

**2024**

**ACCOUNTANCY**

**Full Marks : 100**

**Pass Marks : 33**

**Time : Three hours**

**Instructions :**

- I. *All the questions are compulsory.*
- II. *Marks are indicated on the right margin of each question.*
- III. *For Question Nos. 1 – 8, four alternatives are given. Choose the correct or the best alternatives and re-write them.*
- IV. *For Question Nos. 9 – 16, the answers and calculations may be as short as possible.*
- V. *For Question Nos. 17 – 26, answers and calculations, solutions are to be given as required.*
- VI. *For Question Nos. 27 – 34, the answers and solutions are to be given as details.*
- VII. *For Question Nos. 35 – 38 are Essay type questions. Calculations and solutions are to be shown as required.*

P.T.O.

1. Internal user of accounting information are : 1
- (A) Potential Investors
  - (B) Creditors
  - (C) Management
  - (D) Employees
2. According to Convention of Conservatism : 1
- (A) Provision is made for bad and doubtful debts
  - (B) Depreciation is charged on assets
  - (C) Recording is made of outstanding expenses
  - (D) All of the above
3. According to which accounting standard inventories in general should be valued at the lower of the cost or net realizable value? 1
- (A) AS-7, Statement of Cash Flow
  - (B) AS-2, Valuation of Inventories
  - (C) AS-12, Income Taxes
  - (D) AS-1, Presentation of Financial Statement
4. The summary of all transaction related to a head is known as : 1
- (A) Capital
  - (B) Assets
  - (C) Account
  - (D) Liability

5. Which of the following liabilities are payable after a long period ? 1
- (A) Current liabilities.
  - (B) Non-Current liabilities.
  - (C) Contingent liabilities
  - (D) Permanent liabilities
6. Amortisation refers to writing off : 1
- (A) Depleting Assets
  - (B) Wasting Assets
  - (C) Intangible Assets
  - (D) Fictitious Assets
7. If sales are Rs. 2000 and the rate of gross profit on cost goods sold is 25%, then the cost of goods sold will be : 1
- (A) Rs. 1,500
  - (B) Rs. 1,700
  - (C) Rs. 1,800
  - (D) Rs. 1,600
8. Income tax in case of sole trader is treated as : 1
- (A) Personal expenses
  - (B) Debtors expenses
  - (C) Business expenses
  - (D) None of the above

9. How do we ascertain the financial position of the business ? 1
10. What Entry is passed for withdrawing of goods by the proprietor for personal use? 1
11. The capital of a business organization is Rs. 3,50,000 and outside liabilities are Rs. 4,00,000. Calculate total asset of the firm. 1
12. What is the main feature of Reserve Fund? 1
13. What is the meant by rectifying Entry? 1
14. Give one example of Error of Principle. 1
15. What is Debit balance of input IGST Account? 1
16. Mention any one difference between fixed asset and current asset. 1
17. Define Accounting. 2
18. What are Internal Liabilities? Give one example of Internal liabilities. 2
19. Why are accounting standards required? 2
20. What is Convention of full disclosure? 2
21. Ravi purchased on credit goods for Rs. 5,00,000 less 20% Trade Discount. As per the terms, he can deduct 4% Cash Discount if he pays the full amount within 15 days. What amount he will have to pay to avail the Cash Discount? 2
22. Give two characteristics or features of provisions. 2
23. What are the two stages of rectification of errors ? 2
24. What is the main uses of Suspense Account and when are rectification entries passed through the Suspense Account? 2
25. Calculate cost of goods sold from the following : 2
  - Total purchases during the year are Rs. 8,00,000
  - Returns outward Rs. 20,000
  - Direct expenses Rs. 60,000

26. How would you treat goods given away in charity while preparing financial statements of an organization? 2
27. Explain briefly how accounting is influenced by personal judgments with an example? 4
28. How are Accounting Standards helpful to Accountants and Auditors? 4
29. Define any four characteristics of GST. 4
30. Write the main purposes for preparing a Bank Reconciliation Statement? 4

**OR**

Point out four errors disclosed by Trial Balance. Explain them briefly. 4

31. Enter the following transactions in the Purchases Return Books of Kumar : 4

April 6, 2023	Returned 10 mobile phone accessories @ Rs. 2,000 each, not in accordance with order, CGST and SGST had been paid @ 6% each.
April 16, 2023	Returned 2 mobile phone @ Rs. 8,000 each, due to some technical problems. IGST had been paid @ 12%.

**OR**

Enter the following transactions in the Sales Book of M/S Mahesh Furniture House, Kolkata assuming CGST @ 6% and SGST @ 6% 4

**2022**

- June 4 Sold to Raj Furniture, Guwahati :  
120 Chairs @ Rs. 1,800 each  
25 Tables @ Rs. 8,000 each  
Less trade discount of 10%
- June 8 Sold to S. Mani & Sons, Imphal :  
8 Almirahs @ Rs. 15,000 each  
9 Steel Cabinets @ Rs. 20,000 each  
Less Trade discount of 10%
- June 12 Sold old Computer for Rs. 1,500 to Alok Das & Co, Kolkata
- June 20 Sold 4 Sofa sets @ Rs. 25,000 each to Das & Co. Patna for cash

32. Sangai Pvt. Ltd. purchased a Motor Car on 1<sup>st</sup> October, 2020 for Rs. 2,25,000 on credit plus CGST and SGST @ 6% each. The estimated life is 5 years and its scrap value after 5 years will be Rs. 20,000. Depreciation is to be charged on Straight line basis. The Accounts are closed on 31<sup>st</sup> March every year.
- Pass necessary journal entries relations to the above transactions for the first two years. 4

**OR**

Why should depreciation be provided on fixed assets? Give any four reasons. 4

33. Rectify the following errors : 4

- (a) Bought Radio for Rs. 1,000 for the proprietor was debited to General expenses A/c.
- (b) Bought goods from Mohan Rs. 2,000 was passed through the Sales Book.
- (c) Wages due Rs. 1,500 has not been taken into account.
- (d) Goods Returned by Kamal Rs. 240 has been debited to his account Rs. 420

**OR**

Rectify the following errors assuming that a Suspense Account was opened. 4

- (i) Credit sales to Arun Rs. 7,000 were posted to the credit of his account.
- (ii) The sales Book was overcast by Rs. 500.
- (iii) A discount of Rs.282 allowed to a customer has been credited to his account Rs. 228.
- (iv) Cash sales Rs. 2,000 were posted to the debit of Sales Account as Rs. 5,000.

34. A merchant has earned a Net Profit of Rs. 57,200 for the year ended 31<sup>st</sup> March, 2022. Other balances in his Ledger are as under. Prepare his Balance Sheet. 4

Dr. Balance	Rs.	Cr. Balance	Rs.
Cash at Bank	4,800	Bills Payable	3,200
Cash in Hand	1,200	Creditors	61,300
Furniture	7,500	Loans	50,000
Debtors	80,100	Capital	3,32,300
Closing Stock	70,000		
Motor Car	40,000		
Building	1,50,000		
Plant and Machinery	1,20,000		
Bills Receivable	4,400		
Inventories	20,000		
Drawing	6,000		

35. (a) Journalise the following transactions : Rs.
- (i) Charge depreciation on Machinery 20,000
  - (ii) Salary due to Office Clerks 1,00,000
  - (iii) Received cash for Bad-Debts written off last year 5,000
  - (iv) Purchased goods from Thoibi for Rs. 50,000 at 20% Trade Discount. Half the payment was made in cash.
  - (v) Issued Cheque to Thoibi in full settlement 19,000
  - (vi) Paid life Insurance Premium by cheque 6,000
  - (vii) Proprietor used goods for household purposes 20,000
  - (viii) Goods given free to a hospital out of business 10,000

8

OR

(b) Prepare a Double Column Cash Book from the following information : 8

2023		Rs.
Oct. 1	Cash in hand	7,500
	Bank Overdraft	1,500
Oct. 2	Paid General expenses Rs. 2,250 plus CGST and SGST @ 6% each	
Oct. 3	Deposited into Bank	3,000
Oct. 4	Cash Sales Rs. 11,250 plus CGST and SGST @ 6% each	
Oct. 5	Sold goods for cheque which was deposited in Bank on the same day plus CGST and SGST 6% each	7,500
Oct. 6	Drew from Bank for personal use	1,500
Oct. 7	Paid to Sona in full settlement Rs. 5,250 in full settlement of his account	6,000
Oct. 8	Received from Arjun, who owes Rs. 7,500, Rs. 3,000 only on Account	

36. (a) On 1<sup>st</sup> April, 2021 following balances are appeared in the book of Sangai Traders.

Furniture Account Rs. 50,000

Provision for Depreciation of Furniture Account Rs. 22,000

On 1<sup>st</sup> October, 2021 a part of furniture purchased for Rs. 20,000 on 1<sup>st</sup> April, 2017 was sold for Rs. 5,000. On the same date, a new Furniture costing for Rs. 20,000 was purchased. The depreciation was provided @ 10% p.a. on original cost of the asset and no depreciation was charged on the asset in the year of sale. Prepare Furniture Account and Provision for Depreciation Account for the year ending 31<sup>st</sup> March, 2022. 8

OR

(b) SS Pvt. Ltd. bought a machine on 1<sup>st</sup> April, 2019 for Rs. 2,40,000 and spend Rs. 4,000 on its carriage and Rs. 6,000 towards installation cost. On 1<sup>st</sup> July, 2020 it purchased a second hand machinery for Rs. 75,000 and spend Rs. 25,000 on its overhauling. On 1<sup>st</sup> January, 2022 it decided to sell the machinery bought on 1<sup>st</sup> April, 2019 at a loss of Rs. 20,000. It bought another machine on the same date for Rs. 40,000. Company decided to charge depreciation @ 15% p.a on written down value method. Prepare Machinery Account for 3 years. Books are closed each year on 31<sup>st</sup> March. 8

37. (a) Point out the distinction between Trial Balance and Balance Sheet. 8

OR

(b) Explain the accounting treatment in Final Accounts of the following Adjustments : 8

- |                           |                           |
|---------------------------|---------------------------|
| (i) Closing Stock         | (ii) Outstanding Expenses |
| (iii) Accrued Income      | (iv) Bad Debts            |
| (v) Managers' Commission  | (vi) Prepaid Expenses     |
| (vii) Interest on Capital | (viii) Depreciation       |

38. (a) From the following Trial Balance and other information, prepare Trading and Profit & Loss Account for the year ending 31<sup>st</sup> March, 2023 and Balance Sheet as at that date. 8

Heads of Account	Debit (Rs.)	Credit (Rs.)
Sundry Debtors	32,000	
Opening Stock	22,000	
Cash in Hand	35	
Cash at Bank	1,545	
Plant and Machinery	17,500	
Sundry Creditors		10,650
Trade Expenses	1,075	
Sales		1,34,500
Salaries	2,225	
Carriage Outwards	400	
Rent	900	
Bills Payable		7,500
Purchases	1,18,870	
Discounts	1,100	
Premises	34,500	
Capital (1 <sup>st</sup> April, 2023)		79,500
Total	2,32,150	2,32,150

Additional Information :

- (i) Stock on 31<sup>st</sup> March, 2023 was Rs. 12,450.
- (ii) Rent was unpaid to the extent of Rs. 85 and Rs. 150 were outstanding for Trade Expenses.
- (iii) Rs. 400 are to be written off as bad debts out of the above debtors and 5% is to be provided for doubtful debts.
- (iv) Depreciate plant and Machinery by 10% and premises by 2%.
- (v) Manager is entitled to a commission of 5% on net profit after charging his commission.

OR

- (b) Following are the balances which have been withdrawn from the books of S. Kumar. You are required to prepare Trading, Profit and Loss Account and Balance Sheet as on 31<sup>st</sup> March, 2022. 8

Particulars	Rs.	Particulars	Rs.
Capital	1,23,000	Sundry Creditors	13,500
Insurance Premium	4,200	Sales	1,86,000
Plant and Machinery	7,500	Purchase Return	1,500
Opening Stock	22,500	Discount Allowed (Dr.)	1,200
Purchases	1,30,800	Discount Received (Cr.)	1,800
Sales Return	9,000	Rent Received	1,500
Sundry Debtors	31,500	Lighting Charges	600
Furniture	13,650	Internet and Telephone Expenses	9,450
Computers	60,000	Bank Balance	52,800
Manufacturing Expenses	3,000	Loan from Sushil at 12% p.a.	15,000
Carriage Inwards	1,200	Interest on loan from Susil	1,350
Carriage Outwards	450	Output CGST	45,000
Trade Expenses	23,100	Output SGST	45,000
		Input CGST	30,000
		Input SGST	30,000

Adjustments :

- (i) Stock on 31<sup>st</sup> March, 2022 was valued at Rs. 37,500.

(ii) Goods worth Rs. 2,700 were distributed as free samples. Goods worth Rs. 2,250 were used for personal purposes by the proprietor. These goods were purchased by paying CGST and SGST @ 6% each.

(iii) Depreciate Computers by 15%.

(iv) Included in Trade Expenses is Office Insurance Premium of Rs. 3,600 paid for the year ending 30<sup>th</sup> June, 2022.