

Marking Scheme of Sample Paper

Elements of Book Keeping and Accountancy

Class X (2017-18)

1. (a)
2. (c)
3. (a)
4. (b)
5. (a)
6. (a)
7. (b)
8. (d)
9. (a)
10. (b)

11. Bill of Exchange:

A bill of exchange is an instrument in writing drawn by the creditor upon his debtor containing an unconditional order to pay a certain sum of money on a certain date to a certain person or to his order or to the bearer of the instrument for the value received. 2

12.

Journal

Date	Particulars	LF	Dr. Amount (Rs.)	Cr. Amount (Rs.)
	Machinery Account Dr. To Bank Account (Machinery purchased)		80,000	80,000
	Machinery Account Dr. To Bank Account (Paid Installation charges)		20,000	20,000
	Depreciation Account Dr. To Machinery Account (Depreciation charged on Machinery)		10,000	10,000

$\frac{1}{2} + \frac{1}{2} + 1 = 2$

13. Bank Reconciliation Statement: This statement is prepared to reconcile the difference in bank balance as shown by Cash Book and Pass Book. 2

14. Credit balance of Cash Book implies unfavourable balance. It is called Bank Overdraft. 2

15. Cost of Goods Sold = Opening Stock + Net Purchases + Direct Expenses - Closing Stock
 = 75,000 + 8,000
 = 83,000

Or

Cost of Goods Sold = Net Sales – Gross Profit
 = 1,25,000 – 42,000
 = 83,000

1 mark for formula and 1 mark for correct calculation

16. Any two of the following limitations:

- (i) A Trial Balance can't be prepared and accuracy of accounts can't be assured.
- (ii) Correct ascertainment and evaluation of financial results of business operations can't be made.
- (iii) The owners face great difficulty in filing insurance claims.
- (iv) It becomes difficult to convince the 'Income Tax Authorities' about the reliability of the computed income.

1 X 2 = 2

17. Examples of Revenue Expenditure:

- (i) Payment of Expenses
- (ii) Depreciation charged of fixed assets
- (iii) Maintenance Expenditure like repairs, white washing etc.

1 X 3 = 3

18. Fixed Installment Method of charging Depreciation:

- (i) Under this method the amount of depreciation remains constant from year to year.
- (ii) The original cost of the asset is reduced to zero at the end of its useful life.
- (iii) This method is suitable for those assets whose useful life can be estimated accurately and where the use of the asset is constant from year to year.

1 X 3 = 3

19. Deferred Revenue Expenditure is the expenditure of revenue nature which gives benefits for more than one accounting period e. g. heavy advertisement expenditure on launching a new product is likely to give benefit for more than one accounting period. Example: Heavy expenditure on advertisement for launching a new product whose benefits will be available for over a period of one year.

3

20. Difference between Trading Account and Profit & Loss Account:

Basis of Difference	Trading Account	Profit & Loss Account
Expense	Direct Expenses are debited in this account	Indirect Expenses are debited in this account
Profit	It is prepared to ascertain gross profit or gross loss.	It is prepared to ascertain net profit or net loss.

1 ½ + 1 ½ = 3

21. Closing Capital = Opening Capital + Additional Capital + Profit – Drawings
 = 3,40,000 + 40,000 + 2,40,000 – 1,40,000
 = 4,80,000

1
1
1

22. Difference between Statement of Affairs and Balance Sheet:

Basis of Difference	Statement of Affairs	Balance Sheet
Objective	Its objective is to estimate the balance in capital account on a particular date.	Its objective is to show the true financial position of a business on a particular date.
Reliability	It is less reliable as it is prepared from incomplete records.	It is more reliable as it is prepared on the basis of double entry system.
Omission	Omission of assets or liabilities can't be discovered easily.	Omission of assets or liabilities can be discovered easily.

1 X 3 = 3

23.

Machine Account

Date	Particulars	JF	Amount (Rs.)	Date	Particulars	JF	Amount (Rs.)
2014 Oct 1	To Bank Account		90,000	2015 Mar 31	By Depreciation Account		5,000
	To Bank Account		10,000	Jun 30	By Balance c/d		95,000
			1,00,000				1,00,000
2015 Apr 1	To Balance b/d		95,000	2016 Mar 31	By Depreciation Account		10,000
			95,000		By Balance c/d		85,000
2016 Apr 1	To Balance b/d		85,000	2017 Mar 31	By Depreciation Account		10,000
			85,000		By Balance c/d		75,000
							85,000

(1 mark for account of each year) + 1 mark for calculation of Depreciation

1 + 3 = 4

24. Causes of difference between Bank balance as shown by Cash Book and Pass Book:

- (i) Cheques issued by the bank but not yet presented.
- (ii) Cheques paid into bank but not yet collected.
- (iii) Amount directly deposited by customers into bank.
- (iv) Direct debit by bank on behalf of customers.
- (v) Interest and Dividend collected by bank.
- (vi) Bank charges debited by bank in Pass Book.

(1 mark each for any four differences) 1 X 4 = 4

25. Uses of Incomplete records:

- (i) This system is useful to the businessmen who do not have the proper knowledge of the accounting principles.
- (ii) It is an inexpensive mode of making records.
- (iii) It consumes less times.
- (iv) It is a convenient mode because only one aspect of transaction is recorded. 1 X 4 = 4

26. (i) Cheques issued but not encashed Add

(ii) Bank charges Subtract

(iii) Collection of Dividend by the bank Add

(iv) Cheques deposited but not cleared Subtract

(v) Insurance Premium paid by the bank on behalf of customer Subtract

1 X 5 = 5

27. Items to be shown on the debit side of Trading Account:

- (i) Opening Stock
- (ii) Purchases
- (iii) Direct Expenses
- (iv) Gross Profit
- (v) Sales Return $\frac{1}{2} \times 5 = 2 \frac{1}{2}$

Items to be shown on the debit side of Profit & Loss Account:

- (i) Gross Loss
- (ii) Net Profit
- (iii) Indirect Expenses
- (iv) Depreciation
- (v) Loss on sale of fixed assets $\frac{1}{2} \times 5 = 2 \frac{1}{2}$

28. Bill of exchange is drawn when the purchaser is unable to make cash payment at the time of purchase. It ensures that the payment will be made by the purchaser on the presentation of bill of exchange on due date. Bill of exchange can be discounted from bank to get payment immediately. 2

Parties to a bill of exchange:

- (i) Drawer: Who draws the bill of exchange.
- (ii) Drawee: Upon whom the bill of exchange is drawn.
- (iii) Payee: Who will receive the payment.

$1 \times 3 = 3$

29. Revenue Expenditure:

It is incurred for day to day running of the business. 1

Capital Expenditure	Revenue Expenditure
It increases the earning capacity of business.	It maintains the earning capacity of business.
It is incurred to acquire fixed assets for operation of the business.	It is incurred to conduct day to day business.
It is recurring in nature.	It is non-recurring in nature.
It benefits more than one accounting year.	It normally benefits for one accounting year.
It is shown in Balance Sheet.	It is shown in Trading and Profit & Loss Account.

(Any four) $1 \times 4 = 4$

30.

Avinash & Company

Bank Reconciliation Statement

As on December 31, 2017

Particulars	Plus Items (Rs.)	Minus Items (Rs.)
Overdraft as per Pass Book		10,000
Interest on Overdraft	375	
Insurance Premium paid by Bank	1,525	
Cheques issued but not presented		3,250
Cheques deposited but not yet cleared	3,000	
Balancing Figure	8,350	
	13,250	13,250
Overdraft as per Cash Book		8,350

$1 \times 5 = 5$

31.

Kamal
Trading and Profit & Loss Account
for the year ended March 31, 2017

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To Opening Stock	8,000	By Sales	42,000
To Purchases	22,000	By Closing Stock	4,500
To Carriage	2,500		
To Gross Profit c/d	14,000		
	46,500		46,500
To Salaries	3,500	By Gross Profit b/d	14,000
To Rent	1,200		
To Printing & Stationery	1,000		
To Commission	1,100		
To Discount Allowed	600		
To Trade Expenses	1,200		
To Selling Expenses	600		
To Repairs	600		
To Net Profit	4,200		
	14,000		14,000

2 + 3 = 5

32.

Printing Machine Account

Date	Particulars	JF	Amount (Rs.)	Date	Particulars	JF	Amount (Rs.)
2014 Jul 1	To Bank Account		40,000	2015 Mar 31	By Depreciation Account		6,750
	To Bank Account		5,000	Jun 30	By Balance c/d		38,250
			45,000				45,000
2015 Apr 12	To Balance b/d		38,250	2016 Mar 31	By Depreciation Account		9,400
2016 Jan 1	To Bank Account		35,000		By Balance c/d		63,850
			73,250				73,250
2016 Apr 1	To Balance b/d		63,850	2017 Mar 31	By Depreciation Account		12,770
			63,850		By Balance c/d		51,080
							63,850

(2 Marks for account of each year) 2 X 3 = 6

OR

Depreciation: Decrease in the value of a fixed asset due to use, Passage of time, obsolescence and accidents is called depreciation.

2

Causes of Depreciation:

- (i) Because of use, Wear and tear of the asset takes place that results into depreciation.
- (ii) Even than an asset may not be used its value may decreases because of passage of time.
- (iii) The development of new technology makes the assets with old technology obsolete and the same may results into depreciation.
- (iv) Accidents may reduce the value of asset.

4

Journal

Date	Particulars	LF	Dr. Amount (Rs.)	Cr. Amount (Rs.)
2017 Jan 1	Bimal Dr. To Sales Account (Sold goods to Bimal)		10,000	10,000
Jan 1	Bills Receivable Account Dr. To Bimal (Acceptance received from Bimal)		10,000	10,000
Apr 4	Bank Account Dr. To Bills Receivable Account (Bimal met his acceptance on maturity)		10,000	10,000

1 X 3 = 3

Books of Bimal

Journal

Date	Particulars	LF	Dr. Amount (Rs.)	Cr. Amount (Rs.)
2017 Jan 1	Purchases Account Dr. To Ankit (Goods purchased from Ankit)		10,000	10,000
Jan 1	Ankit Dr. To Bills Payable Account (Accepted Ankit's draft)		10,000	10,000
	Bills Payable Account Dr. To Bank Account (Met our acceptance in favour of Ankit on maturity)		10,000	10,000

1 X 3 = 3

OR

Books of Mukesh

Jitender

Date	Particulars	JF	Amount (Rs.)	Date	Particulars	JF	Amount (Rs.)
2017 Jul 1	To Sales Account		30,000	2017 Jul 1	By Bills Receivable A/c		30,000
			30,000				30,000

Bills Receivable Account

Date	Particulars	JF	Amount (Rs.)	Date	Particulars	JF	Amount (Rs.)
2017 Jul 1	To Jitender		30,000	2017 Jul 1	By Bank A/c		30,000
			30,000				30,000

34.

M/s Raj
Statement of Affairs
as on April 1, 2016

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Creditors	66,000	Cash in hand	1,000
Bills Payable	44,000	Cash at bank	15,000
Capital	1,32,500	Stock	1,00,000
		Debtors	42,500
		Furniture	9,000
		Business Premises	75,000
	2,42,500		2,42,500

M/s Raj
Statement of Affairs
as on March 31, 2017

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Creditors	87,000	Cash in hand	1,500
Bills Payable	58,000	Cash at bank	10,000
Capital	1,74,000	Stock	95,000
		Debtors	70,000
		Furniture	7,500
		Business Premises	1,35,000
	3,19,000		3,19,000

3+3=6

OR

Statement of Affairs of Anil as on March 31, 2017

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Creditors	3,00,000	Cash in hand	37,000
Bills Payable	6,000	Bills Receivable	50,000
Capital (Balancing Figure)	6,21,000	Sundry Debtors	8,00,000
		Stock	40,000
	9,27,000		9,27,000

Statement of Profit or Loss for the year ended March 31, 2017

Particulars	Rs.
Capital at the end	6,21,000
Add: Drawings	80,000
	7,01,000
Less: Capital in the beginning	4,50,000
Fresh Capital introduced	14,000
Profit for the year	2,37,000

3+3=6