CBSE Class 11
Accountancy
Sample Paper 07 (2019-20)

Maximum Marks: 80

Time Allowed: 3 hours

General Instructions:

  i. All questions are compulsory.
 ii. Marks are given alongwith each question.
iii. There is no overall choice, however internal choice is given in some questions.

Section A

1. Explain 'stewardship' as a function of accounting.

2. The main purpose of accounting is to give a _____ view of accounting.

    a. Biased

    b. True and Fair

    c. Unfair

    d. Inadequate

3. Which of the following items are regarded as Goods
   (i) Machinery purchased by X for the production of goods
   (ii) Machinery manufactured by ABC for sale
   (iii) Furniture purchased by Rohit Pal a grocery owner
   (iv) Furniture purchased by Raman a dealer in furniture Options are

    a. i,ii,iii

    b. ii, iv

    c. i,iii

d. ii,iii

4. Match the following:

(a) Goods for resale.	(i) Income.
(b) Amount received from sales.	(ii) Current liability.
(c) Outstanding expenses.	(iii) Revenue.
(d) profit earned during 17-18.	(iv) Merchandise.

5. Name the external user of accounting information from whom the firm purchases goods on credit.

6. Match the following:

(a) Computer	(i) Program
(b) Elements of computer	(ii) software
(c) Set of instructions	(iii) Electronic Device
(d) Set of program	(iv) Data

7. What is the technique of finding the net balance of an account after considering the totals of both debits and credits appearing in the account known as

8. AIS is that which processes financial transactions to provide

   a. Internal reporting to managers for use in planning

   b. External reporting to outside parties such as stockholders

   c. All of these

   d. It combine the study and practice of accounting with the design and monitoring of information systems

9. Prepaid insurance given in the trial balance will be shown in:

   a. None of these

b. Liability in Balance Sheet

c. Profit and Loss Account (Less from insurance)

d. Assets side of Balance Sheet

10. Give two examples of entries which appear in a 'journal proper'.

11. List any two types of procedure which constitute a part of the computer system.

12. The main purpose of balance sheet is to show_____

a. Financial Position

b. Assets and Capital

c. Old Accounting Records

d. Creditors

13. Fill in the blanks:

Amount received or receivable against the sale of goods is _____.

14. Fill in the blanks:

The Convention of Conservation takes into account all prospective losses but leaves out _____.

OR

Fill in the blanks:

IFRS are _____ based accounting standards.

15. Fill in the blanks:

A person who owes money to a firm against goods sold is called a _____.

16. Is it correct to say, purchases book is a record prepared from the invoices received from suppliers?

17. Give an example of a transaction which has effect on two items on the assets side.

OR

A commenced his cloth business on 1st April, 2012 with a capital of Rs 60,000. On 31st March, 2013 his assets were Rs 1,00,000 and liabilities were Rs 20,000. Find out his closing capital and profits earned during the year.

18. Ram started a business for buying and selling of stationery with Rs.5, 00,000 as an initial investment. Of which he paid Rs.1, 00,000 for furniture, Rs.2, 00,000 for buying stationery item. What is the amount of capital with which he started business

   a. Rs.800000

   b. Rs.600000

   c. Rs.500000

   d. Rs.200000

19. Match the following:

(a) L.C.D	(i) Read only memory
(b) C.U.I	(ii) Liquid Crystal Display
(c) R.A.M	(iii) Character user interest
(d) R.O.M.	(iv) Random Access Memory

20. Rule of Debit and Credit for Impersonal account is

   a. Dr. the receiver and Cr the giver

   b. Dr. what goes out and Cr what comes in

   c. Both option 3 and Option 4

   d. Dr. all expenses and Cr all gains

OR

Rohit is a sole proprietor has the following balances: Premises- Rs.55000, Cash at bank- Rs.6500, Inventory – Rs.12500 and creditors- Rs.14000. Find out the amount of capital.

a. Rs.15000

b. Rs.35000

c. Rs.31000

d. Rs.60000

Section B

21. Calculate closing stock and cost of goods sold
    Opening stock Rs. 5,000; sales Rs. 16,000; carriage inwards Rs. 1,000, sales return Rs. 1,000; gross profit Rs. 6,000; purchases Rs. 10,000; purchases return Rs. 900.

OR

Calculate gross profit when total purchases during the year are Rs. 8,00,000; returns outward Rs. 20,000; direct expenses Rs. 60,000 and 2/3rd of the goods are sold for Rs. 6,10,000.

22. Protecting the assets of business is one of the functions of accounting. Explain.

OR

What is the basic accounting equation?

Section C

23. The instructions that make a computer work is software. In the light of this statement, define software and discuss any three types of software.

24. On 1st April, 2013, B accepts a bill drawn by A for 2 months for Rs. 25,000 in payment of debt. On the due date, the bill is dishonoured and Ahad to pay Rs. 100 as noting charges. On 4th June, 2013. B requested A to draw a new bill for the amount due. A agreed to draw a new bill for 73 days but he charged 18% per annum interest in cash.

This bill is duly met on its maturity.

Pass journal entries in the books of both the parties.

25. From the following information, prepare the trading account for the year ended 31st March, 2013

	Amt (Rs.)		Amt (Rs.)
Opening Stock	3,00,000	Wages	6,000
Purchases	8,40,000	Freight	10,800
Closing stock	2,40,000	Carriage inwards	3,000

The percentage of gross profit on sales is 20%.

26. Enter the following transaction in a two column cash book

2013		Amt (Rs.)
Feb 1	Cash in hand	75,000
Feb 5	Paid to Kartik	15,000
	Discount allowed by Kartik	500
Feb 8	Goods purchased	20,000
Feb 10	Received from Parth	49,000
	Discount allowed to Parth	1,000
Feb 16	Goods sold	20,000
Feb 21	Paid to Aroha	14,750
	Discount allowed by him	250
Feb 28	Paid wages for the month	25,000
	Paid in full settlement of Rs. 20,000 to Amit	19,500

27. Journalise the following transactions

2013		Amount (Rs)
Mar 1	Raju started business with cash	1,00,000
	Bought goods from Bobby for cash	80,000
13	Sold goods to Gudiya for cash	96,000
14	Bought goods from Rano	12,000
15	Sold goods to Guddu	14,400
26	Received from Guddu	14,000
	Allowed him discount	400
27	Paid Ram cash	11,400
	Discount allowed	600
28	Purchased furniture	20,000
30	Paid office expenses	2,000

Section D

28. Mr Parth keeps his book on single entry system. From the following information given by him, ascertain his profit or loss for the year ended 31st March, 2013. On 31st March, 2012 his position was : Plant and machinery Rs 60,000; stock Rs 10,000; cash in hand Rs 200; debtors Rs 34,000; loan from Mr Amit Rs 2,000 at 4% interest; bank overdraft Rs 2,200 and creditors Rs 24,240.

On 31st March, 2013 he owed his creditors Rs 18,340 and had paid to Mr Amit Rs 1000 in lieu of his loan on 1st October, 2012 but had paid no interest. He had bought additional plant and machinery which costed Rs 26,000. Debtors were Rs 46,000 out of which Rs 1,800, he would not be able to collect. The cash and bank balance was Rs 8,200. Stock at the end was valued at Rs 9,000.

Mr Parth withdrew Rs 16,600 for domestic purposes. He introduced a further capital of Rs 20,000 during the year.

29. Following are the extracts from the trial balance of a firm as at 31st March, 2013

Name of Accounts	Debit Balance(Rs)	Credit Balance(Rs)
Sundry Debtors	2,05,000	
Bad debts	3,000	
Discount	1,000	

Additional Information

  i. Create a provision for doubtful debts @10% on debtors.
 ii. Create a provision for discount on debtors @ 2% on debtors.
iii. Additional discount given to the debtors Rs 5,000.

Show the effect of these transactions in Final Accounts of the company and also prepare a Balance Sheet as on 31st March,2013.

OR

Extract of Trial Balance

as on 31st March, 2013

Name of Accounts	Debit Balance(Rs)	Credit Balance(Rs)
Bad Debts	10,800	
Provision for doubtful Debts(1st April,2012)		22,500
Sundry Debtors	6,00,000	

Additional Information

  i. Write-off further bad debts Rs 6,000.
 ii. Provision for doubtful debts to be maintained at 5% on sundry debtors.
iii. Create a provision for discount on sundry debtors at 3%.

Show effect on profit and loss account and balance sheet.

30. Prepare a bank reconciliation statement as on 30th September, 2013 from the

following particulars

S.no.	Particulars	Amt(Rs)
(i)	Bank balance as per pass book	10,000
(ii)	Cheque deposited into the bank but no entry was passed in the cash book	500
(iii)	Cheque received and entered in the cash book but not sent to bank	1,200
(iv)	Credit side of the cash book bank column cast short	200
(v)	Insurance premium paid directly by the bank under the standing advice	600
(vi)	Bank charges entered twice in the cash book	20
(vii)	Cheque issued but not presented to the bank for payment	500
(viii)	Cheque received entered twice in the cash book	1,000
(ix)	Bill discounted dishonoured not recorded in the cash book	5,000

OR

From the following particulars, prepare the bank reconciliation statement of Varsha as on 31st March, 2013

i. Balance as per pass book is Rs 10,000.
ii. Bank collected a cheque of Rs 500 behalf of Varsha but wrongly credited it to Harsha account (another customer).
iii. Bank recorded a cash deposit of Rs 1,589 as Rs 1,598.
iv. Withdrawal column of the pass book under cast by Rs 100.
v. The credit balance of Rs 1500 on page 5 of the pass book was recorded on page 6 as the debit balance.
vi. The payment of a cheque of Rs 350 was recorded twice in the pass book.
vii. The pass book showed a credit for a cheque of Rs 1000 deposited by Shri Kishan (another customer of the Bank).

Section E

31. Rectify the following errors assuming that suspense account was opened. Ascertain the difference in trial balance.

  i. Credit sales to Mohan Rs 7,000 were recorded in purchase book. However, Mohan's account was correctly debited.
  ii. Credit purchase from Rohan Rs 9,000 were recorded in sales book. However, Rohan's account was correctly credited.
  iii. Goods returned to Rakesh Rs 4,000 were recorded in sales return book. However, Rakesh's account was correctly debited.
  iv. Goods returned from Mahesh Rs 1,000 were recorded through purchase return book. However, Mahesh's account was correctly credited.
  v. Goods returned to Naresh Rs 2,000 were recorded through purchase book. However, Naresh's account was correctly debited.

OR

Raja has two accounts (A and B) with PNB on 31st December, 2014, his ledger shows a balance of Rs 10,000 in account 'A' and an overdraft of Rs 4,500 in account 'B' on verification of the ledger entries with the respective bank statement, the following mistakes were noticed

  i. Deposit of Rs 3,000 made in account A' on 20th December has been entered in the ledger in account K
  ii. Withdrawal of Rs 1,000 from account A' on 20th November, has been entered in the ledger in account K
  iii. Two cheques of Rs 1,000 and Rs 1,500 deposited in account A' on 1st December, (and entered in the books in account 'B') have been dishonoured by the bankers. This entries for dishonour of these cheques have been entered in the books in account 'B'
  iv. In the account A' and 'B', Raja has issued on 29th December, cheques for Rs 20,000 and Rs 2,000 respectively and these have not been encashed till 31st December.
  v. Incidental charges of Rs 20 and Rs 50 charged in the accounts A' and 'B' respectively have not been entered in the books.
  vi. The bank has credited interest of Rs 100 for account A' and has charged interest of Rs 550 for account 'B' which have not been recorded in the books.

vii. Deposits of Rs 10,000 and Rs 7,000 made into the account A' and 'B' respectively both on 30th December, have not been credited by the bank till 31st December.

Prepare a bank reconciliation statement for the above accounts.

32. A Company purchased on 1st July 2015 machinery costing Rs.30,000. It further purchased machinery on 1st January 2016 costing Rs.20,000 and on 1st October 2016 costing Rs.10,000.
On 1st April, 2017 one third of the machinery installed on 1st July 2015 became obsolete and was sold for Rs.3,000.
The company follows a financial year as the accounting year.
Show how the Machinery Account would appear in the books of company if depreciation is charged 10% p.a. on Written Down Value Method.

OR

Ram owes Rs.2,000 to Mohan on 1st January 2018. On this date, he accepted a draft for the amount for 3 months. Mohan got the bill discounted at his bank @ 6% per annum On the due date, the bill was dishonoured, noting charges Rs.20. Ram agreed to pay Rs.520 immediately and accept another bill for the remaining amount for 3 months together with interest at 9% p.a. This bill was met on the due date. Give the Journal entries in the books of both the parties.

Solution
Section A

1. **Stewardship:-** Accounting is a stewardship function. Its basic goal is to report on the resources and obligation of the entity to the owners. Through the medium of financial statements it communicates to the interested parties of the contributions and relative rights of the economy segments the owners, creditors and others. The account through which surplus or deficit of a non-profit-seeking concern is ascertained, is called Income and Expenditure Account. All the information necessary for preparation of this account will be available from ledger accounts. Its left-hand (i.e. Debit) side records all revenue expenditure, while the right-hand (i.e. Credit) side records all revenues relating to the current year. The balance of the account, if credit, indicates surplus, i.e. excess of income over expenditure. Conversely, the balance of the account, if debit, indicates deficit, i.e. excess of expenditure over income.

2. (b) True and Fair
   Explanation: it provides complete view of the financial position of the business.

3. (b) ii, iv
   Explanation: in the ii option machinery purchased for sale so it is goods for the business. similarly furniture sold by furniture business so it will be regarded as goods

4. (a) -(iv), (b) - (iii), (c) - (ii), (d) - (i)

5. Supplier.

6. (a) - (c), (b) - (iv), (c) - (i), (d) - (ii)

7. Balancing of an account. The difference between the sum of the two sides of an account is called the balance. This is the most important part of an account as it shows value or position of asset, liability, capital, income or expenses of which the account is a record. If the total of the debit side exceeds the total of credit side then this would be represented by a debit balance and opposite is true for a credit balance.

8. (c) All of these

   Explanation: AIS (Accounting information System) It helps in storage, processing, summarizing & reporting information about a organization.

9. (d) Assets side of Balance Sheet

   Explanation: it is treated as current asset

10. Journal proper is book of original entry (simple journal) in which miscellaneous credit transactions which do not fit in any other books are recorded. It is also called miscellaneous journal. The following are the examples:

    - Credit purchase of plant and machinery,
    - Credit sales of fixed assets.

11. Computer System is a collection of entities(hardware,software and liveware) that are designed to receive, process, manage and present information in a meaningful format.Two types of procedure which constitute a part of a computer system:

    i. **Software-Oriented**
    ii. **Hardware-Oriented**

12. (a) Financial Position

    Explanation: balance sheet shows the position of assets and liabilities of the business.

13. Revenue receipt

14. Prospective profits

    OR

    Principle

15. Debtor

16. Yes, as the source documents for recording entries in the purchase book are invoices or bills received from the suppliers of goods. This is a source document that supports the issuance of a cash, check, or electronic payment to a supplier.

17. Sale of goods on credit. Based on the double-entry system, the accounting equation ensures that the balance sheet remains "balanced," and each entry made on the credit

side should have a corresponding decrease on the credit side.

OR

Total Assets = Closing Capital + Liabilities

Closing Capital = Total Assets - Liabilities

Closing Capital = 1,00,000 - 20,000 = **Rs 80,000**

Profit = Closing Capital - Opening Capital = 80,000 - 60,000 = **Rs 20,000.**

18. (c) Rs.500000

Explanation: the amount invested in the business is capital so it is 500000

19. (a) - (ii), (b) - (iii), (c) - (iv), (d) - (i)

20. (c) Both option 3 and Option 4

Explanation: Impersonal account means account other than personal.

Rule of Personal account is debit the receiver credit the giver.

So, option 3 and option 4 is other than personal means Impersonal.

OR

(d) Rs.60000

Explanation:

Assets = Premises+ cash at bank + inventories

Assets = 55000+6500+12500

Assets = Rs. 74000

Creditors are liabilties.

Assets = Liabilities + Capital

74000= 14000+ Capital

Capital = 74000-14000

Capital = 60000Rs.

Section B

21. Cost of Goods Sold = Net Sales (Sales - Sales Return) - Gross Profit

=(Rs.16,000 - 1000) - Rs.6,000 = Rs.9,000.

Cost of goods sold = Rs.9000

Calculation of Closing stock:

method 1:

closing stock: opening stock + net purchase + carriage inwards + gross profit - net sales

5000+9100+1000+6000-15000 = 6100

method 2:

Trading Account

Date	Particulars		Amt (Rs.)	Date	Particulars		Amt (Rs.)
	To Opening Stock		5,000		By Sales	16,000	
	To Purchases	10,000			(-) Sales Return	1,000	15,000
	(-) Return	900	9,100		By Closing Stock (Bal. Fig.)		6,100
	To Carriage Inwards		1,000				
	To Gross Profit		6,000				
			21,100				21,100

OR

Cost of Goods Sold = Total Purchases - Returns Outward + Direct Expenses = 8,40,000.

A. goods sold (2/3)for Rs. 6,10,000.
B. Cost of 2/3rd goods = 8,40,000 × 2/3 = Rs. 5,60,000.
C. Gross profit = Goods Sold - Cost of Goods Sold = 6,10,000 - 5,60,000 = Rs. 50,000.

22. Yes, this is true that protecting the assets of the business is amongst one of the key roles of Accounting. An Accountant has to design such system of accounting as protects its properties from unjustified and unwarranted use.He performs this function by recording all the assets or properties of the business properly in the books of accounts so that the property can be protected.

OR

The basic accounting equation is given below
Assets = Liabilities + Capital
or
Assets = Claim of Outsiders + Owner's Equity or Capital.

Section C

23. **Software**
It is the set of instructions that makes the computer work. Software is held on the computer's hard disk, CD -ROM , DVD or on a diskette (floppy disk) and is loaded from the disk into the computer's RAM (Random Access Memory), as and when required. It is the hypothetical or imaginary part of computer, which is used with hardware to make computer perform operations. Software cannot be touched.
The types of software are as follows :

   i. **Utility Software :** It is a set of computer programs which are used to perform certain supporting operations in a computer. Most utility softwares are highly specialised and designed to perform only a single task or a small range of tasks.
   ii. **Application Software :** A user oriented program which is designed for performing certain jobs, such as accounting, word processing, recreation etc is known as application software. Ex: Tally etc.
   iii. **Language Processors :** This is a software which is used as an interpreter or

translator to convert a program language to machine language, i.e. a language that a computer can understand. Ex : C, C++ etc.

24.

<center>In the books of A</center>

<center>Journal</center>

Date	Particulars	L/F	Debit Amount (Rs)	Credit Amount (Rs)
01/04/2013	Bills Receivable A/c To B's A/c (Being Acceptance received from B for 2 months)	Dr.	25,000	25,000
04/06/2013	B's A/c To Bills Receivable A/c To Cash A/c (Being acceptance dishonoured by B and noting charges paid in cash)	Dr.	25,100	25,000 100
04/06/2013	B's A/c To Interest Receivable A/c (Being interest charged to B @18% for 73 days)	Dr.	900	900
04/06/2013	Bills Receivable A/c To B's A/c (Being new acceptance received from B for 73 days)	Dr.	25,900	25,900
14/08/2013	Cash A/c To Bills Receivable A/c (Being acceptance honored by B)	Dr.	25,900	25,900

	Total			1,02,800	1,02,800
				=======	=======

In the books of B

Journal

Date	Particulars	L/F	Debit Amount (Rs)	Credit Amount (Rs)
01/04/2013	A's A/c 　To Bills Payable A/c (Being Acceptance accepted for 2 months)	Dr.	25,000	25,000
04/06/2013	Bills Payable A/c Noting charges A/c 　To Bills Payable A/c (Being acceptance dishonored noting charges charged by A)	Dr. Dr.	25,000 100	25,100
04/06/2013	Interest A/c 　To A's A/c (Being interest charged by A @18% for 73 days)	Dr.	900	900
04/06/2013	B's A/c 　To Bills Payable A/c (Being new acceptance accepted for 73 days)	Dr.	25,900	25,900
14/08/2013	Bills Payable A/c Dr. 　To Cash A/c (Being acceptance honored and cash paid		25,900	25,900

	to A)					
	Total				1,02,800 ======	1,02,800 ======

25. Working Notes :

1. Calculation of Cost of goods sold:

	₹
Opening Stock	3,00,000
Add :Purchases	8,40,000
Wages	6,000
Freight	10,800
Carriage Inwards	3,000
	11,59,800
Less :Closing Stock	2,40,000
Cost of Sales or Cost of Goods sold	9,19,800

2. Calculation of Sales :

Let us assume that sales = ₹100,

then,gross profit would be = ₹20 (20% of sales)

Therefore, cost of sales would be = Sales - Gross Profit = 100 - 20 = ₹80.

When cost of sales is ₹80, then sales would be = ₹100.

When cost of sales is ₹1, then sales would be =100/80.

When cost of sales is ₹9,19,800, then sales would be $= \frac{100}{80} \times 9,19,800$ = ₹11,49,750.

Trading Account
for the year ended 31st March, 2013

Dr.			Cr
Particulars	**Amt (₹)**	**Particulars**	**Amt (₹)**

To Opening Stock	3,00,000		By Sales	11,49,750		
To Purchases	8,40,000		By Closing Stock	2,40,000		
To Wages	6,000					
To Freight	10,800					
To Carriage Inwards	3,000					
To Gross Profit c/d	2,29,950					
	13,89,750			13,89,750		

26.
<div align="center">Cash Book</div>

Date	Particulars	L/F	Discount Allowed (Rs.)	Cash (Rs.)	Date	Particulars	L/F	Discount Received (Rs.)	Cash (Rs.)
2013					2013				
Feb 1	To Balance b/d			75,000	Feb 5	By Kartik A/c		500	15,0
Feb 10	To Parth A/c		1,000	49,000	Feb 8	By Purchases A/c			20,0
Feb 16	To Sales A/c			20,000	Feb 21	By Aroha A/c		250	14,7
					Feb 28	By Wages A/c			25,0
					Feb 28	By Amit A/c		500	19,5
					Feb 28	By Balance c/d			49,7
			1,000	1,44,000				1,250	1,44,
			=====	======				=====	===:

Mar 1	To Balance b/d			49,750					

Discount column is used to record cash discounts: discount allowed column at the debit side, discount received column at the credit side. The discount columns are not accounts.

27.

In the books of _____

Journal

Date	Particulars		J.F.	Debit Amount (Rs)	Credit Amount (Rs)
01, March, 2013	Cash A/c To Capital A/c (Being business started with cash)	Dr		1,00,000	1,00,000
01, March, 2013	Purchase A/c To cash A/c (Being goods bought in cash)	Dr		80,000	80,000
13, March, 2013	Cash A/c To Sales A/c (Being goods sold for cash)	Dr		96,000	96,000
14, March, 2013	Purchase A/c To Rano's A/c (Being goods purchased from Rano)	Dr		12,000	12,000
15, March, 2013	Guudu's A/c To Sales A/c (Being goods sold to Guddu)	Dr		14,400	14,400
	Cash A/c				

Date	Particulars				Dr	Cr
26, March, 2013	Discount Allowed A/c	Dr			14,000	14,400
	To Guddu's A/c	Dr			400	
	(Being cash received from Guddu and discount allowed)					
27, March, 2013	Ram's A/c					
	To Cash A/c					11,400
	To Discount received A/c	Dr			12,000	600
	(Being cash paid to ram and discount received from him)					
28, March, 2013	Furniture A/c					
	To Cash A/c	Dr			20,000	20,000
	(Being furniture purchased					
30, March, 2013	Office Expenses A/c					
	To Cash A/c	Dr			2,000	2,000
	(Being office expenses paid)					
	Total				**3,50,800** =======	**3,50,800** =======

Section D

28.

Books of Mr Path

Statement of Affairs

(as on 31st March, 2012)

Liabilities	Amt(Rs)	Assets	Amt(Rs)
Loan from Mr. Amit	2,000	Plant and Machinery	60,000
Bank Overdraft	2,200	Stock	10,000
Creditors	24,240	Cash in Hand	200
Capital(Balancing figure)	75,760	Debtors	34,000
	1,04,200		**1,04,200**

Statement of Affairs

(as on 31st March, 2013)

Liabilities	Amt(Rs)	Assets		Amt(Rs)
Creditors	18,340	Plant and Machinery(60,000 + 26,000)		86,000
Loan from Mr. Amit(2,000 - 1,000)	1,000	Stock		9,000
Outstanding interest on Loan(WN 1)	60	Cash in Hand at Bank		8,200
Capital(Balancing figures)	1,28,000	Debtors	46,000	
		(-) Bad Debts	1,800	44,200
	1,47,400			1,47,400

Statement of Profit or Loss

for the year ended 31st March, 2013

Particulars	Amt(Rs)
Capital at the end	1,28,000
(+) Drawings	16,600
	1,44,600
(-) Fresh Capital Introduced During the year	20,000
Adjusted capital on 31st March, 2013	1,24,600
(-) Capital at the beginning	75,760
Net Profit for the year	48,840

Working Note :

- Calculation of Outstanding Interest on Loan : - [(2000*4%)*6/12] +

[(1000*4%)*6/12]

= 40+20= Rs. 60

Half of the loan is repaid on 1st October,2012 so interest is calculated on time basis, i.e. on Rs. 2,000 for 6 months and on Rs. 1,000 for 6 months.

- Debt of Rs. 1800 is unable to collect to considered as bad.

29.

Effects on Final Account

Profit and Loss Account

for the year ended 31st March, 2013

Dr					Cr
Particulars		**Amt(Rs)**	**Particulars**	**Amt(Rs)**	
To Bad Debts		3,000			
To Provision for Doubtful Debts		20,000			
To Discount	1,000				
(+)Additional Discount	5,000	6,000			
To Provision for Discount on Debtors		3,600			

Balance Sheet

as at 31st March, 2013

Liabilities	Amt(Rs)	Assets		Amt(Rs)
		Debtors	2,05,000	
		(-)Additional Discount	5,000	
			2,00,000	
		(-)Provision for Doubtful Debts@ 10%	20,000	
			1,80,000	
		(-) Provision for Discount on Debtors @ 2%	3,600	1,76,400

Working notes:

Calculation of provision for doubtful debts

Debtors = 205000 less additional discount of 5000= 200000

Provision @10%

200000 @ 10% = 20000

Calculation of provision on discount

180000×2%=3600

OR

Effects on Final Account
Profit and Loss Account
for the year ended 31st March, 2013

Dr				Cr
Particulars		**Amt(Rs)**	**Particulars**	**Amt(Rs)**
To Bad Debts	10,800			
(+) Further bad Debts	6,000			
	16,800			
(+) New Provision(5% on 5,94,000 i.e, 6,00,000 - 6,000)	29,700			
	46,500			
(-) Old Provision	22,500	24,000		
To Provision for Discount on Debtors(3% on Rs 5,64,300 on debtors i.e., 5,94,000 -29,700)		16,929		

Balance Sheet

Liabilities	Amt(Rs)	Assets		Amt(Rs)
		Sundry Debtors	6,00,000	
		(-) Further Bad Debts	6,000	
			5,94,000	
		(-)New Provision for Doubtful Debts (5% on Rs 5,94,000)	29,700	
			5,64,300	
		(-) Provision for Discount on Debtors(3% on 5,64,300)	16,929	5,47,371

WORKING NOTE:

1. Calculation of bad debts

Sundry debtors 600000

Add: bad debts = 6000

=594000

New provision = 594000@5%= 29700

2.Bad debts 10800 + 6000 = 16800

Add: new provision = 29700

Less old provision = 22500

 Bad debts = 24000

30.   **Bank Reconciliation Statement**
                          as on 30th September, 2013

	Amount	Amount

Particulars	(Rs)	(Rs)
Credit/Favourable/Balance as per Pass Book		**10,000**
Add: Cheque received and recorded in the cash book but not sent to bank	1,200	
Credit side of the cash book bank column cast short	200	
Insurance premium not recorded in the cash book	600	
Cheque received entered twice in the cash book	1,000	
Bill discounted dishonoured not recorded in the cash book	5,000	8,000
Less: Cheque deposited into the bank but not recorded in the cash book	500	
Bank charges entered twice in the cash book	20	
Cheque issued but not presented for payment	500	1,020
Debit/Favourable/Balance as per Cash Book		**16,980**

A bank reconciliation statement is a process that explains the difference on a specified date between the bank balance shown in an organization's bank statement, as supplied by the bank and the corresponding amount shown in the organization's own accounting records.

OR

Bank Reconciliation Statement
as on 30th June, 2013

Particulars	Amount (Rs)	Amount (Rs)
Credit/Favourable/Balance as per Pass Book		**10,000**
Add: Cheque wrongly credited to another customer account	500	
Error in carrying forward in pass book	3,000	

Cheque paid recorded twice in pass book		350	3,850
Less: Excess credit for cash deposit (1598-1589)		9	
Undercasting of withdrawal column		100	
Wrong credit		1,000	1,109
Debit/Favourable/Balance as per Cash Book			**12,741**

Bank reconciliation statement is a statement that depositors prepare to find, explain and understand any differences between the balance in bank statement and the balance in their accounting records.

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Section E

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31. The rectification entries of the above mentioned errors will be passed in the following manner:

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Journal

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Date	Particulars		LF	Dr. (₹)	Cr.(₹)
	Suspense A/c	Dr		14,000	
	To Sales A/c				7,000
	To Purchases A/c (Being rectification entry of goods sold to Mohan but recorded in the purchase book)				7,000
	Purchases A/c	Dr		9,000	
	Sales A/c	Dr		9,000	
	To Suspense A/c (Being rectification entry for goods purchased from Rohan wrongly recorded in sales account)				18,000
	Suspense A/c	Dr		8,000	
	To Purchase return A/c				4,000

	Particulars			Amount	Amount
	To Sales Returns A/c (Being purchase return from Rakesh were wrongly entered through sales return book, and now rectified)				4,000
	Sales Returns A/c	Dr		1,000	
	Purchases Return A/c	Dr		1,000	
	To Suspense A/c (Being sales return from Mahesh, wrongly entered through sales return book,now rectified)				2,000
	Suspense A/c	Dr		4,000	
	To Purchase Return A/c				2,000
	To Purchases A/c (Being rectification entry for recording purchase return as purchases)				2,000

The Suspense Account will be prepared in the following manner:

Suspense Account

Dr							Cr
Date	Particulars	JF	Amt(₹)	Date	Particulars	JF	Amt(₹)
	To Sales A/c		7,000		By Purchases A/c		9,000
	To Purchases A/c		7,000		By Sales A/c		9,000
	To Purchases Return A/c		4,000		By Sales Returns A/c		1,000
	To Sales Return A/c		4,000		By Purchases Return A/c		1,000
	To Purchases		2,000		By Balance c/d(difference		6,000

	Return A/c			in Trial Balance)			
	To Purchases A/c		2,000				
			26,000				26,000

OR

BANK RECONCILIATION STATEMENT

as on 31st December, 2014

Particulars	Debit (Rs.)	Credit (Rs.)
Balance as per Cash Book	10,000	
Add: Cheque deposited but entered in account in 'B'	3,000	
Cheques issued but not yet presented	20,000	
Cheque deposited but dishonoured	1,000	
Interest credited by bank	100	
Less: Incidental charges		20
Cheques deposited but not yet credited		10,000
Withdrawn from account 'A' entered in account 'B'		1,000
Balance as per Pass Book		**22,000**
	<u>33,100</u>	<u>33,100</u>

BANK RECONCILIATION STATEMENT

as on 31st December, 2014

Particulars	Credit (Rs.)	Debit (Rs.)
Overdraft as per Pass Book		4,500

Add: Cheque deposited with Account 'A' but entered here			3,000
Incidental charges			50
Interest charged by bank			550
Cheques deposited but not credited			7,000
Less: Withdrawal from A's account entered here		1,000	
Cheque issued but not presented		2,000	
Overdraft as per Cash Book		**12,100**	
		<u>15,100</u>	<u>15,100</u>

32.

<h2 style="text-align:center">MACHINERY ACCOUNT</h2>

Dr.							Cr.
Date	**Particulars**	**J.F.**	**Rs.**	**Date**	**Particulars**	**J.F.**	**Rs.**
01.07.15	To Bank A/c		30,000	31.03.16	By Depreciation A/c (W.N.)		2,750
01.01.16	To Bank A/c		20,000		By Balance c/d		47,250
			50,000				**50,000**
01.04.16	To Balance b/d		47,250	31,03.17	By Depreciation A/c (W.N.)		5,225
01.10.16	To Bank A/c		10,000		By Balance c/d		52,025
			57,250				**57,250**
01.04.17	To Balance b/d		52,025	01.04.17	By Cash A/c - Sale		3,000
					By Profit & Loss A/c - Loss		5,325
				31.03.18	By Depreciation A/c (W.N.)		4,370

					By Balance c/d		39,330
			52,025				**52,025**
01.04.18	To Balance b/d		39,330				

Working Notes :

Particulars	Machine I(1/3)	Machine I(2/3)	**Machine II**	**Machine III**	**Total**
Cost	10,000	20,000	20,000	10,000	
Less : Depreciation for 2015-16 @ 10%	-750	-1,500	-500	0	2,750
W.D.V.	9,250	18,500	19,500	10,000	
Less : Depreciation for 2016-17 @ 10%	-925	-1,850	-1,950	-500	5,225
W.D.V.	8,325	16,650	17,550	9,500	
Less : Depreciation for 2017-18 @ 10%	0	-1,665	-1,755	-950	4,370
W.D.V.	8,325	14,985	15,795	8,550	
Less: Sale Value	-3,000				
Loss on sale	5,325				

Depreciation is calculated by Diminishing value method so it is calculated on balance value of an asset or written down value of asset not on the cost of the asset.

On Machine, I depreciation is calculated for 9 months in the first year and on second machine for 3 months in first year.

On Machine III depreciation is calculated for 6 months in the year of purchase.

OR

BOOKS OF MOHAN

Date	Particulars		L.F.	Dr. (Rs.)	Cr. (Rs.)
1.1.18	B/R A/c	Dr.		2,000	
	To Ram (Being bill receivable drawn)				2,000
1.1.18	Bank A/c	Dr.		1,970	
	Discount charges A/c (2,000 x 6% x 3/12)	Dr.		30	
	To B/R A/c (Being bill receivable discounted)				2,000
4.4.18	Ram	Dr.		2,020	
	To Bank A/c (Being bill receivable dishonoured)				2,020
4.4.18	Cash A/c	Dr.		520	
	To Ram (Being cash received from Ram)				520
4.4.18	Ram	Dr.		33.75	
	To Interest A/c $(1,500 \times 9\% \times 3/12)$ (Being interest due from Ram)				33.75
4.4.18	B/R A/c	Dr.		1,533.75	
	To Ram (Being new bill receivable drawn)				1,533.75
7.7.18	Cash A/c	Dr.		1,533.75	
	To B/R A/c (Being amount receive on new bill)				1,533.75

BOOKS OF RAM

JOURNAL ENTRIES

Date	Particulars		L.F.	Dr. (Rs.)	Cr. (Rs.)
1.1.18	Mohan	Dr.		2,000	
	To B/P A/c (Being bill payables accepted)				2,000
4.4.18	B/P A/c	Dr.		2,000	
	Nothing Charges	Dr.		20	
	To Mohan (Being bill payables dishonoured)				2,020
4.4.18	Mohan	Dr.		520	
	To Cash A/c (Being cash paid to Mohan)				520
4.4.18	Interest A/c	Dr.		33.75	
	To Mohan (Being interest due to Mohan)				33.75
4.4.18	Mohan	Dr.		1,533.75	
	To B/P A/c (Being new bill payables accepted)				1,533.75
7.7.18	B/P A/c	Dr.		1,533.75	
	To Cash A/c (Being amount of new bill payables paid)				1,533.75