

# IMPROVEMENT/SUPPLEMENTARY EXAMINATION JANUARY -2022

ANSWER KEY (UNOFFICIAL) EXCLUDING THEORY PART

## ACCOUNTANCY WITH AFS (CODE FY- 449)

**Prepared by: RAMESH VP (HSST COMMERCE , GHSS KATTILANGADI)**

Answer all questions from 1 to 8 .Each carries 1 Score.

- 1 A CAPITAL
- 2 C LIABILITIES
- 3 D CASH BOOK
- 4 D CREDIT
- 5 B SALES
- 6 B CLOSING STOCK
- 7 D BADDEBTS
- 8 A COMPUTERISED ACCOUNTING SYSTEM

Answer any 3 questions from 9 to 14 .Each carries 2 Scores

- 9 STATE THE MEANING OF ACCOUNTING
- 10 LISTOUT ANY TWO SUBDIVISIONS OF JOURNAL
- 11 COPMLETE THE FOLLOWING TABLE

A ) CASH BOOK	ALL RECEIPTS ANS PAYMENTS OF CASH
B) PURCHASE BOOK	ALL CREDIT PURCHASES OF GOODS
C)SALES BOOK	ALL CREDIT SALES OF GOODS

- 12 IN BALANCE SHEET- ON ASSET SIDE
- 12 LISTOUT ANY TWO CAUSES OF DEPRECIATION
- 13 LISTOUT ANY TWO NEGOTIABLE INSTRUMENTS
- 14 STATE THE MEANING OF OUTSTANDING EXPENSES

Answer any 3 questions from 15 to 20 .Each carries 3 Scores

- 15 EXPLAIN BUSINESS ENTITY CONCEPT AND GOING CONCERN CONCEPT
- 16 EXPLAIN THE SYSTEM OF MAINTAINING PETTY CASH BOOK WITH EXAMPLE
- 17 LIST OUT THE THREE FACTORS OFFECTINGAMOUNT OF DEPRECIATION
- 18 COMPLETE THE FOLLOWING ADJUSTING ENTRY

ADJUSTENMENTS	ADJUSTING ENTRY
A) OUTSTANDING EXPENSES	EXPENSE <span style="float: right;">DR</span> TO OUTSTANDING EXP
B) PREPAID EXPENSES	PREPAID EXP <span style="float: right;">DR</span> TOEXPENSE
C) DEPRECIATION	DEPRECIATION <span style="float: right;">DR</span> TO ASSETS

- 19 STATEMENT OF PROFIT /LOSS:
- CAPITAL AT THE END 600000
- ADD DRAWINGS 100000
- 
- 700000
- LESS CAPITAL AT BEGINNING 450000
- 
- 250000
- 
- 20 PROFIT 250000

CREDITORS ACCOUNT

DT				DT	
					OPENING BALANCE <span style="float: right;">40000</span>
	TO CASH	100000			
	TO RETURN	10000			
	CLOSING BALANCE	70000			BY CREDIT PURCHASES(BAL) <span style="float: right;">140000</span>
		<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>			<span style="float: right;">180000</span>
		180000			

**Answer any 4 questions from 21 to 30 .Each carries 4 Scores**

21 LIST COST OF GOODS SOLD= OP STOCK+PURCHASE+DIR. EXP-CLOSING STOCK

22 EXPLAIN = 10000+22000+3000-8000

A) MONEY MEASUREM

B) DUAL ASPECT CONCEPT

23 DISTINGUISH B/W JOURNAL AND LEDGER

24 COMPLETE THE FOLLOWING TABLE

ITEM	DEBIT	CREDIT
A ASSETS	INCREASE	DECREASE
B LIABILITIES	<u>DECREASE</u>	<u>INCREASE</u>
C EXPENSES	<u>INCREASE</u>	DECREASE
D REVENUE	DECREASE	<u>INCREASE</u>

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DEPRECIATION= COST -SCRAPVALUE / LIF YEARS

= 50000-20000 /10

= 48000

26 TWO OBJECTIVES OF TRIAL BALANCE

27

01-Mar	VIMAL	DR	50000	50000
	TO SALES A/C			
"	B/R	DR	50000	50000
	TO VIMALA/C			
"	BANK	DR	48500	
	DISCOUNT	DR	1500	
	TO B/R			50000

28 B) WAGES , E) FUEL , G) FREIGHT , H) FACTORY LIGHTING

29 IN P&L ACCOUNT

TO INTEREST	8000		
ADD OUTSTANDING	<u>2000</u>	10000	

**\*INTEREST ON INVESTMENT DUE=100000 X 10 /100 = 10000**

**INTEREST OUTSTANDING = 10000- 8000 PAID=2000**

IN BALANCE SHEET

L		A	
OUTSTANDING INTEREST	2000		

30 FOUR ADVANTAGES OF COMPUTER SYSTEM

**Answer any 5 questions from 31 to 40 .Each carries 5 Scores**

31 FOUR OBJECTIVES OF ACCOUNTING

32 EXPLAIN MATCHING CONCEPT AND CONSERVATISM CONCEPT

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## ACCOUNTING EQUATION

	LIABILITIES	+	CAPITAL	=	ASSETS						
	CREDITORS	+	CAPITAL	=	CASH	+	FURNITURE	+	STOCK	+	DRS
Jan-01	0	+	500000	=	500000	+	0	+	0	+	0
2	0	+	0	=	(-100000)	+	100000	+	0	+	0
NEW EQ.	0	+	500000	=	400000	+	100000	+	0	+	0
4	50000	+	0	=	0	+	0	+	50000	+	0
NEW EQ.	50000	+	500000	=	400000	+	100000	+	50000	+	0
5	0	+	15000	=		+	0	+	(-30000)	+	45000
NEW EQ.	50000	+	515000	=	400000	+	100000	+	20000	+	45000
6	0	+	(-2000)	=	(-2000)	+	0	+	0	+	0
NEW EQ.	50000	+	513000	=	398000	+	100000	+	20000	+	45000

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## DOUBLE COLUMN CASH BOOK

DATE	RECEIPTS	R	LF	CASH	BANK	DATE	PAYMENT	V	LF	CASH	BANK
1	BALANCE			100000	50000	4	PURCHASE			20000	
						5	FURNITURE				30000
						6	SALARY			5000	
						30	BALANCE C/D			75000	20000
	TOTAL			100000	50000		TOTAL			100000	50000
1	BAL B/D			75000	20000						

## ANALYTICAL PETTYCASH BOOK

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CASH REC.	DT	PARTICULARS	LF	VN	TOT PAY	STATIONERY	POST	TRA EXP	CARTAGE
1000	JN 1	CASH							
	1	CARTAGE			100				100
	3	BUS FARE			50			50	
	5	POSTAGE			60		60		
	8	TAXI CHARGE			100			100	
	10	STATIONERY			60	60			
					370	60	60	150	100
	31	BALANCE			630				
1000					1000				
630	JL 1	BALANCE							

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## BANK RECONCILIATION STATEMENT

BALANCE AS PER CASH BOOK		80000
ADD: CHEQUE ISSUED BUT NOT PRESENTED		10000
		90000
LESS: BANK CHARGES...	1000	
" CHEQUE DEPOSITED BUT NOT COLLECTED	15000	16000
BALANCE AS PER PASSBOOK		74000

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## TRIAL BALANCE

ACCOUNT	DEBIT	CREDIT
CAPITAL		100000
FURNITURE	20000	
SALES		80000
PURCHASES	50000	
SALARY	5000	
DRAWINGS	18000	
INTEREST RECEIVED		5000

CREDITORS		15000
DEBTORS	60000	
INVESTEMENT	47000	
	200000	200000

38 COST OF GOODS SOLD = OPNG STOCK + PURCHASES + DIRECT EXP- CLOSING STOCK

= 20000 + 300000 + 50000- 30000

= **340000**

GROSS PROFIT = SALES -CGS

= 500000-340000

= **160000**

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TO BAD DEBTS

ADD FURTHER BADDEBTS

ADD NEW PROVISION FOR BADDEBTS

2000	
1000	
8000	<b>11000</b>

\* **NEW PROVISION=81000-1000 X 10/100 = 8000**

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**DIFFERENCES BETWEEN MANUAL ACCOUNTING AND COMPUTERISED ACCOUNTING**

**Answer any 2 questions from 41 to 44.Each carries 8 Scores**

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**JOURNAL**

2021	CASH	DR	500000	
Jul-01	TO CAPITAL A/C (STARTED BUSINESS WITH CASH)			500000
2	MACHINERY	DR	100000	
	TO CASH A/C (-----)			100000
4	BANK	DR	200000	
	TO CASH (-----)			200000
6	PURCHASES	DR	60000	
	TO VISHNU (-----)			60000
8	CARRIAGE	DR	2000	
	TO CASH A/C (-----)			2000
10	CASH	DR	80000	
	TO SALES (-----)			80000
12	VISHNU	DR	40000	
	TO BANK (-----)			40000
15	CASH	DR	5000	
	TO COMMISSION (-----)			5000

## PURCHASES BOOK

2021				
JUN	1	<u>KUMAR TRADERS</u>		
		50 BOOKS/30 EACH	1500	
		100 PEN/10EACH	1000	
			2500	
		LESS DISCOUNT10%	250	2250
	3	<u>ANUJA STATIONERY</u>		
		100 PACK PAPERS/200 EACH	20000	
		50 FILES/20 EACH	1000	
			21000	
		LESS DISCOUNT 5%	1050	19950
				22200

## PURCHASE RETURN BOOK

2021				
JUN	2	<u>KUMAR TRADERS</u>		
		5 BOOKS/30 EACH	150	
		10 PEN/10EACH	100	
			250	
		LESS DISCOUNT10%	25	225
	4	<u>ANUJA STATIONERY</u>		
		10 FILES/20 EACH	200	
		LESS DISCOUNT 5%	10	190
				415

## TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31/3/2021

TO	OPENING STOCK	12000	BY SALES	60000
	PURCHASE	38000		
	WAGES	2000	CLOSING STOCK	20000
	GROSS PROFIT C/D	28000		
		80000		80000
	SALARY	5000	BY GP B/D	28000
	OFFICE EXP	4000	COMMISSION	3000
	NET PROFIT	22000		
		31000		31000

