

Total number of printed pages : 4

NB-T/BK/1

2021
BOOK-KEEPING & ACCOUNTANCY

Total marks : 70

Time : 3 hours.

General instructions:

- i) Approximately 15 minutes is allotted to read the question paper and revise the answers.
 - ii) The question paper consists of 28 questions. All questions are compulsory.
 - iii) Internal choice has been provided in some questions.
 - iv) Marks allocated to every question are indicated against it.
- N.B:** Check that all pages of the question paper is complete as indicated on the top left side.

Choose the correct answer from the given alternatives:

- | | | |
|----|---|---|
| 1. | Gross profit is ascertain from | 1 |
| | (a) trading account (b) profit and loss account | |
| | (c) balance sheet (d) trial balance | |
| 2. | The traditional name for income statement is | 1 |
| | (a) trial balance (b) trading account | |
| | (c) trading and profit & loss A/c (d) final accounts | |
| 3. | The banks which have been established to assist trade, commerce and industry are known as | 1 |
| | (a) exchange banks (b) commercial banks | |
| | (c) agricultural banks (d) industrial banks | |
| 4. | If deposits exceeds the withdrawals from the bank, cash book will show | 1 |
| | (a) plus balance (b) minus balance | |
| | (c) overdraft balance (d) both plus and minus balance | |
| 5. | A bank reconciliation statement can be prepared with the balance of | 1 |
| | (a) cash book (b) pass book | |
| | (c) cheque book (d) both cash book and pass book | |
| 6. | Indian Negotiable Instruments Act, 1881 defines a bill of exchange under | 1 |
| | (a) Section 3 (b) Section 4 | |
| | (c) Section 5 (d) Section 6 | |
| 7. | A promissory note is made by the | 1 |
| | (a) creditor (b) debtor | |
| | (c) supplier (d) endorsee | |

8. The differences in the trial balance is transferred to 1
 (a) Capital A/c (b) difference A/c
 (c) profit and Loss A/c (d) suspense A/c
9. "Depreciation may be defined as permanent and continuing diminution in the quality, quantity or the value of an asset" has been defined by 1
 (a) R.N Carter (b) W. Pickles
 (c) Spicer and Peglar (d) Accounting Standard
10. Depreciation means 1
 (a) physical wear and tear (b) amortisation
 (c) obsolescence (d) fluctuation

Answer the questions in about 20-30 words:

11. What is the utility of balance sheet? 2
12. What is a credit card? 2
13. What is E-banking? 2
14. Define compensating error. 2
15. What is meant by sliding figure error? 2
16. Write a note on diminishing balance method. 2

Answer the questions in about 30-50 words:

17. Explain any three importance of trading account. 3
18. Explain in brief the stages of final accounts. 3
19. Write a note on: 1 ½ x 2 = 3
 a) dishonor of cheque b) bank charges or collection charges
20. Explain the parties involved in bills of exchange. 3
21. Explain any three causes of depreciation. 3
22. Write and explain any three disadvantages of diminishing balance method. 3

Answer the questions in about 70-100 words:

23. a. Mention and explain any five characteristics of balance sheet.

Or

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- b. Prepare trading, profit and loss account and balance sheet as on 31st March 2018 from the trial balance of M/s John & Bros.

Particulars	₹ Debit Balances	₹ Credit Balances
Opening stock	10,000	-
Purchase/ Sales	20,000	40,000
Purchase return	-	1,000
Capital	-	65,000
Cash	7,000	
Carriage and cartage	3,000	
Freight outward	4,000	
Salaries & wages	6,000	
Land & building	35,000	
Plant & machinery	15,000	
Bills receivables	6,000	
	1,06,000	1,06,000

Closing stock was valued at ₹ 9,000.

24. a. Explain the various benefits of E- banking to the customers.

Or

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- b. Explain any five types of account that can be opened with the bank.

25. a. Mention and explain the steps for the creation of bank reconciliation statement.

Or

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- b. Amenla had an account in the State Bank of India. According to her cash book, the balance as on 31st December, 2017 was ₹ 1,750.

- The pass book on the same date showed that cheques of ₹ 180, ₹ 1,150 and ₹ 125 were not presented for payment.
- All cheques amounting ₹ 1,220 paid into her account were not cleared by 31st December, 2017
- The bank has allowed interest of ₹ 510
- Bank had charged ₹ 50 commission for the services offered.

Prepare a bank reconciliation statement.

26. a. Explain any five characteristics of bills of exchange.

Or

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- b. A bill of ₹ 1,000 is drawn by Hilo on Kavishe on 5th August, 2018 payable six months after date. The bill was accepted by drawee on presentation and duly met on maturity.

Record these transactions in the books of both the parties.

27. **a.** Mention and explain five limitations of trial balance. 5
Or
b. Explain the clerical errors regarding the errors of commission.
28. **a.** Mention and explain any five objectives of charging depreciation. 5
Or
b. Longdimen Brothers purchased a machine on 1st July, 2016 at a cost of ₹14,000 and spent ₹1,000 on its installation. The firm writes off depreciation @ 10% on original cost every year. The books are closed on 31st December every year.
Prepare machinery account for the first four years.
