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ACCOUNTANCY
(Commerce)

Full Marks : 100

Time : 3 hours

The figures in the margin indicate full marks for the questions

General Instructions:

- (i) This question paper contains two parts, A and B.
- (ii) Part-A and Part-B are compulsory for all candidates.
- (iii) All parts of the questions should be attempted at one place.

PART - A

(Marks : 50)

FINANCIAL ACCOUNTING - I

- 1.** State whether the following statements are *True* or *False*: 1 x 4 = 4
- (i) Purchase book is used to record all purchases of goods.

- (ii) Closing entries are recorded in Journal Proper.
- (iii) Trade Discount is not recorded in the Ledger.
- (iv) Bank overdraft as per Pass book shows a credit balance.

- 2.** Choose and write the correct answer: 1 x 4 = 4

- (i) Debit voucher is prepared for....
 - (a) Cash payment
 - (b) Cash receipt
 - (c) Credit transactions
 - (d) All of the above.
- (ii) Find the correct statement:
 - (a) Debit the decrease in assets.
 - (b) Credit the increase in expenses.
 - (c) Debit the increase in revenue.
 - (d) Credit the increase in capital.

(3)

(iii) If total assets of a business are ₹ 78,000 and net worth is ₹ 48,000, liabilities will be....

(a) ₹ 40,000

(b) ₹ 30,000

(c) ₹ 1,26,000

(d) ₹ 13,000

(iv) When balance as per Cash Book is the starting point, uncollected cheques by Bank are

(a) added

(b) subtracted

(c) neither of the two

(d) neither of the three.

3. State any two disadvantages of Accounting. 2
4. Write any two differences between Book-keeping and Accounting. 2
5. Give the meaning of the terms Fixed Assets and Current Assets. 2
6. What is Dual aspect concept of Accounting? 2

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7. What is Business Entity concept.? 2
8. State the meaning of Cost concept. 2
9. What are the objectives of Provision? 2
10. Give the meaning of Drawer and Drawee. 2
11. Distinguish between Bills of exchange and Promissory Note. (*any two points*) 2
12. Write any two points of differences between Debit Note and Credit Note. 2
13. Explain two methods of preparing a Trial Balance. 4
14. Explain the meaning and utilities of Suspense Account. 4
15. Distinguish between Revenue Reserve and Capital Reserve. 4

(5)

16. X Ltd. purchased a secondhand machinery on 1st January 2014 for ₹ 23,000 and spent ₹2,000 on its repairs. It was decided to depreciate the machinery at 20% every year on 31st December, by straight line method.

Prepare Machinery Account from 2014 to 2016 and show profit or loss as it was sold on 31st, December 2016 for ₹ 10,800.

4

17. On 1st May, 2013, Ram sold goods to Mohan for ₹ 25,000. On the same day, he drew a bill for the amount at three months. Mohan accepted it and returned the bill to Ram, who sent the bill to the bank for collection.

In due course, Ram received the information from the bank that the bill has been duly met.

Pass Journal entries in the books of Ram and Mohan.

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PART – B
(MARKS : 50)

FINANCIAL ACCOUNTING – II

18. State whether the following statements are *True* or *False*:
1 x 2 = 2
- (i) Referential integrity constraints arises because of relationships between various entities.

(6)

- (ii) A row in a table representing a relationship among a set of values.

19. State any two disadvantages of accounting under Single Entry System. 2

20. Write any two differences between Statement of Affairs and Balance Sheet. 2

21. From the following information, calculate capital in the beginning: 2

Profit made during the year	₹	2,400
Capital at the end	₹	8,000
Capital introduced during the year	₹	2,000
Drawing during the year	₹	1,200

22. Distinguish between Hardware and Software. (Any two points). 2

23. What is Ready-to-Use accounting software? 2

24. Write the meaning of ER Model. 2

25. What are Weak Entity Types? 2

(7)

26. Write any three roles of Computers in Accounting. 3
27. Give three points of distinction between Manual and Computerised Accounting. 3
28. Distinguish between Capital Expenditure and Revenue Expenditure. (Four points only) 4
29. From the following, calculate Net Sales made during the period: 4
- | | |
|-------------------------------|----------|
| Debtors as at January 1, | ₹ 20,400 |
| Cash received from Debtors | ₹ 60,800 |
| Return Inwards | ₹ 5,400 |
| Debtors as at December 31, | ₹ 27,600 |
| Bad debts | ₹ 2,400 |
| Cash sales (as per cash book) | ₹ 56,400 |
30. X, who keeps his books on Single Entry, tells you that his Capital on 31st December, 2016 was ₹ 18,700 and his Capital on 1st January, 2016 was ₹ 19,200. He further informs you that during the year he withdrew for his household purposes ₹ 8,420. He once sold his investment of ₹ 2,000 at 2% premium and brought that money into the business. Prepare a Statement of Profit and Loss. 4
31. State four purposes of database system. 4

(8)

32. From the following Trial Balance of Mr. Clever prepare Trading, Profit and Loss Account for the year ended 31st March, 2016 and Balance Sheet as on that date: 12

Trial Balance

<u>PARTICULARS</u>	<u>Dr (₹)</u>	<u>Cr (₹)</u>
Capital/Drawing	6,000	50,000
Cash at Bank	2,000	-
Cash in hand	500	-
Building	30,000	-
Wages	15,000	-
Salaries	10,000	-
Loan	-	10,000
Land	13,500	-
Carriage inwards	800	-
Coal and Gas	2,200	-
Rent	1,800	-
Printing and stationery	1,200	-
Opening stock	8,000	-
Purchases/sales	70,000	1,25,000
Insurance charges	800	-
Machinery	12,000	-
Travelling expenses	1,800	-
Debtors/Creditors	15,000	12,200
Returns	1,500	2,000
Discount	500	400
Furniture	7,000	-
TOTAL	<u>1,99,600</u>	<u>1,99,600</u>

(9)

Adjustments:

- (a) Insurance prepaid ₹ 200
- (b) Outstanding salaries ₹ 600 and wages ₹ 1,500.
- (c) Create a provision for doubtful debts at 3% on debtors.
- (d) Provide 10% depreciation on machinery and 5% on furniture.
- (e) Closing stock was valued at ₹ 10,000.

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