

2021

ACCOUNTANCY

Full Marks : 100

Pass Marks : 33

Time : Three hours

PART – A

FINANCIAL ACCOUNTING – I

PART – B

FINANCIAL ACCOUNTING – II

Instructions :

- I. All the questions are compulsory.
- II. Marks are indicated on the right margin of each question.
- III. For question Nos. 1– 2 , 22 and 23, four alternatives are given, choose the correct alternatives and rewrite them.
- IV. For question Nos. 3 – 6 and 24 – 27, the answers and calculations may be as short as possible.
- V. For question Nos. 7 – 14 and 28 – 31, answers and solutions are to be given as required.
- VI. For question Nos. 15 – 19, 32 and 34 answers and solutions are to be given in detail.
- VII. Question Nos. 20– 21 and 35 – 36 are Essay type questions. Calculations and solutions are to be shown as required.

P.T.O.

PART - A

FINANCIAL ACCOUNTING - I

1. In accounting recording is made of – 1
 - (a) Only financial transactions
 - (b) Only non-financial transactions
 - (c) Financial and non-financial transactions
 - (d) Personal transactions of the proprietor

2. Noting charges are ultimately borne by – 1
 - (a) Drawer
 - (b) Drawee
 - (c) Payee
 - (d) Bank

3. "Closing stock is valued at lower of cost or realizable value", State the Accounting Principle. 1

4. What is residual value of an asset ? 1

5. What is Depreciable Cost ? 1

6. "If the acceptor of the bill refuses to pay the bill on its maturity date, it is called the retirement of the bill". Comment. 1

7. State the nature of information required by investors. 2

8. Give two advantages of Petty Cash Book. 2
9. Why is ledger called the book of Final Entry ? 2
10. Give two demerits of providing depreciation by Written Down Value Method. 2
11. What are the different types of Rectification of Errors ? 2
12. State the Rules of Rectifying two sided errors. 2
13. How are rectification entries made with Suspense Account ? 2
14. Rectify the following errors – 2
 - (a) Paid wages for the construction of office debited to wages account ₹ 20,000
 - (b) Credit sales to Arun ₹ 7,000 were posted to the credit of his account.
15. "Accounting starts when Book Keeping ends". Explain. 4
16. What are the advantages of Accounting Standard ? 4
17. Why does business follow the Consistency Principle ? 4
18. Distinguish between source of document and vouchers. 4
19. From the following particulars ascertain the Bank Balance that would appear in the Bank Pass Book : 4
 - (i) Balance as per Cash Book as on 31-3-2019 ₹ 12,000.
 - (ii) Out of the total cheques amounting to ₹ 10,000 drawn, cheque aggregating ₹ 3,000 were encashed in March 2020, Cheque aggregating ₹ 4,000 were encashed in April 2020 and the rest have not be presented at all.
 - (iii) Out of the total cheques amounted to ₹ 5,000 deposited, cheque aggregating ₹ 1,500 were credited in March 2020, Cheque aggregating ₹ 2,000 were credited in April 2020 and the rest have not been collected at all.
 - (iv) The Bank has debited ₹ 100 as Bank Charges and has Credited ₹ 200 on account of interest.

20. Hellen Ltd. purchased a machinery on 1st May 2018 for ₹ 60,000, on 1st July 2019 it purchased another machine for ₹ 20,000. On 31st March 2020 it sold off the first machine purchased in 2018 for ₹ 38,500 and on the same date purchased a new machine for ₹ 50,000. Depreciation is provided at 20 % p.a. on the Original Cost each year. Accounts are closed each year on 31st December. Show the machinery account for 3 years. 8

Or

- What is depreciation ? What are the causes of depreciation ? 8
21. On 1st July 2020 Chander sold good to Dinesh of the list price of ₹ 50,000 at 20 % trade discount and on the same day drew a bill on Dinesh for the amount due payable after three months. Dinesh accepted the bill on 4th September 2020. Dinesh retires his acceptance receiving a rebate of 15 % p.a. Pass entries in the books of the both parties. 8

PART – B
FINANCIAL ACCOUNTING – II

22. Under Single Entry accounting it is possible to prepare – 1
- (a) a trial balance
 - (b) a profit and loss account
 - (c) a receipts and payment account
 - (d) a balance sheet

23. Secondary storage device is – 1
- (a) RAM
- (b) ROM
- (c) PENDRIVE
- (d) DISK DRIVE
24. From which account we get credit purchase ? 1
25. What is the common objective of Single Entry System ? 1
26. Can a limited company maintain its account under Single Entry System ? 1
27. Give one limitation of Computerized Accounting System. 1
28. Mention two characteristics of a Balance Sheet. 2
29. Goods worth ₹ 1,00,000 were burnt by fire and a claim of ₹ 60,000 has been accepted by the insurance company. How it will be recorded in final account ? 2
30. Why is Statement of Affairs prepared under Single Entry System not called a Balance Sheet ? 2
31. What are the languages used for processing specific type of data ? 2
32. What are the purposes of preparing a Balance Sheet by a firm ? 4
33. Following are the extracts from the Trial Balance of a firm : 4

Trial Balance as on 31st December 2012

Particulars	Debit	Credit
Sundry Debtors	30,000	
Bad debts	5,000	

Additional Information ,

- (1) After preparing trial balance it is learnt that a debtor Ramesh has become insolvent and thereafter the entire amount of ₹ 3,000 due from him is irrecoverable.

(2) Create 10% provision for bad and doubtful debts. You are required to prepare Profit and Loss A/c and Balance Sheet of the firm.

34. Mention four limitations of Ready-made Software? 4

35. Prepare Trading A/c, Profit and Loss A/c and Balance Sheet from the following balances relating to the year ending 31st march 2012. 8

Particulars	Amount ₹	Particulars	Amount ₹
Capital	10,000	Wages	5,000
Creditors	1,200	Bank	1,000
Returns outward	500	Repairs	50
Sales	16,400	Stock (1-4-2011)	2,000
Bills payable	500	Rent	400
Plant and machinery	4,000	Manufacturing expenses	800
Sundry Debtors	2,400	Trade expenses	700
Drawings	1,000	Bad debts	200
Purchases	10,500	Carriages	150
Returns inward	300	Fuel and power	100

The closing stock was valued at ₹ 1,450

Depreciate Plant and machinery by ₹ 400.

Allow 5% Interest on capital

A sum of ₹ 40 is due for repairs.

36. The following is the Receipt and Payment A/c of B-Bee Forty Club for the year ending 31st December 2012.

8

Receipts	Amount	Payments	Amount
To Balance	15,000	By Salaries and wages	16,000
To Subscription :		By Office expenses	3,500
2011 6,000		By Sports equipment	34,000
2012 <u>35,000</u>	41,000	By Telephone charge	2,400
To Donation	5,000	By Electric charge	3,200
To Entrance fees	8,000	By Travelling expenses	6,500
		By Balance c/d	3,400
	69,000		69,000

- Outstanding subscription for 2012 – ₹ 5,500
- Entrance fees are to be capitalized.
- Outstanding Salaried and wages – ₹ 4,000
- Depreciate sports and equipment by 25%

Prepare Income and Expenditure A/c of the club from the above particulars.