

Time: 3 Hours

GENERAL INSTRUCTIONS:

1. This question paper consists of 34 questions.
2. Q1 to Q20 each carries 1 mark, Q21 to Q26 each carries 3 marks, Q27 to Q29 each carries 4 marks and Q30 to Q34 each carries 06 marks.
3. The paper to be attempted in order.
4. Weightage will be given for a neat presentation.

- Q1 Which of the following transactions will be recorded in the books of accounts? (1)
 (a) Strike by employees. (c) Sample distributed to customers.
 (b) Gift received by the proprietor. (d) Sale of personal motorcycles of the proprietor.
- Q2 A person from whom money is owned against the sale of goods is known as: (1)
 (a) Creditor (b) Debtor (c) Investor (d) none of these
- Q3 Identify the group that is not a user of accounting information: (1)
 (a) Religious preacher (c) Government
 (b) Customers (d) Potential Investors
- Q4 Land measuring 2 acres cannot be recorded in the books due to: (1)
 (a) Business entity concept (c) Cost concept
 (b) Money measurement concept (d) Dual aspect concept
- Q5 Saksham is applying a straight-line depreciation method for the fixed assets. He has been following the policy for the last 15 years. Which accounting principle is Saksham following? (1)
 (a) Cost (b) Matching (c) Consistency (d) Prudence
- Q6 Statement I: Business transactions are usually evidenced by appropriate documents. (1)
 Statement II: A document that provides evidence of the transactions is called the Source Document or a Voucher.
- In the light of the given statements, choose the most appropriate answer from the options given below:
- (a) Both Statement I and Statement II are correct.
 (b) Both Statement I and Statement II are incorrect.
 (c) Statement I is correct, but Statement II is incorrect.
 (d) Statement I is incorrect, but Statement II is correct.
- Q7 "Anticipate no profit and provide for all possible losses" arises due to: (1)
 (a) Accounting entity principle (c) Cost concept
 (b) Prudence principle (d) Matching concept
- Q8 Which of the following is considered a current asset? (1)
 (a) Buildings (b) Equipment (c) Inventory (d) Land
- Q9 _____ is the amount invested by the owner(s) in the business. (1)
- Q10 A bank account is a (1)
 (a) Personal Account (b) Real Account (c) Nominal (d) None of these
- Q11 The Land and Building has a (1)
 (a) debit balance (c) debit or credit balance
 (b) credit balance (d) None of these
- Q12 Name the books of original entry in which the following transactions are recorded: (1)
 (a) Sale of goods on credit (b) Sale of furniture for cash

(1)

- Q13 Who issues accounting standards in India?
 (a) Ministry of Commerce (c) Reserve Bank
 (b) Ministry of Finance (d) Institute of Chartered Accountants of India (1)
- Q14 Which of the following transactions will increase one asset and decrease another asset?
 (a) Drawings by the proprietor (c) Credit purchases
 (b) Purchase of building for cash (d) Payment of creditors (1)
- Q15 Which of the following will be debited?
 (a) Increase in revenue (c) Drawings
 (b) Decrease in expense (d) Fresh capital introduced (1)
- Q16 Define a ledger. (1)
- Q17 A contra entry is recorded in:
 (a) Journal (b) Purchases Book (c) Sales Book (d) Cash Book (1)
- Q18 What is a compound Journal Entry? Give an example. (1)
- Q19 Recovered ₹ 56,000 from Navneet on her insolvency, being 80% of the amount due. What is the amount due? (1)
- Q20 On 1st January, 2023, Rahim sells Ram, 10 television sets at ₹40,000 per set, less a 5% trade discount and a 2% cash discount if payment is made within 10 days. Which of the following entries will be passed into Rahim's books if he makes the payment on January 8?
 a) Debit Ram and credit the sale account by ₹ 4,00,000.
 b) Debit Ram and credit the sale account by 3,80,000.
 c) Debit Ram and credit the sale account by 3,72,400
 d) Debit cash and discount allowed and credit the sale account by ₹3,80,000 (1)
- Q21 On 31st March 2024, total assets and external liabilities were ₹1,00,000 and ₹3,000 respectively. During the year, the proprietor had introduced additional capital of ₹10,000 and had withdrawn ₹6,000 for personal use. He earned a profit of ₹10,000 during the year. Calculate the capital as of 1st April 2023. (3)
- Q22 Correct the journal entries, if you find them wrong, assuming the narration to be correct: (3)

JOURNAL (Books of Abeer)			
S.NO.	PARTICULARS	L.F.	CREDIT
(a)	Cash A/c Dr To Madhuri A/c (Amount received from Madhuri whose account had been written off as bad debt last year)		40,000 40,000
(b)	Printer A/c Dr To Cheque in hand A/c To Discount received A/c (Payment made to Sony Ltd. for a printer supplied by them on December 8, 2019 through a cheque for ₹19,000 after receiving a discount of ₹950)		19,000 18,050 950
(c)	Rajan A/c Dr To Cash A/c (Paid to Anant on behalf of Rajan our Creditor for ₹46,000)		46,000 46,000

- Q23 Mention the nature of the account based on Modern Classifications of accounts: (3)
 (a) Bank Overdraft a/c (b) Land a/c (c) Investments a/c (d) Rent received a/c
 (e) Creditor's a/c (f) Depreciation a/c
- Q24 Prepare the Return Inward Book in the Books of Lal & Co., Delhi from the (3)
 following transactions:

April 6, 2024	Goods returned by Ganga Prashad & Co., Delhi: 2 Table Fans @ ₹1,000 each Less: Trade Discount 15%
April 12, 2024	Prabhat Electricals, Agra returned a defective Room Cooler ₹4,250
April 14, 2024	Ramesh & Co, Guwahati returned 500 ACs sold @ ₹50 per unit Less: Trade Discount @ 10%
April 20, 2024	Naresh & Co, Kolkata returned 300 heaters sold @ ₹55 per unit

- Q25 What do you mean by Balancing an account? What does Debit Balance imply? (3)
 How is it disclosed at the end and the beginning of a period? Which type of accounts would always have a Debit Balance?
- Q26 Draw a bank account from the following transactions assuming all transactions (3)
 done through cheques are:
 I. Bank Balance ₹ 1,50,000 IV. Rent paid ₹5,000
 II. Goods purchased for ₹10,000 V. Salary paid ₹10,000
 III. Goods sold for ₹30,000 VI. Commission received ₹1,000
- Q27 You are Mr. Karim working as an accounts officer in a Garments firm. While (4)
 doing transactions you prepare a voucher. Under the following circumstances name the voucher you will prepare.
 i) He deposited 50,000 into the bank.
 ii) He received 10,000 as a donation for social purposes.
 iii) He returned goods worth 6,000 to Mahesh and Company.
 iv) He purchased goods worth ₹30,000 against a cheque
- Q28 From the following particulars, prepare the Analytical Petty Cash Book for April (4)
 2024:

Apr-01	Drew for Petty Cash	₹5000
Apr-03	Paid for postage	₹300
Apr-05	Paid telephone bill	₹400
Apr-08	Paid for cartage	₹140
Apr-09	Paid for postage	₹200
Apr-12	Paid for sundries	₹100
Apr-27	Paid for stationery	₹300

- Q29 From the following information of Kamal, Guwahati, Prepare a Purchase Book: (4)

1 Apr, 2018	Purchased from Videocon India Ltd., Kolkata; 30 Colour T.Vs @ ₹15,000 each, less Trade Discount @10% plus Freight charges ₹2,000.
15 Apr, 2018	Purchased from Sony India Ltd., Guwahati 10 colour T.Vs @ ₹20,000 each less Trade Discount @ 5%
20 Apr, 2018	Purchased from Music India Ltd., Delhi 10 music systems @ ₹10,000 each
30 Apr, 2018	Purchased from Videocon India Ltd., Kolkata 5 washing machine @ ₹15,000 each

(6)

Q30 Prepare a two-column Cash Book from the following information:

Jan 1, 2018	Cash in hand	₹5000
	Bank Overdraft	₹10,000
Jan 2, 2018	Received a cheque from Rohan for the sale of goods	₹7,000
Jan 5, 2018	Received a cash payment from Ashok	₹3,000
Jan 6, 2018	Rohan's cheque was deposited in the bank	
Jan 10, 2018	Amount drawn from bank for personal use	₹2,000
Jan 15, 2018	The cheque received from Rohan is dishonored	
Jan 16, 2018	Interest on overdraft	₹500
Jan 17, 2018	Received cash from debtors	₹5,000
Jan 18, 2018	Received a cheque from Arab	₹5,000
Jan 23, 2018	Cheque received from Arab deposited into the Bank	
Jan 24, 2018	Issued a cheque of ₹2,500 to Ravi, he allowed a discount of ₹125	

(3)

Q31 (a) Define Accounting. Write its objectives.

(3)

(b) Write the difference between cash and accrual basis of accounting.

(6)

Q32 Develop an accounting equation from the following transactions.

- Business started with cash ₹2,00,000, Bank ₹750,000, Inventory ₹750,000, Machinery ₹1,00,000.
- 1/5th of the above goods sold at 20% loss, half of which done on a cash basis.
- Rent paid ₹5,000 including ₹2,000 for advance rent.
- Building purchased for ₹30,000
- Depreciation charged on building @10%pa, half of the building used for personal purpose
- Goods worth ₹2,000 given as sample.

(6)

Q33 Journalise the following transactions in the books of Raja Ram:

- Received ₹19,000 from Bharat to settle his account for ₹20,000.
- Sohan is declared insolvent and received from his Official Receiver 60 paise in rupee on a debt of ₹10,000.
- Paid Income Tax of ₹20,000 by cheque.
- Bank charges ₹2,000
- Paid Insurance Premium ₹5,000 by cheque.
- Goods destroyed by fire (Sales Price ₹5,000, Cost ₹4,000)

Q34 From the following particulars of a trader, prepare a Bank Reconciliation Statement as on 31st March 2018: (6)

- Bank overdraft as per Pass Book ₹52,100.
- During the month, the total amount of cheques for ₹94,400 were deposited into the bank but of these, one cheque for ₹11,160 was entered into the Pass Book on 5th April.
- During the month cheques for ₹89,580 were drawn in favour of creditors. Of them, one creditor for ₹38,580 encashed his cheque on 7th April whereas another for ₹4,320 has not yet been encashed.
- As per instructions the bank on 28th March paid out ₹10,500 to a creditor but by mistake, the same has not been entered in the Cash Book.
- According to the agreement, on 25th March, a debtor deposited directly into the bank ₹9,000 but the same has not been recorded in the Cash Book.
- In March, the bank without any intimation, debited his account for ₹120 as bank charges and credited ₹180 as interest.