

XI- Final Assessment Test -2021

Accountancy with Computerised Accounting

Answer Key

I. 1 to 10, each carries 1 score each (10 X 1 = 10)

1. C, Credit balance as per pass book
2. B, Hardware
3. C, Prepaid Insurance
4. D, All Accounts
5. B, Indirect Expenses
6. B, Creditors, others are assets/current assets
7. B, Credit Sales of Goods
8. Creditor
9. GST (Goods and Service Tax)
10. Commission Received

II. Answer any 3 questions from 11 to 17 each carries 2 scores (3 X 2 =6)

11. Advantages of computerized accounting

- 1) **Accuracy:** This is because the computers can carry out even complex calculations at high rate of accuracy.
 - 2) **Storage and retrieval of data is very easy :** Under computerized accounting, a large volume of data can be stored in a very small space; further quick retrieval of data from the system is easily possible.
12. All transactions are first recorded in journal, so journal is called prime entry or original entry. Transaction's first recorded in journal are later transferred to ledger. A ledger is known as 'Book of Final Entry' or 'Secondary Entry' because all transactions first recorded first in Journal and finally posted to various accounts maintained in the Ledger.

13.

15-12-20	Rajesh A/c Dr. To Furniture A/c (Furniture sold on credit)		5,000	5,000
31-12-20	Rent A/c Dr. To Outstanding Rent A/c (Outstanding rent adjusted)		1,000	1,000

14.

- a. Drawer: **Santhosh**
 - b. Drawee: **Mahesh**
- Date of Maturity : **4-06-2020**

15. Journal

Date	Particulars	LF	Debit	Credit
a.	Cash A/c Dr. To Capital (Started business with cash)		1,00,000	1,00,000
b	Bank A/c Dr. To Cash (Cash deposited into bank)		30,000	30,000
c	Purchase A/c Dr. To Bank (Purchased goods and paid by cheque)		50,000	50,000
d	Furniture a/c Dr. To Bharath Traders (furniture purchased on credit)		20,000	20,000

16. Bank Reconciliation Statement (BRS)

BRS is a statement prepared to reconcile the bank balance as per cash book with the balance as per passbook. This statement will show the reasons for the disagreement between the cash book and passbook. BRS is not a part of Bookkeeping. It is prepared by the account holder (customer) of a bank. It is a technique to reconcile/ resolve bank balance in Cash Book with balance reflected in Passbook.

17.

a) Salary paid	Revenue Expenditure
b) Land purchased	Capital Expenditure
c) Rent received	Revenue Receipts
d) Sale of old machinery	Capital Receipts

III. Answer any 3 questions from 18 to 23. Each carry 3 scores.(3 x3 =9)

18. Contra Entries

There are certain transactions which will appear on both sides of the cash book. The entries that affect both sides of the cash book are called contra entries. Against such entries, the letter 'C' (C stands for contra) should be written in the LF column on both sides to signify that these entries are not be posted to the ledger.

19. Dual aspect Concept (Duality/Accounting Equation Concept)

Every business transaction has double effect. If one account is debited, any other account must be credited. The system of recording transactions based on this principle is called as 'Double Entry System'. Double Entry Book keeping is

based on this concept. It is because of this concept that the two sides of the Balance Sheet are always equal

$$\text{Assets} = \text{Liabilities} + \text{Capital}$$

20. Basic requirements of a modern computerised accounting system: (Any 3)

1. **Front-end interface:** It is an interactive link between the user and DBMS through which the user communicates to the back-end-database.
2. **Back-end Database:** It is the data storage system that is hidden from the user and responds to the requirements of the user.
3. **Data Processing:** It is a sequence of actions that are taken to transform the data into 'decision useful information'.
4. **Reporting System:** The report generator extracts useful information from DBMS files and displays it in structured format based on defined specifications.

21. In the order of Liquidity

Bills payable
 Creditors
 Bank overdraft
 Long term loans
 Debentures
 Capital

22. Main objectives of accounting are: (Any 3)

1. **Maintaining Accounting records**
 The main objective of accounting is to maintain systematic record of business transactions and events.
2. **Ascertainment of result**
 The second objective of accounting is to ascertain the net profit earned or loss suffered on account of business transactions during a particular year. For this purpose a statement called 'Income statement' or 'Trading and profit and Loss Account' is prepared.
3. **Determining the Financial Position**
 The business man wants to know the financial position of the business. For this purpose, a statement called 'Balance Sheet' is prepared, it displays the values of assets and liabilities of the business.
4. **Provide Information to Various Parties**
 Accounting is the 'language of business'. It communicates the relevant accounting information to various interested parties
5. **Assistance to Management**
 Management often requires financial information for decision making and ensures efficient management.

23.Current Assets

- Current assets are those assets which are meant for sale or which can be converted into cash within a year. Current asset may be sold, consumed, used, or exhausted within a year. Example-Debtors, stock, bills receivable, cash in hand
- For example, goods are purchased with a purpose to resell and earn profit, debtors can be converted into cash within a short period.

IV. Answer any 3 questions from 24 to 29. Each carry 4 Scores. (3 x 4 = 12)

24.

No.	Transaction	Effect on Business
1	Rent paid	<ul style="list-style-type: none"> ▪ Decrease in Asset ▪ Decrease in capital
2	Purchased goods from Raju	<ul style="list-style-type: none"> ▪ Increase in Asset ▪ Increase in Liability
3	Interest received	<ul style="list-style-type: none"> ▪ Increase in Asset ▪ Increase in capital
4	Purchased machinery for cash	<ul style="list-style-type: none"> ▪ Increase in asset ▪ Decrease in asset
5	Cash received from Sunny	<ul style="list-style-type: none"> ▪ Increase in asset ▪ Decrease in asset

25. Qualitative Characteristics of Accounting Information

1.Reliability: Accounting information must be reliable. Reliable information should be free from error and bias and verifiable.

2.Relevance: To be relevant, information is to be available on time and must help in prediction.

3.Understandability: Understandability of accounting information means users of accounting information must interpret it in the same sense as it is prepared and conveyed to them.

4.Comparability: Comparability means that the users should be able to compare the accounting information of an enterprise of the period either with that of other periods (Intra-firm comparison) or with the accounting information of other enterprises (Inter-firm comparison).

26. Cost of goods sold = Opening Stock + Net Purchase + Direct Expenses – Closing Stock

Net Purchase = Purchase – Purchase return

$$= 1,50,000 - 10,000 = 1,40,000$$

$$= (50,000 + 1,40,000 + 84,000) - 40,000$$

$$= 2,74,000 - 40,000 = \mathbf{2,34,000}$$

27.causes of difference between bank balance as cash book and pass book.

- A. Cheque issued but not yet presented for payment.** This will decrease the cash book balance.
- B. Cheques deposited into bank but not yet collected.** This will increase the cash book balance.
- C. Interest on investment credited by bank recorded only in the pass book.** This will increase the pass book balance.
- D. Bank charges recorded only in pass book.** This will decrease the pass book balance

28.Depreciation means gradual and permanent decrease in the value of assets due to wear and tear, passage of time or obsolescence through technology and market changes.

Main causes of depreciation of assets are:

- 1. Wear and tear** – Constant use of assets results in wear and tear especially in case of machinery, furniture, vehicles etc.
- 2. Amortisation**– Certain categories of assets lose their value after the expiry of the agreement period/volume. Examples of such assets are patents, copyrights, leases, etc.
- 3. Obsolescence** – Due to change in fashion or new inventions, some assets may be discarded before their life time.
- 4. Passage of time** – Some assets decrease in value merely because of passage of time. Example: value of motor vehicles.

29.Differentiate between cash discount and trade discount.

Points	Trade Discount	Cash Discount
1. Origin	Trade discount is usually allowed by the wholesaler to the retailer	Cash discount is usually allowed by the creditor to the debtor to encourage early payment
2.Time	Allowed at the time of bulk purchase	Allowed when payment is made on or before a specified date.
3. Recording	It is not recorded separately in the books of accounts.	It is recorded separately in the books of accounts.
4. Objective	Trade discount encourage bulk purchase	Cash discount encourage prompt payment

V. Answer any 3 questions from 30 to 35. Each carry 5 Scores. (3 x 5 = 15)

30. Match the following

A	B
Outstanding salary should be added to salary	Matching Concept
Closing stock is valued at cost or market price whichever is less	Conservatism (Prudence) Concept
Proprietor is treated as creditor to the extent of his capital	Accounting entity concept
Every transaction will have two aspects	Dual aspect concept
All business events not recorded in accounting	Money measurement concept

31.

Transactions		Assets = Liabilities + Capital			
		Cash	Stock	Creditors	Capital
1	Started business with cash Rs. 1,00,000	+1,00,000	0	0	1,00,000
	New Equation	1,00,000	0	0	1,00,000
2	Purchased goods for cash Rs. 20,000	-20,000	+20,000	0	0
	New Equation	80,000	20,000	0	1,00,000
3	Purchased goods from Sunny Rs.10,000	0	+10,000	+10,000	0
	New Equation	80,000	30,000	10,000	1,00,000
4	Commission received Rs. 1,000	+1,000	0	0	+1,000
	New Equation	81,000	30,000	10,000	1,01,000
5	Salary paid Rs.3,000	-3,000	0	0	-3,000
	New Equation	78,000	30,000	10,000	98,000

32. Trial Balance as on

Particulars	Debit	Credit
Cash	50,000	
Creditors		40,000
Wages	10,000	
Stock	30,000	
Furniture	70,000	
Capital		90,000
Commission Received		3,000
Postage	2,000	
Carriage inwards	1,000	
Bank Loan		30,000
	1,63,000	1,63,000

33. **Star Traders Account**

Date	Particulars	Amount	Date	Particulars	Amount
5-12-19	To Cash	40,000	1-12-19	By Purchase	60,000
10-12-21	To sales	70,000	15-12-19	By Furniture	20,000
25-12-21	To Cash	30,000	31-12-19	By Balance c/d	60,000
		1,40,000			1,40,000

34. **Sales day Book (NCERT Text model)**

Date	Invoice No.	Name of Customer (Account to be debited)	L.F	Amount
1-1-20	115	Maria traders:		16200
8-1-20	116	Anna traders:		144000
10-1-20	117	Maria Traders:		72000
		Total		232200

OR**Books of Anjana Traders (Traditional Method)****Sales day Book**

Date	Invoice No.	Name of Customer (Account to be debited)	L.F	Amount
1-1-20	115	Maria traders: 40 shirts @ Rs.400 20 trousers @ Rs.100 each.	16000 <u>2000</u> 18000	
		Less Trade Discount 10%	<u>1800</u>	16200
8-1-20	116	Anna traders: 200 shirts @ Rs.400 each 800 trousers @ Rs.100 each	80000 <u>80000</u> 160000	
		Less: Trade discount @ 10%	<u>16000</u>	144000
10-1-20	117	Maria Traders: 100 shirts @ Rs.400 each 400 trousers @ Rs.100 each	40000 <u>40000</u> 80000	
		Less: Trade discount @ 10%	<u>8000</u>	72000
		Total		232200

35.

- Debtor-** Debtor is a person who owes money to the business. Example- Sold goods to Biju on credit Rs.500, here Biju is a debtor to the business.
- Revenue Expenditure:** Revenue expenditures include the expenses required to meet the day-to-day operations of the business and they are recurring in nature. Example: Payment of salary, rent etc.

- c) **Capital-** Amount invested by the owner into the business.
- d) **Debit Note:** It is a statement prepared and sent by the purchaser of the goods to the supplier, informing him that his account is debited with the amount of goods returned or damages claimed. It is a source document of purchase return book.

VI. Answer any 1 question from 36 to 38. Each carry 8 score (1 x 8 = 8)

36.

Petty Cash Book

Amount Received	Date	Particulars	Voucher No.	Amount Paid	Analysis of payments				
Rs.	April 2019			Rs.	Postage	Telephone Charges	Travelling Expenses	Stationery	Miscellaneous
1000	01	Cash Received							
	02	Auto fare		20			20		
	03	Cartage		20					20
	04	Courier charges		60	60				
	05	Telephone charges		100		100			
	05	Postage Stamp		70	70				
	06	Speed post charges		28	28				
	07	Refreshment		42					42
	07	Office stationery		20				20	
	09	Auto fare		25			25		
	10	Reg. postal charges		40	40				
	11	Bus fare		10			10		
	12	Photo stating charges		18					18
	13	Auto fare		30			30		
	19	Cartage		27					27
	21	Telephone charges		30		30			
	23	Courier charges		20	20				
	29	Office stationery		50				50	
	30	Bus fare		18			18		
				628	218	130	103	70	107
	30	Balance c/d		372					
1000				1000					
372	May 01	Balance b/d							
628	01	Cash received							

37.

Trading and Profit and Loss Account

Dr.

for the Year ended 31-12-18 Cr.

Particulars	Amount	Particulars	Amount
To Opening Stock	13,000	By Sales	32,000
To Purchase	14,000	Less: Return inwards	<u>1,000</u>
Less: Return outwards	<u>1,500</u>	Closing Stock	8,000
To Wages	2,000		
Add: Outstanding	<u>1,000</u>		
To Carriage inwards	1,000		
To Gross Profit c/d	9,500		
	39,000		39,000
To Salaries	3,200	By Gross Profit b/d	9,500
To Insurance	800	By Commission	500
Less Prepaid Insurance	<u>200</u>	Less Received in advance	<u>100</u>
Depreciation:			
Furniture (4000 x 10%)	400		
Net profit Transferred to Capital Account (B/F)	5,700		
	9,900		9,900

Balance Sheet as on 31-12-2018

Liabilities	Amount	Assets	Amount
Creditors	8,000	Debtors	6,000
Bank Overdraft	3,000	Prepaid Insurance	200
Outstanding Wages	1,000	Closing Stock	8,000
Commission received in advance	100	Furniture	4,000
Capital	20,000	Less: Depreciation	<u>400</u>
Add: Net Profit	<u>5,700</u>	Building	18,000
	25,700		
Less: Drawings	<u>2,000</u>		
	23,700		
	35,800		35,800

38.

Cash Book with Bank Column (Double Column Cash Book)

Date	Particulars	L F	Cash	Bank	Date	Particulars	L F	Cash	Bank
1-11-20	To Balance b/d		8,000		1-11-20	By Balance b/d			2,000
3-11-20	To Sales		12,000		8-11-20	By Bank	C	10,000	
5-11-20	To Rahul			25,000	10-11-20	By Mohan			5,000
8-11-20	To Cash	C		10,000	14-11-20	By Drawings			8,000
24-11-20	To Bank	C	4,000		19-11-20	By Stationery		500	
					20-11-20	By Rent			2,000
					24-11-20	By Cash	C		4,000
					28-11-20	By Purchase			6,000
					29-11-20	By Insurance			1,000
					30-11-20	By Balance c/d		13,500	7,000
			24,000	35,000				24,000	35,000

Prepared By BINOY GEORGE, HSST, MKNM HSS, Kumaramangalam, Thodupuzha, Idukki Dt.

"Teachers can open
the door, but you
must enter it
yourself." –
Chinese Proverb

"You can't
have a
better
tomorrow
if you're
still thinking
about yesterday."

Charles F Kettering

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