

**KENDRIYA VIDYALAYA SANGATHAN LUCKNOW REGION****SESSION ENDING EXAMINATION 2024-25****SUBJECT: ACCOUNTANCY (055)****CLASS : XI****MARKING SCHEME****SET-3****M.M: 80****TIME: 3 HRS**

|    |  |   |
|----|--|---|
| 1  | (a) Provide information to various parties who are interested in business enterprise.                                      | 1 |
| 2  | (b) Both (A) and (R) are true and (R) is the not correct explanation of (A).   | 1 |
| 3  | c) Assets are shown in the books at the price it was purchased plus cost of improvement minus depreciation till date.      | 1 |
| 4  | TRUE   | 1 |
| 5  | a) Historical cost   | 1 |
| 6  | d) Goods, Assets<br>OR<br>b) Accounting may lead to window dressing.   | 1 |
| 7  | (c) (A) is false, but (R) is true.   | 1 |
| 8  | c) CGST & SGST<br>OR<br>a) IGST  | 1 |
| 9  | a) Rs. 4,90,000<br>OR<br>c) cash deposited into bank   | 1 |
| 10 | d) Business entity   | 1 |
| 11 | (b) Negative i.e.Unfavourable Balance  | 1 |
| 12 | d) Writing an amount in the wrong account but on the correct side.<br>OR<br>b) Trial Balance will not show any difference. | 1 |
| 13 | b) A provision should be made  | 1 |
| 14 | b) Intangible Assets   | 1 |
| 15 | TRUE<br>OR<br>a) Error in Bank Pass Book.  | 1 |
| 16 | a) Rs. 22,500<br>OR<br>a) 15.87%   | 1 |

17

3

| Date | Particulars                     | L.F. | Dr. ₹ | Cr. ₹ |
|------|---------------------------------|------|-------|-------|
| a)   | Charity A/c<br>To Purchase A/c  | Dr.  | 500   | 500   |
| b)   | Drawings A/c<br>To Bank A/c     | Dr.  | 5,000 | 5,000 |
| c)   | Prepaid Rent A/c<br>To Rent A/c | Dr.  | 2,000 | 2,000 |

1x3=3

OR

The entry passed to record the closing balances of the previous year in the current year is called opening Entry.

|                            |                         |     |          |          |
|----------------------------|-------------------------|-----|----------|----------|
| 1 <sup>st</sup> April 2024 | cash A/c                | Dr. | 20,000   |          |
|                            | Sundry Debtors A/c      | Dr. | 60,000   |          |
|                            | Stock A/c               | Dr. | 40,000   |          |
|                            | Plant A/c               | Dr. | 50,000   |          |
|                            | Land and Building A/c   | Dr. | 1,00,000 |          |
|                            | To Sundry Creditors A/c |     |          | 1,00,000 |
|                            | To Capital A/c (B.F)    |     |          | 1,70,000 |

( Previous year's balances brought forward)

( 1 mark for meaning and 2 marks for entry)

18

Balance of Suspense Account shows the net effect of errors which are still to be located and rectified . (1 Mark)

It will be shown on assets side of Balance sheet in case of debit balance.(1 mark)  
and In case of credit balance it will be shown on the Liability side.(1 mark)

3

19

3

| Basis      | Reserve   | Provision  |
|------------|---|--|
| Nature     | It is an appropriation of profit  | It is a charge against profit.   |
| Purpose    | It is created to strengthen the financial position and to meet unforeseen liabilities or losses | It is made to meet known liability or contingency , when amount is not determined. |
| Investment | It may be invested outside of the business.   | It is not invested.  |

(1x3)

20

3

Objectives of Accounting:

- Maintaining Accounting Records.
- Determining Profit or Loss
- Determining Financial Position
- Facilitating Management
- Providing Accounting Information to users. ( any 3 with correct explanation) (1x3)

OR

- Expenditure:** Expenditure is the amount spent or liability incurred for purchasing assets, goods or taking services. Expenditure may be categorized into Capital Expenditure and Revenue Expenditure.
- Inventory:** Inventory is a current assets held by an enterprises for the purpose of sale in the ordinary course of business or for the purpose of using it in the production of goods meant for sale.

iii) **Fictitious Assets:** Fictitious assets are those assets which are neither tangible assets nor intangible assets.(1\*3)

21

4

**Sales Book**

| Date   | Name of the customer             | Invoice No. | LF | Amount        | Amount        |
|--------|----------------------------------|-------------|----|---------------|---------------|
| 2024   |                                  |             |    |               |               |
| Jan 5  | Hari & Co. Kolkata:              |             |    |               |               |
|        | 10 Tables @ Rs. 1,100 each       |             |    | 11,000        |               |
|        | 20 Chairs @ Rs. 1,000 each       |             |    | 20,000        |               |
|        |                                  |             |    | <b>31,000</b> |               |
|        | Less : Trade Discount @ 5%       |             |    | 1550          |               |
|        |                                  |             |    | <b>29,450</b> | <b>29,450</b> |
| Jan 10 | M/s. Sharma & Co., Delhi:        |             |    |               |               |
|        | 5 Almirahs @ Rs. 5,000 each      |             |    | 25,000        |               |
|        | 5 Stools @ Rs. 1,000 each        |             |    | 5,000         |               |
|        |                                  |             |    | <b>30,000</b> | <b>30,000</b> |
| Jan 25 | M/s. Sohan Lal & Bros., Kolkata: |             |    |               |               |
|        | 5 Tables @ Rs. 2,500 each        |             |    | 12,500        |               |
|        | 1 Revolving Chair @ Rs. 5,000    |             |    | 5,000         |               |
|        |                                  |             |    | <b>17,500</b> |               |
|        | Less: Trade Discount @ 5%.       |             |    | 875           |               |
|        |                                  |             |    | <b>16,625</b> | <b>16,625</b> |
| Jan 31 | Sales A/c                        | Cr.         |    |               | <b>76,075</b> |

(1x4=4)

22

6

**Bank Reconciliation Statement** as on March 31, 2024

| S. No | Particulars   | Plus Items (₹) | Minus Items (₹) |
|-------|---|----------------|-----------------|
|       | Overdraft as per the Pass Book                              |                | 10,700          |
| (i)   | Cheques issued in March 2024 but presented after that date. |                | 900             |
| (ii)  | Cheques deposited but not cleared during March 2024.        | 2,200          |                 |
| (iii) | Interest on overdraft                                       | 1,200          |                 |
| (iv)  | Interest on investment not recorded in the Cash Book        |                | 5,000           |
| (v)   | Bank Charges  | 50             |                 |
| (vi)  | Amount of bill dishonoured not entered in the Cash Book     | 800            |                 |

Overdraft as per the Cash Book

12,350

16,600

16,600

(1X6=6) except 10,700 and 12,350.

23

6

Dr. CASH BOOK (TWO-COLUMN)

Cr.

| Date                | Particulars | L.F. | Cash<br>₹ | Bank<br>₹ | Date                | Particulars | L.F. | Cash<br>₹ | Bank<br>₹ |
|---------------------|-------------|------|-----------|-----------|---------------------|-------------|------|-----------|-----------|
| 2024<br>Sept.<br>01 | Balance b/d |      | 42,000    | 15,000    | 2024<br>Sept.<br>04 | Purchases   |      |           | 12,000    |
|                     |             |      |           |           | 13                  | Machine     |      |           | 5,500     |
| 16                  | Sales       |      |           | 4,500     | 17                  | Purchase    |      | 17,400    |           |
| 27                  | Bank        | C    | 10,000    |           | 20                  | Stationery  |      |           | 1,100     |
|                     |             |      |           |           | 24                  | Rohit       |      |           | 1,500     |
|                     |             |      |           |           | 27                  | Cash        | C    |           | 10,000    |
|                     |             |      |           |           | 30                  | Rent        |      |           | 2,500     |
|                     | Balance c/d |      |           | 13,100    | 30                  | Salary      |      | 3,500     |           |
|                     |             |      |           |           | 30                  | Balance c/d |      | 31,100    |           |
|                     |             |      | 52,000    | 32,600    |                     |             |      | 52,000    | 32,600    |

(½ X 12=6) Except balance b/d of Cash and Bank

24

6

JOURNAL

| Date | Particulars   | I.f. | Dr. ₹  | Cr. ₹           |
|------|---|------|--------|-----------------|
| i    | Suspense A/c Dr.<br>To Mohan  |      | 21,600 | 21,600          |
| ii   | Suspense A/c Dr.<br>To Purchases A/c<br>To Purchase Return A/c          |      | 4,000  | 2,000<br>2,000  |
| iii  | Suspense A/c Dr.<br>To Discount Allowed A/c<br>To Discount Received A/c |      | 800    | 400<br>400      |
| iv   | Repairs to Motor Car A/c Dr.<br>To Motor Car A/c<br>To Suspense A/c     |      | 11,480 | 1,480<br>10,000 |
| v    | Sales A/c Dr.<br>To Raman   |      | 1,800  | 1,800           |
| vi   | Pawan Dr.<br>To Suspense A/c  |      | 5,000  | 5,000           |

**Machinery Account**

| Date   | Particulars    | ₹             | Date    | Particulars               | ₹             |
|--------|----------------|---------------|---------|---------------------------|---------------|
| 1.4.22 | To Balance b/d | 60,000        | 1.10.22 | By Machinery Disposal A/c | 16,000        |
|        |                |               | 31.3.23 | By Balance c/d            | 44,000        |
|        |                | <b>60,000</b> |         |                           | <b>60,000</b> |

**Provision for Depreciation Account**

|         |                           |               |         |   |               |
|---------|---------------------------|---------------|---------|---|---------------|
| 1.4.22  | To Machinery Disposal A/c | 6,400         | 1.4.22  | By Balance b/d  | 36,000        |
| 31.3.23 | To Balance c/d            | 34,000        | 31.3.23 | By Depreciation A/c<br>(Dep.on machine costing 4,000) | 4,400         |
|         |                           | <b>40,400</b> |         |   | <b>40,400</b> |

**Machinery Disposal Account**

|        |                  |               |         |                                   |                |
|--------|------------------|---------------|---------|-----------------------------------|----------------|
| 1.4.22 | To Machinery A/c | 16,000        | 1.4.22  | By Provision for depreciation A/c | 6,400          |
|        |                  |               | 31.3.23 | By Bank<br>By Profit & loss       | 8,400<br>1,200 |
|        |                  | <b>16,000</b> |         |                                   | <b>16,000</b>  |

2+2+2

Or

Machinery a/c

| Date            | Particulars                   | Rs              | Date             | Particulars                           | Rs              |
|-----------------|-------------------------------|-----------------|------------------|---------------------------------------|-----------------|
| 2020<br>April 1 | To Bank a/c (M1)              | 1,80,000        | 2021<br>March 31 | By depreciation<br>( 2,00,000x10/1000 | 20,000          |
| April 1         | To bank                       | 20,000          | March 31         | By Balance c/d:                       | 1,80,000        |
|                 |                               | <u>2,00,000</u> |                  |                                       | <u>2,00,000</u> |
| 2021<br>April 1 | To balance b/d                | 1,80,000        | 2022<br>March 31 | By depreciation :<br>M1               | 20,000          |
| July 1          | TO bank A/c                   | 1,00,000        | March 31         | M2                                    | 7,500           |
|                 |                               |                 |                  | By balance c/d<br>M1                  | 1,60,000        |
|                 |                               | <u>2,80,000</u> |                  | M2                                    | 92,500          |
| 2022            |                               |                 |                  |                                       | <u>2,80,000</u> |
| April 1         | To balance b/d<br>M1 1,60,000 | 2,52,500        | 2022<br>April 1  | By bank                               | 1,10,000        |
|                 | M2 92,500                     |                 | April 1          | By Loss on sale of<br>Machinery       | 50,000          |
| Oct.1           | To bank A/c (M3)              | 1,50,000        |                  |                                       |                 |
|                 |                               |                 |                  | By depreciation :<br>M2 10,000        |                 |
|                 |                               |                 |                  | M3 7,500                              | 17,500          |

|           |  |                          |                  |  |                 |
|-----------|--|--------------------------|------------------|--|-----------------|
|           |  |                          | 2023<br>March 31 | By balance c/d<br>M2 82,500<br>M3 1,42,500 | 2,25,000        |
|           |  | <u>4,02,500</u><br>----- |                  |  | <u>4,02,500</u> |
| (1+2+3=6) |  |                          |                  |  |                 |

**PART – B**  
**FINANCIAL ACCOUNTING–II**

| 26                              | a) Rs. 1,30,000  |                     |                    |             |   |                                 |  |  |  |           |         |  |  |                     |                 |  |  |  |        |  |  |                 |                 |  |  |  |        |  |  |                |                   |  |  |  |          |  |  |             |   |        |   |  |  |                |            |  |  |                     |                    |  |  |  |          |  |  |                 |                   |  |  |                   |          |   |
|---------------------------------|--|---------------------|--------------------|-------------|---|---------------------------------|--|--|--|-----------|---------|--|--|---------------------|-----------------|--|--|--|--------|--|--|-----------------|-----------------|--|--|--|--------|--|--|----------------|-------------------|--|--|--|----------|--|--|-------------|---|--------|---|--|--|----------------|------------|--|--|---------------------|--------------------|--|--|--|----------|--|--|-----------------|-------------------|--|--|-------------------|----------|---|
| 27                              | a) Rs. 6,000   | 1                   |                    |             |   |                                 |  |  |  |           |         |  |  |                     |                 |  |  |  |        |  |  |                 |                 |  |  |  |        |  |  |                |                   |  |  |  |          |  |  |             |   |        |   |  |  |                |            |  |  |                     |                    |  |  |  |          |  |  |                 |                   |  |  |                   |          |   |
| 28                              | b) Rs. 1,000   | 1                   |                    |             |   |                                 |  |  |  |           |         |  |  |                     |                 |  |  |  |        |  |  |                 |                 |  |  |  |        |  |  |                |                   |  |  |  |          |  |  |             |   |        |   |  |  |                |            |  |  |                     |                    |  |  |  |          |  |  |                 |                   |  |  |                   |          |   |
| 29                              | d) Cost price or Reliasable Value whichever is less  | 1                   |                    |             |   |                                 |  |  |  |           |         |  |  |                     |                 |  |  |  |        |  |  |                 |                 |  |  |  |        |  |  |                |                   |  |  |  |          |  |  |             |   |        |   |  |  |                |            |  |  |                     |                    |  |  |  |          |  |  |                 |                   |  |  |                   |          |   |
| 30                              | Total Sales= Cash Sales + Credit Sales = Rs. 1,00,000<br>Le Cost be Rs. 100, Gross Profit = 33 1/3% on cost = Rs. 33 1/3, Sales = Rs. 133 1/3<br>Gross Profit on Sales = Rs. 33 1/3 / Rs. 133 1/3 = 1/4<br>Gross Profit = Rs. 1,00,000 x 1/4 = <b>Rs. 25,000 ( 1 mark)</b><br>Cost of Goods Sold = Sales- Gross Profit = Rs. 1,00,000 – Rs. 25,000 = <b>Rs. 75,000 ( 1 mark )</b><br>Cost of Goods Sold = Opening Stock + Purchases – Closing Stock<br>Rs. 75,000 = Rs. 20,000 + Rs. 70,000 – Closing Stock<br>Closing Stock = Rs. 20,000 + Rs. 70,000 – Rs. 75,000 = <b>Rs. 15,000 ( 1 mark)</b>  | 3                   |                    |             |   |                                 |  |  |  |           |         |  |  |                     |                 |  |  |  |        |  |  |                 |                 |  |  |  |        |  |  |                |                   |  |  |  |          |  |  |             |   |        |   |  |  |                |            |  |  |                     |                    |  |  |  |          |  |  |                 |                   |  |  |                   |          |   |
| 31                              | Advantages of Single Entry System:<br>i) Simple Method: SES is a simple method of recording business transactions.<br>ii) Less Expensive: It is less expensive when it is compared to Double Entry System of book keeping.<br>iii) Suitable for Small Business: It is mainly suited to small businesses with limited number of transactions and very few assets and liabilities.<br>iv) No need of in-depth Knowledge of Principles of Book Keeping: Under Single Entry System, accounting records can be easily maintained as their maintenance does not require in-depth knowledge of the principles of book keeping.<br>v) Easy to ascertain Profit or Loss: Ascertainment of profit or loss is much easier. To ascertain the profit or loss, the proprietor has to compare the financial condition of business at the close of the accounting period with that in the beginning. ( Any three) ( 1x3 )  | 3                   |                    |             |   |                                 |  |  |  |           |         |  |  |                     |                 |  |  |  |        |  |  |                 |                 |  |  |  |        |  |  |                |                   |  |  |  |          |  |  |             |   |        |   |  |  |                |            |  |  |                     |                    |  |  |  |          |  |  |                 |                   |  |  |                   |          |   |
| 32                              | <p style="text-align: center;"><b>Profit &amp; Loss Account (for the year ended 31<sup>st</sup> March 2023)</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Particulars</th> <th style="width: 10%;">₹</th> <th style="width: 50%;">Particulars</th> <th style="width: 10%;">₹</th> </tr> </thead> <tbody> <tr> <td>To Provision for Bad Debts A/c:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bad Debts</td> <td>6,000 ½</td> <td></td> <td></td> </tr> <tr> <td>+ Further Bad debts</td> <td><u>10,000 ½</u></td> <td></td> <td></td> </tr> <tr> <td></td> <td>16,000</td> <td></td> <td></td> </tr> <tr> <td>+ New Provision</td> <td><u>40,000 ½</u></td> <td></td> <td></td> </tr> <tr> <td></td> <td>56,000</td> <td></td> <td></td> </tr> <tr> <td>-Old Provision</td> <td><u>(20,000) ½</u></td> <td></td> <td></td> </tr> <tr> <td></td> <td>36,000 ½</td> <td></td> <td></td> </tr> </tbody> </table> <p style="text-align: center;"><b>Balance Sheet (As on 31<sup>st</sup> March 2024)</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Liabilities</th> <th style="width: 10%;">₹</th> <th style="width: 40%;">Assets</th> <th style="width: 20%;">₹</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>Sundry Debtors</td> <td>4,10,000 ½</td> </tr> <tr> <td></td> <td></td> <td>- Further Bad debts</td> <td><u>-(10,000) ½</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td>4,00,000</td> </tr> <tr> <td></td> <td></td> <td>- New Provision</td> <td><u>(40,000) ½</u></td> </tr> <tr> <td></td> <td></td> <td>(10% of 4,00,000)</td> <td>3,60,000</td> </tr> </tbody> </table> | Particulars         | ₹                  | Particulars | ₹ | To Provision for Bad Debts A/c: |  |  |  | Bad Debts | 6,000 ½ |  |  | + Further Bad debts | <u>10,000 ½</u> |  |  |  | 16,000 |  |  | + New Provision | <u>40,000 ½</u> |  |  |  | 56,000 |  |  | -Old Provision | <u>(20,000) ½</u> |  |  |  | 36,000 ½ |  |  | Liabilities | ₹ | Assets | ₹ |  |  | Sundry Debtors | 4,10,000 ½ |  |  | - Further Bad debts | <u>-(10,000) ½</u> |  |  |  | 4,00,000 |  |  | - New Provision | <u>(40,000) ½</u> |  |  | (10% of 4,00,000) | 3,60,000 | 4 |
| Particulars                     | ₹  | Particulars         | ₹                  |             |   |                                 |  |  |  |           |         |  |  |                     |                 |  |  |  |        |  |  |                 |                 |  |  |  |        |  |  |                |                   |  |  |  |          |  |  |             |   |        |   |  |  |                |            |  |  |                     |                    |  |  |  |          |  |  |                 |                   |  |  |                   |          |   |
| To Provision for Bad Debts A/c: |  |                     |                    |             |   |                                 |  |  |  |           |         |  |  |                     |                 |  |  |  |        |  |  |                 |                 |  |  |  |        |  |  |                |                   |  |  |  |          |  |  |             |   |        |   |  |  |                |            |  |  |                     |                    |  |  |  |          |  |  |                 |                   |  |  |                   |          |   |
| Bad Debts                       | 6,000 ½  |                     |                    |             |   |                                 |  |  |  |           |         |  |  |                     |                 |  |  |  |        |  |  |                 |                 |  |  |  |        |  |  |                |                   |  |  |  |          |  |  |             |   |        |   |  |  |                |            |  |  |                     |                    |  |  |  |          |  |  |                 |                   |  |  |                   |          |   |
| + Further Bad debts             | <u>10,000 ½</u>  |                     |                    |             |   |                                 |  |  |  |           |         |  |  |                     |                 |  |  |  |        |  |  |                 |                 |  |  |  |        |  |  |                |                   |  |  |  |          |  |  |             |   |        |   |  |  |                |            |  |  |                     |                    |  |  |  |          |  |  |                 |                   |  |  |                   |          |   |
|                                 | 16,000   |                     |                    |             |   |                                 |  |  |  |           |         |  |  |                     |                 |  |  |  |        |  |  |                 |                 |  |  |  |        |  |  |                |                   |  |  |  |          |  |  |             |   |        |   |  |  |                |            |  |  |                     |                    |  |  |  |          |  |  |                 |                   |  |  |                   |          |   |
| + New Provision                 | <u>40,000 ½</u>  |                     |                    |             |   |                                 |  |  |  |           |         |  |  |                     |                 |  |  |  |        |  |  |                 |                 |  |  |  |        |  |  |                |                   |  |  |  |          |  |  |             |   |        |   |  |  |                |            |  |  |                     |                    |  |  |  |          |  |  |                 |                   |  |  |                   |          |   |
|                                 | 56,000   |                     |                    |             |   |                                 |  |  |  |           |         |  |  |                     |                 |  |  |  |        |  |  |                 |                 |  |  |  |        |  |  |                |                   |  |  |  |          |  |  |             |   |        |   |  |  |                |            |  |  |                     |                    |  |  |  |          |  |  |                 |                   |  |  |                   |          |   |
| -Old Provision                  | <u>(20,000) ½</u>  |                     |                    |             |   |                                 |  |  |  |           |         |  |  |                     |                 |  |  |  |        |  |  |                 |                 |  |  |  |        |  |  |                |                   |  |  |  |          |  |  |             |   |        |   |  |  |                |            |  |  |                     |                    |  |  |  |          |  |  |                 |                   |  |  |                   |          |   |
|                                 | 36,000 ½   |                     |                    |             |   |                                 |  |  |  |           |         |  |  |                     |                 |  |  |  |        |  |  |                 |                 |  |  |  |        |  |  |                |                   |  |  |  |          |  |  |             |   |        |   |  |  |                |            |  |  |                     |                    |  |  |  |          |  |  |                 |                   |  |  |                   |          |   |
| Liabilities                     | ₹  | Assets              | ₹                  |             |   |                                 |  |  |  |           |         |  |  |                     |                 |  |  |  |        |  |  |                 |                 |  |  |  |        |  |  |                |                   |  |  |  |          |  |  |             |   |        |   |  |  |                |            |  |  |                     |                    |  |  |  |          |  |  |                 |                   |  |  |                   |          |   |
|                                 |  | Sundry Debtors      | 4,10,000 ½         |             |   |                                 |  |  |  |           |         |  |  |                     |                 |  |  |  |        |  |  |                 |                 |  |  |  |        |  |  |                |                   |  |  |  |          |  |  |             |   |        |   |  |  |                |            |  |  |                     |                    |  |  |  |          |  |  |                 |                   |  |  |                   |          |   |
|                                 |  | - Further Bad debts | <u>-(10,000) ½</u> |             |   |                                 |  |  |  |           |         |  |  |                     |                 |  |  |  |        |  |  |                 |                 |  |  |  |        |  |  |                |                   |  |  |  |          |  |  |             |   |        |   |  |  |                |            |  |  |                     |                    |  |  |  |          |  |  |                 |                   |  |  |                   |          |   |
|                                 |  |                     | 4,00,000           |             |   |                                 |  |  |  |           |         |  |  |                     |                 |  |  |  |        |  |  |                 |                 |  |  |  |        |  |  |                |                   |  |  |  |          |  |  |             |   |        |   |  |  |                |            |  |  |                     |                    |  |  |  |          |  |  |                 |                   |  |  |                   |          |   |
|                                 |  | - New Provision     | <u>(40,000) ½</u>  |             |   |                                 |  |  |  |           |         |  |  |                     |                 |  |  |  |        |  |  |                 |                 |  |  |  |        |  |  |                |                   |  |  |  |          |  |  |             |   |        |   |  |  |                |            |  |  |                     |                    |  |  |  |          |  |  |                 |                   |  |  |                   |          |   |
|                                 |  | (10% of 4,00,000)   | 3,60,000           |             |   |                                 |  |  |  |           |         |  |  |                     |                 |  |  |  |        |  |  |                 |                 |  |  |  |        |  |  |                |                   |  |  |  |          |  |  |             |   |        |   |  |  |                |            |  |  |                     |                    |  |  |  |          |  |  |                 |                   |  |  |                   |          |   |

## STATEMENT OF AFFAIRS as at 31s March 2023

| Liabilities      | Rs.           | Assets            | Rs.           |
|------------------|---------------|-------------------|---------------|
| Sundry Creditors | 30,000        | Cash in Hand      | 4,500         |
| Capital(B.F)     | 35,800        | Cash at Bank      | 300           |
|                  |               | Stock – in –Trade | 40,000        |
|                  |               | Debtors           | 12,000        |
|                  |               | Office Equipment  | 5,000         |
|                  |               | Furniture         | 4,000         |
|                  | <b>65,800</b> |                   | <b>65,800</b> |

## STATEMENT OF AFFAIRS as at 31s March 2024

| Liabilities      | Rs.           | Assets               | Rs.           |
|------------------|---------------|----------------------|---------------|
| Sundry Creditors | 20,000        | Cash in Hand         | 3,000         |
| Capital(B.F)     | 60,350        | Cash at Bank         | 4,000         |
|                  |               | Stock – in –Trade    | 45,000        |
|                  |               | Debtors              | 20,000        |
|                  |               | Office Equipment     | 5,000         |
|                  |               | Less: Dep <u>250</u> | 4,750         |
|                  |               | Furniture 4,000      |               |
|                  |               | Less: Dep <u>400</u> | 3,600         |
|                  | <b>80,350</b> |                      | <b>80,350</b> |

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31<sup>ST</sup> March 2024

| Particulars  | Rs.             |
|--|-----------------|
| Capital on 31 <sup>st</sup> March 2024                         | 60,350          |
| Add: Drawings during the year                                  | <u>4,000</u> ½  |
|  | 64,350          |
| Less: Capital introduced during the year                       | <u>6,000</u> ½  |
| Adjusted Capital at the end                                    | 58,350          |
| Less: Capital in the beginning on 31 <sup>st</sup> March, 2023 | <u>35,800</u> ½ |
| Net profit for the year  | <u>22,550</u> ½ |

1+1+2

OR

A Statement of Affairs is a statement of assets and Liabilities. Difference between the amounts of the two sides is taken as capital. ( 1 mark)

| Basis of difference      | Statement of affairs   | Balance sheet  |
|--------------------------|--|--|
| <b>Objective</b>         | Objective of preparing Statement of Affairs is to know about capital at a point of time. | The objective of preparing balance sheet is to show the true financial position of an entity on a particular date. |
| <b>Accounting System</b> | Statement of Affairs is prepared when accounts are maintained under Single Entry System. | Balance sheet is prepared when accounts are maintained under Double Entry System.                                  |
| <b>Reliability</b>       | It is less reliable as it is prepared from incomplete records.                           | It is more reliable as it is prepared from double entry records.   |

(1x3)

**Trading Account and Profit & Loss Account (for the year ended 31<sup>st</sup> March 2024)**

| Particulars   | ₹                      | Particulars            | ₹                      |
|---|------------------------|------------------------|------------------------|
| To opening stock  | 60,000                 | By Sales               | 3,00,000               |
| To purchases 2,50,000   |                        | Less : S Return        | <u>2,000</u>           |
| Less : P. Return <u>2,500</u>   | 2,47,500               | Closing Stock          | 70,000                 |
| To carriage on purchases  | 500                    |                        |                        |
| To Factory rent   | 1,450                  |                        |                        |
| To Wages  | 1,200                  |                        |                        |
| To Gross Profit c/f   | 57,350                 |                        |                        |
|   | <b><u>3,68,000</u></b> |                        | <b><u>3,68,000</u></b> |
| To Interest   | 2,000                  | By Gross Profit b/f    | 57,350                 |
| To Salaries   | 2,500                  | By Rent received       | 10,380                 |
|   |                        | Less: Advance rent     | (6,000)                |
| To Carriage outwards  | 700                    | By Commission received | 16,000                 |
| To Office rent  | 2,300                  |                        |                        |
| To Insurance 780  |                        |                        |                        |
| <b>Less : Prepaid Insurance (200)</b>   | 580                    |                        |                        |
| To Depreciation on furniture  | 1,125                  |                        |                        |
| To Depreciation on Plant and Machinery  | 7,800                  |                        |                        |
| To Depreciation on building   | 19,600                 |                        |                        |
| To Commission   | 500                    |                        |                        |
| To Bad debts 3,500  |                        |                        |                        |
| Add : further bad debts 2,000   |                        |                        |                        |
| Add : new provision <u>2,400</u>  |                        |                        |                        |
|   | 7,900                  |                        |                        |
| Less : old provision <u>1,550</u>   | 6,350                  |                        |                        |
| To Net Profit t/t Capital A/c   | 34,275                 |                        |                        |
|   | <b><u>77,730</u></b>   |                        | <b><u>77,730</u></b>   |
| In trading account .25 each including total and in P& I account excluding total |                        |                        |                        |

OR

**Profit & Loss account for the year ended 31<sup>st</sup> March,2024**

| Particulars                               | Amount        | Particulars                 | Amount        |
|---|---------------|-----------------------------|---------------|
| To Salaries 11,000                        |               | By Gross Profit             | 66,000        |
| Add: Outstanding 1,000                    | 12,000        | By Commission Received      | 4,500         |
| Bad Debts 500                             |               | By Interest on Manav's Loan | 300           |
| Add: Further B.Debts <u>500</u>           |               |                             |               |
|   | 1,000         |                             |               |
| Less: Provision for B. Debts <u>1,000</u> | 0             |                             |               |
| Rent                                      | 4,000         |                             |               |
| Depreciation on Furniture                 | 450           |                             |               |
|   | 54,350        |                             |               |
| To Net Profit                             | <u>70,800</u> |                             | <u>70,800</u> |
|   | =====         |                             | =====         |

**Balance Sheet as on 31<sup>st</sup> March, 2024**

| <b>Liabilities</b>    | <b>Amount</b>   | <b>Assets</b>      | <b>Amount</b>   |
|-----------------------|-----------------|--------------------|-----------------|
| Creditors             | 13,000          | Cash in hand       | 20,000          |
| Bills Payable         | 1,600           | B/R                | 6,000           |
| Outstanding Salaires  | 1,000           | Sundry Debtors     | 28,000          |
| Outstanding Rent      | 600             | Less: Bad Debts    | 500             |
| Capital               | 1,00,000        | Machinery          | 72,000          |
| Less: Drawings(I.Tax) | 5,500           | Furniture          | 5,000           |
| Add: Net Profit       | 54,350          | Less: Depreciation | 450             |
|                       | 1,48,850        | Loan to Manav      | 5,000           |
|                       | <u>1,65,050</u> | Closing Stock      | 30,000          |
|                       | =====           |                    | <u>1,65,050</u> |
|                       |                 |                    | =               |

(4 marks for P& L A/c, and 2 marks for Balance Sheet)

#####3