

**2022**  
**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 & general choice has been provided in 5 marks questions.*
  - iv) *Marks allocated to every question are indicated against it.*
- N.B:***Check to ensure 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. Revenue expenditures are recorded in 1  
(a) trading account (b) profit and loss account  
(c) income statement (d) balance sheet
  
2. The financial position of a business is ascertained by preparing 1  
(a) trial balance (b) trading account  
(c) profit and loss account (d) balance sheet
  
3. If amount is withdrawn before due date, the interest is paid at a lower rate under 1  
(a) current account (b) savings bank account  
(c) fixed deposit account (d) recurring deposit account
  
4. Which is the central bank of India? 1  
(a) RBI (b) BOI  
(c) SBI (d) PNB
  
5. A Bank Reconciliation Statement reconciles the 1  
(a) bank statement with the cash book  
(b) ledger with the journal  
(c) days book with bank statement  
(d) petty cash book with the bank account
  
6. The payment of promissory note is received by its 1  
(a) drawer (b) maker  
(c) payee (d) bank

7. The person to whom the amount of a bill is payable is called as 1  
(a) drawer (b) endorsee  
(c) drawee (d) maker
8. Suspense account is a/an 1  
(a) real account (b) personal account  
(c) nominal account (d) all of the above
9. In diminishing balance method, depreciation on assets is calculated on the 1  
(a) original cost (b) average cost  
(c) written down value (d) market value
10. Depreciation is a/an 1  
(a) loss (b) income  
(c) valuation (d) asset

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

11. What is a profit and loss account? 2
12. Mention any two types of payments made by bank on our behalf. 2
13. What is a plus balance? 2
14. Define errors of principle. 2
15. What is meant by errors of partial omission? 2
16. Define the term depreciation according to R N Carter. 2

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

17. Explain any three essential points to be considered while preparing final accounts. 3
18. Distinguish between profit and loss account and balance sheet on three bases. 3
19. State the advantages of opening a current account. 3
20. Explain bills at sight and bills after date. 3
21. State any three special features of depreciation. 3
22. Explain the disadvantages /limitations of straight line method. 3

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

23. Explain five differences between current account and fixed deposit account.
24. Explain any five types of bank that exists in India.
25. Explain the need and importance of bank reconciliation statement.
26. Prepare a bank reconciliation statement as on 31<sup>st</sup> March, 2019.
  - i) The bank column of its cash book showed a debit balance of ₹ 1,54,300.
  - ii) Cheque deposited but not credited to bank ₹75,450.
  - iii) Cheque issued but not yet presented for payment ₹ 80,760.
  - iv) Bank charges not yet recorded in the cash book ₹ 1,135.
  - v) Dividends collected from bank but not yet recorded in cash book ₹ 1,000.
27. Explain any five advantages of bills of exchange.
28. On 3<sup>rd</sup> April, David draws a bill on John for ₹10,000 payable after two months. John accepted and returned it to David. David discounts it with his bankers for ₹ 9,600. On due date, the bill was honoured.  
Pass journal entries in the books of David and John.
29. Explain the errors disclosed by trial balance.
30. An Accountant's trial balance did not agree and the difference was transferred to suspense account. Subsequently, the following errors were discovered:
  - i) A total of ₹ 2,757 in the sales book carried forward as ₹ 2,575
  - ii) An allowance of ₹ 200 by Carol in returns inward book
  - iii) A cheque for ₹ 315 from Humtsoe correctly entered into the cash book, but posted to Humtsoe's account as ₹ 135
  - iv) Discount column on the payments side of the cash book totaled ₹ 213.  
Correct the above errors through journal entries.

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

31. a. Explain the limitations of Final accounts.

**Or**

**5**

- b. The trial balance of Mr. Nungshi on 31<sup>st</sup> March 2019 reveals the following balances:

Trial Balance  
As on 31<sup>st</sup> March, 2019

Particulars	Debit Balances ₹	Credit Balances ₹
Land and Building	90,000	
Purchases and Sales	58,000	1,27,000
Stock as on 1 <sup>st</sup> April, 2018	40,000	
Sundry Debtors and Creditors	45,000	25,000
Salaries	31,000	
Capital		1,10,000
Purchase return		1,200
Interest received		800
	2,64,000	2,64,000

Closing stock on 31<sup>st</sup> March, 2019 was ₹13,000.

Prepare trading, profit and loss account and balance sheet.

32. a. Distinguish between fixed installment method and diminishing balance method of depreciation on five bases.

**Or**

**5**

- b. Akok purchased a machinery on 1<sup>st</sup> January, 2015 for ₹ 9000. She depreciates it every year on 31<sup>st</sup>, December using diminishing balance method at the rate of 20% per annum.

Show machinery account for the first 4 years.

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