

Marking Scheme of Sample Paper

Elements of Book Keeping and Accountancy

Class X (2017-18)

1. (a)
2. (c)
3. (a)
4. (b)
5. (a)
6. (a)
7. (b)
8. (d)
9. (a)
10. (b)

11. Bill of Exchange:

A bill of exchange is an instrument in writing drawn by the creditor upon his debtor containing an unconditional order to pay a certain sum of money on a certain date to a certain person or to his order or to the bearer of the instrument for the value received.

2

12.

Journal

| Date | Particulars | LF | Dr. Amount (Rs.) | Cr. Amount (Rs.) |
|------|---|-----|------------------------|------------------------|
| | Machinery Account To Bank Account (Machinery purchased) | Dr. | 80,000 | 80,000 |
| | Machinery Account To Bank Account (Paid Installation charges) | Dr. | 20,000 | 20,000 |
| | Depreciation Account To Machinery Account (Depreciation charged on Machinery) | Dr. | 10,000 | 10,000 |

 $\frac{1}{2} + \frac{1}{2} + 1 = 2$

13. Bank Reconciliation Statement: This statement is prepared to reconcile the difference in bank balance as shown by Cash Book and Pass Book.

2

14. Credit balance of Cash Book implies unfavourable balance. It is called Bank Overdraft.

2

15. Cost of Goods Sold = Opening Stock + Net Purchases + Direct Expenses - Closing Stock

$$= 75,000 + 8,000$$

$$= 83,000$$

Or

$$\text{Cost of Goods Sold} = \text{Net Sales} - \text{Gross Profit}$$

$$= 1,25,000 - 42,000$$

$$= 83,000$$

1 mark for formula and 1 mark for correct calculation

16. Any two of the following limitations:

- (i) A Trial Balance can't be prepared and accuracy of accounts can't be assured.
- (ii) Correct ascertainment and evaluation of financial results of business operations can't be made.
- (iii) The owners face great difficulty in filing insurance claims.
- (iv) It becomes difficult to convince the 'Income Tax Authorities' about the reliability of the computed income.

1 X 2 = 2

17. Examples of Revenue Expenditure:

- (i) Payment of Expenses
- (ii) Depreciation charged of fixed assets
- (iii) Maintenance Expenditure like repairs, white washing etc.

1 X 3 = 3

18. Fixed Installment Method of charging Depreciation:

- (i) Under this method the amount of depreciation remains constant from year to year.
- (ii) The original cost of the asset is reduced to zero at the end of its useful life.
- (iii) This method is suitable for those assets whose useful life can be estimated accurately and where the use of the asset is constant from year to year.

1 X 3 = 3

19. Deferred Revenue Expenditure is the expenditure of revenue nature which gives benefits for more than one accounting period e. g. heavy advertisement expenditure on launching a new product is likely to give benefit for more than one accounting period. Example: Heavy expenditure on advertisement for launching a new product whose benefits will be available for over a period of one year.

3

20. Difference between Trading Account and Profit & Loss Account:

| Basis of Difference | Trading Account | Profit & Loss Account |
|---------------------|---|---|
| Expense | Direct Expenses are debited in this account | Indirect Expenses are debited in this account |
| Profit | It is prepared to ascertain gross profit or gross loss. | It is prepared to ascertain net profit or net loss. |

1 ½ + 1 ½ = 3

21. Closing Capital = Opening Capital + Additional Capital + Profit – Drawings

$$= 3,40,000 + 40,000 + 2,40,000 - 1,40,000$$

$$= 4,80,000$$

1

1

1

22. Difference between Statement of Affairs and Balance Sheet:

| Basis of Difference | Statement of Affairs | Balance Sheet |
|---------------------|---|--|
| Objective | Its objective is to estimate the balance in capital account on a particular date. | Its objective is to show the true financial position of a business on a particular date. |
| Reliability | It is less reliable as it is prepared from incomplete records. | It is more reliable as it is prepared on the basis of double entry system. |
| Omission | Omission of assets or liabilities can't be discovered easily. | Omission of assets or liabilities can be discovered easily. |

1 X 3 = 3

23.

Machine Account

| Date | Particulars | JF | Amount (Rs.) | Date | Particulars | JF | Amount (Rs.) |
|---------------|-----------------|----|--------------|----------------|-------------------------|----|--------------|
| 2014 Oct 1 | To Bank Account | | 90,000 | 2015 Mar 31 | By Depreciation Account | | 5,000 |
| | To Bank Account | | 10,000 | Jun 30 | By Balance c/d | | 95,000 |
| | | | 1,00,000 | | | | 1,00,000 |
| 2015 Apr 1 | To Balance b/d | | 95,000 | 2016 Mar 31 | By Depreciation Account | | 10,000 |
| | | | 95,000 | | By Balance c/d | | 85,000 |
| 2016 Apr 1 | To Balance b/d | | 85,000 | 2017 Mar 31 | By Depreciation Account | | 10,000 |
| | | | 85,000 | | By Balance c/d | | 75,000 |
| | | | | | | | 85,000 |

(1 mark for account of each year) + 1 mark for calculation of Depreciation

1 + 3 = 4

24. Causes of difference between Bank balance as shown by Cash Book and Pass Book:

- (i) Cheques issued by the bank but not yet presented.
- (ii) Cheques paid into bank but not yet collected.
- (iii) Amount directly deposited by customers into bank.
- (iv) Direct debit by bank on behalf of customers.
- (v) Interest and Dividend collected by bank.
- (vi) Bank charges debited by bank in Pass Book.

(1 mark each for any four differences) 1 X 4 = 4

25. Uses of Incomplete records:

- (i) This system is useful to the businessmen who do not have the proper knowledge of the accounting principles.
- (ii) It is an inexpensive mode of making records.
- (iii) It consumes less times.
- (iv) It is a convenient mode because only one aspect of transaction is recorded. 1 X 4 = 4

26. (i) Cheques issued but not encashed Add

(ii) Bank charges Subtract

(iii) Collection of Dividend by the bank Add

(iv) Cheques deposited but not cleared Subtract

(v) Insurance Premium paid by the bank on behalf of customer Subtract

1 X 5 = 5

27. Items to be shown on the debit side of Trading Account:

- (i) Opening Stock
- (ii) Purchases
- (iii) Direct Expenses
- (iv) Gross Profit
- (v) Sales Return $\frac{1}{2} \times 5 = 2 \frac{1}{2}$

Items to be shown on the debit side of Profit & Loss Account:

- (i) Gross Loss
- (ii) Net Profit
- (iii) Indirect Expenses
- (iv) Depreciation
- (v) Loss on sale of fixed assets $\frac{1}{2} \times 5 = 2 \frac{1}{2}$

28. Bill of exchange is drawn when the purchaser is unable to make cash payment at the time of purchase. It ensures that the payment will be made by the purchaser on the presentation of bill of exchange on due date.

Bill of exchange can be discounted from bank to get payment immediately. 2

Parties to a bill of exchange:

- (i) Drawer: Who draws the bill of exchange.
- (ii) Drawee: Upon whom the bill of exchange is drawn.
- (iii) Payee: Who will receive the payment.

$1 \times 3 = 3$

29. Revenue Expenditure:

It is incurred for day to day running of the business. 1

| Capital Expenditure | Revenue Expenditure |
|---|---|
| It increases the earning capacity of business. | It maintains the earning capacity of business. |
| It is incurred to acquire fixed assets for operation of the business. | It is incurred to conduct day to day business. |
| It is recurring in nature. | It is non-recurring in nature. |
| It benefits more than one accounting year. | It normally benefits for one accounting year. |
| It is shown in Balance Sheet. | It is shown in Trading and Profit & Loss Account. |

(Any four) $1 \times 4 = 4$

30.

Avinash & Company

Bank Reconciliation Statement

As on December 31, 2017

| Particulars | Plus Items (Rs.) | Minus Items (Rs.) |
|---------------------------------------|---------------------|----------------------|
| Overdraft as per Pass Book | | 10,000 |
| Interest on Overdraft | 375 | |
| Insurance Premium paid by Bank | 1,525 | |
| Cheques issued but not presented | | 3,250 |
| Cheques deposited but not yet cleared | 3,000 | |
| Balancing Figure | 8,350 | |
| | 13,250 | 13,250 |
| Overdraft as per Cash Book | | 8,350 |

$1 \times 5 = 5$

31.

Kamal

Trading and Profit & Loss Account
for the year ended March 31, 2017

| Particulars | Amount (Rs.) | Particulars | Amount (Rs.) |
|--------------------------|-----------------|---------------------|-----------------|
| To Opening Stock | 8,000 | By Sales | 42,000 |
| To Purchases | 22,000 | By Closing Stock | 4,500 |
| To Carriage | 2,500 | | |
| To Gross Profit c/d | 14,000 | | |
| | 46,500 | | 46,500 |
| To Salaries | 3,500 | By Gross Profit b/d | 14,000 |
| To Rent | 1,200 | | |
| To Printing & Stationery | 1,000 | | |
| To Commission | 1,100 | | |
| To Discount Allowed | 600 | | |
| To Trade Expenses | 1,200 | | |
| To Selling Expenses | 600 | | |
| To Repairs | 600 | | |
| To Net Profit | 4,200 | | |
| | 14,000 | | 14,000 |

2 + 3 = 5

32.

Printing Machine Account

| Date | Particulars | JF | Amount (Rs.) | Date | Particulars | JF | Amount (Rs.) |
|----------------|-----------------|----|-----------------|----------------|-------------------------|----|-----------------|
| 2014 Jul 1 | To Bank Account | | 40,000 | 2015 Mar 31 | By Depreciation Account | | 6,750 |
| | To Bank Account | | 5,000 | Jun 30 | By Balance c/d | | 38,250 |
| | | | 45,000 | | | | 45,000 |
| 2015 Apr 12 | To Balance b/d | | 38,250 | 2016 Mar 31 | By Depreciation Account | | 9,400 |
| 2016 Jan 1 | To Bank Account | | 35,000 | | By Balance c/d | | 63,850 |
| | | | 73,250 | | | | 73,250 |
| 2016 Apr 1 | To Balance b/d | | 63,850 | 2017 Mar 31 | By Depreciation Account | | 12,770 |
| | | | 63,850 | | By Balance c/d | | 51,080 |
| | | | | | | | 63,850 |

(2 Marks for account of each year) 2 X 3 = 6

OR

Depreciation: Decrease in the value of a fixed asset due to use, Passage of time, obsolescence and accidents

is called depreciation.

2

Causes of Depreciation:

- (i) Because of use, Wear and tear of the asset takes place that results into depreciation.
- (ii) Even than an asset may not be used its value may decreases because of passage of time.
- (iii) The development of new technology makes the assets with old technology obsolete and the same may results into depreciation.
- (iv) Accidents may reduce the value of asset.

4

33.

Books of Ankit

Journal

| Date | Particulars | LF | Dr. Amount (Rs.) | Cr. Amount (Rs.) |
|---------------|---|----|------------------------|------------------------|
| 2017 Jan 1 | Bimal Dr. To Sales Account (Sold goods to Bimal) | | 10,000 | 10,000 |
| Jan 1 | Bills Receivable Account Dr. To Bimal (Acceptance received from Bimal) | | 10,000 | 10,000 |
| Apr 4 | Bank Account Dr. To Bills Receivable Account (Bimal met his acceptance on maturity) | | 10,000 | 10,000 |

1 X 3 = 3

Books of Bimal

Journal

| Date | Particulars | LF | Dr. Amount (Rs.) | Cr. Amount (Rs.) |
|---------------|---|----|------------------------|------------------------|
| 2017 Jan 1 | Purchases Account Dr. To Ankit (Goods purchased from Ankit) | | 10,000 | 10,000 |
| Jan 1 | Ankit Dr. To Bills Payable Account (Accepted Ankit's draft) | | 10,000 | 10,000 |
| | Bills Payable Account Dr. To Bank Account (Met our acceptance in favour of Ankit on maturity) | | 10,000 | 10,000 |

1 X 3 = 3

OR

Books of Mukesh

Jitender

| Date | Particulars | JF | Amount (Rs.) | Date | Particulars | JF | Amount (Rs.) |
|---------------|------------------|----|-----------------|---------------|-------------------------|----|-----------------|
| 2017 Jul 1 | To Sales Account | | 30,000 | 2017 Jul 1 | By Bills Receivable A/c | | 30,000 |
| | | | 30,000 | | | | 30,000 |

Bills Receivable Account

| Date | Particulars | JF | Amount (Rs.) | Date | Particulars | JF | Amount (Rs.) |
|---------------|-------------|----|-----------------|---------------|-------------|----|-----------------|
| 2017 Jul 1 | To Jitender | | 30,000 | 2017 Jul 1 | By Bank A/c | | 30,000 |
| | | | 30,000 | | | | 30,000 |

34.

M/s Raj
Statement of Affairs
as on April 1, 2016

| Liabilities | Amount (Rs.) | Assets | Amount (Rs.) |
|---------------|-----------------|-------------------|-----------------|
| Creditors | 66,000 | Cash in hand | 1,000 |
| Bills Payable | 44,000 | Cash at bank | 15,000 |
| Capital | 1,32,500 | Stock | 1,00,000 |
| | | Debtors | 42,500 |
| | | Furniture | 9,000 |
| | | Business Premises | 75,000 |
| | 2,42,500 | | 2,42,500 |

M/s Raj
Statement of Affairs
as on March 31, 2017

| Liabilities | Amount (Rs.) | Assets | Amount (Rs.) |
|---------------|-----------------|-------------------|-----------------|
| Creditors | 87,000 | Cash in hand | 1,500 |
| Bills Payable | 58,000 | Cash at bank | 10,000 |
| Capital | 1,74,000 | Stock | 95,000 |
| | | Debtors | 70,000 |
| | | Furniture | 7,500 |
| | | Business Premises | 1,35,000 |
| | 3,19,000 | | 3,19,000 |

3+3=6

OR

Statement of Affairs of Anil as on March 31, 2017

| Liabilities | Amount (Rs.) | Assets | Amount (Rs.) |
|----------------------------|-----------------|------------------|-----------------|
| Creditors | 3,00,000 | Cash in hand | 37,000 |
| Bills Payable | 6,000 | Bills Receivable | 50,000 |
| Capital (Balancing Figure) | 6,21,000 | Sundry Debtors | 8,00,000 |
| | | Stock | 40,000 |
| | 9,27,000 | | 9,27,000 |

Statement of Profit or Loss for the year ended March 31, 2017

| Particulars | Rs. |
|--------------------------------|----------|
| Capital at the end | 6,21,000 |
| Add: Drawings | 80,000 |
| | 7,01,000 |
| Less: Capital in the beginning | 4,50,000 |
| Fresh Capital introduced | 14,000 |
| Profit for the year | 2,37,000 |

3+3=6