

**2021**  
**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. Gross profit is ascertain from 1  
(a) trading account (b) profit and loss account  
(c) balance sheet (d) trial balance
2. The traditional name for income statement is 1  
(a) trial balance (b) trading account  
(c) trading and profit & loss A/c (d) final accounts
3. The banks which have been established to assist trade, commerce and industry are known as 1  
(a) exchange banks (b) commercial banks  
(c) agricultural banks (d) industrial banks
4. If deposits exceeds the withdrawals from the bank, cash book will show 1  
(a) plus balance (b) minus balance  
(c) overdraft balance (d) both plus and minus balance
5. A bank reconciliation statement can be prepared with the balance of 1  
(a) cash book (b) pass book  
(c) cheque book (d) both cash book and pass book
6. Indian Negotiable Instruments Act, 1881 defines a bill of exchange under 1  
(a) Section 3 (b) Section 4  
(c) Section 5 (d) Section 6
7. A promissory note is made by the 1  
(a) creditor (b) debtor  
(c) supplier (d) endorsee

8. The differences in the trial balance is transferred to 1  
(a) Capital A/c (b) difference A/c  
(c) profit and Loss A/c (d) suspense A/c
9. “Depreciation may be defined as permanent and continuing diminution in the quality, quantity or the value of an asset” has been defined by 1  
(a) R.N Carter (b) W. Pickles  
(c) Spicer and Peglar (d) Accounting Standard
10. Depreciation means 1  
(a) physical wear and tear (b) amortisation  
(c) obsolescence (d) fluctuation

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

11. What is the utility of balance sheet? 2
12. What is a credit card? 2
13. What is E-banking? 2
14. Define compensating error. 2
15. What is meant by sliding figure error? 2
16. Write a note on diminishing balance method. 2

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

17. Explain any three importance of trading account. 3
18. Explain in brief the stages of final accounts. 3
19. Write a note on: 1 ½ x 2 = 3  
a) dishonor of cheque b) bank charges or collection charges
20. Explain the parties involved in bills of exchange. 3
21. Explain any three causes of depreciation. 3
22. Write and explain any three disadvantages of diminishing balance method. 3

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

23. a. Mention and explain any five characteristics of balance sheet.

**Or****5**

- b. Prepare trading, profit and loss account and balance sheet as on 31<sup>st</sup> March 2018 from the trial balance of M/s John & Bros.

Particulars	₹	₹
	Debit Balances	Credit Balances
Opening stock	10,000	-
Purchase/ Sales	20,000	40,000
Purchase return	-	1,000
Capital	-	65,000
Cash	7,000	
Carriage and cartage	3,000	
Freight outward	4,000	
Salaries & wages	6,000	
Land & building	35,000	
Plant & machinery	15,000	
Bills receivables	6,000	
	1,06,000	1,06,000

Closing stock was valued at ₹ 9,000.

24. a. Explain the various benefits of E- banking to the customers.

**Or****5**

- b. Explain any five types of account that can be opened with the bank.

25. a. Mention and explain the steps for the creation of bank reconciliation statement.

**Or****5**

- b. Amenla had an account in the State Bank of India. According to her cash book, the balance as on 31<sup>st</sup> December, 2017 was ₹ 1,750.

- i) The pass book on the same date showed that cheques of ₹ 180, ₹ 1,150 and ₹ 125 were not presented for payment.
- ii) All cheques amounting ₹ 1,220 paid into her account were not cleared by 31<sup>st</sup> December, 2017
- iii) The bank has allowed interest of ₹ 510
- iv) Bank had charged ₹ 50 commission for the services offered.

Prepare a bank reconciliation statement.

26. a. Explain any five characteristics of bills of exchange.

**Or****5**

- b. A bill of ₹ 1,000 is drawn by Hilo on Kavishe on 5<sup>th</sup> August, 2018 payable six months after date. The bill was accepted by drawee on presentation and duly met on maturity.

Record these transactions in the books of both the parties.

27. **a.** Mention and explain five limitations of trial balance. 5  
**Or**  
**b.** Explain the clerical errors regarding the errors of commission.
28. **a.** Mention and explain any five objectives of charging depreciation. 5  
**Or**  
**b.** Longdimen Brothers purchased a machine on 1<sup>st</sup> July, 2016 at a cost of ₹14,000 and spent ₹1,000 on its installation. The firm writes off depreciation @ 10% on original cost every year. The books are closed on 31<sup>st</sup> December every year.  
Prepare machinery account for the first four years.

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