

(1)

XI Accountancy with AFS  
(Unofficial Answer key - Term II - Dec 2018)

1	Trade Mark
2	Business Entity Concept
3	Posting
4	Interest on fixed deposit
5	Creditor
6	Balance sheet
7	Management, owner
8	Conservatism Concept / Prudence Concept It reduces net profit of the Organisation
9	a) Goods withdrawn by proprietor for personal use b) Machinery purchased from Ram Lal traders on Credit
10.	Debit note :- Source document of purchase return / return outward Credit note :- Source document of Sales return or return inward.
11	One sided error :- Errors of partial omission, Errors of Carrying forward Two sided error :- Compensating Errors Errors of Complete omission

12 Annual depreciation <sup>(2)</sup> = 
$$\frac{\text{Total Cost of the asset} - \text{Scrap value}}{\text{Estimated life}}$$

$$= \frac{(82000 + 3000) - 10,000}{10}$$

$$= \frac{75000}{10} = \underline{\underline{7500}}$$

- 13 Capital payments :-
- Installation charges of machinery
  - Wages for the construction of new building
  - purchase of furniture for business
- Revenue payments :-
- Annual repairs of building

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- Comparability
  - Relevancy
  - understandability
  - Reliability
- } Any 3 with Explanation

- 15
- a)
- |               |    |             |          |
|---------------|----|-------------|----------|
| Cash A/c      | Dr | 80,000      |          |
| Furniture A/c | Dr | 20,000      |          |
|               | To | Capital A/c | 1,00,000 |
- b)
- |              |    |          |        |
|--------------|----|----------|--------|
| Bank SBI A/c | Dr | 10,000   |        |
|              | To | Cash A/c | 10,000 |
- c)
- |             |    |              |      |
|-------------|----|--------------|------|
| Charity A/c | Dr | 5000         |      |
|             | To | purchase A/c | 5000 |

- 16)
- Kamala
  - Joseph
  - date of maturity = 11/10/18 + 3 days  
= 04/11/18

17. Cost of goods sold = opening stock + Net purchase + direct exp - closing stock

$$\begin{aligned} &= 12000 + (52000 - 2000) + (5000 + 1000) - 8000 \\ &= 12000 + 50000 + 6000 - 8000 \\ &= 68,000 - 8000 \end{aligned}$$

$$\text{Cgs} = \underline{\underline{60000}}$$

18. a). It should be shown on the debit side of the profit and loss a/c as it is loss to the business

- It should be deducted from sundry debtors on the asset side of the B/s as it is irrecoverable.

b). Outstanding salary will be debited to profit and loss a/c by way of addition to the salary.

- Outstanding salary will be shown on the liability side of the B/s.

c). Accrued Interest will be shown on the credit side of the profit and loss a/c by way of addition to the income.

- It will be shown on the asset side of Balance sheet as accrued income.

19 \* To maintain business records

\* To ascertain profit or loss

\* To ascertain financial position

\* To providing information to users.

} any 4  
with  
Explanation

20. Brief Explanation about money measurement Concept, Full disclosure principle, Consistency and matching Concepts.

21. \* Credit purchase of fixed asset  
\* Adjustment Entries  
\* Rectification Entries  
\* Transfer Entries.

22. \* opening stock \* Carriage inward \* Sales return.  
\* Land and Building \* power and fuel  
\* motor vehicle \* Loose Tools \* Bad Debt

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### Double Column Cashbook

date	particular	Cash Amr	Bank	date	particular	Cash	Bank
March 2018				1	By bal b/d	-	20,000
1	To bal b/d	30,000	-	2	By Bank	10,000	
2	To Cash	-	10,000	5	By purchase	2000	
8	To sunny	10,000	-	12	By Cash	-	8000
12	To Bank	8000	-	18	By Rent	-	2000
25	To Commission	2000		20	By drawings		4000
31	To bal c/d	-	24000	28	By salary	5000	
				31	By bal c/d	33,000	
		50,000	34,000			50,000	34,000
1/04/18	To bal b/d	33000		1/4/18	By bal b/d	-	24000

24 Bank Reconciliation Statement as on 31/03/2018

particulars	+	-
Balance as per Cashbook (Dr)	26,000	
Cheque Issued but not Encashed	2,000	
Cheque deposited, but not Collected		3,000
Interest Credited in passbook	200	
Balance as per passbook (Cr)		25,200
	<u>28,200</u>	<u>28,200</u>

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- a) Salary A/c Dr 10,000  
To Murali A/c 10,000
- b) Furniture A/c Dr 8000  
To purchase A/c 8000
- c) drawings A/c Dr 5000  
To Trade Exp A/c 5000
- d) Sales A/c Dr 3500  
To furniture A/c 3500
- e) Building A/c Dr 1,00,000  
To Wages A/c 1,00,000

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(C)

Journal Entries in the books of Babu  
(drawer)

date	particular	LF	Debit	Credit
1/03/18	Wilson A/c Dr To Sales (When goods are sold on credit)		24,000	24,000
1/03/18	Bills Receivable A/c Dr To Wilson A/c (on receiving the bill after acceptance)		24,000	24,000
15/03/18	Dennis A/c Dr To B/R A/c To D/R A/c (B/R Endorsed)		25,000	24,000 1000
04/06/18	Wilson A/c Dr To Dennis A/c (Wilson dishonoured his acceptance on maturity and <del>cash</del> Dennis paid Rs. 500 as noting charges)		24,500	24,500

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(7)  
Machinery A/c

Dr			Cr		
date	particular	Amount	date	particular	Amount
1/03/15	To Cash (40,000 + 5000)	45,000	31/03/15	By depreciation ( $45000 \times \frac{10}{100} \times \frac{1}{12}$ )	375
			"	By bal cld	44,625
		45,000			45,000
1/04/15	To bal cld	44,625	31/03/16	By depreciation ( $44,625 \times \frac{10}{100} \times \frac{1}{12}$ )	4463
			"	By bal cld	40162
		44,625			44,625
1/04/16	To bal bld	40,162	31/03/17	By depreciation ( $40162 \times \frac{10}{100} \times \frac{1}{12}$ )	4016
			"	By bal <sup>td</sup> cld	36146
		40162			40162
1/04/17	To bal bld	36,146			

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- a) Bad debt ~~and~~ A/c - Dr 1000  
     To Sundry debtors A/c 1000  
 (Further bad debts)
- b) Provision for doubtful A/c - Dr 5000  
     To Bad debt A/c 5000  
 (Bad debts adjusted against the provision)
- c) Profit and loss A/c - Dr 5550  
     To provision for doubtful A/c 5550  
 (amount charges from profit and loss account)

Working note:-

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Bad debts	2000	4000
further Bad debt		1000
New provision (7000 × $\frac{5}{100}$ )		3550
		<u>8550</u>
		3000
Less: old provision		<u>5550</u>
debited to profit and loss A/c		<u><u>5550</u></u>

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Trading and Profit and loss a/c for the year ending 31/03/18

Particulars	Amount-	Particulars	Amount-
To opening stock	60,000	Sales	1,60,000
To purchases	20,000	Closing stock	40,000
To wages 10000			
Add outstanding 1000	11,000		
Gross profit c/d	1,09,000		
	<u>2,00,000</u>		<u>2,00,000</u>
To depreciation on building (1,00,000 × $\frac{5}{100}$ )	5000	By Gross profit b/d	1,09,000
To Bad debts (44000 × $\frac{5}{100}$ )	1000		
To Rent 4500	4,000		
Less: prepaid 500	4,000		
To Commission	2,500		
To General Exp	8000		
To Net profit c/d (Transferred to B/s)	88,500		
	<u>1,09,000</u>		<u>1,09,000</u>

Balance sheet as on 31/03/18

Liabilities	Amount	Assets	Amount
Outstanding wages	1000	Cash in hand	17,000
Sundry Creditors	45000	Cash at bank	65,000
Capital 2,00,000		Bills Receivable	29,000
Add: N/P 88,500		Sundry debtors	44,000
2,88,500		less: Bad debts 1000	43,000
Less: drawings 40,000	2,48,500	Prepaid Insurance	500
		Closing Stock	40,000
		Furniture	5,000
		Building 1,00,000	
		less: dep 5000	95,000
	<u>2,94,500</u>		<u>2,94,500</u>

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- a) Wages Alc Dr 400  
    To outstanding wages Alc 400
  - b) Prepaid Salary Alc Dr 5000  
    To Salary Alc 5000
  - c) Closing stock Alc Dr 12,500  
    To Trading Alc 12,500
  - d) Accrued Interest Alc Dr 1800  
    To Interest Alc 1800
  - e) Commission Alc Dr 2100  
    To Unearned Commission Alc 2100

f) Profit and Loss <sup>(10)</sup> A/c Dr 3000  
To Provision for doubtful debt A/c 3000

g) Depreciation A/c Dr 4320  
To machinery A/c 4320

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