New Provisio	5,000			
	6,000			
(-) Old Provision	500	5,500		

1
1 4
1

Balance sheet

Liabilities	Amount	Assets		Amount
		S. Debtors	50,000	
		Less Provision	5,000	45,000

1

24 Match the followings

		A		B		
		(i)	The business firm carryout its operation indefinitely.	(c)	Going concern concept	1
		(ii)	In a transaction at least two accounts are involved	(a)	Dual Aspect Concept.	1
		(iii)	The policy of 'playing safe'	(d)	Conservatism concept	1 4
		(iv)	The concept that indicates 'the point of sale'	(b)	Revenue Recognition Concept.	1
25	i)	Capital increases - Credit				1
	ii)	Expenses increases - Debit				1
	iii)	Income decreases - Debit				1 4
	iv)	Liabilities increases - Credit				1

26

Sales Day book

Date	Name of Customer		Invoice	Amount	
2026	M/s. Dileep Stores				
Feb1	5 Voltas AC @ 25,100	1,25,500			1
	5 Stabilizer @ 1500	7,500	1178	1,33,000	1 4
10	M/s Soni Traders:				
	TV 5 @ 17,000	85,000			1
	Stabilizer 3@1,250	3,750		88,750	1
Total				2,21,750	

27

Cost of goods sold = Net purchases + Direct expenses – Closing stock 1
= 1,00,000 + 5,000 -50,000
= 55,000 1
Gross Profit = Net sales – Cost of goods sold
=2,50,000 - 55,000
= 1,95,000 1 4
Operating Profit = Gross profit – Indirect expenses
= 1,95,000 – (10,000+10,000)
= 1,75,000 1

V. Answer any 3 of the following questions from 28 to 31. Each carries 5 scores (3x 5=15)

28

Bank Reconciliation Statement on 31st January 2026

Particulars	Amount	Amount		
Bank balance as per Cash book		60,000	1	5
Add 1. Cheque issued but not presented	1,500		1	
2. Interest credited by the bank	300	1,800	1	
Less		61,800	1	
1. Bank incidental charges debited by bank	500		1	
2. Cheque deposited but not credited by bank	10,000	10,500		
Bank balance as per Pass book		51,300		

29

Accounting can be defined as "an art of recording, classifying and summarizing in a significant manner and in terms of money, transactions and events which are in part, at least, of a financial character and interpreting results thereof." 1
Qualitative characteristics of accounting
1. Reliability – Accounting information is considered to be reliable if it is free from bias and faithfully represents the facts. 1
2. Relevance – The information to be relevant, it must be available in time. 1 5
3. Understandability – It must be understood by those to whom it is communicated. 1
4. Comparability – It means that the accounting reports should be comparable with other firms to identify similarities or differences. To achieve this, the period, the format, unit of measurement etc. should be the same. 1

(With out explanation ½ score each)

30	(a)	Plant A/c Dr.	1,000		1	
		To Wages		1,000		
	(b)	Error of Principle			1	
	(c)	Cash/ Bank A/c Dr.	10,000			
		To Raju's A/c		10,000	1	5
	(d)	Bineesh's A/c Dr.	2,000			
		Suspense A/c Dr.	3,000		1	
		To Dinesh's A/c		5,000		
	(e)	Drawings A/c Dr.	300		1	
		To Purchases		300		

31

Plant A/c

Date	Particulars	Amount	Date	Particulars	Amount		
2019 Jan 1	Bank	10,00,000	2019 Dec31	Depreciation	1,00,000	1	
				Bal c/d	9,00,000		
		10,00,000			10,00,000		
2020 Jan1	Balance b/d	9,00,000	2020 Dec31	Depreciation	90,000	1	
				Bal c/d	8,10,000		5
		9,00,000			9,00,000		
2021 Jan1	Balance b/d	8,10,000	2021 Dec31	Depreciation	81,000	1	
				Bal c/d	7,29,000		
		8,10,000			8,10,000		
2022 Jan1	Balance b/d	7,29,000	2022 Dec31	Depreciation	72,900		
				Bal c/d	6,56,100	1	
		7,29,000			7,29,000		
2023 Jan1	Balance b/d	6,56,100	2023 Dec31	Depreciation	65,610		
				Bal c/d	5,90,490	1	
		6,56,100			6,56,100		

VI. Answer any 2 of the following questions from 32 to 34. Each carries 8 scores (2x 8=16)

32

Date	Particulars		Amount	Amount		
2026 Jan 1	Cash A/c	Dr	2,50,000			
	To Capital			2,50,000		
5	Bank A/c	Dr	1,00,000			
	To Cash			1,00,000		
10	Stationery /Purchases A/c	Dr	1,500			
	To Bank			1,500		
15	Cash A/c	Dr	25,000			
	To Sales			25,000		
17	Electricity A/c	Dr	2,500		6	
	To Cash			2,500		8
20	Cash A/c	Dr	15,000			
	To Rent Received			15,000		
25	Purchases A/c	Dr	16,000			
	To Kasi Stores			16,000		
30	M/s Kumar A/c	Dr	12,000			
	To Sales			12,000		

(3/4 Score for each correct journal entry)

Cash Account

Date	Particulars	Amount	Date	Particulars	Amount
Ja1	Capital	2,50,000	Ja5	Bank	1,00,000
15	Sales	25,000	17	Electricity	2,500
20	Rent Received	15,000	31	Balance c/d	1,87,500
		2,90,000			2,90,000

(1/2 Score for each correct entry maximum 2 scores) — 2

33

Cash Book

Date	Particulars	L/f	Cash	Bank	Date	Particulars	L/f	Cash	Bank
1	Bala b/d		50,000	75,000	03	Purchases			20,000
12	Commissi				05	Purchases		2,500	
	on		750		07	Rent		2;000	
20	Cash	C		10,000	10	Drawings			1,500
21	Sales		15,000		15	Charity		250	
25	Bank	C	15,000		20	Bank	C	10,000	
27	Ajith		1,500		24	Electricity		2,000	
					25	Cash	C		15,000
					26	Salary			7,500
					31	Balance c/d		65,500	41,000
			82,250	85,000				82,250	85,000

(1/2 Score for each correct entry) — 8

34

Trading Profit and Loss Account for the year ended 31st March 2025

Particulars		Amount	Particulars		Amount
Opening Stock		1,50,000	Sales	4,00,000	
Purchases	75,000		Less Return	20,000	3,80,000
Less Return	3,000	72,000	Closing stock		25,000
Wages & Salary	6,000				
Add Outstanding	500	6,500			
Gross Profit		1,76,500			
		4,05,000			4,05,000
Salaries & Wages		5,000	Gross Profit		1,76,500
Rent		3,000	Interest Received		2,000
Bad Debt	2,000				
Add Provision	1,000	3,000			
Depreciation Buildings		10,000			
Net Profit		1,57,500			
		1,78,500			1,78,500

3 — 3 — 8

Balance sheet as on 31st March 2025

Liabilities		Amount	Assets		Amount
Creditors		70,000	Cash		1,13,000
Wages & salary outstanding		500	Bank		50,000
Capital	75,000		Debtors	25,000	
Add Net profit	1,57,500		Less Provision	1,000	24,000
	2,32,500		Closing stock		25,000
Less Drawings	1,000	2,31,500	Buildings	1,00,000	
			Less depre	10,000	90,000
		3,02,000			3,02,000

2

Finalised Scheme prepared by

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