Roll No..

Z–13–A

Total No. of Questions : 23]   [Total No. of Printed Pages : 8

11^{th}ARF(SZ)JKUT2024–25

213–A

ACCOUNTANCY

Time : 3 Hours]   **[Maximum Marks : 80**

Section–A   1 each

1. Which is the last step of accounting as a process of information ?

   (A) Recording the data in the books of accounts

   (B) Preparation of summaries in the form of financial statements

   (C) Communication of information

   (D) Analysis and interpretation of information

2. Information in financial reports is based on :

   (A) Economic transactions   (B) Manager's opinions

   (C) Manager's observations   (D) None of these

3. A concept that a business enterprise will not be sold or liquidated in the near future is known as :

   (A) Going concern   (B) Economic entity

   (C) Monetary unit   (D) None of these

4. The .... concept requires that accounting transaction should be free from the bias of accountants and others.

(A) Consistency (B) Matching

(C) Objectivity (D) Conservatism

5. If wages paid for installation of new machinery is debited to wages account, it is :

(A) An error of commission (B) An error of principle

(C) An compensating error (D) An error of omission

6. If the trial balance agrees, it implies that :

(A) There is no error in the books

(B) There may be two sided errors in the books

(C) There may be one sided error in the books

(D) Both (B) and (C)

7. Depreciation is a decline in the value of ....

(A) Assets (B) Salary

(C) Acquisition cost (D) Dividend equilisation fund

8. Creation of reserve reduces taxable profits of the business. (True/False)

Section–B 3 each

9. Pass the journal entries of the following :

(i) Akbar started business with cash ₹ 1,00,000

(ii) Goods sold to Amar of ₹ 10,000

(iii) Goods purchased from Anthony of ₹ 20,000.

10. Give a specimen of an account.

11. Operating profit earned by M/s ABC Ltd. in 2023-24 was ₹ 17,00,000. Its non-operating incomes were ₹ 1,50,000 and non-operating expenses were ₹ 3,75,000. Calculate the amount of net profit earned by the firm.

12. What is the purpose of preparing a Trading and Profit & Loss Account.

Section–C 4 each

13. When should revenue be recognised ? Are there exceptions to the general rule ?

14. Discuss the role of accounting in modern business world.

15. Rectify the following errors :

(i) Credit sales to Mohan ₹ 7,000 were not recorded.

(ii) Credit purchases from Rohan ₹ 9,000 were not recorded.

(iii) Goods returned to Rakesh ₹ 4,000 were not recorded.

(iv) Goods returned from Mahesh ₹ 1,000 were not recorded.

16. Distinguish between 'Revenue Reserve' and 'Capital Reserve'.

17. On October 01, 2010, a Truck was purchased for ₹ 8,00,000 by Laxmi Transport Ltd. Depreciation was provided at 15% p.a. on the diminishing balance basis on this truck. On December 31, 2013, this truck was sold for ₹ 5,00,000. Accounts are closed on 31st March every year. Prepare Truck Account for four years.

Section–D

6 each

18. What is a Bank Reconciliation Statement ? Why is it prepared ?

Or

On March 31, 2024 the Cash book showed a balance of ₹ 3,700 as cash at the bank, but the bank passbook made upto the same date showed that cheques for ₹ 700, ₹ 300 and ₹ 180 respectively had not been presented for payment. Also, a cheque amounting to ₹ 1,200 deposited into the account has not been credited. Prepare a bank reconciliation statement.

19. What is a Cash book ? Explain the types of a Cash book.

Or

What is a Journal ? Give a specimen of Journal showing at least four entries.

20. What are the financial statements ? What information do they provide ?

Or

What is meant by Grouping and Marshalling of Assets and Liabilities ? Explain.

21. What is meant by provision for doubtful debts ? How is the amount for provision for doubtful debts calculated ?

Or

Prepare the bad debts account, provision for Bad and Doubtful Debts account, Profit & Loss account and Balance sheet from the following information as on March 31, 2024 :

Debtors	₹ 80,000
Bad debts	₹ 2,000
Provision for doubtful debts	₹ 5,000

Adjustments :

Bad debts ₹ 500, Provision on debtors @ 3%.

Section–E 8 each

22. Enter the following transactions is two column Cash book and find out the Cash & Bank balance :

2023			(₹)
Jan.	1	Started business with cash	20,000
"	2	Opened a current account with SBI	8,000
"	3	Bought goods by cheque	150
"	4	Received cheque from Ram	200
"	5	Sold goods for cash	40

"	7	Paid into bank :	
		(i) Cash ₹ 30	
		(ii) Cheque ₹ 200	230
"	8	Paid Shyam by cheque	345
"	8	Paid carriage by cheque	180
"	10	Drew cash from bank for office use	200
"	30	Paid wages by cheque	60

Or

What is a Ledger ? Explain its utility in Business. Give the format of a ledger.

23. Prepare a Trading and Profit & Loss Account and a Balance Sheet as on March 31, 2024 :

Account Title	Amount	Account Title	Amount
Machinery	27,000	Capital	60,000
Sundry Debtors	21,600	Bills Payable	2,800
Drawings	2,700	Sundry Creditors	1,400
Purchases	58,500	Sales	73,500
Wages	15,000		

Sundry Expenses	600		
Rent & Taxes	1,350		
Carriage inwards	450		
Bank	4,500		
Opening Stock	6,000		

Closing stock as on March 31, 2024 ₹ 22,400.

Or

The following balances have been extracted from the books of M/s Green House for the year ended March 31, 2024. Prepare a Trading and Profit & Loss account and a balance sheet as on this date :

Account Title	Amount	Account Title	Amount
Purchases	80,000	Capital	2,10,000
Bank Balance	11,000	Bills Payable	6,500
Wages	34,000	Sales	2,00,000
Debtors	70,300	Creditors	50,000
Cash in Hand	1,200	Return outwards	4,000
Legal Expenses	4,000		
Building	60,000		

Machinery	1,20,000		
Bills Receivable	7,000		
Office Expenses	3,000		
Opening Stock	45,000		
Gas & Fuel	2,700		
Freight & Carriage	3,500		
Factory Lighting	5,000		
Office Furniture	5,000		
Patent right	18,800		
	4,70,500		4,70,500

Adjustments :

(a) Machinery is depreciated at 10% and building at 6%.

(b) Interest on capital @ 4%.

(c) Outstanding wages ₹ 50.

(d) Closing stock ₹ 50,000.