2017
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 purpose of final account is to ascertain **1**
   (a) profit (b) the value of assets
   (c) the value of liabilities (d) income and position statement

2. The statement of assets and liabilities is **1**
   (a) balance sheet (b) trial balance
   (c) trading account (d) profit and loss account

3. Which of the following is an advantage of opening current account? **1**
   (a) maintaining of minimum balance (b) facility of overdraft
   (c) no interest (d) bank charges

4. Which one of the following is the central bank of India? **1**
   (a) ICICI (b) IDBI
   (c) RBI (d) Bank of India

5. The debit balance of pass book is **1**
   (a) plus balance (b) minus balance
   (c) either plus or minus (d) neither plus nor minus

6. Under bills of exchange _____ number of copies is/are prepared for foreign bills. **1**
   (a) one (b) two
   (c) three (d) four

7. Bills of exchange is drawn by **1**
   (a) debtor (b) creditor
   (c) purchaser (d) bank

8. The difference in the trial balance is transferred to **1**
   (a) capital account (b) difference account
   (c) suspense account (d) profit and loss account

9. Depreciation is calculated on **1**
   (a) fixed assets (b) current assets
   (c) fictitious assets (d) wasting assets

10. Diminishing balance method of depreciation is also known as. **1**
   (a) fixed instalment method (b) equal instalment method
   (c) straight line method (d) written down value method

Answer the questions in about 20-30 words:

11. What is meant by trading account? **2**

12. State the effect of the transactions if the bank reconciliation statement is prepared from the balance of cash book. **2**

13. What is minus balance? **2**

14. Write the meaning of compensating errors. **2**

15. What is meant by rectifying entry? **2**

16. Write the meaning of obsolescence. **2**

Answer the questions in about 30-50 words:

17. Explain any three importance of profit and loss account. **3**

18. Explain any three features of balance sheet. **3**

19. Write any three differences between current account and saving bank account. **3**

20. Explain the three parties of bills of exchange. **3**

21. State three special features of depreciation. **3**

22. Explain three advantages of diminishing balance method. **3**

Answer the questions in about 70-100 words:

23. **a.** Explain any five points to be considered while preparing final accounts.

Or **5**

b. Prepare trading, profit and loss account and balance sheet from the following trial balance of Tulip Hotel as on 31st March 2016.

Particulars	Debit `	Credit `
Purchases and sales	15,750	21,000
Stock	13,000	
Freight outward	650	
Carriage inward	500	
Salaries and wages	980	
Bank	6,600	
Debtors and creditors	4,220	2,700
Capital		20,000
Drawings	2,000	
	43,700	43,700

Closing stock was estimated at ` 12,000.

24. **a.** Explain any five types of account that can be opened with the bank.

Or **5**

b. Explain any five different types of banks.

25. **a.** Explain five causes responsible for the difference between the balances of cash book and pass book.

Or **5**

b. Prepare bank reconciliation statement from the following particulars on 31st July 2016:

i) Balance as per pass book ` 500

ii) Three cheques for ` 60, ` 39 and ` 15 issued in July, 2016 were presented for payment to the bank in August, 2016

iii) Two cheques of ` 50 and ` 65 sent to the bank for collection were not entered in the pass book till July, 2016

iv) The bank charged ` 46 for its commission and allowed interest ` 10 which were not entered in the bank account.

26. **a.** Explain any five advantages of bills of exchange.

Or **5**

b. On 1st May, 2015, *A* draws a bill on *B* for ` 500 payable 3 months after date. Three days before the due date *A* sends the bill to his banker for collection. The bill was duly collected on the due date by the bank.

Pass necessary journal entries in the books of both the parties.

27. **a.** Explain the errors of commission.

Or **5**

b. The trial balance extracted from the books of Miss Lily on 31st March 2012 had not agreed. The difference was transferred to suspense account. During 2012 – 2013, the following errors was discovered:

i) The total of purchase book was short by ` 100

ii) The total of one page of the sales book was carried forward to the next page as ` 2,785 instead of ` 2,587

iii) Goods returned by Ali worth ` 500 were not entered in the books at all

iv) A sale of ` 480 to Akim was entered in the sales book as ` 840

v) ` 1,000 spent on repairs to the building was debited to the building account.

Pass necessary rectifying journal entries.

28. **a.** Distinguish between straight line method and diminishing balance method.

Or **5**

b. Mr. Daniel purchased a machine at ` 50,000 on 1st January, 2008. Depreciation was charged @ 10% per annum on diminishing balance method.

Show machinery account for the first four years assuming that the books are closed on 31st December every year.

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