

3. Which of the following is not a limitation of Accounting ?
- (a) Based on Accounting convention
 (b) Omission of Qualitative information
 (c) Evidence in court
 (d) Records assets at historical cost 1
4. A bill is drawn on 13th July, 2020 for 30 days. The due date of the bill will be :
- (a) 15th August 2020 (b) 14th August 2020
 (c) 17th August 2020 (d) 16th August 2020 (1)
5. Out of the following asset which one is NOT an intangible asset ?
- (a) Patents (b) Investments
 (c) Goodwill (d) Trademark 1
6. If accounting information is based on facts and it is verifiable by documents it has the quality of :
- (a) Relevance (b) Reliability
 (c) Understandability (d) Comparability 1
7. Mohit has returned goods worth ₹ 5,000 to Rahul as he found it defective. Which document will be prepared by Rahul ?
- (a) Invoice / bill (b) Debit note
 (c) Credit voucher (d) Credit note 1
8. Which of the following is known as “Principal Book of Accounting” ?
- (a) Balance Sheet (b) Trial Balance
 (c) Journal (d) Ledger 1
9. Rule of Personal Account is applicable/applied on Liabilities. (True / False) Give reason. 1
10. Which of the following items is shown on the debit side of Trial Balance ?
- (a) Bill payable A/c (b) Bank overdraft A/c
 (c) Commission received A/c (d) Bills receivable A/c 1

11. When wrong amount is entered in the Journal or subsidiary book it is called error of :

- (a) Omission (b) Principle
(c) Commission (d) Casting 1

12. The following balances were incurred by petty cashier during the month postage ₹ 500, conveyance ₹ 700, sundries ₹ 800. Imprest amount was ₹ 5,000. What will be the amount of reimbursement ?

- (a) ₹ 3,000 (b) ₹ 5,000
(c) ₹ 2,000 (d) ₹ 7,000 1

13. Match the following :

1. Provision is created	(a) To strengthen the financial position
2. Reserve is created	(b) To ascertain the financial position
	(c) None of the above

- (a) 1-(a), 2-(b) (b) 1-(b), 2-(a)
(c) 1-(c), 2-(b) (d) 1-(a), 2-(c) 1

14. Due to the Covid-19 pandemic, Mr. Amitabh started a business of buying and selling of hand sanitizers. For this he took an interest free loan from his father of ₹ 10,00,000 and invested ₹ 2,00,000 from his savings. Out of which he paid ₹ 1,00,000 for furniture, ₹ 3,00,000 for hand sanitizers, laptop for ₹ 50,000 and motor vehicle worth ₹ 1,00,000 for office use. He paid ₹ 40,000 as electricity bill, ₹ 10,000 for stationery and ₹ 5,000 for telephone charges during the year. He distributed hand sanitizers worth ₹ 10,000 to his friends and relatives. From the above calculate :

- (a) Capital
(b) Non current assets
(c) Expenses 3

OR

(a) Veena made cash sales of ₹ 2,50,000 and credit sales of ₹ 1,50,000. Her expenses for the year were ₹ 50,000 out of which ₹ 10,000 is yet to be paid. What will be Veena's income on cash basis of accounting ?

- (b) Neena made cash sales of ₹ 3,40,000 and credit sales of ₹ 1,30,000. Her expenses for the year were ₹ 2,50,000 out of which ₹ 30,000 is yet to be paid. What will be Neena's income on accrual basis of accounting ?
- (c) Salary paid ₹ 65,000 and outstanding ₹ 5,000. At the time of passing Journal Entry, what amount will be debited to Salary Account as per accrual concept ?
15. (a) Mr. Rahul places an order on 1st November, 2018 with M/s Sumit for the supply of machinery for ₹ 3,00,000. On receipt of the order, M/s Sumit purchases raw material, employs workers, produces machinery and delivers it to Mr. Rahul on 5th November, 2018. Mr. Rahul makes the payment on 10th November, 2018. On which date, the revenue is recognized by M/s Sumit and explain the relevant accounting concept.
- (b) A company purchased goods for ₹ 6,00,000 and sold 80% of such goods during the year. The market value of remaining goods was ₹ 1,00,000. The company valued the closing stock at cost. Which principle is being violated ? 4

OR

- (a) Mention the accounting principle/concept/assumption which is violated in the following cases and explain it :
- (1) Mohan the owner of a business receives an order for supply worth ₹ 2,00,000. He has also received ₹ 25,000 against this order. Mohan records it as a sale.
 - (2) Purchase of Pen, Pencils, Small calculator are shown as an Asset in Financial Statements.
- (a) Mention the accounting principle/concept/assumption which is applied in following cases and explain it :
- (1) Purchase of goods on credit from Rohan will be debited to Purchase A/c and credited to Rohan A/c.
 - (2) A Ltd. had shown a Contingent Liability of ₹ 2,00,000 as footnote after its Balance Sheet. After analysing Balance Sheet of A Ltd. B Ltd. purchased this running business without any enquiry. A Ltd. had prepared its books by following this convention.

16. Show an Accounting Equation for the following transactions : 4
- (i) Ajay started business with cash of ₹ 2,00,000, Stock (goods) ₹ 50,000, Furniture ₹ 20,000 and Creditors ₹ 20,000.
 - (ii) Received commission ₹ 3,000 including ₹ 500 as advance.
 - (iii) Paid 60% of creditors and availed a discount of ₹ 1,000.
 - (iv) Sold all furniture @ 20% profit to Rahul and received a B/R for 50% of the amount and for balance received cash.
17. Rectify the following errors by passing Journal entries : 4
- (i) Paid wages for the construction of the building debited to wages account ₹ 2,00,000.
 - (ii) Credit sales to Mayank for ₹ 7,000 were debited to Sumit's account as ₹ 5,000.
 - (iii) An item of ₹ 1,076 entered in the Sales Return Book had been posted to the debit of the customer who returned the goods.
 - (iv) Discount allowed of ₹ 200 to Rohan was posted in his account as ₹ 50.
18. Ram owed ₹ 15,000 to Shyam. On 1st April 2018, Ram paid ₹ 5,000 in cash and Shyam drew two bill for the balance : first for ₹ 6,000 at one month and second for ₹ 4,000 at 3 months. Both the bills were accepted by Ram. Shyam discounted the first bill from the bank on 4th April at 10% per annum. This bill was duly met on maturity. Shyam endorsed the second bill to Mohan on 1st May. This bill was dishonoured on the due date and Mohan paid ₹ 200 as noting charges. Pass necessary journal entries in the books of Shyam. 4

OR

Pass the necessary Journal Entries (only Dishonour) in the following cases :

- (i) Manish's acceptance for ₹ 8,000 which was endorsed over by Gaurav to Rohit was dishonored. Rohit paid ₹ 500 as noting charges. Journalise the above in the book of Gaurav.
- (ii) Journalise in the books of Sohan : Ankur's acceptance to Sohan for ₹ 50,000 which had been discounted with the bank for ₹ 48,000 has been returned by the bank unpaid. Bank has notified that ₹ 1,000 has been paid as noting charges.
- (iii) Meena's acceptance for ₹ 10,000 in favour of Kashish sent to bank for collection, dishonoured on due date and bank paid ₹ 2,000 as noting charges. Journalise in the books of Kashish.
- (iv) A bills receivable for ₹ 30,000 which has been discounted for ₹ 29,500 is dishonoured and bank paid ₹ 800 as noting charges. Journalise in the books of Drawee.

19. (a) Rajiv maintains a current account with Punjab and Sind Bank. On 31st March 2018, the bank column of the Cash Book showed an overdraft of ₹ 65,000 in his Current Account. From the following particulars, prepare Bank Reconciliation Statement :

(i) A bill receivable for ₹ 5,200 previously discounted with the bank had been dishonored and bank charges debited in the pass book amounted to ₹ 55. This event was not recorded in cash book.

(ii) Out of the total cheques amounting to ₹ 50,000 issued, cheque aggregating ₹ 15,000 were debited in March, cheques aggregating ₹ 20,000 were debited in April, and the rest have not yet been debited.

(iii) ₹ 100 debited by bank for bank charges were recorded two times in cash book.

(b) Prepare Purchases Books of M/s Rama Traders from following details :

2018

Feb. 1 Purchased from Garg Stationery :

10 Dozen Notebooks @ ₹ 120 per dozen

16 registers @ ₹ 50 per register

Trade discount @ 10%

CGST and SGST @ 6% each

Feb. 5 Purchased from Gupta Stationery :

200 packets Printing Paper @ ₹ 13 per packet

5 packets Drawing Sheets @ ₹ 80 per packet

Trade discount @ 10%

CGST and SGST @ 6% each

Feb. 12 Bought from Kiran Stationery :

20 packets Wax Crayons @ ₹ 250 per packet

200 Dozen Pencil Colours @ ₹ 15 per dozen

Trade discount @ 10%

IGST @ 12%

3+3

20. You are given the following balances as on April 1, 2019 : 6

Machinery A/c	₹ 3,00,000
Provision for Depreciation A/c	₹ 90,000

Depreciation is charged on machinery at 15% p.a. by Straight Line method. A piece of machinery purchased on April 1, 2017 for ₹ 1,00,000 was sold on 1st October, 2019 for ₹ 20,000 and a new machinery at the cost of ₹ 1,50,000 was purchased on the same date.

Prepare Machinery Account, Provision for Depreciation Account and Machinery Disposal Account for the year ended 31st March, 2020.

21. Journalise the following transactions in the books of M/s Vinod : 8

2019

- Jan. 1 Purchased goods from Karan for ₹ 4,00,000 at a trade discount of 10% plus CGST and SGST @ 9% each.
- Jan. 5 Sold goods to Vikas costing ₹ 40,000 at 25% above cost, less trade discount of 10% plus CGST and SGST @ 6% each and a cash discount of 5%. Vikas did not avail the cash discount.
- Jan. 15 Paid salary of ₹ 20,000 to Manik who provides 60% of his services to business and rest for domestic service of M/s Vinod.
- Jan. 20 Purchased machinery for ₹ 3,40,000 plus IGST @ 18% by taking loan of ₹ 2,00,000 from SBI bank and balance paid by cash.
- Jan. 22 Goods given as charity costing ₹ 5,000, sale price ₹ 6,000, CGST and SGST @ 6% each was paid at the time of purchase of such goods.
- Jan. 25 Sold goods to Sanjeev for ₹ 50,000, less 10% trade discount plus CGST and SGST @ 9% each. Received cheque for the amount.
- Jan. 27 Bought shares of "Reliance Ltd." for ₹ 1,00,000. All the payment is made by cheque.
- Jan. 29 Electricity expenses ₹ 1,000 paid by cheque.

OR

Enter the following transactions in the Cash Book with Cash and Bank columns and Journal Proper of Sameer :

2019

- Nov. 1 Cash in hand ₹ 20,000.
- Nov. 2 Sameer opened a Bank Current Account by depositing a cheque of ₹ 50,000 from his personal saving account.
- Nov. 5 Sold goods to Hemant for cash for ₹ 8,000 CGST and SGST @ 9% each.
- Nov. 8 Bought furniture for ₹ 3,000 plus IGST @ 18% and issued cheque.
- Nov. 10 Received cash from Shivam ₹ 8,000 and cheque for ₹ 10,000 was deposited into bank on November 12.
- Nov. 15 Withdrew from bank for office use ₹ 5,000 and for personal use ₹ 2,000.
- Nov. 20 Paid salary ₹ 3,000.
- Nov. 25 Interest debited by bank for ₹ 1,000.
- Nov. 28 Received a cheque for ₹ 5,000 from Taruna, which was endorsed to Charu.
- Nov. 29 Bought goods for ₹ 6,000 plus CGST and SGST @ 9% each.

Part-B

22. _____ represents the physical and tangible components of a computer. 1
23. What is the feature of Single Entry System ? 1
- (a) Lack of uniformity (b) Suitability
- (c) Depends on original voucher (d) All of the above
24. Deferred Revenue Expenditure is current year's revenue expenditure to be paid in later years. (True/False) Give reason. 1
25. Calculate cost of goods sold if sales are ₹ 2,00,000 and Gross Profit is 25% of cost of goods sold. 1
26. Operating Profit = _____ + Non operating expenses – Non operating income. 1
27. What is the difference between Capital Expenditure and Revenue Expenditure on the basis "Period" ? 1

28. Closing Stock appearing in the Trial Balance is shown : 1
- On the Debit Side of Trading A/c
 - On the Credit Side of Trading A/c
 - On the Assets side of Balance Sheet
 - On the Credit side of Trading account and the Assets side of Balance Sheet
29. Explain any three limitations of Computer System. 3

OR

Explain :

- Keyboard
 - Monitor
 - Central Processing Unit
30. Explain any four capabilities of a Computer System. 4
31. Mr. Rohit maintains incomplete records of his business. He wants to know the result of his business as on 31st March 2018 for that, following information are available : 6

Particulars	Ist April 2017 ₹	31st March 2018 ₹
Cash in hand	30,000	35,000
Bank balance	1,50,000	1,20,000
Furniture	20,000	20,000
Stock	1,00,000	90,000
Creditors	70,000	80,000

Personal expenses of Mr. Rohit paid from business account amounted to ₹ 96,000 and goods worth ₹ 4,000 were withdrawn by him for personal use. He once sold his investment of ₹ 30,000 at 3% premium and brought that money into the business. Calculate his profit or loss for the year ending 31st March 2018.

32. Prepare Trading Account, Profit & Loss Account and Balance Sheet from the following Trial Balance as on 31st March, 2017 :

8

Particulars	Debit (₹)	Credit (₹)
Cash in hand	4,000	
Cash at bank	36,000	
Purchases and sales	1,40,000	4,00,000
Return inwards and outwards	12,000	15,000
Carriage on purchases	8,800	
Carriage on sales	4,200	
Fuel and power	31,000	
Stock (1/4/2016)	72,000	
Bad debts	12,400	
Provision for bad debts		5,000
Debtors and Creditors	1,54,000	50,000
Capital		1,94,000
Investments	40,000	
Interest on investments		4,000
Loan from Rahul @ 18% p.a.		20,000
Repairs	3,040	
General expenses	21,200	
Land & Building	1,20,000	
Wages and salaries	36,000	
Miscellaneous receipts		240
Bills payable		10,400
Stationery	4,000	
	6,98,640	6,98,640

Adjustments :

1. Write off ₹ 4,000 as bad debts and provision for doubtful debts is to be maintained at 5% on debtors.

2. Loan from Rahul was taken on 1st August, 2016. No interest has been paid so far.
3. Included in general expenses is insurance premium ₹ 2,400 paid for one year ending 30th June, 2017.
4. $\frac{1}{3}$ of wages and salaries is to be charged to Trading A/c and the balance to Profit & Loss A/c.
5. Entire Stationery was used by the proprietor for own purpose.
6. Closing stock was valued at ₹ 1,00,000.

OR

For the following Trial Balance of Mr. Gupta, prepare Trading Account and Profit & Loss Account for the year ended 31st March, 2020 and a Balance Sheet on that date after making the adjustments given below :

Particulars	Debit (₹)	Credit (₹)
Capital		60,000
Drawings	13,000	
Stock as on (1/4/2019)	30,000	
Purchases	52,000	
Sales		1,12,000
Return outward		3,500
Return inward	2,500	
Carriage inward	2,100	
Carriage outward	2,000	
Loan to Shankar @ 10% p.a. (given on 1-7-2019)	4,000	
Rent	7,000	
Discount allowed	1,200	
Interest on loan		200

Bad debts	1,800	
Plant & Machinery	24,000	
Provision for doubtful debts		800
Cash in hand	6,600	
Debtors	16,000	
Furniture	19,000	
Wages	3,000	
Advertisement	1,100	
Creditors		16,800
Cash at bank	8,000	
	<u>1,93,300</u>	<u>1,93,300</u>

Adjustments :

1. Closing stock was valued at ₹ 20,000.
2. Write off bad debts for ₹ 600 and make a provision for doubtful debts on debtors at 10%.
3. Depreciate Plant and Machinery by 10% p.a.
4. Outstanding wages ₹ 600 and rent ₹ 1,500.
5. Goods costing ₹ 2,000 were destroyed by fire. The insurance company admitted a claim for ₹ 1,800 only.

□□□