

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 നല്കിയിട്ടുണ്ട്.
- ആവശ്യമുള്ള സ്ഥലത്ത് സമവാക്യങ്ങൾ കൊടുക്കണം.
- പ്രോഗ്രാമുകൾ ചെയ്യാനാകാത്ത കാൽക്കുലേറ്ററുകൾ ഒഴികെയുള്ള ഒരു ഇലക്ട്രോണിക് ഉപകരണവും പരീക്ഷാഹാളിൽ ഉപയോഗിക്കുവാൻ പാടില്ല.



1. Answer any 8 questions from 1 to 10. Each carries 1 score.

(8 × 1 = 8)

1. Amount withdrawn by the owner from the business for personal purpose.

- (a) Drawings (b) Purchase
(c) Loan (d) Expenses

2. Accounting information should be free from bias.

- (a) Dual aspect (b) Objectivity
(c) Conservatism (d) Entity

3. Identify the incorrect equation.

- (a) $\text{Asset} = \text{Capital} + \text{Liabilities}$ (b) $\text{Capital} = \text{Asset} - \text{Liabilities}$
(c) $\text{Liabilities} = \text{Asset} - \text{Capital}$ (d) $\text{Capital} = \text{Asset} + \text{Liabilities}$

4. Fill in the blanks as per hint :

Hint : Salary paid.

_____ a/c Dr.

To Cash

- (a) Salary (b) Bank
(c) Purchase (d) Sales

5. All credit purchases are recorded in _____.

- (a) Sales Book (b) Purchase Book
(c) Journal proper (d) Sales returns book

6. A Bank Reconciliation statement prepared by

- (a) Depositor (b) Banker
(c) Supplier (d) Cashier

7. Depreciation is charged on _____ .
- (a) Mines (b) Stock
(c) Land & Building (d) Trademark
8. Net sales – cost of goods sold = ?
- (a) Gross profit (b) Net profit
(c) Total profit (d) Net loss
9. Find the odd one.
- (a) Freight (b) Wages
(c) Carriage inward (d) Salary
10. If closing stock is given in Trial Balance, it should be shown in the _____ .
- (a) Trading A/c (b) Profit & Loss A/c
(c) Asset side of balance sheet (d) Liability side of balance sheet

II. Answer any 5 questions from 11 to 16. Each carries 2 scores. (5 × 2 = 10)

11. Identify the internal users and external users of accounting information :
Management, Investors, Owners, Government
12. Complete the table as per the hint :
Hint : Income increase : Credit
- (a) Asset increase : ?
(b) Expenses decrease : ?
13. Write a short note on contra entry.
14. Rectify the mistakes :
Purchase of machinery of ₹ 50,000 from Syama has been entered in the purchase book.

15. Classify the following assets into current assets and non-current assets :

- (a) Cash in hand
- (b) Debtors
- (c) Furniture
- (d) Patent

16. Explain Balance sheet.

III. Answer any 5 questions from 17 to 22. Each carries 3 scores.

(5 × 3 = 15)

17. List out any 3 objectives of accounting.

18. Write a note on business entity concept and money measurement concept.

19. Explain the objectives of trial balance.

20. Write any 3 differences between Reserves and provision.

21. What are the adjustment entries for the following ?

- (a) Salary outstanding
- (b) Depreciation of plant
- (c) Commission received in advance

22. How to treat the items given in the trial balance ?

- (a) Accrued income (Debit)
- (b) Depreciation (Debit)
- (c) Interest on capital (Debit)

IV. Answer any 4 questions from 23 to 27. Each carries 4 scores.

23. Explain the qualitative characteristic of accounting information.
24. Write any four reasons which leads to disagreement between balances shown by the cashbook and passbook.
25. Prepare Trial balance from the following ledger balances :

Cash at bank	1,50,000
Sales	74,500
Capital	2,00,000
Sales return	1,000
Land & Building	1,35,000
Salary paid	5,000
Bank O/D	15,000
Commission received	1,500

26. Calculate cost of goods sold and Gross Profit for the year ended 2022 :

Sales	10,00,000
Purchases	7,50,000
Wages	50,000
Opening stock	3,00,000
Closing stock	2,00,000

27. An extract from the Trial balance as on 31.3.2022 is given below :

Debtors	₹ 50,000
Bad debts	₹ 3,000

Additional Information :

Further bad debts ₹ 1,000

Show the treatment of bad debts and debtor in the financial statement.

V. Answer any 3 questions from 28 to 31. Each carries 5 scores.

28. Match the following :

A	B
(a) Owner is treated as a creditor	(i) Full disclosure
(b) Life of business is indefinite	(ii) Conservatism
(c) Provide for all anticipated losses	(iii) Business entity
(d) All facts should be disclosed in books of accounts	(iv) Duality
(e) Capital = Asset – Liability	(v) Going concern

29. Prepare sale day-book from the following information :

- 1.3.2022 Sold to Shaji
10 Tables @ 5000 per table
- 4.3.2022 Sold to Raju
8 computer table @ 3000 per table
- 6.3.2022 Sold to Sreeja
5 Dining table @ 6500 per table
- 10.3.2022 Sold to Syamala
10 Wooden chair @ 5000 per chair
- 20.3.2022 Sold to Remya
3 Dressing table @ 4500 per table.

30. From the following particulars of Mr. Vysakh, prepare Bank Reconciliation statement on 31-12-2022.

- (a) Balance as per cashbook of ₹ 25,000.
- (b) ✕ Cheque issued but not presented for payment ₹ 5,000.
- (c) ↓ Bank charges of ₹ 750 were not entered in the cashbook.
- (d) ↓ Cheque deposited but not collected by the bank of ₹ 1,000.
- (e) ✕ Interest credited by the bank but not entered in the cashbook ₹ 500.

31. M/s Indulekha purchased a plant for ₹ 2,00,000 on 1-1-2018 and spent ₹ 50,000 for its installation. It is estimated that its working life is 10 years.

The Salvage value is ₹ 10,000.

Give plant a/c for the first 5 years under straight line method of depreciation.

VI. Answer any 2 questions from 32 to 34. Each carries 8 scores.

(2 × 8 = 16)

32. Prepare a petty cashbook under imprest system.

2023

Jan., 1	Cash received from main cashier	₹ 5,000
Jan., 3	Purchased stationery	400
Jan., 4	Paid for postage	255
Jan., 10	Paid to refreshment	950
Jan., 12	Paid for cartage	750
Jan., 15	Paid for stamp	175
Jan., 26	Paid repair charge of Laptop	1000
Jan., 31	Paid travelling expenses	255

33. Journalise the following transactions in the books of Darwin :

1.1.2023	Darwin started business with cash	₹ 2,50,000
2.	Paid into bank	₹ 40,000
4.	Purchased goods from Anwar	₹ 15,000
8.	Received cash from Anju	₹ 20,000
9.	Darwin withdraws cash from business for personal purpose.	₹ 15,000
15.	Paid rent	₹ 1,500
20.	Cash withdrawal for office purpose	₹ 2,000
25.	Return goods to Anwar	₹ 1,000

34. Prepare the Trading, profit & loss account and balance sheet from the Trial balance and additional information :

Trial balance as on 31.12.2022

	Debit	Credit
Opening stock	1,00,000	
Capital		29,000
Purchase	85,250	
Debtors	20,000	
Drawings	4,500	
Sales		2,50,000
Wages	3,500	
Rent	5,000	
Salaries	7,500	
Bad debts	3,000	
Creditors		30,000
Cash	40,000	
Commission Received		3,500
Investment	15,000	
Bank overdraft		6,000
Purchase return		5,250
Furniture	40,000	
	<u>3,23,750</u>	<u>3,23,750</u>

Additional information :

- Closing stock is valued at ₹ 40,000.
- Salary outstanding ₹ 2,500.
- Rent received in advance ₹ 1,000.
- Depreciation of furniture @ 10%.
- Write off ₹ 1,000 as bad debts.