

SAMPLE PAPER
ELEMENTS OF BOOK KEEPING AND ACCOUNTANCY
CLASS – X (2016-17)
SA-II (TERM –II)

- Q1.** The purpose of preparing final accounts is to ascertain: **1**
- a) Profit or loss
 - b) Capital
 - c) The value of assets
 - d) Profit or loss and financial position
- Q2.** Trading Account shows: **1**
- a) Financial position of the concern
 - b) Gross profit
 - c) Net profit
 - d) Net profit and financial position
- Q3.** Balance sheet shows: **1**
- a) Profit or loss
 - b) Financial position
 - c) Errors of accounts
 - d) Total debtors
- Q4.** Trading and Profit & Loss Account is prepared: **1**
- a) At the end of calendar year
 - b) At the beginning of the accounting year
 - c) On every Diwali
 - d) At the end of accounting year
- Q5.** Balance Sheet is prepared: **1**
- a) For a particular period
 - b) On a particular date
 - c) For the whole year
 - d) For a decade
- Q6.** Balance sheet shows: **1**
- a) Assets only
 - b) Liabilities only
 - c) Both assets & Liabilities
 - d) Neither assets nor liabilities

- Q7.** Excess of credit in Profit and Loss account is called: **1**
- a) Net profit
 - b) Net loss
 - c) Gross profit
 - d) Gross loss
- Q8.** Wages and Salaries appearing in Trial Balance is shown: **1**
- a) On the debit side of Trading A/c
 - b) On the debit side of Profit and Loss Account
 - c) On the Asset Side of the Balance Sheet
 - d) On the liabilities side of Balance Sheet
- Q9.** Land is: **1**
- a) Current Asset
 - b) Fixed asset
 - c) A liability
 - d) Capital
- Q10.** Identify the current asset from the following: **1**
- a) Plant
 - b) Cash at bank
 - c) Creditors
 - d) Capital
- Q11.** Generally accounts under single entry system are maintained by: **1**
- a) Sole Trader
 - b) Company
 - c) Society
 - d) Partnership Firms
- Q12.** Single entry system of book keeping is: **1**
- a) Accurate
 - b) Systematic
 - c) Unscientific
 - d) Rationale
- Q13.** When closing capital is more than the opening capital, it denotes: **1**
- a) Drawings
 - b) Loss
 - c) No profit no loss
 - d) Profit, if there is no introduction of fresh capital

- Q14.** When closing capital is less than the opening capital, it denotes: **1**
- a) Profit
 - b) Loss
 - c) Loss, if there is no drawing
 - d) Expenses
- Q15.** Which of the following is correct about Single Entry System: **1**
- a) Simple Method
 - b) Difficult Method
 - c) Expensive Method
 - d) Both difficult and expensive method
- Q16.** Single Entry System is a: **1**
- a) Complete System
 - b) Incomplete System
 - c) Hybrid System
 - d) None of the above
- Q17.** Drawer in bill of exchange is a person: **1**
- a) Who draws a bill
 - b) Who accepts the bill
 - c) Who makes the payment
 - d) Who receives the payment
- Q18.** Endorsing the bill means: **1**
- a) Giving the bill on charity
 - b) Depositing the bill with the government treasury
 - c) Transferring the bill to another person by the holder
 - d) Receiving the bill from creditors
- Q19.** Give three differences between Trading Account and Profit and Loss Account. **3**
- Q20.** Calculate Closing Capital: **3**
- Opening capital ₹ 1,70,000: Profit for the year ₹ 1,20,000: Drawings ₹ 70,000. During the year proprietor sold ornaments of his wife for ₹ 20,000 and invested the same in business.
- Q21.** What is meant by "Accounting from Incomplete Records"? State any two characteristics of incomplete records. **3**
- Q22.** Give any three differences between Balance Sheet and Statements of Affairs. **3**

Q23. From the Balance Sheet given below, calculate:

3

- 1) Total Fixed Assets
- 2) Total Current Assets
- 3) Total Current Liabilities

Balance Sheet as at 31st March 2014

Liabilities	₹	Assets	₹
Trade Creditors	42,000	Stock In Hand	48,000
Expenses Accrued	3,200	Debtors	36,000
Bank Overdraft	4,800	Prepaid Expenses	400
Long Term Loan	20,000	Goodwill	20,000
Interest on Loan	1,000	Land	20,000
Capital	93,400	Plant	32,000
		Furniture	8,000

Q24. Surya maintains books on Single Entry System. He gives you the following information:

3

Capital on 1st April, 2014 ₹ 30,000
Capital on 1st April, 2015 ₹ 32,800
Drawings made during the period: April, 2014 to March, 2015-
₹ 10,800.
Capital introduced on 1st August, 2012 ₹ 5,000
You are required to calculate the profit or loss made by Mohan.

Q25. What is meant by a Bill of Exchange? State any two of its characteristics.

3

Q26. Explain any three terms:

3

- a) Dishonour Of a Bill
- b) Noting Charges
- c) Discounting of a bill
- d) Endorsement of a bill

Q27. Give any four objectives of preparing financial statements.

4

Q28. Calculate net sales and net purchases from the following information:

4

Sales ₹1,00,000 , Purchases ₹50,000
Sales Return ₹5,000 , Purchase Return ₹8,000

Q29. Explain any four advantages of Bills of Exchange.

4

Q30. State any four advantages of Single Entry System.

4

- Q31.** State any four limitations of Single Entry System. **4**
- Q32.** If 'Adjusted Purchases' and 'Closing Stock' are given in the Trial Balance, will you transfer 'Closing Stock' to the trading account? Explain briefly. **4**
- Q33.** Calculate Closing Stock and Cost of Goods sold: Opening Stock ₹ 5,000; sales ₹ 16,000; Carriage Inwards ₹1,000; Sales Returns ₹ 1,000; Gross profit ₹ 6,000; Purchases ₹10,000; Purchase Returns ₹ 900. **6**
- Q34.** From the following Trial Balance, prepare the Trading Account and Profit & Loss Account for the year ended 31st March, 2016 and the Balance sheet as at date: **6**

PARTICULARS	₹	PARTICULARS	₹
Debit Balances:		Rent, Rates and Taxes	800
Sundry Debtors	1,500	Salaries	2,000
Stock	5,000	Drawing	2,000
Land & Building	10,000	Purchases	10,000
Cash in Hand	1,600	Office Expenses	2,500
Cash at Bank	4,000	Plant & Machinery	5,700
Wages	3,000		
Bills Receivable	2,000	Credit Balances :	
Interest	200	Capital	25,000
Bad Debts	500	Interest	600
Repairs	300	Sundry Creditors	7,000
Furniture & Fixtures	1,500	Sales	17,000
Depreciation	1,000	Bills Payable	4,000

On 31st March, 2016 the stock was valued at ₹ 10,000.

- Q35.** Suresh started a firm on April 1, 2013 with a capital of ₹ 20,000. On 1st July, 2014 he borrowed from his wife a sum of ₹ 3,000 for business and introduced further capital of his own amounting to ₹ 3,000. On 31st March, 2014 his position was:
Cash ₹ 600: stock ₹ 9,400: Debtors ₹ 9,000: Creditors ₹6,000. Ascertain his Profit or Loss taking into account ₹ 2,000 for his drawings during the year. **6**
- Q36.** Draw a specimen of a bill of exchange. **6**

Marking Scheme
Elements of Book Keeping and Accountancy
Class-X (2015-2016)
SA II (Term II)

- Q1.** d
Q2. b
Q3. b
Q4. d
Q5. b
Q6. c
Q7. a
Q8. a
Q9. b
Q10. b
Q11. a
Q12. c
Q13. d
Q14. c
Q15. a
Q16. b
Q17. a
Q18. c
Q19.

Basis	Trading Account	Profit and Loss Account
Relation	It is a part of the Profit and Loss Account	Profit and loss is the main Account
Nature	Trading Account is prepared to ascertain Gross profit or Gross Loss.	Profit and loss Account is prepared to ascertain Net Profit or Net Loss.

Transfer of Balance	Balance of Trading Account is transferred to Profit & Loss Account.	Balance of Profit & Loss Account is transferred to Capital Account of the Proprietor.
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Q20. Closing capital = Opening Capital + Profit + additional capital introduced – Drawings **3**

$$= 1,70,000 + 1,20,000 + 20,000 - 70,000$$

$$= 3,10,000 - 70,000 = ₹ 2,40,000$$

Q21. Accounting records which are not prepared in accordance with the principles of double entry system are known as 'Incomplete Records'. Following are the two characteristics of 'Accounting from incomplete records' **3**

1. Maintenance of personal accounts only – Under this system, only personal accounts are prepared in the books and the real and nominal accounts are ignored.
2. Maintenance of Cash book – A cash book is maintained under the system, which usually mixes up business as well as private transactions of the proprietor.

(1+2) = 3

Q22. Following are the three differences between Balance Sheet and Statement of Affairs. **3**

Basis	Balance Sheet	Statement of Affairs
Object	It is prepared for ascertaining the financial position of a business	It is prepared for ascertaining the capital of a business
Value of assets and liabilities	Actual values based on ledger accounts	Values are based on estimates
Arithmetical accuracy	It is accurate	It is not always accurate

Q23. i) Total Fixed Assets = Goodwill + Land + Plant + Furniture **3**

$$= 20,000 + 20,000 + 32,000 + 8,000$$

$$= ₹ 80,000$$

ii) Total Current Assets = Stock in hand + Debtors + Prepaid Expenses

$$= 48,000 + 36,000 + 400$$

$$= ₹ 84,400$$

iii) Total Current Liabilities = Trade Creditors + Expenses Outstanding + Bank Overdraft

$$= 42,000 + 3,200 + 4,800$$

$$= ₹ 50,000$$

Q24. Statement of profit and loss for the year ended 31st March, 2015

Particulars	₹
Capital as on 1 st April 2016	32,800
Add: Drawings made during the year	10,800
Less: Capital introduced on 1 st August, 2015	5,000
Adjusted capital on 1 st April, 2016	38,600
Less: Capital on 1 st April 2015	30,000
Profit made during the year	8,600

3

Q25. Bill of Exchange:

A bill of exchange is an instrument in writing containing an unconditional order signed by the maker, directing a certain person to pay a certain sum of money only to, or to the order of, a certain person or to the bearer of the instrument for value received. 1

Any two of the following characteristics of bill of exchange:

- (i) It is a written document.
- (ii) It is drawn by the creditor upon his debtor.
- (iii) It contains an unconditional order to pay.
- (iv) The amount payable mentioned in it is certain.
- (v) It requires acceptance by the debtor (drawee) or someone else on behalf of the debtor.
- (vi) It is a negotiable instrument and its ownership can be transferred by endorsement and delivery.
- (vii) It must be dated and stamped as per the provisions of the Indian Stamps Act.
- (viii) It must be duly presented by its holder to the acceptor on the date of maturity during business hours.

$$1 \times 2 = 2$$

$$1 + 2 = 3$$

Q26. a) Dishonour of a bill – When the acceptor of the bill refuses to pay the amount of the bill on the date of maturity or becomes insolvent, it is called dishonour of the bill.

b) Noting charges – To establish the fact that the bill was properly presented and dishonored, the bill is usually handed over to a person called 'Notary public'. The notary public charges a small fee for the services rendered by him, which is called 'Noting charges'.

c) Discounting of bill – Discounting means encashing the bill before the

date of its maturity or borrowing from the bank on the security of the bill. Bank deducts a certain amount of discount from the face value of the bill

d) Endorsement of bill of exchange: Endorsement of bill of exchange means transferring the ownership of bill of exchange by its holder in favour of his creditor. Since a bill of exchange is a negotiable instrument, its ownership can be transferred by endorsement. Endorsement is done by writing at the back of the bill of exchange the name of the person in whose favour the ownership is being transferred and it is signed by the holder.

Q27. Following are the objectives of preparing financial statements:

- a. To determine the net profit or net loss
- b. Ascertaining financial position
- c. Comparison with previous year
- d. Calculating Accounting Ratios
- e. Maintaining Reserves or any other Objective 1 X 4 = 4

Q28. Sales ₹ 1,00,000 , Purchases ₹ 50,000

Sales Return ₹ 5,000 , Purchase Return ₹ 8,000

Net Sales = Sales – Sales Return
= 1,00,000 – 5,000
₹ 95,000

Net Purchases= Purchases –Purchase Return
= 50,000 – 8,000 = ₹ 42,000

4

- Q29.**
- a. **Helpful in the purchase and sale of goods on credit** – A bill of exchange serves as a written evidence of debt. It is a proof that the purchaser of goods owes the amount written in it.
 - b. **Legal Document** – It is a valid document in the eyes of law. If the drawee fails to make its payment, it would be easier to recover the amount legally in comparison to a verbal promise.
 - c. **Relief from sending reminders:** - The seller need not approach the purchaser for payment because the date of payment is fixed and written on the bill of exchange
 - d. **Endorsement possible** – A bill of exchange can be easily transferred from one person to another in settlement of debts as it is a negotiable instrument. 1 X 4 = 4

Q30. Following are the four advantages of Single Entry System of Accounting:

- a. **Simple Method** – It is an easy and simple method of recording business transactions because it does not require any special knowledge of the principles of double entry system
- b. **Less expensive** – Maintaining records under single entry system is less expensive as compared to double entry system
- c. **Suitable for small concerns** : This method is most suitable to small business concerns which have mostly cash transactions and very few assets and liabilities
- d. **Easy to calculate profit or loss**: It is easier to calculate profit and loss under this method (1x4= 4)

Q31. Following are the four limitations of Singly Entry System **4**

- a. Preparation of Trial balance is not possible
- b. True profit or loss cannot be ascertained
- c. Difficulty in preparing balance sheet
- d. No control on assets

(or any other disadvantages 1x4 = 4)

Q32. No, Closing Stock will not be transferred to Trading Account because it already stands credited to Trading Account as adjusted purchases means Opening Stock + Purchases - Closing Stock.

The amount in the 'Adjusted Purchases Account' is shown on the debit side of the Trading Account and the amount of closing stock on the assets side of the Balance Sheet. **4**

Q33. Cost of Goods Sold = Net Sales (Sales-Sales Return) – Gross Profit **6**
 = ₹ 15,000 – ₹ 6,000
 = ₹ 9,000

Alternatively
 TRADING ACCOUNT
 for the year ended.....

PARTICULARS	₹	PARTICULARS	₹
To Opening Stock	5,000	By Sales 16,000	
To Purchases 10,000		Less: Return 1,000	15,000
Less: Return 900	9,100		
To Carriage Inwards	1,000		
To Gross Profit	6,000	By Closing Stock (Bal. Fig)	6,100
	21,100	-	21,100

Q34.

TRADING ACCOUNT

For the year ended 31st March, 2016

PARTICULARS	₹	PARTICULARS	₹
To Opening Stock	5,000	By Sales	17,000
To Purchases	10,000	By Closing Stock	10,000
To Wages	3,000		
To Gross Profit			
Transferred to Profit & Loss A/c	9,000		
	27,000		27,000

Profit & Loss Account
for the year ended 31st March, 2016

PARTICULARS	₹	PATICULARS	₹
To Interest	200	By Gross Profit transferred from Trading A/c	9,000
To Bad Debts	500	By Interest	600
To Repairs	300		
To Depreciation	1,000		
To Rent, Rates & Taxes	800		
To Salaries	2,000		
TO Office expenses	2,500		
To Net Profit transferred to Capital A/c	2,300		
	9,600		9,600

BALANCE SHEET
As at 31st March, 2016

Liabilities	Assets	₹	₹
CURRENT LIABILITIES		CURRENT ASSETS	
Sundry Creditors	7,000	Cash in Hand	1,600
Bills Payable	4,000	Cash at Bank	4,000
		Bills Receivable	2,000
CAPITAL		Sundry Debtors	1,500
Opening Balance		Stock	10,000
25,000			
Less: Drawings <u>2,000</u>		FIXED ASSETS	
23,000		Furniture & Fixtures	1,500
Add: Net Profit <u>2,300</u>		Plant & Machinery	5,700
	25,300	Land & Building	10,000
	36,300		36,300

Q35.

Statement of affairs
as at 31st March 2014

Liabilities	₹	Assets	₹
Creditors	6000	Cash	600
Mrs. Sanjay's Loan	3000	Stock	9400
Capital	10,000	Debtors	9000
	19,000		19,000

Statement of profit and loss
for the year ended 31st March, 2014

Particulars	₹
Less Capital at the end capital introduced during the year	10,000 3,000 7000
Add Drawing	2000
Adjusted capital at the end	9000
Less Capital at the beginning	20000
Not less for the year	11,000

2+4=6

Q36.

SPECIMEN OF A BILL OF EXCHANGE

₹ 20,000	Delhi, June 9, 2016
Stamp	
	Three months after date pay Gyan Chand or order the sum of Rupees Twenty Thousand only.
To Shri Niranjn Prakash Mukherji Nagar, Delhi	Ramesh Kumar

Elements of Book Keeping and Accountancy (Code 254)

Class X (2016-17)

S. No.	Typology of Questions	1 Mark Questions	3 Mark Questions	4 Mark Questions	6 Mark Questions	Total
1	Remembering	5, 6, 9, 12, 13, 14, 15, 18	19, 21	27	33	12
2	Understanding	1, 2, 3, 10, 16, 17	23, 25, 26	28	36	11
3	Application	7	20, 22, 24	29, 30	34	7
4	H O T S	8, 11		32	35	4
5	Evaluation	4		31		2
	Total	18	8	6	4	36

Elements of Book Keeping and Accountancy (Code
254)

Class X (2016-17)

Blue Print

S. No.	Name of Unit	1 Mark Questions	3 Mark Questions	4 Mark Questions	6 Mark Questions	Total
1	Bills of Exchange	17, 18	25, 26	29	36	6
2	Final Accounts	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	19, 23	27, 32	33, 34	16
3	Incomplete Records	11, 12, 13, 14, 15, 16	20, 21, 22, 24	28, 30, 31	35	14
	Total	18	8	6	4	36