

Unofficial Answer Key

First Year Higher Secondary Model Examination -2021

Accountancy with Computerised Accounting **Code-FY-350**

I. Answer all questions from 1 to 7. Each carry 1 score (7 x 1 =7)

1. C. Cash Book
2. B. Trial Balance
3. B. High cost of training
4. C. Bank Overdraft
5. C. To identify the causes of difference between cash book and pass book balance
6. B. Same as every year
7. C. Payee

II. Answer any 4 questions from 8 to 15. Each carry 2 scores (4 x 2 =8)

8. Debit Aspect – Drawings
Credit Aspect - Purchase
9. Petty cash book is usually maintained under imprest system. Under imprest system, the petty cashier is given a definite sum of money, say Rs.1, 000, at the beginning of a certain period. This amount is called 'imprest amount'. The petty cashier goes on making all small payments out of this imprest amount and when he has spent the substantial portion of the imprest amount, say Rs.800, he gets reimbursement of the amount spent from the main cashier. Thus, he again has the full imprest amount in the beginning of the next period.
10. Objectives of preparing Financial Statements
 - a) To display the financial position of a concern
 - b) To find out the operating result of a business
 - c) These statements depict the effectiveness of a company's management
 - d) To get an idea about the solvency of a concern
11. Treatment of closing stock-When it is given in adjustment
 - 1st treatment- It should be shown on the credit side of the Trading account
 - 2nd treatment- It should be shown on the asset side of the Balance sheet
12. Prepaid expenses are future expenses that are paid in advance . On the balance sheet, prepaid expenses are first recorded as an asset. After the benefits of the assets are realized over time, the amount is then recorded as an expense.
Example: One Year insurance Rs.1,200 was paid on November 1st 2020. If the business closes its books of accounts on 31st December every year, Rs.1,000 (12000*10/12) will be prepaid insurance-paid in advance for the next year.

13. Complete the series

a. Investment by the owner in the firm	Capital
b. Cost incurred to earn revenue	Expense
c. Asset held for long time period	Non-current /fixed asset

14. Disadvantages of Computerised Accounting System (Any-2)

- a) Costly: Huge cost of hardware, software and huge Training cost of employees are important drawbacks of computerized accounting system.
- b) Computer virus and hacking problems are also disadvantages
- c) Staff opposition
- d) Faster obsolescence of technology which leads to scrapping of heavy investment.

15. A. Accounting Period

B. Going Concern

III. Answer any 2 questions from 16 to 20. Each carry 3 scores.(2 x3 =6)

16. Objectives of accounting (Any 3)

1.Maintaining Accounting records

The main objective of accounting is to maintain systematic record of business transactions and events.

2.Ascertainment of result

The second objective of accounting is to ascertain the net profit earned or loss suffered on account of business transactions during a particular year.

3.Determining the Financial Position

The business man wants to know the financial position of the business. For this purpose, a statement called 'Balance Sheet' is prepared, it displays the values of assets and liabilities of the business.

4.Provide Information to Various Parties

Accounting is the 'language of business'.It communicates the relevant accounting information to various interested parties.

5.Meeting Legal Requirements

Accounting records are accepted as evidence by the court, if they are maintained systematically. Besides, the law such as Companies Act, Income Tax Act, GST Act etc. requires timely submission of returns.

6. Assistance to Management

Management often requires financial information for decision making and ensures efficient management. By providing timely information, accounting assists the management in the task of planning, controlling and decision making.

17. Show the effect on accounting Equation

Asset = liabilities + Capital

Transaction	Effect on Asset/Liability/Capital
(a) Started business with Rs 1,00,000	Asset (Cash) Increased Capital Increased
(b) Purchased goods for cash Rs.20,000	Asset (Cash) decreased Asset (Stock) Increased
(c) Sold goods to Priya on credit Rs.40,000	Asset (Debtor) Increased Asset (Stock) decreased

Another interpretation:

Complete goods i.e., goods costing Rs.20,000 sold for Rs.**4,00,000**. In this case Asset (Debtor) increased Rs.4,00,000, Asset (Stock) decreased Rs.20,000 and profit/capital increased Rs.3,80,000.(It is assumed that complete goods sold for Rs.4,00,000)

Transactions		Assets = Liabilities + Capital			
		Cash	Stock	Debtor	Capital
a.	Started business with cash Rs. 1,00,000	+1,00,000	0	0	1,00,000
b.	Purchased goods for cash Rs. 20,000	-20,000	+20,000	0	0
	New Equation	80,000	20,000	0	1,00,000
c.	Sold goods to Priya on credit Rs. 4,00,000	0	(-) 20,000	+4,00,000	+3,80,000
	New Equation	80,000	0	4,00,000	4,80,000

If, Sold goods to Priya on credit Rs. 4,000

Transactions		Assets = Liabilities + Capital			
		Cash	Stock	Debtor	Capital
a.	Started business with cash Rs. 1,00,000	+1,00,000	0	0	1,00,000
b.	Purchased goods for cash Rs. 20,000	-20,000	+20,000	0	0
	New Equation	80,000	20,000	0	1,00,000
c.	Sold goods to Priya on credit Rs. 4,000	0	(-) 4,000	+4000	
	New Equation	80,000	16,000	4,000	1,00,000

If complete goods sold for Rs.40,000 at a profit of 20,000

Transactions		Assets = Liabilities + Capital			
		Cash	Stock	Debtor	Capital
a.	Started business with cash Rs. 1,00,000	+1,00,000	0	0	1,00,000
b.	Purchased goods for cash Rs. 20,000	-20,000	+20,000	0	0
	New Equation	80,000	20,000	0	1,00,000
c.	Sold goods to Priya on credit Rs. 40,000	0	-20,000	+40,000	+20,000
	New Equation	80,000	0	40,000	1,20,000

Assumption: Complete goods i.e., goods costing Rs.20,000 sold for Rs.40,000. In this case Asset (Debtor) increased Rs.40,000, Asset (Stock) decreased Rs.20,000 and profit/capital increased Rs.20,000.(It is assumed that complete goods sold for Rs.40,000)

18. **Cost of goods sold = Opening stock + Purchase + Direct Expenses – Closing stock**

$$= (30,000 + 1,00,000 + 2,000) - 30,000$$

$$= 1,32,000 - 30,000 = \underline{\underline{1,02,000}}$$

19. **Needs for providing Depreciation (Any 3)**

1. **To ascertain true profit-** Depreciation is an operating expense and it must be recorded in profit and loss account to get the true operating result.
2. **To ascertain true value of the asset-** If depreciation is not charged, the assets will be shown at value more than its actual value.
3. **To ensure distribution of dividend out of profit only-** If depreciation is not charged, the profit disclosed by profit and loss account will be more than the real profit.
4. **To ascertain the accurate cost of production**
5. **To create fund for replacement of assets**

20. **Features of bill of exchange**

- a) A bill of exchange is a credit instrument
- b) It contains an unconditional order
- c) The sum payable must be specific
- d) Bill of exchange must be dated and stamped
- e) It must be signed by the maker or drawer
- f) The money must be payable to a definite person or to his order or to the bearer

IV. Answer any 2 questions from 21 to 25. Each carry 4 Scores. (2 x 4 = 8)

21. **Qualitative characteristics of Accounting Information**

Reliability: Accounting information must be reliable. Reliable information should be free from error and bias and verifiable.

2.Relevance: To be relevant, information is to be available on time and must help in prediction.

3.Understandability: Understandability of accounting information means users of accounting information must interpret it in the same sense as it is prepared and conveyed to them.

4.Comparability: Comparability means that the users should be able to compare the accounting information of an enterprise of the period either with that of other periods (Intra-firm comparison) or with the accounting information of other enterprises (Inter-firm comparison).

22.

Petty Cash Book (Imprest System)

Amount Received	Date	Particulars	Voucher No.	Amount Paid				
Rs.	Jan 2020			Rs.	Carriage	Travelling Expense	Postage	Stationer
300	01	Cash						
	01	Carriage		50	50			
	02	Bus fare		20		20		
	10	Postage		30			30	
	21	Courier charges		30			30	
	30	Stationery		60				60
	30	Balance c/d		190	50	20	60	60
300				300				
110 190	Feb 1	Balance b/d Cash						

23.

Difference between Journal and Ledger (Any-4)

No.	Journal	Ledger
1	All transactions are first recorded in journal	All transactions recorded in journal are later transferred to ledger.
2.	In journal transactions are recorded in chronological order.	In ledger transactions are recorded in analytical order
3	Final accounts can't be prepared with the help of journal	Final accounts can be prepared with the help of ledger.
4	Process of recording entries in journal is called journalising.	Process of recording entries in the ledger is called posting.
5.	Balancing is not done in journal	All ledger accounts are balanced/totaled

24. Adjustment entry

- a. **Wages a/c Dr 4,000**
To Outstanding Wages A/c 4,000
 (Wages outstanding adjusted)
- b. **Rent received A/c Dr. 2,000**
To Rent received in advance A/c 2,000
 (Rent received in advance adjusted)

25. Credit sales can be ascertained by preparing Total Debtors Account

Total Debtors account

Date	Particulars	Amount	Date	Particulars	Amount
1-4-20	Balance b/d	30,000		Cash	2,00,000
	Sales(B/F)	2,13,000		Discount allowed	3,000
				Balance c/d	40,000
		2,43,000			2,43,000

V. Answer any 3 questions from 26 to 31. Each carry 5 Scores. (3 x 5 = 15)

26. **Double Column Cash Book**

Date	Particulars	LF	Cash	Bank	Date	Particulars	LF	Cash	Bank
1-1-21	Balance b/d		12,500	5,000	4-1-21	Hari		1,000	
12-1-21	Cash	C		2,000	12-1-21	Bank	C	2,000	
20-1-21	Sales		3,000		15-1-21	Rent			1,000
					25-1-21	Monish		2,000	
					30-1-21	Salary		3,000	
					30-1-21	Balance c/d		7,500	6,000
			15,500	7,000				15,500	7,000

27. **Causes of difference between bank balance as cash book and pass book. (Any-5)**

1. Cheque issued but not presented for payment
2. Cheque deposited into bank but not yet collected and credited.
3. Bank charges debited by bank recorded only in passbook.
4. Interest and dividend collected and credited by bank recorded only in pass book
5. A customer directly deposited into bank account recorded only in pass book.
6. Payment made by bank on behalf of customer recorded only in pass book.

28. **Trial Balance**

Particulars	Debit (Rs.)	Credit (Rs.)
Cash	25,000	
Sundry debtors	20,000	
Furniture	15,000	
Sundry creditors		8,000
Bills payable		7,000
Purchases	30,000	
Sales		40,000
Salary	5,000	
Interest Received (Cr.)		10,000
Capital		30,000
	95,000	95,000

29.

Direct Expenses	Direct Income	Indirect Expenses	Indirect Income	Assets	Liabilities
Purchase Wages	Sales	Insurance Depreciation	Interest (Cr.)	Cash in hand Machinery	Bills Payable Bank Overdraft

30. **Match the following**

A	B
1.Prepaid Insurance	d. Asset
2.Depreciation	c. Profit and loss account
3.Opening Stock	a. Trading Account
4.Commission received in advance	e. Liability
5.Drawings	f. Capital

31. **Difference between Manual accounting and Computerised accounting (Any-5)**

Manual Accounting	Computerised Accounting
1. Transactions are recorded manually	2. Transactions are recorded using computer
2. Transactions are recorded in volumes of books.	2. Transactions are recorded in well-designed database
3. Journal, ledger, trial balance, financial statements etc. are prepared manually	3. Once transaction recorded through vouchers, data are processed automatically and ledger, trial balance, financial statements etc. are automatically prepared.
4. Retrieval of data is very difficult in manual accounting	4. Retrieval of data is very easy in computerized accounting.
5. It takes lot of time.	5. It save lot of time.
6. Closing entries are necessary in Manual Accounting	6. Closing entries are not necessary in computerized Accounting
7. Possibility of errors are high.	7. Possibility of errors are less in Computerised Accounting

VI. Answer any 2 questions from 32 to 35. Each carry 8 Scores. (2 x 8 = 16)

32. **Single Column Cash Book**

Date	Particulars	LF	Amount	Date	Particulars	LF	Amount
1-5-20	Sales		30,000	5-5-20	Furniture		5,000
20-5-20	Commission		2,000	15-5-20	Purchase		15,000
				25-5-20	Rent		1,000
				31-5-20	Drawings		1,000
				31-5-20	Balance c/d		10,000
			32,000				32,000

Purchase day Book

Date	Invoice No.	Name of the Supplier	L.F	Amount
7-5-20		Binu		4,000
		Total		4,000

Sales day Book

Date	Invoice No.	Name of the Customer	L.F	Amount
10-5-20		Binu		10,000
		Total		10,000

33. Accounting Concepts

a. Duality Concept

As per duality concept, every business transaction has double effect. In other words, every transaction affects at least two accounts. If one account is debited, any other account must be credited. The system of recording transactions based on this principle is called as 'Double Entry System'. Double Entry Book keeping is based on this concept.

b. Matching Concept

According to this concept expense should be matched to the revenue of the appropriate accounting period to determine correct profit/loss for the accounting period. As per this principal expense or revenue are recognized on the basis of period to which they relate and not when these are paid/ received. It is because of this principle the adjustment is made for outstanding expense, accrued income, prepaid expenses, unearned income (income received in advance) etc.

c. Business Entity Concept:

Business entity concept assumes that business has a distinct and separate entity from its owner. As an accountant, we have to record business transactions from firm's point of view and never from the view point of proprietor's. Owners are considered as creditors of the business to the extent of their capital. This principle states that the affairs of business will not be mixed up with the private affairs of the owner.

d. Money Measurement concept:

According to this concept, only those transactions are recorded which can be expressed in terms of money or money's worth. The qualitative aspects of the business like efficiency of management, favorable location etc. are important for the business, but they cannot be recorded in the books of accounts because they can't be evaluated in terms of money.

34. Journal

Date	Particulars	L.F	Debit (Rs.)	Credit (Rs.)
1-6-21	Purchase A/c Dr. To Cash (Purchased goods for cash)		10,000	10,000
5-6-21	Anil A/c Dr. To Sales (Credit sales)		40,000	40,000

8-6-21	Rent a/c Dr. To Cash (Rent paid)		3,000	3,000
10-6-21	Cash A/c Dr. To Anil (Cash received from Anil)		20,000	20,000
15-6-21	Furniture A/c Dr. To Cash (Cash purchase of furniture)		7,000	7,000
20-6-21	Bank a/c Dr. To Cash		2,000	2,000

Cash Account

Date	Particulars	Amount	Date	Particulars	Amount
10-6-21	By Cash	20,000	1-6-21	By Purchase	10,000
20-6-21	By Balance c/d	2,000	8-6-21	By Rent	3,000
			15-6-21	By Furniture	7,000
			20-6-21	By Bank	2,000
		22,000			22,000

Note: The question has a mistake. As per question, the answer (Cash book balance) is Rs. **2,000** (Credit balance). Closing cash in hand shows a minus balance. It is not a real situation. It is a fact that cash book never shows a credit balance, i.e., nobody can spend more money than what he has. Cash book always shows debit balance or zero balance, credit balance should not be shown.

35. Trading and Profit and Loss Account

Dr. for the Year ended 31-03-2021 Cr.

Particulars	Amount	Particulars	Amount
To Opening stock	10,000	By Sales	1,04,000
To Purchase	50,000	By closing stock	12,000
To Wages	5,000		
To Gross profit c/d	51,000		
	1,16,000		1,16,000
To Salary 5,000		By Gross profit b/d	51,000
Add: Outstanding 1,000	6,000	By interest 3,000	
To Insurance	2,000	Less: Received in advance 500	2,500
To Net profit transferred to capital account (B/F)	45,500		
	53,500		53,500

Balance Sheet as on 31-03-21

Liabilities	Amount	Assets	Amount
Sundry Creditors	10,000	Cash in hand	30,000
Salary Outstanding	1,000	Sundry Debtors	25,000
Interest received in advance	500	Closing stock	12,000
Capital	50,000	Furniture	10,000
Add: Net Profit	<u>45,500</u>	Motor Van	30,000
	1,07,000		1,07,000

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Plus One Accountancy- Public Examination Question Paper Discussion Video	https://youtu.be/hZnuflDNr_c
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Important for public Examination-2021: (1) Questions: 120 scores, (2) Maximum Scores: 60, (3) **No options** for one score questions, (4) If you write answers to more questions from the other section, only the **fixed number with the best score** from them will be considered, (5) Cool off time: 20 Minutes, (6) **Programmed calculator** will not be allowed.

- ചോദ്യങ്ങൾ പരിചയപ്പെടാനും ഉത്തരങ്ങൾ ആസൂത്രണം ചെയ്യുവാനും കൂൾ ഓഫ് സമയം ഉപയോഗിക്കുക
- ഉത്തരങ്ങൾ എഴുതുന്നതിന് മുമ്പ് ചോദ്യങ്ങൾ ശ്രദ്ധാപൂർവ്വം വായിക്കുക
- ഓരോ സെക്ഷനിൽ നിന്നും എത്ര ചോദ്യങ്ങളാണ് എഴുതേണ്ടത് എന്ന് പ്രത്യേകം ശ്രദ്ധിക്കുക.
- പരീക്ഷാഹാളിൽ പോകുമ്പോൾ 'സാധാരണ കാൽക്കുലേറ്റർ', 'സ്കെയിലർ', 'പെൻസിൽ' ഇവ കരുതുക
- ഹാൾ ടിക്കറ്റ് എടുക്കാൻ മറക്കാതിരിക്കുക