

**2023**  
**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 32 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. | The statement of assets and liabilities is   | <b>1</b> |
|    | (a) balance sheet (b) trial balance  |          |
|    | (c) trading account (d) profit and loss account                                    |          |
| 2. | Final accounts are prepared  | <b>1</b> |
|    | (a) at the end of calendar year (b) at the end of assessment year                  |          |
|    | (c) at the end of accounting year (d) on Christmas                                 |          |
| 3. | The bank which helps in the payment of foreign trade is                            | <b>1</b> |
|    | (a) central bank (b) exchange bank   |          |
|    | (c) commercial bank (d) indigenous bank  |          |
| 4. | The debit balance of pass book is  | <b>1</b> |
|    | (a) plus balance (b) minus balance   |          |
|    | (c) both plus and minus (d) neither plus nor minus                                 |          |
| 5. | If deposits exceeds the withdrawals from the bank, cash book will show             | <b>1</b> |
|    | (a) plus balance (b) minus balance   |          |
|    | (c) overdraft balance (d) both plus and minus balance                              |          |
| 6. | How many sets of bills are prepared in bills of exchange in case of foreign bills? | <b>1</b> |
|    | (a) one (b) two  |          |
|    | (c) three (d) four   |          |
| 7. | On maturity, a bill is met by its  | <b>1</b> |
|    | (a) endorsee (b) payee   |          |
|    | (c) drawer (d) drawee  |          |

8. Errors detected before preparation of trial balance are rectified 1  
(a) without opening a suspense account  
(b) by opening a suspense account  
(c) by transferring to profit and loss account  
(d) by transferring to trading account
9. Depreciation is calculated on 1  
(a) current assets (b) wasting assets  
(c) fixed assets (d) fictitious assets
10. Depreciation is caused by 1  
(a) obsolescence (b) wear and tear  
(c) passage of time (d) all of the above

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

11. What is meant by financial statements? 2
12. Define the term banking. 2
13. Mention any four types of account that can be opened with the bank. 2
14. What is meant by compensating errors? 2
15. What are the two parts of errors of omission? 2
16. Write the meaning of obsolescence. 2

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

17. Explain any three importance and purposes of profit and loss account. 3
18. Mention and explain any three features of balance sheet. 3
19. Explain how the bank balance will be treated as plus balance. 3
20. Name and explain the parties of promissory notes. 3
21. Write and explain the advantages of diminishing balance method. 3
22. "The useful life of assets depends upon certain factors". State any three factors.

**Answer any four from questions no. 23 to 30 in about 70-100 words: 4 x 5 = 20**

23. Explain the benefits of E-banking to the customer.
24. Explain the new services provided by the banks due to the introduction of computerized equipment.
25. Explain the steps for creation of bank reconciliation statement.
26. Prepare a bank reconciliation statement from the following particulars as on 31<sup>st</sup> December, 2016.
  - i) Balance as per cash book ` 1,14,400.
  - ii) Cheques of ` 11,250, ` 1,870 and ` 1,350 were issued in the month and were presented for payment in January.
  - iii) Cheque of ` 11,500 and ` 1,850 were sent for collection. However no cheques were collected in the year.
  - iv) Bank charges ` 180 for commission.
  - v) ` 1,170 was allowed by the bank as interest.
27. Write and explain any five differences between bills of exchange and promissory note.
28. On January 1, 2020, Atso sold goods to Naro for ` 5,000 payable after 3 months. Naro accepted and returned it to Atso who retained the bill and duly met on maturity.

Pass journal entries in the books of both the parties.
29. Explain the errors of commission.
30. The trial balance extracted from the books of Ayunlo Tep on 31<sup>st</sup> March, 2018 did not agree. The difference was transferred to the suspense account. During 2018-2019, the following errors were discovered.
  - i) The total in the purchases book was short by ` 450
  - ii) The total of one page in the sales book was carried forward to the next page as ` 3,955 instead of ` 3,595
  - iii) Goods returned to Anao Konyak worth ` 2,000 were not entered in the books at all.
  - iv) A sales of ` 3,000 to Zhavituo was wrongly entered as ` 300 in the sales book.
  - v) An amount of ` 900 spent on repairs was debited to the building account.

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

31. **a.** Mention and explain five points to be considered while preparing final accounts.

**Or**

- b.** Prepare trading, profit and loss account and balance sheet as on 31<sup>st</sup> December, 2020 from the following trial balance of M/s. Lanu Trading Co.

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Particulars	Debit Balances `	Credit Balances `
Stock	2,000	
Purchases and Sales	7,500	21,250
Sundry Debtors and Creditors	5,500	1,500
Carriage	750	
Wages	3,600	
Rent and taxes	2,400	
Bank	2,000	
Capital		17,000
Plant and machinery	16,000	
	39,750	39,750

The closing stock as on 31<sup>st</sup> December, 2020 was valued at ` 2,500.

32. **a.** Mention and explain any five objectives of charging depreciation.

**Or**

- b.** Amen purchased a machinery on 1<sup>st</sup> January 2015 for ` 20,000. She depreciates it every year on 31<sup>st</sup> December using straight line method at the rate of 10% p.a. Show the machinery account for the first 5 years.

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