

## Unofficial Answer Key

### First Year Higher Secondary Examination – September 2021

#### Accountancy with Computerised Accounting Code-FY-250

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

1. b. Capital
2. c. Sales Book
3. b. Credit
4. b. Fixed Asset
5. d. All of the above
6. b. Creditor
7. d. Quality Report

Note: All others are limitations of computer system

**(7 X 1 = 7)**

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

8. Match the following

(a) A person who owes money to an enterprise	(iv) Debtor
(b) Withdrawal of money or goods by the owner from the business	(iii) Drawings
(c) Excess of revenue over expenses	(i) Profit
(d) Economic resources of an enterprise	(ii) Assets

**(4 X ½ = 2)**

9. (a) A business is separate from its owner- **Accounting Entity/ Business Entity/entity concepts**  
(b) Assets= Liability + Capital – **Dual Aspect Concept**

**(2 X 1 = 2)**

10. Complete the Table as per Hint

(a) Asset Increase	Debit
(b) Income increases	Credit
(c) Expenses Increases	Debit

**(2 X 1 = 2)**

11. (a) **Contra Entry:**

The entries that affect both sides of the cash book are called contra entries. Against such entries, the letter 'C' (C stands for contra) should be written in the LF column on both sides to signify that these entries are not be posted to the ledger.

Example :(1) Cash deposited into bank or withdrawn from Bank

**(b) Debit Note:**

A debit note, also known as a debit memo, is issued from a buyer to their seller to request a return of funds due to incorrect or damaged goods, purchase cancellation, or other specified circumstances. It is the source document of purchase return day book.

**(2 X 1 = 2)**

12. (1) Revenue Expenditure – **Salary**  
(2) Capital Expenditure – **Machinery** (Machinery Purchased)  
(3) Revenue Receipts – **Rent Received**  
(4) Capital Receipts – **Bank Loan** (Loan amount received)

**(4 X ½ = 2)**

13. **Hardware:** monitor, mouse, CPU, keyboard etc.

**Software:** MS Excel , Windows , Tally, LibreOffice Calc, Kaspersky, etc.

**(4 X ½ = 2)**

14. (a) **Depreciation a/c Dr. 2,000**

**To Furniture a/c                      2,000**  
(Furniture depreciated by Rs.2,000)

(b) **Rent a/c Dr. 5,000**

**To Outstanding rent a/c   5,000**  
(Rent outstanding Rs.5,000)

**(2 X 1 = 2)**

15. (a) **Accrued Interest - Asset Side**

(b) **Salary Outstanding - Liability Side**

**(2 X 1 = 2)**

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

16. **Qualitative Characteristics of Accounting:**

**1.Reliability:** Accounting information must be reliable.

**2.Relevance:** To be relevant, information is to be available on time.

**3.Understandability:** Accounting information must have the capability to interpret it in the same sense as it is prepared.

**(3 X 1 = 3)**

17. (a) **Withdrew cash for personal/domestic purpose Rs 2,000**

(b) **Babu, a customer directly deposited into our bank account Rs. 5,000./An issued cheque to Babu, a creditor, returned dishonoured due to technical reason Rs.5,000.**

(c) **Sold goods for cash Rs. 10,000**

**(3 X 1 = 3)**

**18. 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:** For ascertaining the real cost of production, it is necessary to provide depreciation
5. **To create fund for replacement of assets:** The amount of depreciation accumulated during the working life of the asset provides necessary funds to replace the assets when it becomes useless.

**(3 X 1 = 3)**

**19. Calculate the maturity date of the following bills:**

1. Drawn on January 10 <sup>th</sup> for 3 months	April 13 <sup>th</sup>
2. Drawn on July 1 <sup>st</sup> for 4 months	November 4 <sup>th</sup>
Drawn on June 12 <sup>th</sup> for 2 months	August 14 <sup>th</sup> <b>Note:</b> If due date falls on a public holiday, the due date is preceding business day. August 15, being national holiday, August 14 has been supposed to be the due date.

**(3 X 1 = 3)**

**20. Calculate Cost of goods sold:**

**Cost of Goods Sold = Opening Stock + Net Purchase + Direct Expenses – Closing Stock**

$$= 50,000 + 1,30,000 + 20,000 - 70,000$$

$$= 2,00,000 - 70,000$$

$$\text{Cost of Goods Sold} = \underline{1,30,000}$$

**( For Equation-1, Answer-2) 3**

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

**21. Objectives of accounting (Any 4)**

**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.

**(4 X 1 = 4)**

#### 22. 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/totalled

**(4 X 1 = 4)**

#### 23. 01-01-21 Opening Cash Balance/ Cash in Hand Rs.40,000

02-01-21 Purchased goods for cash Rs.30,000

20-01-21 Received cash from Rakesh Rs. 50,000

31-01-21 Paid Salary Rs.10,000

**(4 X 1 = 4)**

#### 24. Calculate profit during the year:

Closing Capital	1,00,000
Add: Drawings	30,000
Less:	1,30,000
Additional Capital	25,000
Adjusted Capital	1,05,000
Less:	
Opening Capital	40,000
PROFIT	<u>65,000</u>

One Score for each correct step

**(4 X 1 = 4)**

25. (a) **Prepaid Expenses:**

**Prepaid or un expired expenses** are future **expenses** that are paid in advance, whose benefit will be available in the next accounting years. Example – Prepaid Insurance

(b) **Rs.4,000**

**Calculation:**

Insurance paid during the year   Rs. 5,000  
Less: Prepaid Insurance               1,000  
   4,000

**(2 + 2 = 4)**

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

26. **Sales Day Book**

Date	Invoice No.	Name of Customer (Account to be debited)	L.F	Amount
1-1-21		<b>Babu:</b> 7 Tables @ Rs.3,000 per table		21,000
8-1-19		<b>Mini:</b> 5 Wooden Chair @ Rs.4,000 per chair		20,000
10-1-21		<b>Sreejith:</b> 4 Dining Table @ Rs.7,000 per table		28,000
20-1-21		<b>Salini:</b> 8 computer Table @ Rs. 2,500 per table		20,000
30-1-21		<b>Ramu:</b> 2 dressing Table @ Rs. 4,000 per table		8,000
		<b>Total</b>		<b>97,000</b>

**(5 X 1 = 5)**

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

**(5 X 1 = 5)**

28.

**Trial Balance**

<b>Particulars</b>	<b>Debit (Rs.)</b>	<b>Credit (Rs.)</b>
Cash in hand	25,000	
Purchases	80,000	
Capital		60,000
Machinery	35,000	
Sales		70,000
Investment	50,000	
Stock in trade	30,000	
Furniture	20,000	
Rent received		5,000
Bank Loan		45,000
Suspense Account (Difference/Error)		<b>60,000</b>
	<b>2,40,000</b>	<b>2,40,000</b>

**Note:** Total of the trial balance/suspense account balance need not be considered for evaluation.

**(10 X ½ = 5)**

29. Features of computerized accounting are as follows

- 1. Simplicity:** Computerized accounting system is an easy way to process the accounting transactions.
- 2. Comprehensive nature:** Most of the accounting packages are complete and comprehensive. They can handle various types of vouchers, day books, different registers, final accounts etc.
- 3. Accuracy:** The reports generated from computerized accounting are free from mistakes.
- 4. Speed:** Quick access and retrieval of data is possible in computerized accounting system
- 5. No difficulty in alterations :** In computerized accounting, system are updated automatically as and when accounting data are updated and stored.

**(5 X 1 = 5)**

30. Calculate Sales:

Sales = Cost of goods sold + gross profit

Cost of Goods sold = Opening Stock + Net Purchase + Direct Expenses – Closing Stock

Cost of goods sold = 2,500+13,000+2,000 – 15,000  
 = 17,500 -15,000  
 = 2,500

Sales = Cost of goods sold + gross profit  
 =2,500 +20,000

Sales = **22,500**

For equation-1 score, Cost of goods sold- 3 score, sales – 1 score

**(1 + 3 + 1 = 5)**

**OR**

**Trading and Profit and Loss Account**

Particulars	Amount	Particulars	Amount
To Opening stock	2,500	<b>By Sales (Balancing Figure)</b>	<b>22,500</b>
To Purchase	13,000	By closing stock	15,000
To Wages	2,000		
To Gross profit	20,000		
	<b>37,500</b>		<b>37,500</b>

One score for each correct posting

**(5 X 1 = 5)**

31. Adjustment entries

- a. **Wages a/c Dr. 2,000**  
**To Outstanding Wages A/c 2,000**  
 (Wages outstanding adjusted)
- b. **Depreciation a/c Dr. 5,000**  
**To Machinery a/c 5,000**  
 (Depreciate machinery by Rs 5,000)
- c. **Rent received A/c Dr. 3,000**  
**To Rent received in advance A/c 3,000**  
 (Rent received in advance adjusted)
- d. **Prepaid Salary A/c Dr. 7,000**  
**To Salary A/c 7,000**  
 (Prepaid salary adjusted)
- e. **Accrued Interest A/c Dr. 4,000**  
**To Interest Received A/c 4,000**  
 (Accrued interest adjusted)

**(5 X 1 = 5)**

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

**32. (a) GAAP: Generally Accepted Accounting principles**

(b) In order to ensure uniformity in accounting procedures and methods, certain accounting principles, concepts and conventions have been followed by accountants all over the world. These principles, concepts and conventions are usually called Generally Accepted Accounting principles (GAAP). GAAP consists of accounting principles, concepts, modifying principles and accounting standards. All accounting procedures are developed on the basis of GAAP.

- (c)
1. Quality of Manpower can't be recorded- **Money Measurement Concept**
  2. For every debit there is an equal credit - **Dual aspect Concept**
  3. Treatment of outstanding salary – **Matching Concept**
  4. Business have got indefinite life – **Going Concern Concept**
  5. Stock is valued at cost or market price whichever is less – **Conservatism concept/Principle of prudence**

**(1 + 2 + 5 (5 x 1) = 8)**

33.

**Journal**

Date	Particulars	L.F	Debit (Rs.)	Credit (Rs.)
1-1-21	Cash a/c Dr. To Capital (Started business with cash)		1,00,000	1,00,000
3-1-21	Bank a/c Dr. To Cash (Cash deposited into bank)		50,000	50,000
5-1-21	Purchase a/c Dr. To Cash a/c (Purchased goods for cash)		20,000	20,000
8-1-21	Wages a/c Dr. To Cash (Wages paid)		2,000	2,000
10-1-21	Cash A/c Dr. To Commission (Commission received )		5,000	5,000
15-1-21	Furniture A/c Dr. To Cash (Cash purchase of furniture)		10,000	10,000
20-1-21	Drawings a/c Dr. Bank a/c (Withdrew cash from bank for personal use)		4,000	4,000
30-1-21	Cash a/c Dr. To Sales a/c (Cash sales)		40,000	40,000

**(8 X 1 = 8)**



34.

**Petty Cash Book (Imprest system)****Petty Cash Book (Imprest System)**

Amount Received	Date	Particulars	Voucher No.	Amount Paid						
Rs.	March 2020			Rs.	Carriage	Postage & Telegraph	Travelling Exp	Stationery	Repairs	Sundries
2,000	01	Cash								
	02	Carriage		50	50					
	04	Postage		140		140				
	05	Taxi Fare		100			100			
	10	Refreshment		70						70
	15	Stationery		80				80		
	20	Telegraph		40		40				
	25	Repairs		300					300	
	31	Balance c/d		780 1,220	50	180	100	80	300	70
<b>2,000</b>				<b>2,000</b>						
1,220	April 1	Balance b/d								
780		Cash								

One Score for each correct recording

**(8 X 1 = 8)**

35.

**Trading and Profit and Loss Account**

Dr. for the Year ended ..... Cr.

Particulars	Amount	Particulars	Amount
To Opening stock	20,000	By Sales	1,20,000
To Purchase	60,000	By closing stock	30,000
Carriage inwards	5,000		
To Wages	10,000		
To Gross profit c/d	<b>55,000</b>		
	1,50,000		1,50,000
To Salary	6,000	By Gross profit b/d	55,000
To Insurance	4,000	By Rent received	15,000
To Interest paid	3,000		
To Stationery	2,000		
To Rent and rates	5,000		
To Net profit transferred to capital account (B/F)	<b>50,000</b>		
	70,000		70,000

**Balance Sheet as on .....**

Liabilities	Amount	Assets	Amount
Sundry Creditors	30,000	Cash in hand	50,000
Bank Loan	20,000	Closing stock	30,000
Capital	1,50,000	Furniture	40,000
Add: Net Profit	<u>50,000</u>	Land and Building	80,000
	2,00,000	<b>Suspense Account</b>	<b>50,000</b>
	<b>2,50,000</b>		<b>2,50,000</b>

**Note: There will be a difference of 50,000 in the Balance Sheet as there is an error in the question.**

**This is only a suggestion:** Since there is an error in the question, it would be appropriate to give 1 score for any correct posting. **(8 X 1 = 8)**

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