

KENDRIYA VIDYALAYA SANGHATHAN
SESSION ENDING EXAMINATION 2023-24
SUBJECT: ACCOUNTANCY (055)

General Instructions:

- 1) This question paper comprises 34 questions and all questions are compulsory
- 2) This question paper contains two parts A and B.
- 3) Question 1 to 16 and 26 to 29 carries 1 mark each.
- 4) Question 17 to 20 and 30, 31 carries 3 marks each.
- 5) Question from 21, 32 and 33 carries 4 marks each.
- 6) Question from 22 to 25 and 34 carries 6 marks each.
- 7) There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks

PART A: FINANCIAL ACCOUNTING - I

1. Which of the following is not a business transaction? 1
- a) Withdrew ₹ 10,000 from business for personal use by the proprietor.
 - b) Proprietor Withdrew ₹ 20,000 from the Bank Account of the firm to pay the school fees of his son.
 - c) Proprietor withdrew ₹ 12,000 from his personal account to pay the school fees of his son.
 - d) Goods taken worth ₹ 3,000 for personal use.

2. Out of the following assets which one is not an intangible asset? 1

a) Investment	b) Patents	c) Goodwill	d) Trade Mark
---------------	------------	-------------	---------------

3. Which qualitative characteristic of accounting information is reflected when accounting information is clearly presented? 1

a) Reliability	b) Relevance	c) Comparability	d) Understandability
----------------	--------------	------------------	----------------------

OR

A person to whom money is owed by a firm for purchase of goods on credit is called a

a) creditor.	b) debtor.	c) Both (a) and (b)	d) None of these.
--------------	------------	---------------------	-------------------

4. **Assertion (A) :** Accrual basis of accounting makes a complete record of all cash as well as credit transactions. It, however, does not follow matching principle of accounting. 1

Reason (R) : Accrual basis of accounting is superior to cash basis of accounting because it depicts true profit or loss of the business and is recognised by Companies Act, 2013.

- a) Both (A) and (R) are true and (R) is the correct explanation of (A).
- b) Both (A) and (R) are true but (R) is not the correct explanation of (A).
- c) (A) is true, but (R) is false.
- d) (A) is false, but (R) is true.

5. IFRS are 1

- a) rule based accounting standards.
- b) principle based accounting standards.
- c) partially rule based and partially principle based accounting standards.
- d) None of the above.

OR

Ind-AS are

- a) rule based accounting standards.
- b) principle based accounting standards.
- c) partially rule based and partially principle based accounting standards.
- d) None of the above.

6. If seller receives back the goods sold, he will prepare 1
- | | | | |
|----------------|---------------|----------------------|------------------|
| a) Credit Note | b) Debit Note | c) Both (a) and (b). | d) None of these |
|----------------|---------------|----------------------|------------------|
7. Under the Companies Act, all companies are required to maintain their accounts according to 1
- | | | | |
|---------------|------------------|---------------------------------|----------------------|
| a) Cash basis | b) Accrual basis | c) Either Cash or Accrual basis | d) None of the above |
|---------------|------------------|---------------------------------|----------------------|
8. IFRS are based on 1
- | | | | |
|--------------------|---------------|---|------------------|
| a) historical cost | b) fair value | c) both historical cost and fair value. | d) None of these |
|--------------------|---------------|---|------------------|
9. According to the Money Measurement Concept 1
- all transactions and events are recorded.
 - all transactions and events which can be estimated in money terms are recorded in the books of account.
 - all transactions and events which can be measured in money terms are recorded in the books of account.
 - None of the above.

OR

Which of the following statements correctly describes the Cost Concept?

- Assets are shown in the books at the price at which it was purchased plus cost of improvement minus depreciation till date.
 - Assets are shown in the books at the price it was purchased.
 - Assets are shown in the books at the price it was purchased plus cost of improvement.
 - Assets are shown in the books at the price it was purchased or market price whichever is lower.
10. Bank Reconciliation Statement is prepared 1
- at the end of each week.
 - at the end of each month.
 - at the end of the accounting year.
 - whenever a bank statement is received

11. The preparation of Trial Balance helps in 1
- | | | | |
|--------------------------------------|----------------------------------|-----------------------------------|-------------------|
| a) Assessing the Financial Position. | b) Locating Errors of all Types. | c) Preparation of Final Accounts. | d) None of these. |
|--------------------------------------|----------------------------------|-----------------------------------|-------------------|

OR

Preparation of a Trial Balance is

- | | | | |
|----------------|--------------|----------------------------|-------------------|
| a) compulsory. | b) optional. | c) compulsory or optional. | d) None of these. |
|----------------|--------------|----------------------------|-------------------|
12. A business receives its bank statement showing the closing balance as ₹ 8,500 overdrawn. It is found that there were unrepresented cheques of ₹ 2,000 and uncredited deposits of ₹ 1,500. Overdraft as per Cash Book is 1
- | | | | |
|-------------|-------------|------------|-------------|
| a) ₹ 5,000. | b) ₹ 5,000. | c) ₹ 9,000 | d) ₹12,000. |
|-------------|-------------|------------|-------------|

OR

Bank Reconciliation Statement is prepared by comparing

- entries in Bank Pass Book with entries in bank columns of Cash Book.
- entries in Bank Pass Book with entries in cash columns of Cash Book.
- entries in Bank Pass Book with entries in bank columns and cash columns of Cash Book.
- All of the above.

13. According to which of the following accounting concepts, even the proprietor of a business is treated as creditor to the extent of his capital? 1

a) Money Measurement Concept	b) Dual Aspect Concept	c) Cost Concept	d) Business Entity Concept
------------------------------	------------------------	-----------------	----------------------------

14. Reserve is shown in: 1

a) Trading A/c	b) Profit & Loss A/c	c) Asset side of Balance Sheet	d) Liability side of Balance Sheet
----------------	----------------------	--------------------------------	------------------------------------

15. Depreciation is provided on: 1

a) Current Assets	b) Fictitious Assets	c) Fixed Assets	d) Intangible Assets
-------------------	----------------------	-----------------	----------------------

16. On 1st October 2021, a machine is purchased for ₹ 3,60,000 and ₹ 40,000 are spent on its installation. Depreciation is charged @ 10% p.a. on original cost method. Books are closed on 31st March each year. On 31st March, 2023 depreciation charged will be: 1

a) ₹ 20,000	b) ₹ 40,000	c) ₹ 38,000	d) ₹ 36,000
-------------	-------------	-------------	-------------

OR

On 1st July 2020, a machine is purchased for ₹ 1,75,000 and ₹ 25,000 are spent on its installation. Depreciation is charged @ 10% p.a. on diminishing balance method. Books are closed on 31st March each year. On 31st March, 2023 depreciation charged will be:

a) ₹ 18,500	b) ₹ 18,000	c) ₹ 16,200	d) ₹ 16,650
-------------	-------------	-------------	-------------

17. Prepare a Trial Balance from the following information: 3

	₹
Prepaid expenses	5,000
Outstanding rent	2,000
Bad debts recovered	4,000
Interest on Investment	1,000
Due to Mohan	5,000
Bank overdraft	2,000
Discount allowed	800
Due from Vinod	1,200
Investment	15,000
Patents	4,000
Machinery	6,000
Capital	18,000

18. Journalise the following transactions. 3

- 1) Allow interest on capital amounting ₹ 50,000 @ 8% p.a.
- 2) Goods costing ₹ 1,000 sale price ₹ 1,250 was stolen.

3) Rent paid ₹ 2,000 and rent is still owing ₹ 1000

OR

Prepare Journal Entries from the following postings:

1) **Purchase A/c**

Dr.

Cr.

	To Cash A/c	50,000			
--	-------------	--------	--	--	--

2) **Interest A/c**

Dr.

Cr.

				By Cash A/c	800
--	--	--	--	-------------	-----

3) **Mohan A/c**

Dr.

Cr.

	To Sales A/c	40,000			
	To Output CGST A/c	3,600			
	To Output SGST A/c	3,600			

19. What do you mean by Accounting? Explain any two limitations of Accounting.

3

OR

Explain the following

1) Profit 2) Gain 3) Expenses

20. Differentiate between Provision and Reserve on the following basis:

3

1) Meaning 2) Object 3) Presentation in Balance Sheet

21. From the following information prepare Sales Book of Ganesh Electronics, Kolkata (West Bengal) assuming CGST @ 9% and SGST @ 9%. 4

2023	
Jan 3	Sold to Ruchika Electronics, Kolkata, Vide Invoice No. 431 5 Colour T.V. Sets (@ ₹ 20,000 each Less: Trade Discount 20%.
Jan 10	Sold to Garima Electronics, Patna (Bihar), Vide Invoice No. 432 10 Washing Machines (@ ₹ 8,000 each Less : Trade Discount 25%.
Jan 12	Sold to Raghav & Sons, Kolkata, Vide Cash Memo No. 2510 6 Colour T.V, Sets (@ ₹18,000 each Less Trade Discount 15%.
Jan 16	Sold to Nitin Trading Company, Ranchi (Jharkhand) Vide Cash Memo No. 433. 8 Music Systems @ ₹15,000 each 10 Colour T.V. Sets @ ₹ 22,000 each Less : Trade Discount 20%.

22. Trial balance of Anita did not agree and she put the difference to suspense account. She discovered the following errors. 6

- 1) Sales return book overcast by ₹ 8,175.
- 2) Purchase return to Arpit ₹ 3,125 was not posted.
- 3) Goods purchased on credit from Kamakshi ₹ 11,500 were taken into stock but no entry was passed in the books.
- 4) Installation charges on new machinery purchased ₹ 1,750 were debited to sundry expenses account as ₹175.
- 5) Rent paid for residential accommodation of Anita (the proprietor) ₹ 5,200 was debited to rent account as ₹ 5,000.

Rectify the errors and prepare suspense account to ascertain the difference in trial balance.

23. Prepare Double Column Cash book from the following information: 6

2022		₹
Jan 1	Cash in hand	5,000
	Bank Overdraft	3,000
Jan 3	Bought goods for cash	4,500
Jan 5	Received cash from Rakesh	9,000
Jan 8	Received a cheque from Amit and deposited it into bank	11,000
Jan 11	Paid wages by cheque	7,000
Jan 13	Cash deposited into bank	5,000
Jan 14	Sold goods for cash	8,000
Jan 15	Bought furniture	3,000

24. Prepare a Bank Reconciliation Statement from the following particulars as on 30th June, 2023:

6

	₹
1) Credit balance as per Bank column of Cash Book.	3,600
2) Cheque issued to the creditor but not yet presented for payment.	720
3) Cheques deposited into Bank for collection but not collected by the bank upto this time	1,540
4) Bank charges charged by the bank	20
5) Interest on overdraft charged by the bank	25
6) A customer deposited into our bank account without informing us.	240
7) Bank paid House Tax on our behalf, but no information was received from Bank.	35
8)	

25. In the following Machinery Account, determine the missing values, if depreciation is to be charged @ 10% p.a. as per Diminishing Balance Method, On 1st October, 2022, a part the machinery valued in the books of the firm at ₹ 16,000 on 1st July, 2020 was sold be ₹10,000.

6

Machinery A/c

Dr.

Cr.

Date	Particulars	₹	Date	Particulars	₹
2020			2020		
July 1	To Bank A/c	80,000	March 31	By Depreciation A/c	(1)
			March 31	By Balance c/d	(2)
		(3)			(4)
2021			2021		
April 1	To Balance b/d	(5)	March 31	By Depreciation A/c	(6)
			March 31	By Balance c/d	(7)
		(8)			(9)
2022			2022		
April 1	To Balance b/d	(10)	Oct 1	By Bank A/c Sale	(11)
			Oct 1	By Depreciation A/c	(12)
			Oct 1	By Loss on Sale of Machinery Alc	(13)
			2023		
			March 31	By Depreciation A/c	(14)
			March 31	By Balance c/d	(15)
		66,600			66,600

OR

The following balances appears in the books as on April 1, 2022:

Machinery Alc ₹ 5,00,000
 Provision for Depreciation A/c ₹ 1,16,000

Depreciation is charged on machinery at 20% p.a. by the diminishing balance method. A piece of machinery purchased on April 1, 2020 for ₹ 1.00,000 was sold on October 1, 2022 for ₹ 60,000. Prepare the Machinery Account and Provision for Depreciation Account for the year ended 31st March, 2023. Also prepare Machinery Disposal Account.

26. Sundry Debtors given in the Trial Balance are ₹ 20,000. Further bad debts amounted to ₹ 1,000 and it is desired to create a provision of 5% on debtors for doubtful debts and 2% for discount. Sundry Debtors will appear in the Balance Sheet at a figure of : 1

a) ₹ 18,620	b) ₹ 18,600	c) ₹ 17,689	d) ₹ 17,670
-------------	-------------	-------------	-------------

27. What is meant by Grouping or Marshalling a Balance Sheet? 1

OR

Excess of Debit in Profit and Loss Account is called:

a) Net Profit	b) Net Loss	c) Gross Profit	d) Gross Loss
---------------	-------------	-----------------	---------------

28. If Capital at the end of the year is ₹ 40,000; Capital introduced during the year ₹ 30,000; drawings for the year ₹ 20,000 and loss for the year is ₹ 60,000, then Capital at the beginning of the year was: 1

a) ₹ 90,000	b) ₹ 80,000	c) ₹ 70,000	d) ₹ 10,000
-------------	-------------	-------------	-------------

29. Closing stock is shown in Financial Statements at: 1

- Cost price
- Realisable Value
- Cost price or Reliasable Value whichever is greater.
- Cost price or Reliasable Value whichever is less.

30. Differentiate between Double Entry System and Single Entry System on the following basis: 3

- Type of Account
- Net Profit or Loss
- Suitability

31. State whether the following are capital expenditure, revenue expenditure or deferred revenue expenditure? 3

- ₹ 14,000 spent on white washing of a factory.
- Advertisement expenditure incurred for launching a new product.
- ₹ 30,000 custom duty paid on new imported machinery.
- ₹ 40,000 spent on repairing of various machines during the year.
- Payment of wages ₹ 10,000 for converting raw material into finished goods.
- Payment of ₹ 25,000 annual fire insurance premium.

32. Gokul Das maintains incomplete records of his business. He wants to know the result of his business on 31st March 2023 and for that, following information are available: 4

Particulars	1/4/2022	31/3/2023
Cash in hand	1,50,000	1,75,000
Bank Balance	7,50,000	6,00,000
Furniture	1,00,000	1,00,000
Stock	5,00,000	4,50,000
Creditors	3,50,000	4,00,000
Debtors	2,50,000	3,00,000

Personal expenses of Gokul Das paid from business account amounted to ₹ 4,80,000 and goods worth ₹ 20,000 were withdrawn by him for personal use. He sold ornaments of his wife for ₹ 3,50,000 and invested that amount into the business. Calculate his profit or loss.

33. While preparing final accounts, where the following items will be shown when they are given inside the trial balance? 4

a) Outstanding salary	b) Prepaid rent
c) Bad debt	d) Depreciation
e) Interest on drawing	f) Commission received in advance
g) Closing stock	h) Interest on capital

OR

Calculate Gross profit and Operating profit.

	₹
Opening stock	35,000
Sales (Net)	12,00,000
Purchase (Net)	5,00,000
Administrative Expenses	60,000
Selling and Distribution Expenses	75,000
Loss by fire	30,000
Closing Stock	75,000
Rent Received	10,000

34. Prepare Trading and Profit & Loss Account for the year ended 31st March, 2023 and Balance Sheet as at that date from the following Trial Balance: 6

Heads of account	L.F	Dr. (₹)	Cr. (₹)
Drawing and Capital		18,000	80,000
Purchases and Sales		82,600	1,55,000
Stock (1.1.2022)		42,000	
Return Outward			1,600
Carriage Inward		1,200	
Wages		4,000	
Power		6,000	
Machinery		50,000	
Furniture		14,000	
Rent		22,000	
Salary		15,000	
Insurance		3,600	
8% Bank Loan			25,000
Debtors		20,600	
Creditors			18,900
Cash in hand		1,500	
		2,80,500	2,80,500

Adjustments:

- 1) Closing stock ₹ 64,000.
- 2) Wages outstanding ₹ 2,400.
- 3) Bad debts ₹ 600 and provision for bad and doubtful debts to be 5% on debtors.
- 4) Rent is paid for 11 months.
- 5) Loan from the bank was taken on 1st July 2022.
- 6) Provide depreciation on machinery @ 10% p.a.

7) Provide Manager's commission at 10% on net profit after charging such commission.

OR

Prepare Trading and Profit & Loss Account for the year ended 31st March, 2023 and Balance Sheet as at that date from the following Trial Balance of Ramesh:

Heads of account	L.F	Dr. (₹)	Cr. (₹)
Purchases		1,30,295	
Sales			1,80,500
Cash-in-Hand		500	
Cash at Bank		9,500	
Stock on 1st April, 2022		40,000	
Wages		22,525	
Sales Return		2,400	
Purchases Return			195
Repairs		1,675	
Debtors		30,000	
Creditors			30,305
Bad Debts		2,310	
Discount Allowed		800	
Discount Received			530
Capital			37,500
Interest on Loan		600	
Salaries		8,000	
Postage and Courier		800	
Freight Inwards		500	
Insurance		1,000	
Donation		125	
Rent		2,000	
Machinery		16,000	
12% Loan			20,000
Total		2,69,030	2,69,030

Adjustment:

- 1) Purchases includes a machine purchased on 1st October, 2022 for ₹ 4,000 and wages include ₹ 2,000 paid for its installation.
- 2) Provide for depreciation on Machinery @ 10%.
- 3) Stock on 31st March, 2023 was worth ₹ 40,925.
- 4) Salaries unpaid ₹ 800 and rent is paid up to 30th June, 2023.
- 5) Write off further bad debts ₹ 400 and create a provision of 5% on debtors for doubtful debts.
- 6) Prepaid insurance ₹ 300.
