

MARKING SCHEME

ACCOUNTANCY

(SECONDARY COURSE)

Q.N.	Expected Value Points	Marks
1.	(b) Machinery	(1)
2.	(a) Liability account	(1)
3.	(a) both debit and credit balances	(1)
4.	(a) efflux of time	(1)
5.	(a) Profit and loss account	(1)
6.	(c) Printer	(1)
7.	a) ₹ 2,500 b) ₹ 7,500 c) ₹ 1,000	(1 X 3 = 3)
8.	a) Assets b) Expenses c) Assets d) Revenue e) Assets f) Liability	($\frac{1}{2}$ X 6 = 3)
9.	a) Debit side b) Credit side c) credit side d) Debit side e) Credit side f) Debit side	($\frac{1}{2}$ X 6 = 3)
10.		(1 x 3 = 3)

S.No.	Trading A/c	Profit and Loss A/c
i.	This account shows the gross Profit or gross loss for an accounting year	This account shows the net Profit or net loss for an accounting year
ii.	All direct revenue items are shown on the credit side of this account	All Indirect revenue items are shown on the credit side of this account
iii.	All direct expenses related to business are shown on debit side of this account	All Indirect Expenses related to business are shown on the debit side of this account

11. Perform the following steps to open Tally ERP 9 : (3)
- i. Click the start button on the taskbar. A start menu appears.
 - ii. Move the mouse pointer over the all programs option in start menu.
 - iii. Move the mouse pointer over the Tally, ERP 9 folder and click it.
 - iv. The Tally, ERP 9, Window opens on your screen.
12. (2 + 2 = 4)
- i. Business entity concept - refer to old material
 - ii. Going concern concept - refer to old material

13.

Cash Book

Dr.

Cr.

Receipts				Payment			
Date	Particulars	Bank	Cash	Date	Particulars	Bank	Cash
2009				2009			
Jan. 1	To Bal b/d		12,000	Jan. 7	By Rent		300
Jan. 5	To Ram		3,000	Jan. 7	By Bank		10,000
Jan. 7	To Cash	10,000		Jan. 10	By Shyam		7,000
Jan. 8	To sales A/c		3,000	Jan. 27	By furniture A/c		2,000
Jan. 31	Mohan Bros.	20,000		Jan. 31	By Drawings	5,000	
				Jan. 31	By Salaries A/c		1,000
					By Bal c/d	25,000	7,700
		30,000	18,000			30,000	18,000
Feb.	Bal b/d	25,000	7,700				

14.

PURCHASE BOOK

Date	Particulars	L.F.	Amount	Amount
2012			₹	₹
Aug. 1	Mohan		10,000	
	(-) Trade discount 20 %		2,000	8,000
Aug. 2	Ekta		20,000	
	(-) Trade Discount 30 %		6,000	14,000
Aug. 4	Shankers		7,000	
	(-) Trade discount 25 %		1,750	5,250
	Purchase a/c	Dr.		27,250

SALES BOOK

2012				
Aug. 3	Manas		5,000	
	(-) Trade discount 5%		250	4,750
Aug. 5	Ravi		4,000	
	(-) Trade discount 10 %		400	3,600
Aug. 6	Manorama		3,000	
	(-) Trade discount 5%		150	2,850
	Sales a/c	Cr.		11,200

PURCHASE RETURN BOOK

2012				
Aug. 7	Mohan		500	
	(-) Trade discount 20%		100	400
Aug. 9	Shankar		200	
	(-) Trade discount 25%		50	150
	Purchase Return A/c	Cr.		550

SALES RETURN BOOK

2012				
Aug. 8	Ravi		500	
	(-) Trade discount 10%		50	450
Aug. 10	Manorama		800	
	(-) Trade discount 5%		40	760
	Sales Return a/c	Dr.		1,210

15.

TRIAL BALACE

As at March 31, 2009

Particulars	Dr. Balance ₹	Cr. Balance ₹
Purchases	17,000	-
Stock (April 1, 2008	24,000	-
Sales	-	1,05,000
Sundry Debtors	23,800	-
Discount Received	-	3,500
Carriage Outward	700	-
Cash in hand	3,500	-
Machinery	1,24,500	-
Provision for Depreciation	-	24,200
Drawings	7,700	-
Return inward	3,500	-
Premises	5,28,000	-
Sundry Creditors	-	16,100
Discount Allowed	2,800	-
Carriage inward	1,400	-
Cash at Bank	17,500	-
General Expenses	2,100	-
Bad debts. Written off	2,450	-
Provision for Doubtful Debts	-	2,380
Capital (Balancing figure)	-	7,60,770
	9,11,950	9,11,950

16. Error which makes the trial balance to disagree and due to which the result of business are misleading is known as accounting error.

Errors which are not disclosed by the trial balance are : (with brief explanation)

- i) **Errors of Complete Omission**
- ii) **Errors of Commission**
- iii) **Compensating Errors**
- iv) **Errors of Principles**

17.

Machinery A/c

Dr.

Cr.

Date	Particulars	Amount	Date	Particulars	Amount
2006			2006		
July 1	To Bank A/c	1,40,000	Dec. 31	By Depreciation	7,500
July 1	To Bank A/c			$1,50,000 \times \frac{10}{100} \times \frac{6}{12}$	
	Installation and Expenditure	10,000	Dec. 31	By Balance c/d	1,42,500
		1,50,000			1,50,000
2007			2007		
Jan. 1	To Balance b/d	1,42,500	Dec. 31	Depreciation A/c	15,000
		1,42,500	Dec. 31	Balance c/d	1,27,500
					1,42,500
2008			2008		
Jan. 1	To Balance b/d	1,27,500	Dec. 31	By Depreciation A/c	15,000
		1,27,500	Dec. 31	Balance c/d	1,12,500
					1,27,500
2009			2009		
Jan. 1	To Balance b/d	1,12,500			

Depreciation A/c

2006			2006		
Dec. 31	To Machinery A/c	7,500	Dec. 31	By Profit and Loss A/c	7,500
2007			2007		
Dec. 31	To Machinery A/c	15,000	Dec. 31	By Profit and Loss A/c	15,000
2008			2008		
Dec. 31	To Machinery A/c	15,000	Dec. 31	By Profit and Loss A/c	15,000

18. Comparison of Manual and Computerised Accounting System :

- i. **Identifying Financial Transaction :** Identifying Financial Transactions and recording in the books of A/c by applying principles common under both the process.
- ii. **Recording :** The Process of recording in the books of original entry, posting, them in the ledger account, performing mathematical functions. In computers processed transactions are recorded in

the books of a/c and the remaining functions are performed without any further process.

- iii. **Clarification :** In the manual process the transactions are recorded in the books of original entry and posted into the ledger a/c. In computerized accounting the posting process is carried out by internal sorting of data.
- iv. **Summarizing :** In the manual system of accounting the data under each ledger is summarized and in computerized accounting a transaction or event once recorded is sorted in the order in the data base.
- v. **Adjustment Entries :** Adjustment entries are passed to rectify an error or to follow the matching concept of Accounting. The process of passing adjustment entries can be equated with the recording process.

19. i. **Dual aspect concept :** According to this concept every business transaction is recorded as having a dual aspect. In other words, every transaction affects, atleast two accounts. One account is debited and the other account is credited.
- ii. **Sales :** The term 'sales' is used only for the sales of those goods which are purchased for resale purpose. It also includes revenues from services provided to customers. It includes both cash and credit sales.
- iii. **Business Entity Concept :** According to this concept, business is treated as a unit separate and distinct from its owners.
- iv. **Money Measurement Concept :** Only those transactions and events are recorded in accounting which are capable of being expressed in terms of money. An event, even though it may be very important for the business, will not be recorded in the books of business.

S.No.	Transaction	Assets	Liabilities+Capital
1.	Mohan commenced business with ₹ 50,000	Cash + stock + furniture	= Capital
2.	New equation Purchased goods for cash for ₹ 30,000	50,000 (-) 30,000 + 30,000 + 0	= 0 + 50,000 = 0 + 50,000
3.	New equation Purchased goods on Credit for ₹ 20,000	20,000 + 30,000 + 0 + 20,000	= 0 + 50,000 = 20,000
4.	New equation Sold goods for cash for ₹ 12,000	20,000 + 50,000 + 0 12,000 - 12,000 + 0	= 20,000 + 50,000 = 20,000 + 50,000
5.	New equation Bought furniture on Credit for ₹ 2,000	32000 + 38000 + 0 0+0+2000	= 20,000 + 50,000 = 2,000 + 0
6.	New equation Paid Cash to creditors	32,000 + 38,000 + 2,000 -15,000 + 0 + 0	= 22,000 + 50,000 -15,000 + 0
	Final equation	17,000 + 38,000 + 2,000	= 7,000 + 50,000

21.

Date	Particulars	L.F.	Amount	Amount
1 May	Cash a/c Dr. To Capital a/c (Amount brought in by vishal as capital)		50,000	50,000
2 May	Purchases A/c Dr. To cash A/c (goods purchased from Mohan for cash)		50,000	50,000
3 May	Purchases A/c Dr. To Ajay (goods purchased from Ajay)		1,20,000	1,20,000
4 May	Ajay Dr. To Purchase Return A/c (for good return to Ajay)		20,000	20,000
15 May	Rajiv Dr. To Sales A/c (Goods sold to Rajiv)		5,000	5,000
25 May	Salaries A/c Dr. To cash A/c (for salaries paid)		500	500
			6,94,500	6,94,500

22. **Solution :**

(i)

M/s. Genius Leather Stores, Meerut

Voucher No. 1	Date : 5.7.2012
	Amount (₹)
Credit : M/s. Sohan & Co. (Being Cash received on account from Sohan & Co. vide cash receipt No. 35)	12,000
	12,000
Sd/- Manager	Sd/- Accountant

(ii) **M/s. Genius Leather Stores, Meerut**

Voucher No. 2		Date : 10.7.2012	
		Amount (₹)	
Credit : Commission A/c. (Being the amount of commission received vide cash receipt No. 74)		3,500	
		3,500	
Sd/- Manager		Sd/- Accountant	

(iii) **M/s. Genius Leather Stores, Meerut**

Voucher No. 3		Date : 15.7.2012	
		Amount (₹)	
Credit : Sales A/c. (Being the amount of cash sales vide Cash Memo No. 412)		4,500	
		4,500	
Sd/- Manager		Sd/- Accountant	

(iv) **M/s. Genius Leather Stores, Meerut**

Voucher No. 4		Date : 24.7.2012	
		Amount (₹)	
Credit : Leather Colouring Machine (Being two old leather colouring machine sold for cash vide Cash Memo No. 3714)		12,500	
		12,500	
Sd/- Manager		Sd/- Accountant	

23. When there are certain expected losses/ expenses, these are planned to be managed in advance from the current year's profits/ surplus. The amount which is kept separately to meet such expected losses/expenses is called a Provision.

S. No.	Provisions	Reserves
1.	It is created by debiting the Profit & Loss A/c.	It is created by debiting the Profit & Loss Appropriation A/c.
2.	It is a charge against the profits without which true profit or loss of the business can't be ascertained.	It is an appropriation of profits and doesn't require to be created to ascertain true profit or loss.

24. The statements, prepared to know the result of the business and the financial position of the business, are called financial statements. Following are the objectives of preparing financial statements:
- i) Ascertain the result of business activities
 - ii) Ascertain the financial position of business
 - iii) Correct decision making
 - iv) Judging the performance of management
 - v) Ascertaining the cash position of business

25. **Solution :**

**Trading & Profit and Loss A/c of R. Rajan for
the year ended 31.3.2009**

Dr. Particular	Amount	Particular	Amount	Cr.
To Opening Stock	12,000	By Sales	1,50,000	
To Purchase 89,000	89,000	Sales Returns	<u>-2,800</u>	1,47,200
Purchase Returns <u>- 4,500</u>	84,500	By Closing Stock		15,000
To Wages	8,000			
To Freight and Carriage	20,000			
To Gross Profit T/F to P/L A/c	37,700			
	1,62,200			1,62,200
To Trade Expenses	2,000	By Gross Profit		37,700
To Advertisement	2,400	By Interest Received		3,500
To Taxes and Insurance 1,300				
Add : Unpaid Taxes & Ins. 1,300				
Less : Prepaid Ins. Taxes <u>- 400</u>	2,200			
To Salaries 8,000				
Add : Unpaid Salaries <u>2,000</u>	10,000			
To Depreciation on Building	4,400			
To Net Profit transferred to Capital A/c	20,200			
	41,200			41,200

Balance Sheet of R. Rajan as at 31.3.2009

Liabilities	Amount	Assets	Amount
Current Liabilities		Current Assets	
Creditors	12,000	Cash in hand	1,900
Bill Payable	7,000	Cash at Bank	12,000
Outstanding Liability		Bill Receivable	15,000
Taxes 1,300		Debtors	65,000
Salaries <u>2,000</u>	3,300	Prepaid Insurance	400
Capital Opening Bal. 2,90,000		Closing Stock	15,000
Add : Net Profit <u>20,200</u>		Fixed Asset :	
Less : Drawing 7,600	3,02,600	Building	2,20,000
		Less : Depreciation <u>4,400</u>	2,15,600
	3,24,900		3,24,900

OR

- i) Balance sheet is prepared to achieve following objectives:
- To know the financial position of the business.
 - To know the position of internal liabilities and external liabilities of the business so that timely arrangement can be made for their payment.
 - To know the position of fixed assets and current assets.
 - To plan activities for future on the basis of present financial position.

- ii) (a) The following adjustment entry will be passed at the end of the year:

31.3.2012	Closing Stock A/c	Dr.	5,000	
	To Trading A/c			5,000
	(For Closing stock transferred to Trading A/c)			

- (b) Entry for charging depreciation will be as under:

31-3-2012	Depreciation A/c	Dr.	3,000	
	To Plant&Machinery A/c			3,000
	(For depreciation charged on Machinery)			

- (c) Adjustment entry will be as under:

31.3.2012	Salaries A/c	Dr.	1,000	
	To Salaries outstanding A/c			1,000
	(For salary outstanding for the year 2011-12)			

- (d) Adjustment entry for prepaid Insurance will be as under:

31.3.2012	Prepaid Insurance A/c	Dr.	500	
	To Insurance A/c			500
	(For Insurance paid in advance for next year 2012-13)			

- (e) The adjustment entry will be:

31.3.2012	Wages A/c	Dr.	2,000	
	To Wages outstanding A/c			2,000
	(For wages outstanding for the year 2011-12)			