

Total number of printed pages : 4

NB-T/BK/1

**2021**  
**BOOK-KEEPING & ACCOUNTANCY**

Total marks : 70

Time : 3 hours.

**General instructions:**

- i) Approximately 15 minutes is allotted to read the question paper and revise the answers.
  - ii) The question paper consists of 28 questions. All questions are compulsory.
  - iii) Internal choice has been provided in some questions.
  - iv) Marks allocated to every question are indicated against it.
- N.B:** Check that all pages of the question paper is complete as indicated on the top left side.

**Choose the correct answer from the given alternatives:**

- |    |   |   |
|----|---|---|
| 1. | Gross profit is ascertain from  | 1 |
|    | (a) trading account (b) profit and loss account   |   |
|    | (c) balance sheet (d) trial balance   |   |
| 2. | The traditional name for income statement is  | 1 |
|    | (a) trial balance (b) trading account   |   |
|    | (c) trading and profit & loss A/c (d) final accounts                                      |   |
| 3. | The banks which have been established to assist trade, commerce and industry are known as | 1 |
|    | (a) exchange banks (b) commercial banks   |   |
|    | (c) agricultural banks (d) industrial banks   |   |
| 4. | If deposits exceeds the withdrawals from the bank, cash book will show                    | 1 |
|    | (a) plus balance (b) minus balance  |   |
|    | (c) overdraft balance (d) both plus and minus balance                                     |   |
| 5. | A bank reconciliation statement can be prepared with the balance of                       | 1 |
|    | (a) cash book (b) pass book   |   |
|    | (c) cheque book (d) both cash book and pass book  |   |
| 6. | Indian Negotiable Instruments Act, 1881 defines a bill of exchange under                  | 1 |
|    | (a) Section 3 (b) Section 4   |   |
|    | (c) Section 5 (d) Section 6   |   |
| 7. | A promissory note is made by the  | 1 |
|    | (a) creditor (b) debtor   |   |
|    | (c) supplier (d) endorsee   |   |

8. The differences in the trial balance is transferred to 1  
 (a) Capital A/c (b) difference A/c  
 (c) profit and Loss A/c (d) suspense A/c
9. "Depreciation may be defined as permanent and continuing diminution in the quality, quantity or the value of an asset" has been defined by 1  
 (a) R.N Carter (b) W. Pickles  
 (c) Spicer and Peglar (d) Accounting Standard
10. Depreciation means 1  
 (a) physical wear and tear (b) amortisation  
 (c) obsolescence (d) fluctuation

**Answer the questions in about 20-30 words:**

11. What is the utility of balance sheet? 2
12. What is a credit card? 2
13. What is E-banking? 2
14. Define compensating error. 2
15. What is meant by sliding figure error? 2
16. Write a note on diminishing balance method. 2

**Answer the questions in about 30-50 words:**

17. Explain any three importance of trading account. 3
18. Explain in brief the stages of final accounts. 3
19. Write a note on: 1 ½ x 2 = 3  
 a) dishonor of cheque b) bank charges or collection charges
20. Explain the parties involved in bills of exchange. 3
21. Explain any three causes of depreciation. 3
22. Write and explain any three disadvantages of diminishing balance method. 3

**Answer the questions in about 70-100 words:**

23. a. Mention and explain any five characteristics of balance sheet.

Or

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- b. Prepare trading, profit and loss account and balance sheet as on 31<sup>st</sup> March 2018 from the trial balance of M/s John & Bros.

Particulars	₹ Debit Balances	₹ Credit Balances
Opening stock	10,000	-
Purchase/ Sales	20,000	40,000
Purchase return	-	1,000
Capital	-	65,000
Cash	7,000	
Carriage and cartage	3,000	
Freight outward	4,000	
Salaries & wages	6,000	
Land & building	35,000	
Plant & machinery	15,000	
Bills receivables	6,000	
	1,06,000	1,06,000

Closing stock was valued at ₹ 9,000.

24. a. Explain the various benefits of E- banking to the customers.

Or

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- b. Explain any five types of account that can be opened with the bank.

25. a. Mention and explain the steps for the creation of bank reconciliation statement.

Or

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- b. Amenla had an account in the State Bank of India. According to her cash book, the balance as on 31<sup>st</sup> December, 2017 was ₹ 1,750.

- The pass book on the same date showed that cheques of ₹ 180, ₹ 1,150 and ₹ 125 were not presented for payment.
- All cheques amounting ₹ 1,220 paid into her account were not cleared by 31<sup>st</sup> December, 2017
- The bank has allowed interest of ₹ 510
- Bank had charged ₹ 50 commission for the services offered.

Prepare a bank reconciliation statement.

26. a. Explain any five characteristics of bills of exchange.

Or

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- b. A bill of ₹ 1,000 is drawn by Hilo on Kavishe on 5<sup>th</sup> August, 2018 payable six months after date. The bill was accepted by drawee on presentation and duly met on maturity.

Record these transactions in the books of both the parties.

27. **a.** Mention and explain five limitations of trial balance. 5  
**Or**  
**b.** Explain the clerical errors regarding the errors of commission.
28. **a.** Mention and explain any five objectives of charging depreciation. 5  
**Or**  
**b.** Longdimen Brothers purchased a machine on 1<sup>st</sup> July, 2016 at a cost of ₹14,000 and spent ₹1,000 on its installation. The firm writes off depreciation @ 10% on original cost every year. The books are closed on 31<sup>st</sup> December every year.  
Prepare machinery account for the first four years.

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