## **1. (a) Journalize the following transaction (6 marks)**

**2018 January**  
01: Started business with cash ₹50,000  
02: Sold goods in cash for ₹8,000  
05: Purchased goods for cash ₹6,000  
10: Salary paid to workers ₹5,000  
18: Cash deposited into bank ₹1,500

### ****Answer: Journal Entries****

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Particulars** | **Debit (₹)** | **Credit (₹)** |
| Jan 1 | Cash A/c Dr. To Capital A/c (Being business started with cash) | 50,000 | 50,000 |
| Jan 2 | Cash A/c Dr. To Sales A/c (Being goods sold for cash) | 8,000 | 8,000 |
| Jan 5 | Purchase A/c Dr. To Cash A/c (Being goods purchased) | 6,000 | 6,000 |
| Jan 10 | Salary A/c Dr. To Cash A/c (Being salary paid to workers) | 5,000 | 5,000 |
| Jan 18 | Bank A/c Dr. To Cash A/c (Being cash deposited into bank) | 1,500 | 1,500 |

## **1. (b) Balance Sheet for M/s Willwell Inc as on 31.03.2019 (6 marks)**

### ****Given:****

* Capital: ₹5,00,000
* Net Profit: ₹2,00,000
* Plant & Machinery: ₹8,00,000
* Furniture: ₹1,50,000
* Debtors: ₹4,00,000
* Creditors: ₹4,00,000
* Bills Payable: ₹1,00,000
* Bank Loan: ₹3,20,000
* Closing Stock: ₹1,00,000
* Cash: ₹70,000

### ****Answer: Balance Sheet****

|  |  |  |  |
| --- | --- | --- | --- |
| **Liabilities** | **₹** | **Assets** | **₹** |
| Capital + Net Profit | 7,00,000 | Plant & Machinery | 8,00,000 |
| Creditors | 4,00,000 | Furniture | 1,50,000 |
| Bills Payable | 1,00,000 | Debtors | 4,00,000 |
| Bank Loan | 3,20,000 | Stock | 1,00,000 |
|  |  | Cash | 70,000 |
| **Total** | **15,20,000** | **Total** | **15,20,000** |

## **1. (c) State Golden Rules of Accounts (3 marks)**

1. **Personal Account**: Debit the receiver, Credit the giver.
2. **Real Account**: Debit what comes in, Credit what goes out.
3. **Nominal Account**: Debit all expenses and losses, Credit all incomes and gains.

## **2. (a) Explain the factors that affect the market demand of a commodity. (5 marks)**

1. Price of the commodity
2. Income of the consumer
3. Prices of related goods
4. Consumer preferences and tastes
5. Population size and structure
6. Seasonal factors
7. Government policies
8. Advertisement
9. Future price expectations

## **2. (b) Elasticity of supply calculation (4 marks)**

Given:

* Price increase = 10%
* Increase in supply = 40 units
* Es = 1

✅ **Supply at original price = 400 units**

## **2. (c) Explain any two causes of decrease in supply. (3 marks)**

1. Increase in input costs
2. Unfavourable government policies (e.g., taxes or restrictions)

## **2. (d) Define price elasticity of supply. (3 marks)**

Price elasticity of supply measures the responsiveness of quantity supplied to a change in the price of the good, ceteris paribus.

## **3. (a) What are the factors of production? Explain any two. (5+10 marks)**

### Factors:

1. Land
2. Labour
3. Capital
4. Entrepreneur

### Detailed (any two):

**Labour**: Physical and mental effort by humans. Essential because no production is possible without workers.

**Capital**: Man-made resources like machinery, tools. Important as it increases productivity and supports large-scale production.

## **3. (b) Cost Table Calculations**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Output** | **Total Cost** | **TFC** | **TVC** | **AFC** | **AVC** | **MC** |
| 0 | 60 | 60 | 0 | - | - | - |
| 1 | 80 | 60 | 20 | 60.00 | 20.00 | 20 |
| 2 | 100 | 60 | 40 | 30.00 | 20.00 | 20 |
| 3 | 111 | 60 | 51 | 20.00 | 17.00 | 11 |
| 4 | 116 | 60 | 56 | 15.00 | 14.00 | 5 |
| 5 | 130 | 60 | 70 | 12.00 | 14.00 | 14 |
| 6 | 150 | 60 | 90 | 10.00 | 15.00 | 20 |

## **4. (a) Journalise: Purchase of Furniture** (5 marks)

**Transaction**:  
15 pieces @ ₹100 each

* 10 for resale
* 3 for office use
* 2 for personal use

**Entry:**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Debit (₹)** | **Credit (₹)** |
| Purchase A/c Dr. | 1,000 |  |
| Furniture A/c Dr. | 300 |  |
| Drawings A/c Dr. | 200 |  |
| To Cash A/c |  | 1,500 |

## **4. (b) Goods destroyed by fire** (5 marks)

|  |  |
| --- | --- |
| **Particulars** | **₹** |
| Loss by Fire A/c Dr. 3,000 |  |
| To Purchases A/c 3,000 |  |

| Insurance Company A/c Dr. 2,500  
To Loss by Fire A/c 2,500 |

## **4. (c) Profit Analysis**

| **Year** | **Sales** | **Profit** |
| --- | --- | --- |
| 2018 | 100000 | 10000 |
| 2019 | 150000 | 20000 |

### Calculations:

1. **PV Ratio** = (Change in profit / Change in sales)  
   = (20000 - 10000)/(150000 - 100000) = 0.2 = **20%**
2. **Variable Cost Ratio** = 1 - PV Ratio = **80%**
3. **Break-Even Point** = FC / PV Ratio  
   FC = 20000 - 10000 = ₹10,000  
   BEP = 10,000 / 0.2 = ₹50,000
4. **Margin of Safety (2018)** = Sales - BEP = ₹100000 - ₹50000 = ₹50,000
5. **Required Sales for ₹12,000 profit** =  
   (FC + Profit) / PV Ratio = (1000
6. 0 + 12000)/0.2 = ₹1,10,000

## **12. (a) Classification of Accounts (2 marks)**

1. **Personal Account**: Debit the receiver, Credit the giver
2. **Real Account**: Debit what comes in, Credit what goes out
3. **Nominal Account**: Debit all expenses and losses, Credit all incomes and gains

## **12. (b) Difference Between Debtor and Creditor (3 marks)**

|  |  |  |
| --- | --- | --- |
| **Basis** | **Debtor** | **Creditor** |
| Meaning | Owes money to business | Business owes them money |
| Nature | Asset | Liability |
| Treatment | Current Asset | Current Liability |

## **12. (c) Balance Sheet of SP Trading Co. as on 31.03.2025 (10 marks)**

### Given:

* Capital ₹82,000
* Net Profit ₹20,000
* Creditors ₹40,000
* Bills Payable ₹10,000
* Plant & Machinery ₹70,000
* Stock ₹10,000

**Balancing figure = Cash/Bank**

### ****Answer:****

|  |  |  |  |
| --- | --- | --- | --- |
| **Liabilities** | **₹** | **Assets** | **₹** |
| Capital + Net Profit | 1,02,000 | Plant & Machinery | 70,000 |
| Creditors | 40,000 | Stock | 10,000 |
| Bills Payable | 10,000 | Cash (Balancing) | 72,000 |
| **Total** | **1,52,000** | **Total** | **1,52,000** |

## **14. Journal Entries for January 2025 – Samir Roy (15 marks)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Particulars** | **Debit (₹)** | **Credit (₹)** |
| Jan 1 | Bank A/c Dr. To Capital A/c | 15,000 | 15,000 |
| Jan 3 | Purchase A/c Dr. To Cash A/c | 1,500 | 1,500 |
| Jan 4 | Stationery A/c Dr. To Cash A/c | 150 | 150 |
| Jan 5 | Cash A/c Dr. To Sales A/c | 1,000 | 1,000 |
| Jan 6 | Furniture A/c Dr. To Rabi A/c | 1,500 | 1,500 |
| Jan 7 | Samim A/c Dr. To Sales A/c | 2,000 | 2,000 |
| Jan 10 | Bank A/c Dr. To Samim A/c | 2,000 | 2,000 |
| Jan 15 | Rabi A/c Dr. To Bank A/c | 1,500 | 1,500 |
| Jan 17 | Purchase A/c Dr. To Soumen Singh A/c | 1,800 | 1,800 |
| Jan 20 | Soumen Singh A/c Dr. To Bank A/c | 1,400 | 1,400 |
| Jan 29 | Salary & Wages A/c Dr. To Cash A/c | 1,000 | 1,000 |
| Jan 29 | Rent A/c Dr. To Abir Dutta A/c | 600 | 600 |

Let me know if you want all this compiled into a printable PDF or formatted document!