

Reg. No. : .....

**FME-49**

Name : .....

**FIRST YEAR HIGHER SECONDARY  
MODEL EXAMINATION, FEBRUARY 2020**

Part – III

**ACCOUNTANCY WITH ANALYSIS OF FINANCIAL STATEMENTS**

Maximum : 80 Scores

Time : 2½ Hours

Cool-off time : 15 Minutes

**General Instructions to Candidates :**

- There is a 'Cool-off time' of 15 minutes in addition to the writing time.
- Use the 'Cool-off time' to get familiar with questions and to plan your answers.
- Read questions carefully before answering.
- Read the instructions carefully.
- Calculations, figures and graphs should be shown in the answer sheet itself.
- Malayalam version of the questions is also provided.
- Give equations wherever necessary.
- Electronic devices except non-programmable calculators are not allowed in the Examination Hall.

**വിദ്യാർത്ഥികൾക്കുള്ള പൊതുനിർദ്ദേശങ്ങൾ :**

- നിർദ്ദിഷ്ട സമയത്തിന് പുറമെ 15 മിനിറ്റ് 'കൂൾ ഓഫ് ടൈം' ഉണ്ടായിരിക്കും.
- 'കൂൾ ഓഫ് ടൈം' ചോദ്യങ്ങൾ പരിചയപ്പെടാനും ഉത്തരങ്ങൾ ആസൂത്രണം ചെയ്യാനും ഉപയോഗിക്കുക.
- ഉത്തരങ്ങൾ എഴുതുന്നതിന് മുമ്പ് ചോദ്യങ്ങൾ ശ്രദ്ധാപൂർവ്വം വായിക്കണം.
- നിർദ്ദേശങ്ങൾ മുഴുവനും ശ്രദ്ധാപൂർവ്വം വായിക്കണം.
- കണക്ക് കൂട്ടലുകൾ, ചിത്രങ്ങൾ, ഗ്രാഫുകൾ, എന്നിവ ഉത്തരപേപ്പറിൽ തന്നെ ഉണ്ടായിരിക്കണം.
- ചോദ്യങ്ങൾ മലയാളത്തിലും നൽകിയിട്ടുണ്ട്.
- ആവശ്യമുള്ള സ്ഥലത്ത് സമവാക്യങ്ങൾ കൊടുക്കണം.
- പ്രോഗ്രാമുകൾ ചെയ്യാനാകാത്ത കാൽക്കുലേറ്ററുകൾ ഒഴികെയുള്ള ഒരു ഇലക്ട്രോണിക് ഉപകരണവും പരീക്ഷാഹാളിൽ ഉപയോഗിക്കുവാൻ പാടില്ല.

**I. Answer all the questions from 1 to 9. Each carries 1 score.**

**(9 × 1 = 9)**

1. Find the odd one and state reason.
  - (a) Machinery
  - (b) Goodwill
  - (c) Furniture
  - (d) Building
  
2. Unfavourable bank balance means :
  - (a) Credit balance in Pass Book
  - (b) Credit balance in Cash Book
  - (c) Debit balance in Cash Book
  - (d) None of these
  
3. Credit sale of goods to Mohan ₹ 5,000 was recorded in sales book, but not posted to Mohan a/c. This is
  - (a) Error of partial omission
  - (b) Error of principle
  - (c) Error of complete omission
  - (d) Compensating error
  
4. Which of the following statement is true about depreciation ?
  - (a) Depreciation is also charged on Current Affairs.
  - (b) Charging depreciation is against law.
  - (c) If market value of the asset is higher than book value, depreciation is not charged.
  - (d) Depreciation is charged to ascertain true and fair financial position.

5. "To facilitate inter-firm and intra firm comparison, the accounting policies and practices followed by enterprises should be uniform over a period of time."  
Which accounting principle says this ?

- (a) Matching Principle
- (b) Consistency Principle
- (c) Dual Aspect Principle
- (d) None of these

6. Drawings A/c Dr.

To purchase A/c.

What will be the suitable narration for this Journal Entry ?

- (a) Purchased goods
- (b) Withdraw cash for personal use.
- (c) Withdraw goods for personal use.
- (d) None of these

7. Amazon Inc. is one of the largest online stores in the world. Which type of accounting software will be suitable to them ?

- (a) Customized
- (b) Ready to use
- (c) Tailored
- (d) None of these

8. Complete the following table

Data	Data Type
Employee Name	Text
Date of Birth	?

9. DBMS stands for \_\_\_\_\_

II. Answer any 6 questions from 10 to 16, each carries 2 scores :

(6 × 2 = 12)

10. Goods and Service Tax (GST) came into effect from 1<sup>st</sup> July 2017 in our country.  
State any two advantages of GST.

11. Complete the table.

Name of the Special Journal	Source Document
(a) Cash Book	Receipts and Vouchers
(b) Purchase Book	?
(c) Sales Returns Book	?

12. The Bank balance as per the Cash Book and the pass book may not agree with each other. State any two reasons for the difference between the two.

13. 'It is the statement showing the balances of all Ledger Accounts.'
- (a) Identify the statement.
- (b) Write down any two objectives of preparing this statement.
14. State any two differences between the promissory note and a Bill of Exchange.
15. From the following details, calculate the amount of provision for the doubtful debts to be created on Debtors.

**Trial Balance (Extract)**

Particulars	Debit ₹	Credit ₹
Debtors	52,000	
Bad debts	1,000	

**Adjustments :**

- (i) Write off further Bad debts ₹ 2,000.
- (ii) Provision for doubtful debts @ 5% on Debtors.
16. Classify the following expenditures as
- (i) Revenue expenditures and
- (ii) Capital Expenditures
- (a) Paid Wages
- (b) Purchased Machinery
- (c) Installation charges of Machinery
- (d) Purchased Goods

**III. Answer any 5 question from 17 to 22, each carries 3 scores :**

**(5 × 3 = 15)**

17. "The basic objective of accounting is to provide useful information to both internal and external users." What are the other important objectives of Accounting ? Write any three.
18. Provisions and Reserves are the amounts set aside out of profit. But they are different from each other. What are the three important differences between provisions and Reserves ?
19. Prepare the Ledger Account of Joseph in the books of Anand.
- (i) Sold goods to Joseph ₹ 18,000
  - (ii) Purchased goods from Joseph ₹ 7,000
  - (iii) Joseph returned goods worth ₹ 1,200
  - (iv) Cash received from Joseph ₹ 6,000
  - (v) Returned goods to Joseph ₹ 700
20. Bill of Exchange is an important credit instrument used by the business firms. Who are the three important parties to a Bill of Exchange ?

21. The following informations are extracted from the books of Ms. Teena. Calculate the amount of profit earned or loss incurred by her during the year ended on 31-3-2019.

- (i) Capital as on 1-4-2018 ₹ 1,80,000
- (ii) Capital as on 31-3-2019 ₹ 2,83,000
- (iii) Additional capital introduced during the year ₹ 40,000
- (iv) Drawings by the proprietor for ₹ 30,000.

22. In spite of all the known capabilities, computers suffer from certain limitations also. List out three limitations of a computer system.

**IV. Answer any 4 question from 23 to 27, each carries 4 scores : (4 × 4 = 16)**

23. Information provided by Accounting is used by both Internal and External users. Who are the important external users of Accounting Information ? What are the purposes for which the External users rely on the accounting information ?

24. Identify the accounting principles behind each of the following statements and provide a brief explanation about them.

- (a) Green Earth Ltd. received an award from the Government of Kerala for their eco-friendly initiatives. But this event was not recorded in the Books of Accounts.
- (b) "For every debit, there is an equal and corresponding credit."

25. Prove that the accounting equation is satisfied in all the following transactions :

- (i) Hafeez started business with cash ₹ 2,00,000.
- (ii) Purchased goods on credit ₹ 60,000
- (iii) Paid wages ₹ 3,000
- (iv) Goods worth ₹ 8,000, sold for ₹ 10,000

26. From the following information, compute cost of the goods sold and Gross Profit.

- (i) Sales ₹ 2,38,000
- (ii) Return inwards ₹ 8,000
- (iii) Purchases ₹ 80,000
- (iv) Wages ₹ 7,000
- (v) Opening Stock ₹ 16,000
- (vi) Closing Stock ₹ 23,000

27. Complete the table.

Adjustment	Trading and Profit and Loss A/c.	Balance Sheet
(i) Outstanding Wages	Debit side of Trading A/c.	Liability Side
(ii) Accrued interest	?	?
(iii) Interest on capital	?	?
(iv) Provision for discount on Debtors	?	?
(v) Rent received in advance	?	?



(4 × 5 = 20)

V. Answer any 4 question from 28 to 32. Each carries 5 scores :

28. From the following particulars of M/s. Aster Enterprises, prepare a Bank Reconciliation statement as on 31<sup>st</sup> March 2019, and find out the Pass-Book balance on that date.

- (a) Balance as per Cash Book ₹ 28,600
- (b) Cheques amounting to ₹ 6,300 were issued to a Creditor, but not presented for payment till 31-3-19.
- (c) Interest allowed by bank ₹ 480 was not recorded in the Cash Book.
- (d) Bank charges ₹ 180 debited in the pass book only.
- (e) Cheques amounting to ₹ 5,200 were deposited into the Bank, but not yet credited.

29. On verification, the following errors are found in the book of Mr. Vineeth. Help him to rectify the errors.

- (a) Sale of old machinery for ₹ 8,000 was posted to Sales Account.
- (b) Purchased goods on Credit ₹ 4,000 from Rajesh, not entered in Purchase Book.
- (c) Sales Book was under cost by ₹ 1,600.
- (d) Furniture purchased for ₹ 8,000 was posted in the Cash Book, but no entry was made in Furniture a/c.
- (e) ₹ 1,200 drawn by the proprietor for his personal use was debited to wages a/c.

30. Trinity Ltd. purchased a Machinery for ₹ 1,02,000 on 1<sup>st</sup> January, 2015 and spend ₹ 18,000 for its installation. On 1<sup>st</sup> July 2016, they purchased another machine for ₹ 2,00,000.

Depreciation is provided on Machinery @ 10% per annum on original cost method annually on December 31<sup>st</sup>. Prepare Machinery A/c. for 3 years.

31. Amith sold goods worth ₹ 25,000 to Namitha on 1<sup>st</sup> Jan. 2019 and drew a bill upon her for three months on the same date. Namitha accepted the bill and returned it to Amith.

Amith discounted the bill with his bank @ 12% per annum on 1<sup>st</sup> February 2019. The discounted bill was dishonoured on the due date.

Pass entries in the books of the Drawer.

32. From the following information find out the credit sales :
- (i) Balance of debtors as on 1-1-2018 ₹ 1,28,000
  - (ii) Return inwards ₹ 17,000
  - (iii) Cash received from customers ₹ 60,000
  - (iv) Discount allowed to them ₹ 4,600
  - (v) Bills receivable received from customers ₹ 25,000
  - (vi) Bad debts ₹ 3,000
  - (vii) Bills receivable dishonoured ₹ 4,000
  - (viii) Debtors as on 31-12-2018 ₹ 1,00,000

VI. Answer any 1 question from 33 to 34, which carries 8 scores :

(1 × 8 = 8)

33. From the following Trial Balance, prepare Trading and Profit and Loss A/c and Balance Sheet of Balaji Traders for the year ended 31-12-2019.

(Trial Balance as on 31-12-2019)

Account Title	LF	Debit ₹	Credit ₹
Opening Stock		32,000	
Cash in hand		4,000	
Cash at Bank		8,000	
Purchases		1,42,000	
Sales			2,88,000
Wages		8,000	
Carriage inwards		4,000	
Sundry Debtors		29,000	
Sundry Creditors			34,000
Salaries		12,000	
Insurance		4,800	
Drawings		6,000	
Machinery		31,000	
Buildings		1,60,000	
Capital			1,18,800
		<b>4,40,800</b>	<b>4,40,800</b>

**Adjustments :**

- (i) Closing stock valued at ₹ 26,000
- (ii) Salary outstanding ₹ 4,000
- (iii) Insurance prepaid ₹ 800
- (iv) Depreciate Machinery by 10%
- (v) Write off ₹ 1,000 as bad debts

34. Prepare a double column Cash Book from the following transactions for the month of March, 2019.

March, 2019	Transactions	₹
1	Cash in hand	1,32,000
	Cash at bank	41,000
4	Purchased goods for cash	9,800
9	Paid rent through bank	4,000
10	Sold goods for cash	18,000
12	Sold goods on credit to Mohan	4,000
13	Cash received from Anand	7,300
15	Cash deposited into bank	10,000
17	Cheque received from Mohan	4,000
19	Withdraw cash from bank	6,000
22	Paid wages	2,100
23	Cheque from Mohan returned dishonoured	4,000
25	Withdraw from Bank for personal use	2,000
30	Paid salary	6,000