


FIRST YEAR HIGHER SECONDARY EXAMINATION, MARCH 2025

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

SECTION - I

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

(8 × 1 = 8)

1. Amount spent for purchasing fixed asset is a _____.
(a) Revenue expenditure (b) Capital expenditure
(c) Expenses (d) None of the above
2. Accounting equation satisfies the _____ concept of accounting.
(a) Matching concept (b) Money measurement concept
(c) Duality concept (d) All the above
3. Rent received in Advance, increase in _____.
(a) Expenses (b) Income
(c) Capital (d) Liability
4. Excess of Asset over liability is _____.
(a) Capital (b) Income
(c) Asset (d) Liability
5. The Source Document of Purchase is _____.
(a) Voucher (b) Invoice
(c) Cash memo (d) Credit note
6. Bank Reconciliation Statement is prepared by
(a) Auditor
(b) Creditor
(c) Banker
(d) Customer's Accountant/Customer

7. Sale of Machinery is credited to Sales Account is an error of _____ .
- (a) Compensating error (b) Error of principle
(c) One side error (d) Two side error
8. Depreciation is an _____ expense.
- (a) Revenue expense (b) Capital expense
(c) Non cash expense (d) All the above
9. _____ A/c Dr.
 To Salary outstanding a/c
(Being Salary Outstanding)
- (a) Trading A/c (b) P & L A/c
(c) Salary A/c (d) Asset A/c
10. Sales are equal to _____ .
- (a) Cost of goods sold + Profit
(b) Cost of goods sold – Gross profit
(c) Gross profit – Cost of goods sold

SECTION – II

Answer any 5 questions from 11 to 16. Each carries 2 scores.

(5 × 2 = 10)

11. Explain dual aspect concept.
12. On the basis of nature of errors, errors can be classified into different types. What are they ?
13. Point out four causes of depreciation.
14. Give two examples of closing entries.

22. "Do not change Policies frequently otherwise it will loose the Comparability quality of financial statement" – Identify the concept behind this statement.

SECTION – IV

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

(4 × 4 = 16)

23. Explain briefly :
- (a) Business entity concept
 - (b) Full disclosure concept
 - (c) Materiality concept
 - (d) Accounting period concept
24. Journalise the following transaction :

2022

- Jan. 1 Anil started business with capital ₹ 2,50,000
- Jan. 3 Purchased goods for cash ₹ 50,000
- Jan. 7 Bought machinery for cash ₹ 3,00,000
- Jan. 8 Purchase return ₹ 2,000
- Jan. 17 Paid wages ₹ 5,000
- Jan. 21 Sold goods on credit to Mohan ₹ 2,00,000
- Jan. 27 Sold goods for ₹ 7,50,000
- Jan. 31 Paid rent for residential building of the owner ₹ 7,000

25. Explain the Rule of Debit and Credit of the following :

Name of Account	Debit	Credit
Asset	Increase	Decrease
Liabilities	-	-
Capital	-	-
Revenue	-	-
Expenditure	-	-

26. Prepare a Bank Reconciliation Statement with the Particulars of Vimala as on 31-3-2023.
- (1) Balance as Per Cash Book ₹ 50,000.
 - (2) Cheque of ₹ 8,000 issued but not presented for payment.
 - (3) Dividend of ₹ 4,000 collected directly by the bank and the same was credited in the bank but not entered in the cash book.
 - (4) Bank charges ₹ 400-debited in the bank only.
 - (5) A cheque for ₹ 6,000 was deposited but not collected by the bank.
27. Calculate the amount of depreciation of machinery purchased on 1-4-2019 for ₹ 2,00,000 by Nakshatra Traders under written down value method. They spent ₹ 10,000 for installation.

Depreciation is provided @ 10% p.a. Prepare Machinery Account for the first three years. Accounts are closed on 31st March every year.

SECTION – V

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

(3 × 5 = 15)

28. What do you understand the financial statements and explain the different components of it.
29. Briefly explain the qualitative characteristics of accounting informations.
30. Explain the different courses of mismatching the Pass book balances with cash book balances.
31. Credit sales to Babu ₹ 20,000 was posted to his account as ₹ 2,000 only. Suggest rectification entry.

SECTION - VI

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

(2 × 8 = 16)

32. Mr. Sudhakar has the following transactions. Prepare Accounting equation.

- (1) Started business with cash ₹ 1,75,000
- (2) Purchased goods from Rajan ₹ 50,000
- (3) Sold goods (costing ₹ 17,500) on credit to Mohan ₹ 20,000
- (4) Purchased furniture for office use ₹ 10,000
- (5) Cash paid to Rajan in full settlement of ₹ 48,500
- (6) Cash received from Mohan ₹ 20,000
- (7) Paid Rent ₹ 1,000
- (8) Cash withdrew for personal use ₹ 3,000

33. Will you help your friend Master Sankar in your class to prepare the double column cash book with the following information :

2023

- Jan. 1 Cash balances ₹ 15,000
Bank balances ₹ 42,000
- 2 Purchased goods by cheque ₹ 12,000
 - 3 Sold goods for cash ₹ 6,000
 - 7 Purchased machinery and issued cheque ₹ 5,500
 - 9 Sold goods and received cheque ₹ 4,500.
(Deposited same day into the bank)
 - 12 Purchased goods form Rafeek ₹ 17,400.
 - 13 Purchased stationery and paid by cheque ₹ 1,100
 - 18 Cheque issued to Rohit ₹ 10,000
 - 21 Rent paid by cheque ₹ 2,500
 - 29 Paid salary ₹ 3,500

34. Prepare a Final Account of Star Traders Ltd. for the year ending 31st March, 2024.

Trial Balance as on 31-3-2024

Name of Accounts	Amount (₹) Dr.	Amount (₹) Cr.
Opening Stock	25,000	
Furniture	20,000	
Plant & Machinery	1,00,000	
Bills receivable	14,000	
Sundry Debtors	80,000	
Purchase	1,80,000	
Wages	10,000	
Cash in hand	6,000	
Investment	40,000	
Motor car	51,000	
Discount allowed	2,000	
Return inward	7,000	
Freight	4,000	
Rent, Rates and Taxes	5,000	
Bad debts	1,000	
Trade Expenses	2,400	
Printing and Stationery	2,000	
Drawings	20,000	
Capital		2,00,000
Sales		2,76,000
Bills payable		15,400
Return outward		2,000
Bank overdraft		12,000
Provision for bad debts		4,000
Sundry creditors		60,000
Total	5,69,400	5,69,400

Adjustments :

- (1) Closing stock 45,000.
- (2) Provision for doubtful debts is to be maintained @ 2% on debtor.
- (3) Depreciation on Furniture 5%, Plant and machinery @6% and Motor car @10%.
- (4) A machine of ₹ 30,000 purchased on 1st October 2023.