

2021

Full Marks: 100

Pass Marks: 30

Time: Three hours

The figures in the margin indicate full marks for the questions

1. (a) Fill in the blanks (any four): 1×4=4

- (1) Accounting is the _____ of business.
- (2) Salary paid to Mohan will be debited to _____ Account.
- (3) Trading Account is a _____ Account.
- (4) Under Single-entry System, Profit = Closing Capital + Drawings – Additional Capital – _____.
- (5) _____ is called the brain of the computer.
- (6) Only _____ transactions are recorded in cashbook.

(b) State whether the following statements are True or False (any four): 1×4=4

- (1) As per Dual Aspect Concept, Assets = Liabilities – Capital.
- (2) Accountants regard a business separate from its owners.
- (3) Assets Account always shows debit balance.
- (4) The full form of AIS is Accounting Information System.
- (5) Three days are given as 'days of grace' to a bill.
- (6) Depreciation is a non-cash expense.

2. Mention two advantages of accounting. 2

Or

Mention two qualitative characteristics of accounting information.

3. What is going-concern concept? 2

Or

What is accrual basis of accounting?

4. What is meant by a voucher? 2

Or

Why is Journal called 'book of original entry'?

5. Give two limitations of Balance sheet. 2

Or

Give two examples of current liabilities.

6. What is meant by 'database'? 2

Or

Give two limitations of single-entry system.

7. Distinguish between Bill of Exchange and Promissory Note. 3

Or

What are the parties to a Bill of Exchange?

8. Mention three advantages of Bank Reconciliation Statement. 3

Or

Write three differences between Purchase Book and Purchase Account.

9. Mention three distinctions between Journal and Ledger. 3

Or

Write three features of Profit & Loss A/c.

10. Define the terms 'entity' and 'relationship' in database accounting. 3

Or

Write three features of computerized accounting system.

11. Explain three objectives of Trial Balance. 3

Or

Explain briefly the methods of preparing a Trial Balance.

12. What is accounting? What is the need for accounting? 1+4=5

Or

Explain the following terms: 5

(a) Transaction.

(b) Asset.

(c) Liability.

(d) Capital.

(e) Profit.

13. What do you mean by accounting principles? Explain the business entity concept. 2+3=5

Or

Write five advantages of double-entry system. 5

14. Define Ledger. What is meant by Ledger posting? 2+3=5

Or

Record the following transactions in a Sales Book: 5

2019

April 1 — Sold in cash 50 shirts @ Rs. 500 each to Ram.

April 10 — Sold on credit to Arnab 20 trousers @ Rs. 1,000 each.

April 15 — Sold on credit to Ayushi 10 jeans @ Rs. 1,200 each.

April 20 — Sold on credit to Nidhi 30 frocks @ Rs. 600 each.

15. What do you mean by error in accounting? What is its classification? 1+4=5

Or

Journalize the following transactions:

2019

December 1 — Started business with cash Rs. 40,000.

December 2 — Bought furniture Rs. 5,000.

December 3 — Purchased goods from Joshi on cash Rs. 6,000.

December 4 — Purchased goods from Joshi Rs. 3,000.

December 5 — Sold goods to Naresh Rs. 5,000.

16. On June 15, 2019, Jonaram drew a bill on Sonaram for Rs. 4,000 payable after three-months. After the acceptance of the bill, Jonaram discounted it with his banker at 10% p.a. On the due date, the bill was dishonoured. Journalize the above transactions in the books of Jonaram. 5

Or

Write short notes on the following: 2+2+1=5

(a) Endorsement of a bill.

(b) Accommodation bill.

(c) Bearer cheque.

17. Give five distinctions between Statement of Affairs and Balance Sheet. 5

Or

Give five distinctions between Capital Expenditure and Revenue Expenditure.

18. What are the features of Accounting Information System? 5

Or

Discuss the advantages of using computers in accounting.

19. Explain the points of non-agreement of the bank balance as shown by cashbook with that of passbook. 8

Or

Enter the following transactions in a Triple-column Cashbook:

2018

January 2 — Started business with cash Rs. 20,000.

January 3 — Deposited cash into bank Rs. 18,000.

January 4 — Bought goods by cheque Rs. 15,000.

January 10 — Drew from bank for personal use Rs. 2,000.

January 15 — Sold goods and cheque received, which was deposited into bank on the same day Rs. 8,000.

January 20 — Drew cash from bank for office use Rs. 5,000.

January 31 — Received from Hari, who owed Rs. 300, cash Rs. 290 in full settlement of account.

20. On 1st January, 2015, a firm purchased a machinery worth Rs. 50,000. On 1st July, 2017, an additional machinery worth Rs. 10,000 was purchased and incurred Rs. 1,000 towards installation charges. Accounts are closed on 31st December every year. Annual rate of depreciation is 10% under reducing balance method. Prepare the Machinery A/c from 1st January, 2015 to 31st December, 2019 in the books of the firm. 8

Or

Explain in brief (any two): $4 \times 2 = 8$

(a) Provision.

(b) Reserve.

(c) Revenue Reserve.

(d) Capital Reserve.

21. (a) How is profit or loss ascertained by Statement of Affairs method in case of incomplete records? 4

(b) Mention four points of difference between Single-entry System and Double-entry System. 4

Or

From the following information, prepare necessary accounts to ascertain the amount of credit sales: $5 + 3 = 8$

Balance of Debtors on 01/01/2020 — Rs. 1,20,000

Balance of Bills Receivable on 01/01/2020 — Rs. 30,000

Cash received from Debtors during the year 2020 — Rs. 3,00,000

Cash received against Bills Receivable — Rs. 80,000

Bad Debts written off — Rs. 10,000

Return Inward — Rs. 30,000

Discount Allowed to Debtors — Rs. 3,000

Balance of Debtors on 31/12/2020 — Rs. 1,00,000

Balance of Bills Receivable on 31/12/2020 — Rs. 24,000

22. From the following balances, prepare a Trading A/c and Profit & Loss A/c for the year ended 31st March, 2020 and a Balance Sheet of Mr. Choudhary as on that date: $2 + 4 + 2 = 8$

Debit:

Purchases — Rs. 60,000

Carriage Inward — Rs. 2,000

Carriage Outward — Rs. 1,000

Wages — Rs. 5,000

Coal, Gas — Rs. 1,000

Salaries — Rs. 6,000

Office Expenses — Rs. 1,500

Discount — Rs. 500

Sundry Debtors — Rs. 24,000

Bad Debts — Rs. 1,000

Building — Rs. 10,000

Cash in Hand — Rs. 2,500

Credit:

Sales — Rs. 70,000

Bills Payable — Rs. 7,000

Sundry Creditors — Rs. 20,000

Commission — Rs. 500

Bad Debts Recovered — Rs. 500

Bank Interest Received — Rs. 100

Capital — Rs. 16,400

Total — Rs. 1,14,500

Adjustments:

(1) Closing Stock Rs. 15,000.

(2) Salaries Outstanding Rs. 500.