MARKING SCHEME
CLASS XI
ANNUAL EXAMINATION (2024- 25)
ACCOUNTANCY
SET B1 & B2

Time Allowed: 3 Hours **Max Marks :80**

GENERAL INSTRUCTIONS

1. This marking scheme consists of 21 printed pages.
2. There are 34 questions in the question paper. All questions are compulsory.
3. All parts of a question should be attempted at one place.
4. Write the serial number of the question before attempting it.

B1	B2	SUGGESTED ANSWER	MARKS
1	2	**Assertion (A):** Accounting information is sometimes based on estimates. **Reason (R):** The financial statements always reflect the true position of the business. a. Both A and R are true and R is the correct explanation of A. b. Both A and R are true but R is not the correct explanation of A. c. A is true but R is false. d. A is false but R is true.	1
Ans		C. A is true but R is false	
2	3	A businessman dealing in ready-made garments sold the building having a book value of ₹10,00,000 for ₹12,00,000. In the above transaction, ₹2,00,000 and ₹12,00,000, respectively, will be termed as _____ and _____. a. Gain, Revenue Receipts b. Revenue Receipts, Profit c. Sales, Capital Receipts d. Gain, Capital Receipts	1
Ans		d. Gain, Capital Receipts	
3	4	Which document is sent to a customer when he returns the goods which were sold to him on credit? (a) Credit Note (b) Cheque (c) Debit Note (d) Performa invoice	1
Ans		(a) Credit note	
4	5	The 'X' Traders maintains a double column Cash Book. It received a cheque amounting to ₹1,000 from Y Traders. The cheque was not deposited into bank account on the same date on which it was received. The amount of the cheque would be written: (a) in the bank column on the debit side of the cash book (b) in the bank column on the credit side of the cash book (c) in the cash column on the debit side of the cash book (d) in the Journal Proper	1

Ans		(d) in the Journal Proper	
5	6	Assertion (A): Assets are future economic benefits, the rights, which are owned or controlled by an organization or individual. Reason (R): These are the economic resources of an enterprise that cannot be usefully expressed in monetary terms. (a) Both (A) and (R) are true and (R) is the correct explanation of (A). (b) Both (A) and (R) are true and (R) is not the correct explanation of (A). (c) (A) is true, but (R) is false (d) (A) is false, but (R) is true.	1
Ans		c. (A) is true, but (R) is false	
6	7	Moon Ltd. distributed goods free of cost among its employees on account of new year. Which account will be debited in the corresponding journal entry for this? (a) Charity Account (b) Sales Promotion Expenses Account (c) Staff Welfare Expenses Account (d) Drawings Account	1
Ans		C) Staff Welfare Expenses Account	
7	8	A soft drink manufacturing company incurred huge expenditure on advertisement, assuming that benefit will be availed during following years. The Expenditure incurred is: (a) Revenue expenditure. (b) Capital expenditure. (c) Deferred revenue expenditure. (d) Partial revenue and partial capital expenditure.	1
Ans		(c) Deferred revenue expenditure.	
8	9	Shreya, the manager of Win Traders, was allowed a commission of 5% on the net profit after charging such commission. The net profit for the year ended 31st March, 2022 amounted to ₹ 84,000. Calculate the amount of commission to be paid to Shreya. (a) ₹ 4,000 (b) ₹ 4,200 (c) ₹ 8,400 (d) ₹ 7,636	1
Ans		(a) ₹ 4,000	
9	10	Single Entry system can be adopted by: (a) Small Firms (b) Cooperative Societies (c) Joint Stock Companies (d) Partnership Firms	1
Ans		(a) Small Firms	
10		Priya sold goods to Arun of list price of ₹ 38,000. She allowed trade discount @ 10%. Arun paid ₹ 10,000 immediately. Soon, Arun was declared insolvent and only 25% of the amount due could be received from his estate. Calculate the amount of bad debts.	1

		(a) ₹ 28,000 (b) ₹ 6,050 (c) ₹ 18,150 (d) ₹ 7,000	
Ans		c) ₹ 18,150	
	11	Calculate the amount of Provision for Discount on Debtors with the information provided: Sundry Debtors ₹ 52,000; Further Bad Debts to be adjusted ₹ 2,000; Provision for Doubtful Debts to be created at 5% and Provision for Discount on Debtors to be created at 2%. (a) ₹ 1,040 (b) ₹ 1,000 (c) ₹ 2,500 (d) ₹ 950	1
	Ans	(d) ₹ 950	
11	12	Which of the following is not an example of Revenue Receipts? a) commission received / b) Amount received from sale of goods c) Fees received from providing services / d) Loan taken from bank	1
Ans		D) Loan taken from Bank	
12	13	Mohan purchased goods for ₹15,00,000 and sold 4/5th of goods ₹18,00,000 and met expenditure of ₹2,50,000 during the year 2024. He counted net profit as ₹ 3,50,000. Which of the accounting concepts was followed by him? a) Entity b) Periodicity c) Matching d) Conservatism	1
Ans		c) Matching	
13	14	Anil purchased goods of ₹50,000 less 20% Trade Discount and 3% Cash Discount if payment is made within 30 days. Anil paid the full amount within 30 days. Purchases Account will be debited and Discount Received Account will be credited respectively with: (a) ₹40,000, Nil (b) ₹40,000, ₹300 (c) ₹40,000, ₹1,200 (d) ₹40,000, ₹900	1
Ans		(c) ₹40,000, ₹1,200	

<table>
<tr><td>14</td><td>15</td><td>A credit sale of ₹ 1,900 to Sita was recorded as sale to Rita ₹ 9,100. Which of the following entries will rectify this error?

<table><tr><td>Date</td><td>Particulas</td><td></td><td>₹</td><td>₹</td></tr><tr><td>(a)</td><td>Sales A/c
To Rita A/c</td><td>Dr.</td><td>9,100</td><td>
9,100</td></tr><tr><td>(b)</td><td>Sita’s A/c
Rita’sA/c
To Sales A/c</td><td>Dr.
Dr.</td><td>1,900
9,100</td><td>

11,000</td></tr><tr><td>(c)</td><td>Sita A/c
SalesA/c
To Rita A/c</td><td>Dr.
Dr.</td><td>1,900
7,200</td><td>

9,100</td></tr><tr><td>(d)</td><td>Sita A/c
SalesA/c
To Rita A/c</td><td>Dr.
Dr.</td><td>1,900
9,100</td><td>

11,000</td></tr></table></td><td>1</td></tr>
<tr><td>Ans</td><td></td><td><table><tr><td>(c)</td><td>Sita A/c
Sales A/c
To Rita A/c</td><td>Dr.
Dr.</td><td>1,900
7,200</td><td>

9,100</td></tr></table></td><td></td></tr>
<tr><td>15</td><td>16</td><td>A machinery which costs ₹2,00,000 is depreciated at 25% per year using the written Down Value Method. At the end of three years, it will have a net book value of:
(a) ₹1,50,000
(b) ₹1,00,000
(c) ₹84,375
(d) ₹1,12,500</td><td>1</td></tr>
<tr><td>Ans</td><td></td><td>(C)₹84,375</td><td></td></tr>
<tr><td>16</td><td>17</td><td>Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R):
Assertion (A): The main difference between the Accounting Standards and Ind-AS is that Ind-AS are more comprehensive and provide more detailed guidelines for financial reporting.
Reason (R): AS is the older set of standards, which were issued by the Institute of Chartered Accountants of India (ICAI) whereas Ind-AS, on the other hand, are the newer set of standards that are based on the updated IFRS.
Codes:
(a) Both (A) and (R) are true and (R) is the correct explanation of (A).
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A).
(c) (A) is true, but (R) is false
(d) (A) is false, but (R) is true.</td><td>1</td></tr>
<tr><td>Ans</td><td></td><td>(a) Both (A) and (R) are true and (R) is the correct explanation of (A).</td><td></td></tr>
</table>

<table>
<tr><td>17</td><td>18</td><td>
<table>
<tr><td>Column A</td><td>Column B</td></tr>
<tr><td>(i) A permanent, continuing and gradual shrinkage in the book value of fixed asset</td><td>1. Straight Line Method</td></tr>
<tr><td>(i) Wear and tear of Fixed asset is charged on the book value of the asset</td><td>2. Written Down Value Method</td></tr>
<tr><td>(ii) Wear and tear of Fixed asset is charged on the cost price of the asset</td><td>3. Depreciation</td></tr>
</table>
Choose the correct option: -
(a) (i)-3; (ii)-1; (iii)-2
(b) (i)-3; (ii)-2; (iii)-1
(c) (i)-1; (ii)-2; (iii)-3
(d) (i)-1; (ii)-3; (iii)-2
</td><td>1</td></tr>
<tr><td>Ans</td><td></td><td>(b) (i)-3; (ii)-2; (iii)-1</td><td></td></tr>
<tr><td>18</td><td></td><td>Sale is recognized as revenue
(a) when the contract for sale is entered into.
(b) at the point of sale or performance of service.
(c) after the expiry of credit period allowed to debtors.
(d) after the money collected from the customers.</td><td>1</td></tr>
<tr><td>Ans</td><td></td><td>(b) at the point of sale or performance of service.</td><td></td></tr>
<tr><td></td><td>19</td><td>Which of the following party is interested in looking at financial information with a viewpointof making internal as well as external comparisons in their attempt to evaluate the performance?
(a) Owners
(b) Managers
(c) Employees
(d) Creditors</td><td>1</td></tr>
<tr><td></td><td>Ans.</td><td>a) Owners</td><td></td></tr>
<tr><td>19</td><td>20</td><td>Read the following statements carefully:
(i) Increase in Assets and Expenses are always debited
(ii) Decrease in Liabilities and Incomes are always credited
(iii) Decrease in Assets and Increase in Liabilities are always credited
(iv) Increase in Capital and Increase in Income are always debited.
Choose from the options given below:
(a) (i) and (ii) are correct
(b) (ii) and (iv) are correct
(c) (i) and (iii) are correct
(d) All are correct</td><td>1</td></tr>
<tr><td>Ans</td><td></td><td>(c) (i) and (iii) are correct</td><td></td></tr>
</table>

20	1	Statement I: When a sales book is maintained, there is no need to open Sales account in the ledger Statement II: When a cash book is maintained, there is no need to open cash account in the ledger. a) Statement I is correct but statement II is incorrect. b) Both statements are incorrect c) Both statements are correct d) Statement I is incorrect but statement II is correct	**1**
Ans		d) Statement I is incorrect but statement II is correct	
21		Identify and explain the accounting principles to which each of the following statements are applicable: (a) Contingent liabilities are shown in the Balance Sheet. (b) The entire life of business should be divided into time intervals for the measurement of the profits of business.	3
	21	Identify and explain the two accounting concepts/principles highlighted/ violated in the given case. On 1st April 2023, Raman started a business for selling stationery items by investing ₹ 20,00,000. He took a building on rent for his office and appointed two salesmen and one accountant. His business started becoming popular. The accountant closed all the books of accounts at the end of the year for calculating the financial results of the business. For this purpose, he valued the closing stock and recorded it in the books as ₹ 3,52,000 though the net realizable value was ₹ 3,45,000. The business earned a profit of ₹ 73,000 in its first year.	
Ans		(a) Full Disclosure principle- The full disclosure principle is an accounting principle that requires companies to disclose all relevant information about their financial statements. The purpose of the full disclosure principle is to ensure that investors and other users of financial statements have all the information they need to make informed decisions. (b) Accounting Period principle- Accounting period concept is based on the theory that all accounting transactions of a business should be divided into equal time periods, which are referred to as accounting periods. The purpose of such a time period is that financial statements can be prepared and presented to the investors and also help in comparing performance of the business with each time period.	½ mark for identification and 1 mark for explanation
	Ans	**Highlighted: Accounting Period Principle** According to this principle, the life of an enterprise is broken into smaller periods so that its performance is measured at regular intervals. Usually, the period considered is one year which is termed as accounting period. It starts from 1st April of a particular year and ends on 31st March of the next year. This is required to take decisions and to assess the performance, fund requirement etc. The financial statements are prepared at the end of the	½ mark for identification and 1 mark for explanation

accounting period to assess the performance and to know the financial position.

Violated Principle: Prudence / Conservatism

Prudence or Conservatism principle states 'do not anticipate a profit but provide for all possible losses. As per this principle, the Closing Stock is to be valued at cost or market price whichever is lower. This is done to ensure that the financial statements depict the true picture.

22 | 26 | Journalize in the books of Ganguli Traders of Gujarat assuming CGST@9% and SGST@9%: (i) Purchased goods of ₹2,00,000 from Suryakant of Jaipur, Rajasthan. (ii) Sold goods for ₹1,50,000 to Pawar of Mumbai, Maharashtra and banked the cheque on the same day. (iii) Purchased office furniture for ₹60,000 by cheque from local market. | 3

Ans

Journal

Date	Particulars	LF	Dr. Amt. (₹)	Cr. Amt. (₹)
i	Purchases A/c Dr. Input IGST A/c Dr, To Suryakant (Purchased goods of ₹2,00,000 from Suryakant of Jaipur, Rajasthan.)		2,00,000 36,000	 2,36,000
ii.	Bank A/c Dr. To Sales A/c To Output IGST A/c (Sold goods for ₹1,50,000 to Pawar of Mumbai, Maharashtra and banked the cheque on the same day.)		1,77,000	 1,50,000 27,000
iii.	Furniture A/c Dr. Input CGST A/c Dr, Input SGST A/c Dr, To Bank A/c (Purchased office furniture for ₹60,000 by cheque.)		60,000 5,400 5,400	 70,800

<table>
<tr><td>23</td><td>25</td><td>Rujuta, a legal consultant, during the financial year 2023-24, earned ₹8,00,000, out of which she received ₹7,45,000. She incurred an expense of ₹3,00,000, out of which ₹50,000 are outstanding. She also received consultancy fee relating to previous year ₹45,000 and also paid ₹20,000 expenses of last year.
You are required to determine her income of 2023-24, if:
a. she follows Cash Basis of Accounting
b. she follows Accrual Basis of Accounting.
OR
Distinguish between Cash and Accrual basis of accounting on the following basis:
a. Recording of transactions
b. Ascertainment of Profit or Loss
c. Legal Position</td><td>3</td></tr>
<tr><td>Ans</td><td></td><td>a. Cash Basis of Accounting:
Income = Revenue – Expenses
= 7,45,000-2,50,000+ 45,000- 20,000= ₹5,20,000
b. Accrual Basis of Accounting:
Income= Revenue – Expenses
= 8,00,000 – 3,00,000= ₹ 5,00,000.
OR
<table><tr><td>BASIS</td><td>CASH BASIS</td><td>ACCRUAL BASIS</td></tr><tr><td>Recording of transactions</td><td>Only cash transactions are recorded.</td><td>Both cash and credit transactions are recorded.</td></tr><tr><td>Ascertainment of Profit or Loss</td><td>Correct profit or loss is not ascertained because it records only cash transactions.</td><td>Correct profit or loss is ascertained because it records both cash and credit transactions.</td></tr><tr><td>Legal Position</td><td>Cash basis of accounting is not recognized by the companies Act,2013.</td><td>Accrual basis of accounting is recognized by the companies Act,2013.</td></tr></table></td><td></td></tr>
<tr><td>24</td><td>23</td><td>Calculate Closing Stock from the following details:
Opening Stock ₹ 20,000;
Cash Sales ₹ 60,000;
Credit Sales ₹ 40,000;
Purchases ₹ 70,000.
Rate of Gross Profit on Cost $33\frac{1}{3}$%.</td><td>3</td></tr>
</table>

Sol

Total Sales = Cash Sales + Credit Sales = ₹ 1,00,000

Let cost be ₹ 100, Gross Profit = $33\frac{1}{3}$ on Cost; Sales = $133\frac{1}{3}$

Gross Profit on Sales = $\frac{33\frac{1}{3}}{133\frac{1}{3}} = \frac{1}{4}$

Gross Profit = ₹ 1,00,000 x $\frac{1}{4}$ = ₹25,000

Cost of Goods Sold = Sales - Gross Profit
= ₹ 1,00,000 - ₹ 25,000
= ₹ 75,000

Cost of Goods Sold = Opening Stock + Purchases - Closing Stock
₹ 75,000 = ₹ 20,000 + ₹ 70,000 - Closing Stock
Closing Stock = ₹ 20,000 + ₹ 70,000 - ₹ 75,000 = ₹15,000.

25

Give Journal entries for the following adjustments in final accounts for the year ended March, 2024: 3

(a) Closing stock valued on 31st March, 2024: ₹80,000; Net realizable value ₹75,000.

(b) Loan of ₹10,000 was given to X @ 18% p.a. on 1st August, 2023. Interest collected so far ₹200.

(c) Debtors as on 31st March, 2024: ₹60,000; Provision for doubtful debts ₹2,000. Increase Provision for doubtful debts by 8%.

Ans

Date	Particulars	L.F.	Dr.Amt (₹)	Cr.Amt (₹)
2024 Mar31	Stock A/c Dr. To Trading A/c (Closing stock recorded.)		75,000	75,000
Mar31	Accrued Interest A/c Dr. To Interest Received A/c (Accrued interest recorded.)		1,000	1,000
Mar31	Profit and Loss A/c Dr. To Provision for Doubtful Debts A/c (Provision for doubtful debts created.)		4800	4800

	22	Sunny purchased goods worth ₹ 3,50,000. While transporting the goods, the vehicle met with an accident. 50% of the goods got damaged. Since the goods were insured, Sunny filed for compensation. After assessing the losses, the insurance company paid ₹ 1,00,000 only. Pass necessary journal entries related to loss of goods.	
Ans		In the Books of Sunny Journal	

Date	Particulars	LF	DR. (₹)	CR. (₹)
	Goods Loss by accident A/c Dr. To Purchases A/c (Goods damaged due to accident)		1,75,000	1,75,000
	Insurance Company A/c Dr. To Goods Loss by accident A/c (Claim made)		1,75,000	1,75,000
	Bank A/c Dr. Profit and loss A/c Dr. To Insurance Company (Part claim received)		1,00,00 75,000	1,75,000

26	24	From the following transactions of Harish, a textile trader, prepare Purchases Book.	3

2022 January	Transactions
2.	Bought from Manan Bros., Punjab.100 metres of cotton cloth @ ₹ 400 per metre less 12% Trade Discount
8.	Mohan, Sonipat sold silk material worth ₹ 25,000 to us.
15.	Purchased Air Conditioner worth ₹ 55,000 for office from TK Electronics, Delhi.
22.	Karan, Mumbai purchased from us goods of list price of ₹ 32,000 less 10% Trade Discount.
25.	Purchased woollen garments worth ₹ 60,000 from AVR Garments, Gurgaon and paid half the amount by cheque immediately.

Sol

Purchases Book

Date	Particulars	Inv. no	Details	Amt. ₹
2022				
Jan. 2	Manan Bros., Punjab			
	100 m of cotton cloth @ ₹ 400 per m		40,000	
	Less: Trade Discount @ 12%		(4,800)	35,200
Jan. 8	Mohan, Sonipat			
	Silk material			25,000
Jan. 25	AVR Garments, Gurgaon			
	Woollen Garments			30,000
Jan.31	Purchases A/c Dr.			90,200

27 | 29 | 2+2=4

(a)X, who keeps his books on Single Entry System, informs you that his capital on 31st December, 2024 is ₹18,700 and his capital on 1st January, 2023 was ₹19,200. He further informs that during the year, he withdrew for his household purposes ₹8,420. He sold his investment of ₹2,000 at 2% premium and brought that money in the business.
You are required to prepare a Statement of Profit or Loss.

(b) Classify the following transactions into capital expenditure and revenue expenditure:

(i) Legal expenses of ₹1,20,000 were spent for purchasing a piece of land.

(ii) ₹5,000 spent on repairs of an existing machine

(iii) ₹10,000 salary paid to an employee.

(iv) Cost of annual taxes paid and the annual insurance premium paid on company's car.

Sol (a) | 2+2=4

Statement of Profit & Loss	
Particulars	Amount
Closing Capital	18,700
Add - Drawings	8,420
	27,120
Less- Additional Capital	(2,040)
	25,080
Less- Opening Capital	(19,200)
Profit	5,880

(b)

(i) Capital expenditure
(ii) Revenue Expenditure
(iii) Revenue Expenditure
(iv) Revenue Expenditure

28 | 28 | Pass journal entries to rectify the following errors detected while preparing the Trial Balance of Raghu Traders and prepare Suspense Account. | 4

i) Goods worth ₹ 3,200 returned to Ram was recorded in Purchases Return Book but not posted to Ram's account.
ii) Cash paid to Parul ₹ 3,800 was debited to Rahul as ₹ 800.
iii) The total of one page of Purchases Book was carried forward to the next page as ₹ 17,300 instead of ₹ 13,700

Sol | 3+1=4

Rectifying journal entry

Date	Particulars		LF	Dr. ₹	Cr. ₹
1.	Ram A/c	Dr.		3,200	
	To Suspense A/c				3,200
	(Omission of posting rectified)				
2.	Parul A/c	Dr.		3,800	
	To Suspense A/c				3,000
	To Rahul A/c				800
	(Wrong credit to Rahul's Account rectified)				
3.	Suspense A/c	Dr.		3,600	
	To Purchases A/c				3,600
	(Wrong amount carried forward rectified)				

. Suspense A/c Cr.

Particulars	₹	Particulars	₹
To difference in Trial Balance (Balancing figure)	2,600	By Ram	3,200
		By Parul	3,000
To Purchases	3,600		
	6,200		6,200

29 | 27 | Vinod maintains his account on Single Entry System. Calculate his profit on 31st March, 2023 from the following information: | 4

Particulars	April 1,2022	March 31,2023
Cash in hand	6,000	2,000
Bank balance	18,000	14,000
Furniture	8,000	8,000
Stock	4,000	12,000
Creditors	16,000	12,000
Debtors	12,000	16,000

During the year his drawings were ₹4,000 and additional capital invested ₹8,000.

OR

Differentiate between Single entry system and Double entry system on the basis of:

(i) Trial Balance
(ii) Financial Position
(iii) Authenticity
(iv) Suitability

Ans

Statement of Affairs (opening)

Liabilities	Amount	Assets	Amount
Creditors Capital (Bal. fig)	16,000 32,000	Cash in hand Bank Balance Furniture Stock Debtors	6,000 18,000 8,000 4,000 12,000
	48,000		48,000

Statement of Affairs (Closing)

Liabilities	Amount	Assets	Amount
Creditors Capital (Bal. fig)	12,000 40,000	Cash in hand Bank Balance Furniture Stock Debtors	2,000 14,000 8,000 12,000 16,000
	52,000		52,000

Calculation of profit:

Capital at the end + Drawings – Additional capital – opening capital

40,000 + 4,000 – 8,000 – 32,000 = 4,000

OR

BASIS	SINGLE ENTRY SYSTEM	DOUBLE ENTRY SYSTEM
Trial balance	Trial balance cannot be prepared due to incomplete set of accounting. Therefore, arithmetical accuracy of the accounting cannot be verified.	Trial balance is prepared and therefore, arithmetical accuracy of the accounting is verified.
Financial Position	Balance Sheet is not prepared. Only statement of affairs is prepared. Hence, financial position is only estimated.	Correct financial position is ascertained by preparing balance Sheet.
Authenticity	This system does not consider it authentic by the court.	This system is considered authentic by the court.

		Suitability	This system is practically suitable for all types of firms.	Suitable for small traders only.	

30 | 34 | 3+3=6

Prepare Ledger Accounts of Ramesh and Machinery from the following journal entries:

DATE	PARTICULARS		L.F.	DR. (₹)	CR. (₹)
	Purchases A/c	Dr		1,44,000	
	Input CGST A/c	Dr		12,960	
	InputSGST A/c	Dr		12,960	
	To Ramesh A/c				1,69,920
	Ramesh	Dr.		1,69,920	
	To Bank A/c				1,60,000
	To Discount Received A/c				9,920
	Machinery A/c	Dr.		50,000	
	Input IGST A/c	Dr.		9,000	
	To Lal & Sons				59,000
	Depreciation A/c	Dr.		5,000	
	To Machinery A/c				5,000

(a) Prepare a Trial balance from the following information as on 31st March,2024:

S.no.	Particulars	Amount (₹)
1	Cash in hand	5,000
2	Bank Overdraft	200
3	Creditors	4,000
4	Discount Received	1,000
5	Bills payables	5,000
6	Short term loan from bank	3,800
7	Carriage Outward	800
8	Trade Receivables	3,200
9	Salaries	15,000
10	Office Equipment	4,000
11	Furniture	6,000
12	Capital	20,000

Sol

(a)Ramesh A/c (2 marks)

Date	Particulars	L.F.	Amt	Date	Particulars	L.F.	Amt.
	To Bank A/c		1,60,000		By Purchases		1,44,000
	To Dis. Rec. A/c		9,920		By Input CGST		12,960
					By Input SGST		12,960
					By Bal c/d		
			1,69,920				1,69,920

Machinery A/c 1

Date	Particulars	L.F.	Amt	Date	Particulars	L.F.	Amt.
	To Lal & Sons		50,000		By Dep.		5,000
					By Bal c/d		45,000
			50,000				50,000

B) **TRIAL BALANCE AS ON 31.3.24**

S.no.	Particulars	L.F.	Dr. Amount (₹)	Cr. Amount (₹)
1	Cash in hand		5,000	---
2	Bank Overdraft		---	200
3	Creditors		----	4,000
4	Discount Received		---	1,000
5	Bills payables		---	5,000
6	Short term loan from bank		---	3,800
7	Carriage Outward		800	--
8	Trade Receivables		3,200	--
9	Salaries		15,000	--
10	Office Equipment		4,000	--
11	Furniture		6,000	--
12	Capital		----	20,000
	TOTAL		34,000	34,000

31	33	On 31st March, 2023, the Bank Pass Book of Surya Enterprises showed a balance of ₹7,700. On the basis of the following particulars, prepare Bank Reconciliation Statement: (i) Cheques issued before 31st March, 2023 but not presented for payment amounted to ₹3,500. (ii) Cheques paid into the Bank but a cheque amounting to ₹ 2,600, has not been collected yet. (iii)Interest on Loan amounting to ₹554, debited by the Bank was not recorded in the Cash Book. (iv)A debtor deposited 4,800 directly into the bank but the information was received on 3rd April, 2023. (v) Payment side of Cash Book was totalled 1,000 short.	6

Sol

Bank Reconciliation Statement as on March 31, 2023

Particulars	Plus, Amount	Minus amount
Balance as per Bank Pass Book	7,700	
Add: Cheque deposited into bank but not collected	2,600	
	554	
Interest on Bank Loan debited by bank	1,000	
Payment side of Cash Book totalled Short		3,500
Less: Cheque issued but not presented for payment		4,800
		3,554
Directly deposited by the customer		
BALANCE AS PER CASH BOOK		
	11,854	11,854

32 32 Record the following transactions in Double Column Cash Book of Suresh 6

2022		₹
Feb. 1	Cash in hand	56,250
	Cash at bank	1,24,500
Feb. 5	Paid to Arun, a creditor, by cheque	21,600
	Discount received from Arun	400
Feb. 7	Purchased goods at list price ₹ 40,000. Trade discount 10%. Paid by cheque.	
Feb. 9	Withdrawn from bank	2,300
Feb. 16	Received a cheque from Varun, a debtor.	36,700
Feb. 17	Deposited Varun's cheque into bank	
Feb. 22	Sold goods to Ashok	20,000
Feb. 25	Paid salaries	13,000
	Paid rent	6,500
Feb. 28	Deposited into bank	25,000

In the books of Suresh

Dr. Double Column Cash Book Cr.

Dt.	Particulars	LF	Cash ₹	Bank ₹	Dt.	Particulars	LF	Cash ₹	Bank ₹
2022					2022				
Feb1	To balance b/d		56,250	1,24,500	Feb5	By Arun			21,600
9	To Bank	C	2,300		7	By Purchases A/c			36,000
17	To cheque in hand			36,700	9	By cash	C		2,300
28	To cash	C		25,000	25	By salaries		13,000	
						By rent		6,500	
					28	By bank	C	25,000	
						By balance c/d		14,050	1,26,300
			58,550	1,86,200				58,550	1,86,200
Mar1	To balance b/d		14,050	1,26,300					

eb.5 – Discount Received; Feb. 16 – Cheque received; Feb.22 Credit sale will not be corded in Cash Book.

33	31	On 1st April, 2019 a firm bought a second-hand machinery for ₹ 2,50,000 and spent ₹ 12,000 on its repairs and ₹ 8,000 on installation. In the same year, on 1st July, another machine was purchased for ₹ 50,000. On 31st March, 2022, the machine that was bought on 1st April, 2019 was sold at a loss of ₹ 32,000. A new machine for ₹ 80,000 was bought on the same date. Depreciation is provided @ 10% per annum on Written Down Value Method and the books are closed on 31st March every year. Show Machinery Account for three years ending 31st March, 2022. **OR** (A) Differentiate between Provisions and reserves on the basis of: Nature Purpose Investment (B) State any three advantages of straight-line method of charging depreciation.	6

Dr. Machinery A/c Cr.

Date	Particulars	₹	Date	Particulars	₹
2019			2020		
Ap.1	To Bank A/c – M1		Mar	By Depreciation A/c	
	(2,50,000+12,000+8,000)	2,70,000	.31	M1(2,70,000x10/100)	
				27,000	
July1	To bank A/c M2	50,000		M2(50,000x10/100x9/12)	
				3,750	30,750
				By balance c/d	
				M1 2,43,000	
				M2 46,250	2,89,250
		3,20,000			3,20,000
2020	To balance b/d				
Ap.1	M1 2,43,000		2021	By Depreciation A/c	
	M2 46,250	2,89,250	Mar.31	M1 24,300	
				M2 4,625	28,925
				By balance c/d	
				M1 2,18,700	2,60,325
				M2 41,625	
		2,89,250			2,89,250
2021					
Ap.1	To balance b/d		2022	By Depreciation A/c	
	M1 2,18,700		Mar.31	M1 21,870	
	M2 41,625	2,60,325		M2 4,163	26,033
				By Bank A/c	1,64,830
2022				By loss on sale of machine	32,000
Mar.31	To Bank A/c M3	80,000		A/c	
				By balance c/d	
				M2 37,462	
				M3 80,000	1,17,462
		3,40,325			3,40,325
2022					
Ap.1	To Balance b/d				
	M2 37,462				
	M3 80,000	1,17,462			

Working notes:

Book value of M1 on 31st March = 2,18,700 – 21,870 = 1,96,830

Loss on sale = 32,000

Sale price = 1,96,830 – 32,000 = 1,64,830

(1.5 +1.5+ 3=6 marks for 2019,2020 and 2021 respectively

OR

(A) Basis	Provision	Reserves
Nature	Charge against profits	Appropriation of Profits
Purpose	It is made to meet known liability or losses, if the amount is not certain.	It is created to strengthen the financial position or to meet unforeseen liabilities or losses.
Investment	It may not be invested outside the business	It may be invested outside the business.

(B)Straight Line method has certain advantages which are stated below (any three):

i. It is very simple, easy to understand and apply. Simplicity makes it a popular method in practice;
ii. Asset can be depreciated upto the net scrap value or zero value. Therefore, this method makes it possible to distribute full depreciable cost over useful life of the asset;
iii. Every year, same amount is charged as depreciation in profit and loss account. This makes comparison of profits for different years easy;
iv. This method is suitable for those assets whose useful life can be estimated accurately and where the use of the asset is consistent from year to year such as leasehold buildings.

34	30	Prepare Trading and Profit and Loss A/c for the year ending December31, 2023	6

Trial Balance for the year ending 31st Dec, 2023

Particulars	Dr.	Cr.
Stock	50,000	
Wages	3,000	
Salary	8,000	
Purchases	1,75,000	
Sales		1,80,000
Purchase Return		2,000
Sundry Debtors	82,000	
Discount Received		500
Rent, Rates and Taxes	4,300	
Sales Return	5,000	
Bills Receivable	45,000	
Building	1,10,000	
Bills payable		22,000
Bad Debts	5,000	
Capital		3,00,000
Commission received		6,000
Furniture	20,000	
Cash in hand	16,500	
Loan @ 5% p.a.		13,300
	5,23,800	5,23,800

Additional information:

a. Salary Outstanding ₹1,000 and wages outstanding ₹8,000
b. Closing stock ₹32,000
c. Depreciation on Building @6% and on Furniture @5%
d. Further bad debts ₹1,000 and provision for bad debts @5% on debtors.
e. Commission received in advance ₹700.

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Trading and Profit and Loss A/c for the year ending on December 31,2023

Dr. Cr.

Particulars		Amount	Particulars		Amount
To Opening Stock		50,000	By Sales	1,80,000	
To Purchases	1,75,000		Less: Returns	5,000	1,75,000
Less: Returns	2,000	1,73,000	By Closing Stock		32,000
To Wages	3,000		By Loss transferred to Profit &		
Add: Outstanding	8,000	11,000	Loss A/c		27,000
		2,34,000			2,34,000
To Loss transferred to Profit & Loss A/c		27,000	By Discount Received		500
To Salary	8,000		By Commission received	6,000	
Add: Outstanding	1,000	9,000	Less: Received in advance	700	5,300
To Bad Debt	5,000		By Net Loss transferred to Capital A/c		52,815
Add: Further Bad Debts	1,000				
	6,000				
Add: New Provision	4,050	10,050			
To Depreciation					
Building	6,600				
Furniture	1,000	7,600			
To Rent, Rates & Taxes		4,300			
To Interest on loan		665			
		58,615			58,615