

2020
ACCOUNTANCY

Marks: 90

Time: 3 hours

General Instructions:

- i) *Approximately 15 minutes is allotted to read the question paper and revise the answers.*
- ii) *The question paper consists of 20 questions. All questions are compulsory.*
- iii) *Marks are indicated against each question.*
- iv) *Internal choice has been provided in some questions.*

N.B: *Check that all pages of the question paper is complete as indicated on the top left side.*

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|--|----------|
| 1. What is book keeping? | 1 |
| 2. Write the full form of AICPA. | 1 |
| 3. Define GST. | 1 |
| 4. What is meant by fund based accounting? | 1 |
| 5. What is meant by gross profit? | 1 |
| 6. What system is used for providing information necessary to take decision and to manage the organization? | 1 |
| 7. Explain the three fundamental accounting assumptions. | 3 |
| 8. Enumerate any three qualitative characteristics of accounting information. | 3 |
| 9. Identify three major applications of a computer in accounting. | 3 |
| 10. Explain error of commission and give at least two examples of such error. | 3 |
| 11. From the following balances, prepare a trial balance (balance method) of Z Limited as on 31 st March, 2018. Cash ` 75,000; Furniture ` 30,000; Salaries ` 25,000; Creditors ` 35,000; Purchases ` 2,55,000; Debtors ` 49,000; Sales ` 3,04,000; Capital ` 95,000. | 3 |
| 12. Opening stock ` 50,000, sales ` 1,60,000, carriage inward ` 10,000, sales returns ` 10,000, gross profit ` 60,000, purchases ` 1,00,000, purchase returns ` 9,000. Calculate the closing stock and the cost of goods sold. | 3 |

13. a. Explain any six users of accounting information and their needs.

Or

- b. Explain three advantages and three arguments against setting accounting standards.

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14. Answer **any two** from the following:

6x2=12

- a. Journalize the following transactions:

Date	Transactions	`
2018		
Jan.1	Suresh had with him last year ` 5,000 worth of goods and cash ` 10,000.	
Jan. 2	Wages due to labours	180
Jan .10	Purchased goods from Akum Enterprises plus CGST @ 9% and SGST @ 9%	20,000
Jan.16	Sold goods to Nikato Enterprises plus CGST @ 9% and SGST @ 9%	40,000
Jan.27	Binod who owed ` 8,500 became insolvent, received from the Official Receiver a first composition of 50 paise in the rupee.	4,250
Jan.28	Purchased an old motor cycle for his son	4,000

- b. The following transactions took place during the week ending 28th of May, 2018. How will you record them in the Petty Cash Book which is maintained with a weekly 'float' of ` 280?

Date	Particulars	`
2018		
May 23	Postage	24.00
May 24	Casual labour	30.00
May 25	Taxi hire	36.00
May 26	Writing pads and registers	48.00
May 27	Cartage	12.00
May 28	Bus fare	18.00
May 28	Sundry expenses	15.00
May 28	Telegrams	20.00

- c. From the following particulars, prepare a Bank Reconciliation Statement as on 31st December, 2019.
- On 31st December, the cash book of a firm showed a bank balance of ₹ 6,000 (debit balance)
 - Cheque had been issued for ₹ 5,000 out of which cheques worth ₹ 4,000 only were presented for payment.
 - Cheques worth ₹ 1,400 were deposited in the bank on 28th December, but had not been credited by the bank. In addition to this, one cheque for ₹ 500 was entered in the cash book on 30th December but was banked on 3rd January.
 - A cheque from Sanuo for ₹ 400 was deposited in the bank on 26th December, but was dishonoured and the advance was received on 2nd January.
 - Pass Book showed bank charges of ₹ 20 debited by the bank.
 - One of the debtor deposited a sum of ₹ 500 in the bank account to the firm on 20th December, but the intimation in this respect was received from the bank on 2nd January.
 - Bank Pass Book showed a credit balance of ₹ 5,180 on 31st December, 2019.
15. a. On 1st January, A sold goods worth ₹ 10,000 to B and drew a bill on B at three months for the amount. B accepted the bill and returned it to A who discounted the bill with the bank on 4th February at 15% per annum. The bill is duly honoured at maturity. Pass the necessary journal entries in the books of A and B.
- Or** **6**
- b. Define Bill of Exchange. Explain the advantages of Bill of Exchange. (2+4=6)
16. a. Distinguish between manual accounting system and computerised accounting system on any six basis.
- Or** **6**
- b. Explain any six features of computerized accounting system.
17. a. Prove that the accounting equation is satisfied in the following transaction of Viroko:
- Commenced business with cash ₹ 60,000.
 - Paid rent in advance ₹ 500.
 - Purchased goods for cash ₹ 30,000 and credit ₹ 20,000.
 - Sold goods for cash ₹ 30,000 costing ₹ 20,000.
 - Paid salary ₹ 500 and salary outstanding ₹ 100.
 - Bought motorcycle for personal use ₹ 5,000.

Or**6**

- b. What are accounting vouchers? Mention the types of accounting voucher with examples. (1+5=6)

18. a. The trial balance of Mr. Wise as on 31st March, 2018 was as follows:

Particulars	Dr. `	Cr. `
Capital/ Drawings	3,200	1,80,000
Stock as on 1.4.2017	9,000	—
Purchases/Sales	64,500	1,19,000
Sales returns	2,000	—
Insurance premium	1,500	—
Duty paid on purchases	10,000	—
Primary packing expenses	2,000	—
Carriage outwards	8,000	—
Postage	100	—
Advertisement	1,000	—
Bad debts	300	—
Discount	—	500
Bills payable	—	9,000
Bank overdraft	—	3,000
Land and buildings	90,000	—
Plant and machinery	70,000	—
Furniture	1,000	—
Debtors/Creditors	25,400	42,000
Cash in hand	500	—
Cash at bank	40,000	—
Goodwill	9,000	—
Wages and salaries	16,000	—
	3,53,500	3,53,500

Adjustments:

- i) Closing stock as on 31.03.2018 was ` 21,600.
- ii) Interest on bank overdraft unpaid ` 275.
- iii) Half yearly insurance premium prepaid.
- iv) Depreciate land and buildings @ 10% and plant and machinery @ 20%.
- v) Write off further bad debts of ` 400 and make provisions for required doubtful debts at 5% on debtors.

Prepare Trading and Profit and Loss Account for the year ended on 31st March, 2018 and a Balance Sheet as on that date.

Or

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- b. From the following information, prepare Trading and Profit and Loss Account for the year ending on 31st March, 2019 and the Balance Sheet as on that date.

Cash in hand	1,000	Sundry creditors	48,000
Cash at bank	17,000	Loan on mortgages	50,000
Sundry debtors	56,000	Capital	1,00,000
Opening stock	41,000	Sales	4,50,000
Furniture and equipment	30,000	Rent received	6,000
Land and building	1,20,000	Purchase returns & allowances	} 4,000
Drawings	12,000	Advertising	
Sales returns & allowances	5,000	Insurance premium	8,000
Purchases	2,80,000	Utilities expenses	7,000
Transportation inward	4,000	Interest on loan	3,000
Salaries	54,000		

Insurance premium is for the year ending 30th June 2019, depreciation to be provided on furniture and equipment at 5% per annum and on land and building at 2% per annum. Interest on loan is 12% per annum and is unpaid for six months. Stock in hand on 31st March, 2019 is ₹ 25,000.

19. a. John keeps his books by Single Entry System Method. He supplies the following information relating to his business for the year 2019.

Particulars	31.12.2018	31.12.2019
	Dr. ₹	Cr. ₹
Cash at bank	10,000	12,000
Cash in hand	11,400	9,600
Bank overdraft	45,000	40,000
Stock	14,000	16,800
Office equipment	40,000	40,000
Sundry creditors	38,600	37,200
Sundry debtors	30,200	29,800
Bills receivable	42,400	40,800
Land and buildings	53,000	53,000
Furniture and fittings	4,600	4,600
Bills payable	62,000	58,000

During the year, he introduced ₹ 4,000 as additional capital and withdrew ₹ 2,000 as drawings. Depreciation is to be calculated on office equipment at 2% and on furniture and fittings @10% per annum. Provide for doubtful debts at 5% on sundry debtors.

Ascertain the Profit or Loss for the year 2019.

Or

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- b.** What is meant by incomplete records? State any four reasons of incomplete records. Write any four differences between Statement of Affairs and Balance Sheet. (2+4+4=10)

20. **a.** Alpha Limited Company purchased on 1st January, 2017 a small plant for ₹ 10,000. On 1st July in the same year an additional plant was purchased costing ₹ 5,000. On 1st October, 2019 the plant purchased on 1st January, 2017 having become obsolete, is sold off for ₹ 6,750. On the same date, a fresh plant was purchased for ₹ 12,000. Depreciation is provided at 10% per annum on a straight line method.

Prepare Plant Account and Depreciation Account for three years assuming that the accounts are closed on 31st December every year.

10

Or

- b.** Explain the different types of reserve. Distinguish between provision and reserve on six basis. (4+6=10)
