

Sample paper – 2022-23 Accountancy Class – XI		Marks
Time allowed: 3 Hours		Max. Marks: 80
General Instructions		
<ol style="list-style-type: none"> 1. Question Paper is divided into two parts. Part – A (56 Marks) and Part – B (24 Marks) 2. Both parts are compulsory 3. All parts of the question should be attempted at one place. 4. Write down the question number clearly before attempting the question 5. 25% of the marks allotted to the question would be deducted for not using correct format, narrations and working notes. 6. Nothing should be written on the Question paper 7. Scheme of choice <ol style="list-style-type: none"> i. 1 Mark – 7 questions (2 from unit 1, 4 from unit 2 and 1 from unit 3) ii. 3 Mark – 2 questions (1 from unit 1 and 1 from unit 2) iii. 4 Mark – 1 question (1 from unit 2) iv. 6 Mark – 2 questions (1 from unit 2 and 1 from unit 3) 		
Q.No.	PART – A	Marks
1	Accounting standards are applicable to purely Charitable organisations. Justify the statement	1
2	State any two advantages of GST	1
3	Choose the correct sequence of accounting process <ol style="list-style-type: none"> A. Vouchers → Ledger → Recording → Identification → Trial balance and Financial statements B. Trial balance and Financial statements → Ledger → Recording → Voucher → Identification C. Identification → Voucher → Recording → Ledger → Trial balance and Financial statements D. Identification → Voucher → Ledger → Recording → Trial balance and Financial statements 	1
4	Alka is running a stationery business. She purchased Books, Registers and Notebooks etc. on credit for ₹10,000. The transaction is supported by purchase invoice. Identify the qualitative feature of Accounting information from the given statement.	1
Or		
4	Suchi, the accountant of the organisation compares the Income statement of 2 years to decide how much investment is to be made outside the business. Identify the qualitative feature of Accounting information from the given statement.	1
5	During the accounting period 2021-22, Udit had total sales of ₹6,00,000, out of which 2/3 rd is for cash and balance on a credit for 2 months. The total expenses were ₹2,80,000 out of which ₹70,000 are still outstanding. He also paid ₹10,000 (apart from the ₹2,80,000 given previously) for expenses related to 2023-24. Calculate his income as per 'Cash Basis' of accounting.	1
Or		
5	In the financial year 2021-22, Aman's cash sales were ₹6,00,000 and credit sales were 1/3 of cash sales. The total expenses paid by him were ₹4,40,000 out of which ₹20,000 pertained to 2022-23. Expenses of ₹30,000 were still to be paid. Determine Aman's income as per 'Accrual' basis of accounting	1
6	Find the correct statement <ol style="list-style-type: none"> A. Decrease in income is credited B. Increase in expenses is credited 	1

	<p>C. Increase in revenue is debited D. Increase in capital is credited</p>																					
7	<p>Namita has returned goods worth ₹25,900 to Namrita. Which 'Source document' will be prepared by Namrita?</p> <p>A. Invoice B. Debit note C. Credit note D. Cash Memo</p>	1																				
8	<p>A transaction with one debit and one credit in a simple transaction and the accounting vouchers prepared for such transaction is known as _____</p>	1																				
9	<p>If the transaction is properly analysed and recorded:</p> <p>A. Only two accounts will be used to record the transaction B. One account will be used to record transaction C. One account balance will increase and another will decrease D. Total amount debited will be equal to total amount credited</p>	1																				
10	<p>Match the following</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">Column 1</th> <th colspan="2" style="text-align: center;">Column 2</th> </tr> </thead> <tbody> <tr> <td style="width: 10%;">A</td> <td style="width: 40%;">Book of legal evidence</td> <td style="width: 10%;">1</td> <td style="width: 40%;">Ledger</td> </tr> <tr> <td>B</td> <td>Are balanced and carried forward to next accounting period</td> <td>2</td> <td>Temporary accounts</td> </tr> <tr> <td>C</td> <td>Book of analytical records</td> <td>3</td> <td>Journal</td> </tr> <tr> <td>D</td> <td>Closed at the end of accounting period by transferring them to Income statement</td> <td>4</td> <td>Permanent accounts</td> </tr> </tbody> </table> <p>Options</p> <p>A. a1, b2, c3, d4 B. a3, b4, c1, d2 C. a4, b3, c2, d1 D. a3, b2, c4, d1</p>	Column 1		Column 2		A	Book of legal evidence	1	Ledger	B	Are balanced and carried forward to next accounting period	2	Temporary accounts	C	Book of analytical records	3	Journal	D	Closed at the end of accounting period by transferring them to Income statement	4	Permanent accounts	1
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11	<p>Sunila gets a definite sum every month from the organisation for meeting small expenses. It's balance is found at the end of each month to restart for next month. The amount to be paid to Sunila at the beginning of every month is known as _____ amount</p>	1																				
12	<p>The following balances appeared in the books of Anil on 1/4/2022</p> <p>Assets:</p> <ul style="list-style-type: none"> ➤ Cash ₹4,000 ➤ Bank ₹10,000 ➤ Stock ₹27,000 ➤ B/R ₹23,500 ➤ Boiler and Machinery ₹30,000 <p>Liabilities:</p> <ul style="list-style-type: none"> ➤ B/P ₹10,000 ➤ Capital ₹1,00,000 <p>Pass the opening Journal entry</p>	1																				
Or																						
12	<p>The following balances appeared in the books of Sanchita on 1/4/2022</p> <p>Assets:</p> <ul style="list-style-type: none"> ➤ Cash ₹30,000 ➤ Bank ₹10,000 ➤ Stock ₹80,000 ➤ Furniture ₹7,200 	1																				

	<ul style="list-style-type: none"> ➤ Debtors ₹48,000 Liabilities: <ul style="list-style-type: none"> ➤ Bank loan ₹20,000 ➤ Creditors ₹25,000 Pass the opening Journal entry	
13	Statement 1: Depreciation on Fixed asset is an expense and is debited to Profit & Loss a/c Statement 2 : Depreciation cannot be provided in case of loss in a Financial year Which of the following options is correct? A. Only statement 1 is true and 2 is false B. Only statement 2 is true and 1 is false C. Both statement 1 and 2 are true D. Both statement 1 and 2 are false	1
Or		
13	Assertion (A): Fall in the value of 'Copyright' from ₹50000 to ₹20000 over 3 years is 'Amortization' Reason (R): The term 'Amortization' is used to write off Intangible Fixed Assets over their useful life Which of the following is correct? A. Both A and R are correct and R is the correct explanation of A B. Both A and R are correct but R is not the correct explanation of A C. A is True but R is False D. A is False but R is True	1
14	Ram is running a cloth business in Delhi. He purchased a machinery on credit for ₹1,00,000. Identify the 'Subsidiary Book' where it is to be recorded/shown.	1
Or		
14	Sita is running a business of Electrical goods in Haryana. She sold Electronic goods on credit to Laxman for ₹10,000. Identify the 'Subsidiary Book' where it is to be recorded/shown.	1
15	Classify the following error into: A. Error of omission B. Error of commission C. Compensating error D. Error of Principle Transaction (Error): Sale of goods on credit to Shilpa for ₹620 was recorded in Sales book but not posted to Ledger	1
Or		
15	Classify the following error into: A. Error of omission B. Error of commission C. Compensating error D. Error of Principle Transaction: Veenu's a/c was debited in excess by ₹1080 while Veena's a/c and Venu's a/c were debited by ₹500 and ₹580 less respectively.	1
16	Satyam is a talented fashion designer and has created his own fashion label 'Fashionista'. He had ₹10,00,000 in his savings a/c and decided to launch his label. He thought that his funds were insufficient and he borrowed ₹5,00,000 from his father and took a loan of ₹10,00,000 from SBI. He rented a shop in 'City Mall' and spent ₹3,00,000 in furnishing it. He bought dress materials and other consumables from Shivam for ₹5,00,000 and paid 40% amount immediately. Mall maintenance expenses were ₹15,000 of which he paid ₹5,000 immediately. Calculate the following from the above information: 1. Creditors 2. Lenders	3

3. Outstanding expenses																										
Or																										
16	<p>On 1/1/2022 Rajat started a stationery business and invested ₹15,00,000 from his personal sources and he took a loan of ₹20,00,000 from his friend Sambhav @ 12% p.a. interest. He rented a shop in Sadar bazar at a rent of ₹10,000 p.m. and paid ₹60,000 to the landlord Mr. Manu as rent for 6 months. He purchased goods of ₹10,00,000 from Raghav and paid 50% amount immediately. He sold goods costing ₹1,00,000 for ₹1,20,000 to Garima for cash. He also sold goods costing ₹50,000 for ₹75,000 to Nishant on a credit of 15 days. He also sold scrap for ₹2,000 to Monu (kabadiwala) who promise to pay the amount after 7 days. He had ₹5,00,000 as surplus funds and purchased shares of Reliance limited with the surplus funds. He also earned a dividend from the shares of Reliance limited. The books are closed on 31st March each year. Calculate the following from the above case:</p> <ol style="list-style-type: none"> Debtors Prepaid expenses Investments 	3																								
17	<p>Rectify the following errors in the books of Tripti</p> <ol style="list-style-type: none"> Machinery purchased from Khyati for ₹50,000 was recorded in purchase book as ₹5,00,000 Goods purchased from Aarti for ₹10,000 was debited to Aarti in the Ledger Sales book was overcast by ₹5,000 	3																								
18	<p>Prepare Accounting equation from the following transactions of Karvy</p> <ol style="list-style-type: none"> The following balances appeared in the books of Karvy on 1/1/22 <ul style="list-style-type: none"> ✓ Cash in hand ₹5,000 ✓ Furniture ₹10,000 ✓ Stock ₹5,000 ✓ Mehak (Debtor) ₹8,000 ✓ Outstanding salary ₹2,000 ✓ Garima (Creditor) ₹3,000 Mehak paid ₹5,000 on account Depreciate furniture by ₹1,000 Paid insurance premium in advance ₹1,000 Paid ₹2000 for outstanding salary 	3																								
19	<p>Prepare a Trial Balance from the balances extracted from the books of Archit as at 31/3/2022</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">`</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td style="text-align: right;">3,00,000</td> </tr> <tr> <td>Closing stock (Unadjusted)</td> <td style="text-align: right;">25,000</td> </tr> <tr> <td>Salary and wages</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>Outstanding advertising expenses</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>Investment</td> <td style="text-align: right;">2,00,000</td> </tr> <tr> <td>Opening stock</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">2,00,000</td> </tr> <tr> <td>Discount received</td> <td style="text-align: right;">1,500</td> </tr> <tr> <td>Carriage inwards</td> <td style="text-align: right;">1,500</td> </tr> <tr> <td>Interest on investments</td> <td style="text-align: right;">20,000</td> </tr> <tr> <td>Capital</td> <td style="text-align: right;">1,05,000</td> </tr> </tbody> </table>	Particulars	`	Sales	3,00,000	Closing stock (Unadjusted)	25,000	Salary and wages	5,000	Outstanding advertising expenses	5,000	Investment	2,00,000	Opening stock	50,000	Purchases	2,00,000	Discount received	1,500	Carriage inwards	1,500	Interest on investments	20,000	Capital	1,05,000	3
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20	<p>The following information are given by Sunita traders</p> <ol style="list-style-type: none"> A machine is estimated to run for 10 years and the total amount of repairs is estimated to be ₹10,000 during its life time. It was decided that ₹1000 will be debited to Profit & Loss a/c There is another machine in the organisation that need to be replaced after 10 years. For replacing the machinery, a fund is created of ₹10,00,000 from its profits and this fund is supposed to be invested in securities market 	3																								

	<p>a) Identify which one is 'Reserve' and which one is 'Provision'</p> <p>b) Distinguish between 'Reserves' and 'Provisions' on the basis of presentation in the Balance sheet</p>	
	Or	
20	<p>1. Sunil traders has written off excess depreciation on its fixed assets. Identify and explain the reserve involve in this case.</p> <p>2. Distinguish between 'Revenue reserve' and 'Capital reserve' on the basis of 'Source of creation'</p>	3 (2+1)
21	<p>Identify and explain the Accounting Principles/Concepts/Conventions followed or violated in the following situations:</p> <p>I. 'Puri and Sons' is following the policy of valuing the closing stock at cost price irrespective of the fact that its market price is significantly lower than the cost price</p> <p>II. 'Jain and Sons' is in Garments business. Their accountant prepared a single set of Financial statements for the time period from 1/4/2019 to 31/3/21</p>	4 (2+2)
22	<p>From the following information provided by Krish, prepare a Bank Reconciliation Statement as on 31/8/22</p> <p>1. Balance as per Cash Book ₹10,000 (Credit)</p> <p>2. Krish had issued cheques of ₹21,000 during August 2022 but cheques of only ₹15,000 were presented for payment in August</p> <p>3. Direct deposit in bank by customer 'Aashna' ₹10,000 was not recorded in Cash book</p> <p>4. Debit side of cash book was overcast by ₹2,000</p>	4
	Or	
22	<p>Prepare a Bank reconciliation statement as on 30/9/2022 from the information provided by Annwasha</p> <p>1. Credit balance as per pass book ₹5,000</p> <p>2. Annwasha deposited cheques of ₹10,000 in the month of September 2022 but they were recorded in cash column of cash book</p> <p>3. Insurance premium ₹8,000 paid by bank as per the standing instructions of Annwasha was not recorded in cash book</p> <p>4. Bank credited ₹4,000 by mistake and this was not reflected in cash book.</p>	4
23	<p>On 1st August 2019, Shizuka Ltd. purchased a machinery for Rs.3,00,000. On 1st November, 2020 another machinery was purchased for Rs.1,80,000. On 1st July 2021, the machine purchased on 1st August, 2019 was sold for Rs. 1,68,000 and on the same date a fresh machinery was purchased for Rs.2,00,000. Depreciation was provided @ 10% p.a. on the Reducing Balance Method. Books are closed on 31st March every year.</p> <p>You are required to prepare Machinery Account and Provision for Depreciation Account for three years ending 31st March, 2022.</p>	6
24	<p>Record the following transactions in the double column Cash Book of 'Vertika'. Prepare Journal proper if required.</p> <p>1/1/22 Cash in hand ₹2,500 and at bank ₹25,000</p> <p>2/1/22 Received a cheque of ₹10,000 from Jeetansh</p> <p>3/1/22 Paid Salaries by cheque ₹5,000 and cash ₹2000</p> <p>4/1/22 Dividend collected by bank ₹2,500</p> <p>5/1/22 Cheque received from Jeetansh deposited in bank</p> <p>6/1/22 Withdrew ₹2,500 from bank for office use</p>	6
25	<p>Journalise the following transactions in the books of Mohan assuming CGST and SGST @6% each</p> <p>1. Purchased goods from Chetan of list price ₹50,000 less 10% trade discount</p> <p>2. Sold goods to Pankaj of list price ₹20,000 less 5% trade discount</p> <p>3. Purchased machinery costing ₹1,25,000</p>	

	<p>4. Pankaj returned goods of list price ₹3,000</p> <p>5. Mohan withdraws ₹5,000 from bank and goods of purchase price ₹5,000 for personal use</p> <p>6. Provide 10% depreciation on machinery</p>	6
	Or	
25	<p>Journalise the following transactions in the book of M/S Hiralal and prepare Ledger accounts of Harshit and Purchase</p> <p>1. Sold goods to Harshit of list price ₹30,000 and to Harshita of list price ₹50,000 at a trade discount of 10% on 1st April, 2022. 10% cash discount may be availed if they make the payment on or before 15th April, 2022. Harshit gave a cash to clear his dues on 14th April, 2022 and Harshita paid for her dues by cheque on 28th April, 2022</p> <p>2. Mohan Lal and Sons sold goods to us of list price ₹90,000 @20% trade discount. He accepted 1/3rd of the payment through a draft and they allowed a cash discount of 7.5% on 28th April</p>	6
	PART – B	
26	On 25 th March, 2022 goods worth ₹30,000 were destroyed by fire. The stock was fully insured; however, the insurance company admitted a claim of ₹20,000 only. How will it be treated in the final accounts of the year 2021-22	1
27	Calculate Gross profit if Sales are ₹4,00,000 and the rate of Gross profit is $33\frac{1}{3}\%$ on cost of goods sold.	1
28	<p>Rearrange the following assets in order of 'Liquidity'</p> <p>i. Computer software</p> <p>ii. Debtors</p> <p>iii. Stock</p> <p>iv. Plant</p> <p>Options:</p> <p>A. (i), (ii), (iii), (iv)</p> <p>B. (iii), (iv), (i), (ii)</p> <p>C. (ii), (iii), (iv), (i)</p> <p>D. (iv), (i), (iii), (ii)</p>	1
29	Royalty paid by Publishing house to the author of the book is charged to Trading a/c. Is it correct treatment? Justify	1
30	'A' limited is business organisation based in Haryana. During the year 2021-22 ₹6,000 were spent on repairing the machines. They also spent ₹25,000 on annual white washing of the building. Identify the expenditure/expenditures and also calculate the amount for the identified expenditure/expenditures	1
	Or	
30	'B' limited spent ₹1800 on freight of a newly purchased machinery and ₹20,000 towards additions to the machinery. Identify the expenditure/expenditures and also calculate the amount for the identified expenditure/expenditures	1
31	<p>Compute 'Operating Profit' from the following information</p> <ul style="list-style-type: none"> ✓ Gross profit ₹1,00,000 ✓ Salaries ₹5,000 ✓ Audit fees ₹2,000 ✓ Lighting ₹2,500 ✓ Gain on sale of machinery ₹7,700 ✓ Insurance premium ₹3,400 ✓ Donations ₹4,200 ✓ Loss on sale of furniture ₹10,800 ✓ Advertisement ₹8,200 	

	<ul style="list-style-type: none"> ✓ Bad debts ₹4,800 ✓ Interest on loan ₹3,600 	3																																																																											
32	<p>The following balances appeared in the Trial Balance of M/s Doraemon traders as at 31/3/2022</p> <ul style="list-style-type: none"> ✓ Debtors ₹6,10,000 ✓ Bad debts ₹6,000 ✓ Provision for bad debts ₹40,000 <p>Further bad debts were ₹10,000 and they decided to maintain a provision for bad debts @10%. Pass the necessary Journal entries</p>	4																																																																											
33	<p>Pass necessary adjustment entries and closing entries for the following adjustments</p> <ol style="list-style-type: none"> 1. Goods worth ₹9,000 were used by proprietor for personal use 2. Sign board costing ₹4,000 was included in Advertising expenses of ₹25,000 3. Private purchases ₹6,000 were paid from personal saving bank a/c of the proprietor 4. Fire insurance premium ₹1,800 paid during the year included ₹1,200 paid on 1/7/2021 to run for one year till 30/6/2022 5. Provide for manager commission @10 % of Net profit after charging such commission. The net profit transferred to capital was ₹20,623 	6																																																																											
34	<p>Following is the Trial Balance of Mrs. Gupta as at 31/3/22</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Debit Balance</th> <th>Credit Balance</th> </tr> </thead> <tbody> <tr><td>Drawings and Capital</td><td>17,600</td><td>1,00,000</td></tr> <tr><td>Purchase and Sales</td><td>80,000</td><td>1,40,370</td></tr> <tr><td>Returns</td><td>4,240</td><td>2,820</td></tr> <tr><td>Stock (1/4/21)</td><td>11,460</td><td></td></tr> <tr><td>Bad debts</td><td>1,400</td><td></td></tr> <tr><td>Provision for bad debts</td><td></td><td>3,240</td></tr> <tr><td>Rates and Insurance</td><td>1,300</td><td></td></tr> <tr><td>Discount</td><td></td><td>190</td></tr> <tr><td>Bills receivable</td><td>1,240</td><td></td></tr> <tr><td>Wages</td><td>6,280</td><td></td></tr> <tr><td>Building</td><td>25,000</td><td></td></tr> <tr><td>Rent</td><td></td><td>2,100</td></tr> <tr><td>Freight on sales</td><td>16,940</td><td></td></tr> <tr><td>Carriage</td><td>2,310</td><td></td></tr> <tr><td>Office expenses</td><td>1,340</td><td></td></tr> <tr><td>Printing and stationery</td><td>660</td><td></td></tr> <tr><td>Postage and Telegram</td><td>820</td><td></td></tr> <tr><td>Debtors and Creditors</td><td>62,070</td><td>18,920</td></tr> <tr><td>Cash in hand</td><td>12,400</td><td></td></tr> <tr><td>Cash at bank</td><td>2,210</td><td></td></tr> <tr><td>Salaries and Commission</td><td>9,870</td><td></td></tr> <tr><td>Furniture</td><td>3,500</td><td></td></tr> <tr><td>Additions to Building</td><td>7,000</td><td></td></tr> <tr><td></td><td>2,67,640</td><td>2,67,640</td></tr> </tbody> </table> <p>Prepare Trading and Profit & Loss a/c only for the year ended 31/3/2022</p> <ol style="list-style-type: none"> 1. Depreciate old Building by ₹625 and the addition to Building @2% and Furniture at 5% 2. Write off further bad debts ₹570 and increase provision for bad debts to 6% of Debtors 3. Rent receivable is ₹200 4. Stock was valued at ₹14,290 (cost) whereas its market price was ₹15,290 	Particulars	Debit Balance	Credit Balance	Drawings and Capital	17,600	1,00,000	Purchase and Sales	80,000	1,40,370	Returns	4,240	2,820	Stock (1/4/21)	11,460		Bad debts	1,400		Provision for bad debts		3,240	Rates and Insurance	1,300		Discount		190	Bills receivable	1,240		Wages	6,280		Building	25,000		Rent		2,100	Freight on sales	16,940		Carriage	2,310		Office expenses	1,340		Printing and stationery	660		Postage and Telegram	820		Debtors and Creditors	62,070	18,920	Cash in hand	12,400		Cash at bank	2,210		Salaries and Commission	9,870		Furniture	3,500		Additions to Building	7,000			2,67,640	2,67,640	6
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Rent	2,000	
Capital		2,70,000
Creditors		50,000
Plant and Machinery	1,20,000	
Bill payable		50,000
Land and Building	2,55,000	
5% Loan		1,10,000
Power	1,500	
Discount		1,500
Purchases	75,000	
Sales		1,50,000
Returns	2,500	
Provision for bad debts		1,000
Internet and Postage	400	
General reserve		50,000
Wages	4,500	
Salaries	2,500	
Insurance	3,200	
Repairs	3,000	
Legal charges	6,400	
Debtors	75,000	
4% Investments	65,000	
Commission	2,480	
Drawings	20,020	
Bad debts	2,000	
	<u>6,82,500</u>	<u>6,82,500</u>

Adjustments:

1. Closing stock ₹35,500
2. Depreciate Plant and Machinery by 5% and Land and Building by 6%
3. Write off further bad debts ₹2,500 and discount on Debtors is ₹1,450 and Provision for bad debts is to be maintained @5%
4. Salaries outstanding ₹200, Wages due ₹100 and Unexpired Insurance ₹500
5. Gross Profit was calculated to be ₹59,900 for the year ended 31/3/2022
6. Prepare Profit & Loss a/c and Position Statement only

Sample paper – 2022-23 Accountancy Class – XI Marking Scheme					Value points	Marks
Q.No.	PART – A					
1	Accounting Standards are not applicable to purely Charitable organisations as these organisations doesn't have any commercial industrial and business activity				1	1
2	1. GST has reduced compliance cost and increased the voluntary compliance 2. GST has removed the cascading effect on taxation Or any other relevant answer				½ each	1
3	C				1	1
4	Reliability				1	1
Or						
4	Relevance				1	1
5	Cash basis Cash sales ₹4,00,000 Less: Expenses Cash expenses paid 2,80,000 Less: still O/S 70,000 Add: Prepaid <u>10,000</u> (2,20,000) Net result/income = <u>1,80,000</u>				1	1
Or						
5	Accrual basis Total revenue (Cash + Credit) 8,00,000 Less: Expenses Cash Paid 4,40,000 Less: Prepaid 20,000 Add: Outstanding <u>30,000</u> (4,50,000) Net Income = <u>3,50,000</u>				1	1
6	D				1	1
7	C				1	1
8	Transaction Voucher				1	1
9	D				1	1
10	A				1	1
11	Imprest				1	1
12	Journal of Anil				1	1
	Date	Particulars	LF	Dr. Amount	Cr. Amount	

	1/4/22	Cash a/c Bank a/c Stock a/c B/R a/c Boiler and Machinery a/c Goodwill a/c (B/F) To B/P a/c To Capital a/c (Previous year balances brought forward)	Dr. Dr. Dr. Dr. Dr. Dr.		4,000 10,000 27,000 23,500 30,000 15,500								
Or													
12	Journal of Sanchita										1	1	
	Date	Particulars	LF	Dr. Amount	Cr. Amount								
	1/4/22	Cash a/c Bank a/c Stock a/c Furniture a/c Debtors a/c To Bank Loan a/c To Creditors a/c To Capital a/c (B/F) (Previous year balances brought forward)	Dr. Dr. Dr. Dr. Dr.		30,000 10,000 80,000 7,200 48,000					20,000 25,000 1,30,200			
13	A. Only statement 1 is true and 2 is false										1	1	
Or													
13	A. Both A and R are correct and R is the correct explanation of A										1	1	
14	Journal Proper										1	1	
Or													
14	Sales Book										1	1	
15	A. Error of Omission										1	1	
Or													
15	C. Compensating error										1	1	
16	1. Creditors – Shivam - ₹3,00,000 2. Lenders – Father ₹5,00,000 and SBI ₹10,00,000 (Total ₹15,00,000) 3. Outstanding expenses – Mall maintenance ₹10,000										1 1 1	3	
Or													
16	1. Debtors – Nishant ₹75,000 2. Prepaid expenses – Rent for 3 months ₹30,000 3. Investments – Shares of Reliance limited ₹5,00,000										1 1 1	3	
17	Rectifying Journal entries in the books of Tripti												
	Date	Particulars	LF	Dr. Amount	Cr. Amount								
	1	Machinery a/c Khyati To Purchase a/c	Dr. Dr.		50,000 4,50,000					5,00,000		1	

	(Machinery purchased from Khyati for `50,000 was recorded in purchase book as `5,00,000 now rectified)						
2	Suspense a/c To Aarti (Goods purchased from Aarti for `10,000 was debited to Aarti in the Ledger now rectified)	Dr.		20,000		20,000	1
3	Sales a/c To Suspense a/c (Sales book was overcast by `5,000 now rectified)	Dr.		5,000		5,000	1

18	Accounting equation						½ x 6	3
	S.No.	Transactions	Assets				= Capital+Liabilities	
			Cash+	Furniture+	Stock+	Mehak+ prepaid Ins.	= o/s salary+	Garima+Capital
	1.	Balances brought forward	5000+10000+	5000+	8000+	0	= 2000+	3000+ 23000
	2.	Mehak paid on account	5000	(5000)				
		New Equation	10000	10000	5000	3000	0	= 2000 3000 23000
	3.	Depreciation on furniture		(1000)				(1000)
		New Equation	10000	9000	5000	3000	0	= 2000 3000 22000
	4.	Insurance premium paid in advance	(1000)			1000	= 2000	3000 22000
		New Equation	9000	9000	5000	3000	1000	= 2000 3000 22000
	5.	Paid `2000 for outstanding salary	(2000)				= (2000)	
		New Equation	7000	9000	5000	3000	1000	= 0 3000 22000
		Total	25,000					25,000

19	Trial Balance of Archit As at 31/3/2022				
	Particulars	Debit Balance	Credit Balance		
	Opening stock	50,000			
	Sales		3,00,000		
	Purchase	2,00,000			
	Discount received		1,500		
	Salary and wages	5,000			
	Outstanding advertising expenses		5,000		
	Investments	2,00,000			
	Carriage inwards	1,500			
	Interest on investments		20,000		
	Capital		1,05,000		
	Suspense A/c (B/F)		25,000		
	Total	<u>4,56,500</u>	<u>4,56,500</u>		
	Closing stock = `25,000				

1
1
3

½ x 6
3

¼ x
10 =
2.5

½
for
capital
3

20	<p>1. Provision 2. Reserve</p> <p style="text-align: center;">Difference between</p> <table border="1"> <thead> <tr> <th>Basis</th> <th>Reserves</th> <th>Provisions</th> </tr> </thead> <tbody> <tr> <td>Presentation in Balance Sheet</td> <td>It is shown on the liabilities side</td> <td>It is usually shown as a subtraction from the asset side or it may be shown as a separate item on the liabilities side</td> </tr> </tbody> </table>	Basis	Reserves	Provisions	Presentation in Balance Sheet	It is shown on the liabilities side	It is usually shown as a subtraction from the asset side or it may be shown as a separate item on the liabilities side	1 1 1	3																						
Basis	Reserves	Provisions																													
Presentation in Balance Sheet	It is shown on the liabilities side	It is usually shown as a subtraction from the asset side or it may be shown as a separate item on the liabilities side																													
	Or																														
20	<p>1. Secret reserve is created</p> <p>Secret reserve: It is the one which is not disclosed by the Balance sheet. These reserves are created by showing profits at a figure much lower than the actual profit and by showing assets at a lower figure and liabilities at a higher figure</p> <p>2.</p> <p style="text-align: center;">Difference between</p> <table border="1"> <thead> <tr> <th>Basis</th> <th>Revenue Reserves</th> <th>Capital Reserves</th> </tr> </thead> <tbody> <tr> <td>Source of creation</td> <td>These are created out of revenue profits which arise from the normal operating activities.</td> <td>These are created out of capital profits that do not arise in normal operating activities of the business</td> </tr> </tbody> </table>	Basis	Revenue Reserves	Capital Reserves	Source of creation	These are created out of revenue profits which arise from the normal operating activities.	These are created out of capital profits that do not arise in normal operating activities of the business	1 1 1	3																						
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Source of creation	These are created out of revenue profits which arise from the normal operating activities.	These are created out of capital profits that do not arise in normal operating activities of the business																													
21	<p>I. Conservatism/Prudence is violated here. According to this principle the stock is valued at either cost price or market value whichever is lower. It provides guidance for recording the transactions based on the policy of 'Play safe' (Provide for all possible future losses)</p> <p>II. The accountant didn't follow the principle of 'Accounting Period'. It refers to the span of time at the end of which the financial statements of an enterprise are prepared to know its financial and profitability position. As per law, these financial statements are prepared at end of each financial year (31st March every year)</p>	2 2	4																												
22	Bank Reconciliation Statement as on August 31, 2022																														
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Plus items (₹)</th> <th>Minus items (₹)</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>Overdraft as per Cash book</td> <td></td> <td>10,000</td> <td>½</td> </tr> <tr> <td>Cheques issued but not presented</td> <td>6,000</td> <td></td> <td>1</td> </tr> <tr> <td>Direct deposit in bank by customer 'Aashna'</td> <td>10,000</td> <td></td> <td>1</td> </tr> <tr> <td>Debit side of cash book overcast</td> <td></td> <td>2,000</td> <td>1</td> </tr> <tr> <td>Credit balance as per Pass book</td> <td></td> <td>4,000</td> <td>½</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>16,000</u></td> <td style="text-align: right;"><u>16,000</u></td> <td></td> </tr> </tbody> </table>	Particulars	Plus items (₹)	Minus items (₹)	Marks	Overdraft as per Cash book		10,000	½	Cheques issued but not presented	6,000		1	Direct deposit in bank by customer 'Aashna'	10,000		1	Debit side of cash book overcast		2,000	1	Credit balance as per Pass book		4,000	½		<u>16,000</u>	<u>16,000</u>			4
Particulars	Plus items (₹)	Minus items (₹)	Marks																												
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22	Bank Reconciliation Statement as on March 31, 2020																														
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Credit balance as per Cash book	1,000		½																												
	<u>14,000</u>	<u>14,000</u>																													

23	Dr. MACHINERY ACCOUNT Cr.							
	Date	Particulars	Amount	Date	Particulars	Amount		
	2019 Aug. 1	To Bank A/c	Rs. 3,00,000	2020 Mar. 31	By Balance c/d	Rs. 3,00,000	½	
	2020 April 1	To Balance b/d	3,00,000	2021 Mar. 31	By Balance c/d	4,80,000	½	
	Nov. 1	To Bank A/c	1,80,000			4,80,000		
			4,80,000			4,80,000		
	2021 April 1	To Balance b/d	4,80,000	2021 July 1	By Bank A/c	1,68,000	½	
	July 1	To Bank A/c	2,00,000	July 1	By Provision for Depreciation A/c	54,300	½	
				July 1	By Loss on sale of Machine a/c (Rs.3,00,000 - Rs. 1,68,000 - Rs.54,300)	77,700		
				2022 Mar. 31	By Balance c/d	3,80,000	½	
			6,80,000			6,80,000	½	
	Dr. PROVISION FOR DEPRECIATION ACCOUNT Cr.							
	Date	Particulars	Amount	Date	Particulars	Amount		
	2020 Mar. 31	To Balance c/d	Rs. 20,000	2020 Mar. 31	By Depreciation A/c (On Rs.3,00,000 for eight months)	Rs. 20,000	½	
	2021 Mar. 31	To Balance c/d	55,500	2020 April 1	By Balance b/d	20,000		
				2021 Mar. 31	By Depreciation A/c On 1st Machine 28,000 On 2 nd Machine 7,500	35,500	½	
			55,500			55,500		
	2021 July 1	To Machinery A/c	54,300 ⁽¹⁾	2021 April 1	By Balance b/d	55,500		
	2022 Mar. 31	To Balance c/d	39,750	July 1	By Depreciation A/c (Dep. on 1 st Machine)	6,300	½	
				2022 Mar. 31	By Depreciation A/c On 2 nd Machine 17,250 On 3 rd Machine 15,000	32,250	½	
			94,050			94,050		
	Working Notes : (1) Calculation of depreciation provided on machinery sold :							
			Book Value	Accumulated Depreciation				

								Rs.	Rs.			
								3,00,000				
	Original Cost as on 1st August, 2019							20,000	20,000			
	Less: Depreciation for 2019-20 for 8 months @ 10% p.a.							2,80,000				
								28,000	28,000			
	Less : Depreciation for 2020-21 (@ 10% on Rs.2,80,000)							2,52,000				
								6,300	6,300		½	
	Less: Depreciation for 2021-22 (@ 10% on Rs.2,52,000 for 3 months)							2,45,700	54,300			
	(2) Calculation of depreciation on 2 nd machinery :							Rs.				
	Original Cost as on 1st November, 2020 =							1,80,000				
	Less : Depreciation for 2020-21 @10% p.a. on Rs. 1,80,000 for 5 months = 7,500											
	Book value =							1,72,500			½	
	Depreciation for 2021-22 @ 10% p.a. on Rs.1,72,500 = 17,250											
24	Books of Vertika											
	Dr. CASH BOOK (DOUBLE COLUMN) Cr.											
	Date	Particulars	L.F.	Cash (₹)	Bank (₹)	Date	Particulars	L.F.	Cash (₹)	Bank (₹)		
	2022					2022						
	1/1	To Balance b/d (½)		2,500	25,000	3/1	By Salaries a/c (1)		2,000	5,000		
	4/1	To Dividend a/c (1)			2,500	6/1	By Cash a/c (½)	c		2,500		
	5/1	To Cheque in hand a/c (1)			10,000	6/1	By Balance c/d (½)		3,000	30,000		
	6/1	To Bank a/c (½)	c	2,500								
				5,000	37,500				5,000	37,500		
	7/1	To Balance b/d		3,000	30,000							
	Journal Proper											
	Date	Particulars			LF	Dr. Amount	Cr. Amount					
	2/1/22	Cheque in hand a/c Dr. To Jeetansh (1) (Cheque received from Jeetansh)				10,000	10,000					
25	Books of Mohan											
	Journal											
	Date	Particulars			LF	Dr. Amount	Cr. Amount					
	1	Purchase a/c Dr. Input CGST a/c Dr. Input SGST a/c Dr. To Chetan (Goods purchased from Chetan)				45,000 2,700 2,700	50,400					1
	2	Pankaj Dr.				21,280						

	To Sales a/c To Output CGST a/c To Output SGST a/c (Goods sold to Pankaj)			19,000 1,140 1,140		1	
3	Machinery a/c Input CGST a/c Input SGST a/c To Cash a/c (Machinery purchased)	Dr. Dr. Dr.		1,25,000 7,500 7,500		1	
4	Sales return a/c Output CGST a/c Output SGST a/c To Pankaj (Goods returned by Pankaj)	Dr. Dr. Dr.		2,850 171 171		1	
5	Drawings a/c To Bank a/c To Purchase a/c To Output CGST a/c To Output SGST a/c (Goods and cash withdrawn by Mohan)	Dr.		10,600	5,000 5,000 300 300	1	
6	Depreciation a/c To Machinery a/c (Depreciation charged on machinery)	Dr.		12,500	12,500	1	6

Or

25	Books of M/S Hiralal							
	Journal							
	Date	Particulars	LF	Dr. Amount	Cr. Amount			
	1 st April	Harshit Harshita To Sales a/c (Goods sold on credit)	Dr. Dr.	27,000 45,000	72,000	½		
	14 th April	Cash a/c Discount allowed a/c To Harshit (Cash received from Harshit)	Dr. Dr.	24,300 2,700	27,000	½		
	28 th April	Cheque in hand a/c To Harshita (Cheque received from Harshita)	Dr.	45,000	45,000	½		
	28 th April	Purchase a/c To Mohan Lal To Bank a/c To Discount received a/c (Purchased goods from Mohan Lal)	Dr.	72,000	48,000 22,200 1,800	1½		
	Dr. <i>Harshit's Account</i>					Cr.		
	Date	Particulars	LF	Amount	Date	Particulars	LF	Amount
	1 st April	To Sales a/c		27,000	14 th April	By Cash a/c By Discount allowed a/c		24,300 2,700
				<u>27,000</u>				<u>27,000</u>

	<p>Dr. Cr.</p> <p style="text-align: center;"><i>Purchase Account</i></p> <table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>LF</th> <th>Amount</th> <th>Date</th> <th>Particulars</th> <th>LF</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>28th</td> <td>To Mohan Lal</td> <td></td> <td>48,000</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>April</td> <td>To Bank a/c</td> <td></td> <td>22,200</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>To Discount received a/c</td> <td></td> <td>1,800</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Particulars	LF	Amount	Date	Particulars	LF	Amount	28 th	To Mohan Lal		48,000					April	To Bank a/c		22,200						To Discount received a/c		1,800													1½	6
Date	Particulars	LF	Amount	Date	Particulars	LF	Amount																																				
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26	<p style="text-align: center;">Trading and Profit & Loss a/c For the year ended 31/3/22</p> <p>Dr. Cr.</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount</th> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>To Purchase xxxxx</td> <td></td> <td>By loss by fire*</td> <td>30,000</td> </tr> <tr> <td>Less: Loss by fire (30,000)*</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>To Loss by fire 30,000</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Less: Insurance claim (20,000)</td> <td>10,000</td> <td></td> <td></td> </tr> </tbody> </table> <p>Any of the two options (Either debit side or credit side)* Both are to be marked as correct</p> <p style="text-align: center;">Balance Sheet As at 31/3/22</p> <table border="1"> <thead> <tr> <th>Liabilities</th> <th>Amount</th> <th>Assets</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>Insurance claim</td> <td>20,000</td> </tr> </tbody> </table>	Particulars	Amount	Particulars	Amount	To Purchase xxxxx		By loss by fire*	30,000	Less: Loss by fire (30,000)*								To Loss by fire 30,000				Less: Insurance claim (20,000)	10,000			Liabilities	Amount	Assets	Amount			Insurance claim	20,000	½	1								
Particulars	Amount	Particulars	Amount																																								
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Liabilities	Amount	Assets	Amount																																								
		Insurance claim	20,000																																								
27	<p>Let Cost of goods sold = X</p> <p>Gross profit = $\frac{1}{3} \times X$</p> <p>Sales = Cost of goods sold + Gross profit</p> <p>$4,00,000 = X + \frac{x}{3} = \frac{4x}{3}$</p> <p>X = 3,00,000</p> <p>Gross profit = 1,00,000</p>	1	1																																								
28	C – (ii), (iii), (iv), (i)	1	1																																								
29	Yes, correct as it increases the cost of production of books	1	1																																								
30	It is Revenue Expenditure and the amount is ₹31,000	½ + ½	1																																								
	Or																																										
30	It is Capital Expenditure and the amount is ₹21800	½ + ½	1																																								
31	<p>Operating profit = Gross profit – Operating expenses</p> <p>Operating expenses = Salaries + Audit fees + Lighting + Insurance premium + Advertisement + Bad debt = 5,000+2,000+2,500+3,400+8,200+4,800 = ₹25,900</p> <p>Operating profits = 1,00,000 – 25,900 = ₹74,100</p>	½ 1½ 1	3																																								
32	Journal																																										
	<table border="1"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>LF</th> <th>Dr. Amount</th> <th>Cr. Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Particulars	LF	Dr. Amount	Cr. Amount																																					
Date	Particulars	LF	Dr. Amount	Cr. Amount																																							

	31/3/22	Bad debts a/c To Debtors (Further bad debts)	Dr.		10,000	10,000	1		
	31/3/22	Provision for bad debts a/c To Bad debts a/c (Bad debts written off against provision)	Dr.		16,000	16,000	1		
	31/3/22	Profit & Loss a/c To Provision for bad debts a/c (Provision for bad debts created)	Dr.		36,000	36,000	1		
	Working note: Bad debts 6,000 +Further bad debt 10,000 +New provision 60,000 {10% of (6,10,000 – 10,000)} (-) old provision <u>40,000</u> = Net provision to be created = <u>36,000</u>							1	4
33	Journal								
	Date	Particulars	LF	Dr. Amount	Cr. Amount				
	31/3/22	Drawings a/c To Purchases a/c (Goods withdrawn for personal use)	Dr.	9,000	9,000		1		
	31/3/22	Fixtures a/c To Advertising a/c (Sign board included in advertising now rectified)	Dr.	4,000	4,000		1		
	31/3/22	No Entry					1		
	31/3/22	Prepaid insurance a/c To Insurance premium a/c (Prepaid insurance adjusted)	Dr.	300	300		1		
	31/3/22	Manager's commission a/c To O/s Manager commission (Manager commission due to manager) $(20623 \times \frac{10}{100} = 2062.3 \text{ or } 2062)$	Dr.	2,062	2,062		1		
	31/3/22	Profit & Loss a/c To Insurance premium a/c To Manager's commission a/c To Advertising expenses a/c (Expenses charged to Profit & Loss a/c)	Dr.	24,562	1,500 2,062 21,000		1	6	
34	Books of Mrs. Gupta Trading and Profit & Loss a/c For the year ended 31/3/22								
	Dr.				Cr.				
	Particulars	Amount	Particulars	Amount					
	Opening stock	11,460	Sales (½)	1,40,370					
	Purchase	80,000	Less: Returns	<u>4,240</u>	1,36,130			(2½)	
	Less: Returns	<u>2,820</u>	Closing stock (½)		14,290				
	Carriage inwards	2,310							
	Wages	6,280							

Gross profit (1)	53,190			
	<u>1,50,420</u>			<u>1,50,420</u>
Freight on sales	16,940	Gross profit		53,190
Office expenses	1,340	Rent (½)	2100	
Postage and telegram	820	Add: Accrued rent	200	2,300
Printing and stationery (½)	660			
Salaries and commission	9,870			
Rates and insurance	1,300			
Bad debts (1) 1,400				
Add: Further bad debts 570				
Add: New Prov. 3,690				
Less: Old Prov. (3,240)	2,420			
Depreciation on building (½)	765			
Depreciation on furniture (½)	175			
Net profit (½)	21,200			
	<u>55,490</u>			<u>55,490</u>

(3½)

6

Or

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**Books of M/s Divya
Profit & Loss a/c
For the year ended 31/3/22**

Dr.		Cr.	
Particulars	Amount	Particulars	Amount
Rent	2,000	Gross Profit (½)	59,900
Internet and postage	400	Accrued interest on investment (½)	2,600
Salaries 2,500		Discount	1,500
Add: Outstanding 200 (½)	2,700		
Insurance 3,200			
Less: Unexpired (500) (½)	2,700		
Discount on debtors	1,450		
Repairs	3,000		
Legal charges	6,400		
Outstanding interest on loan	5,500		
Commission	2,480		
Depreciation on plant	6,000		
Depreciation on Land and building	15,300		
Bad debts 2,000			
Add: Further bad debt 2,500			
Add: New prov. 3,625			
Less: Old prov. (½) (1,000)	7,125		
Net profit	8,945		
	<u>64,000</u>		<u>64,000</u>

Balance Sheet

As at 31/3/22

Liabilities	Amount	Assets	Amount
Creditors	50,000	Debtors 75,000	
Bills payable	50,000	Less: Further BD 2,500	
Loan	1,10,000	Less: New Prov. 3,625	
Outstanding interest on loan	(½)5,500	Less: Discount 1,450	(½)67,425
General reserve	(½)50,000	Investments 65,000	
Capital 2,70,000		Add: Accrued int. 2,600	(½)67,600
Add: Net profit 8,945		Prepaid insurance 500	
Less: Drawings 20,020	(½)2,58,925	Plant and machinery 1,14,000	
Outstanding salaries 200		Land and building 2,39,700	

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	Outstanding wages	(½)100	Closing stock	(½)35,500			
		<u>5,24,725</u>		<u>5,24,725</u>			