

2020
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. The statement of assets and liabilities is a **1**
 - (a) balance sheet
 - (b) trial balance
 - (c) trading account
 - (d) profit and loss account
2. Capital expenditure are recorded in **1**
 - (a) trading account
 - (b) profit and loss account
 - (c) income statement
 - (d) balance sheet
3. Which of the following is an advantage of opening current account? **1**
 - (a) maintaining minimum balance
 - (b) no interest
 - (c) facility of overdraft
 - (d) bank charges
4. The most suitable bank account for a businessman will be **1**
 - (a) current account
 - (b) fixed deposit account
 - (c) recurring deposit account
 - (d) savings account
5. A bank reconciliation statement reconciles the **1**
 - (a) ledger with the journal
 - (b) petty cash book with the bank account
 - (c) day book with the bank statement
 - (d) pass book with the cash book
6. Encashing the bill or borrowing from the bank on the security of the bill is known as **1**
 - (a) retaining the bill
 - (b) endorsement of the bill
 - (c) discounting the bill
 - (d) none of these

7. In Bills of Exchange, how many copies are prepared for Foreign Bills? 1
 (a) two (b) three
 (c) one (d) four
8. Errors committed due to incomplete knowledge of accounting is 1
 (a) errors of principles (b) compensating errors
 (c) clerical errors (d) errors of omission
9. Depreciation under straight line method 1
 (a) increases each year (b) remains constant each year
 (c) decreases each year (d) none of these
10. Depreciation is calculated on 1
 (a) wasting assets (b) current assets
 (c) fictitious assets (d) fixed assets

Answer the questions in about 20-30 words:

11. What is a trading account? 2
12. What is a bank reconciliation statement? 2
13. Write a note on minus balance. 2
14. What are errors of commission? 2
15. What is meant by rectification entry? 2
16. Write any two special features of depreciation. 2

Answer the questions in about 30-50 words:

17. Explain briefly any three objectives of profit and loss account. 3
18. Explain any three limitations of final account. 3
19. Mention and explain any three benefits of E-banking to customers. 3
20. What is promissory note? Mention the parties of a promissory notes. 2+1= 3
21. Mention and explain any three advantages of straight line method. 3
22. Write any three differences between straight line method and diminishing balance method. 3

Answer the questions in about 70-100 words:

23. **a.** Explain five differences between profit and loss account and balance sheet.

Or

b. Prepare trading, profit and loss account and balance sheet as on 31st December, 2018, from the following trial balance of Mr. Robert.

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Debit Balances	₹	Credit Balances	₹
Stock (1-1-2018)	9,600	Capital	14,400
Rent and rates	4,500	Sales	87,000
Purchases	51,000	Trade Creditors	9,600
Cash at bank	6,400		
Fixtures and fittings	4,800		
Trade expenses	2,000		
Carriage inward	800		
Sundry debtors	5,700		
Wages	9,200		
Salaries	17,000		
	1,11,000		1,11,000

The value of stock in hand on December 31, 2018 was ₹ 11,000.

24. **a.** Explain any five types of banks.

Or

b. Explain any five new services provided by banks through computerized equipment.

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25. **a.** State and explain any five causes for disagreement of cash book and pass book.

Or

b. Prepare a bank reconciliation statement from the following particulars as on 31st July, 2018.

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- Balance as per pass book ₹ 500
- Three cheques of ₹ 60, ₹ 40 and ₹ 15 issued in July, 2018 were presented for payment to the bank in August, 2018.
- Two cheques of ₹ 50 and ₹ 65 sent to bank for collection were not entered in the pass book till 31st July, 2018.
- The bank charged ₹ 46 for its commission and allowed interest ₹ 10 which were not entered in bank account.

26. **a.** Explain any five differences between bills of exchange and promissory notes.

Or

b. X draws a bill on Y for ₹ 4,000 on 1st July, 2018 payable after 4 months. Y accepts and returned it to X. The bill was discounted by X for ₹ 3,850 and duly met on due date.

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Pass necessary journal entries in the books of X and Y.

27. **a.** Explain the errors which are responsible for disagreement of trial balance.

Or

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b. An accountant found the following errors of the previous year after preparing the financial account during the current year. Pass journal entries to rectify these errors:

- i) Purchases from Gabriel was not awarded in the books ` 200
- ii) Sales to Samuel amounting to ` 3,000 was wrongly passed through the sales book with ` 300
- iii) Wages paid to John was debited to John with ` 1,000
- iv) Repairs on buildings amounting to ` 1,800 was omitted.

28. **a.** Explain the factors affecting the amount of depreciation.

Or

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b. Amenla purchased a plant on January 1, 2009 for ` 48,000. She depreciates it every year on December, 31 using diminishing balance method at a rate of 20% per annum.

Show machinery account and depreciation account for the first 4 years.
