

**ELEMENTS OF BOOK-KEEPING AND ACCOUNTANCY (254)**  
**MARKING SCHEME 2020-21**  
**CLASS X**

Q. No.	QUESTIONS	Marks
1	c. Deferred Revenue Expenditure	1
2	b. ₹ 4,48,000	1
3	d. Crossed cheque  OR  b. Drawer	1
4	c. Plant and Machinery  OR  c. Fluctuation in prices	1
5	b. Cash Book	1
6	c. ₹ 23,675	1
7	a. Sales – Gross Profit	1
8	c. Bank Book	1
9	d. ₹49,000	1
10	c. ₹3,28,000	1
11	d. 14 <sup>th</sup> August,2019	1
12	d. ₹24,900	1
13	d. Closing statement of Affairs	1
14	b. Trial Balance	1
15	a. ₹70,000	1
16	b. ₹2,20,000	1
17	b. Non-cash expenditure	1
18	c. Trading Account	1
19	Deferred Revenue Expenditure is that expenditure that is revenue in nature but the benefit of which extends beyond the accounting year in which it is incurred.	3

	<p>Example of Deferred Revenue Expenditure: Renovation of cinema mall.</p> <p style="text-align: center;">OR</p> <p>(a) Purchase of a fixed asset</p> <p>(b) Construction of building</p> <p>(c) Custom duty paid on import of a machinery</p>	<p>1</p> <p>1</p> <p>1</p>																																																												
20	<p>Causes of differences between balance as per the Cash book and as per Pass book:</p> <p>(a) Cheques issued but not yet presented for payment.</p> <p>(b) Interest received by the bank</p> <p>(c) Cheque deposited into the bank but not yet collected by the bank.</p>	<p>1</p> <p>1</p> <p>1</p>																																																												
21	<p style="text-align: center;"><b>Books of Hemant</b></p> <p style="text-align: center;"><b>Journal</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 50%;">Particulars</th> <th style="width: 5%;">L.F</th> <th style="width: 15%;">Dr.</th> <th style="width: 15%;">Cr.</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>March,25</td> <td>Purchases A/c</td> <td></td> <td>10,000</td> <td></td> </tr> <tr> <td></td> <td style="padding-left: 40px;">Dr.</td> <td></td> <td></td> <td>10,000</td> </tr> <tr> <td>March,25</td> <td>To Samarth ( Being goods purchased from Samarth)</td> <td></td> <td>10,000</td> <td></td> </tr> <tr> <td></td> <td style="padding-left: 40px;">Samarth'sA/c</td> <td></td> <td></td> <td>10,000</td> </tr> <tr> <td></td> <td style="padding-left: 40px;">Dr.</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="padding-left: 40px;">To Bills Payable A/c (Being acceptance given to Samarth)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>May, 28</td> <td>BillsPayableA/c</td> <td></td> <td>10,000</td> <td></td> </tr> <tr> <td></td> <td style="padding-left: 40px;">Dr.</td> <td></td> <td></td> <td>10,000</td> </tr> <tr> <td></td> <td style="padding-left: 40px;">To Bank A/c (Being acceptance met on maturity)</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p style="text-align: center;">OR</p> <p>The bills of exchange as instruments of credit are used frequently in business because of the following advantages:</p> <p><b>(a) Framework for relationships:</b></p> <p>A bill of exchange represents an instrument, which provides a framework for</p>	Date	Particulars	L.F	Dr.	Cr.	2019					March,25	Purchases A/c		10,000			Dr.			10,000	March,25	To Samarth ( Being goods purchased from Samarth)		10,000			Samarth'sA/c			10,000		Dr.					To Bills Payable A/c (Being acceptance given to Samarth)				May, 28	BillsPayableA/c		10,000			Dr.			10,000		To Bank A/c (Being acceptance met on maturity)									<p>1</p> <p>1</p> <p>1</p> <p>1x3</p>
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	<p>enabling the credit transaction between the seller/creditor and buyer/debtor on an agreed basis.</p> <p><b>(b) Certainty of terms and conditions:</b></p> <p>The creditor knows the time when (s)he would receive the money so also debtor is fully aware of the date by which (s)he has to pay the money. This is due to the fact that terms and conditions of the relationships between debtor and creditor such as amount required to be paid; date of payment; interest to be paid, if any, place of payment are clearly mentioned in the bill of exchange.</p> <p><b>(c) Convenient means of credit:</b></p> <p>A bill of exchange enables the buyer to buy the goods on credit and pay after the period of credit. However, the seller of goods even after extension of credit can get payment immediately either by discounting the bill with the bank or by endorsing it in favour of a third party.</p>																					
22	<p>Following are the limitations of incomplete records:</p> <p>a) As double entry system is not followed, a trial balance cannot be prepared.</p> <p>b) Correct ascertainment and evaluation of financial result of business operations cannot be made.</p>	<p>1 ½</p> <p>1 ½</p>																				
23	<p><b>Books of Suraj Journal</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>L.F</th> <th>Dr</th> <th>Cr</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>July 1</td> <td>                     Bills Receivable A/c          Dr                                                          To Kartik's A/c                      (Received Kartik's acceptance payable after three months)                 </td> <td></td> <td style="text-align: right;">60,000</td> <td style="text-align: right;">60,000</td> </tr> <tr> <td>July 1</td> <td>                     Bank A/c                              Dr                      Discount A/c                      Dr                                                          To Bills Receivable A/c                      (Kartik's acceptance discounted with the bank @12% p.a.)                 </td> <td></td> <td style="text-align: right;">58,200 1,800</td> <td style="text-align: right;">60,000</td> </tr> </tbody> </table>	Date	Particulars	L.F	Dr	Cr	2019					July 1	Bills Receivable A/c          Dr To Kartik's A/c (Received Kartik's acceptance payable after three months)		60,000	60,000	July 1	Bank A/c                              Dr Discount A/c                      Dr To Bills Receivable A/c (Kartik's acceptance discounted with the bank @12% p.a.)		58,200 1,800	60,000	<p>1</p> <p>1</p>
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<b>Date</b>	<b>Particulars</b>	<b>L.F</b>	<b>Dr</b>	<b>Cr</b>							
July 1, 2019	Suraj's A/c Dr To Bills Payable A/c (Accepted Suraj's bill )		60,000	60,000	1						
Oct 4, 2019	Bills Payable A/c Dr To Bank A/c ( Met acceptance of Suraj's bill)		60,000	60,000	1						
24	<p>Following points of distinction between capital expenditure and revenue expenditure :</p> <p>(a) Capital expenditure increases earning capacity of business whereas revenue expenditure is incurred to maintain the earning capacity.</p> <p>(b) Capital expenditure is incurred to acquire fixed assets for operation of business whereas revenue expenditure is incurred on day-to-day conduct of business.</p> <p>(c) Revenue expenditure is generally recurring expenditure and capital expenditure is non-recurring by nature.</p> <p>(d) Capital expenditure benefits more than one accounting year whereas revenue expenditure normally benefits one accounting year.</p>				4						
25	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;"><b>Basis of Difference</b></th> <th style="width: 35%;"><b>Straight Line Method</b></th> <th style="width: 30%;"><b>Written Down Value Method</b></th> </tr> </thead> <tbody> <tr> <td>Basis of charging depreciation</td> <td>Original Cost</td> <td>Book Value i.e. original cost less depreciation charged till date. In this</td> </tr> </tbody> </table>				<b>Basis of Difference</b>	<b>Straight Line Method</b>	<b>Written Down Value Method</b>	Basis of charging depreciation	Original Cost	Book Value i.e. original cost less depreciation charged till date. In this	1
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Basis of charging depreciation	Original Cost	Book Value i.e. original cost less depreciation charged till date. In this									

			method, depreciation declines year after year	
	Annual depreciation charge	Fixed (Constant) year	Declines year after year	1
	Total charge against profit and loss account respect of depreciation and repairs	Unequal year after year. It increases in later years.	Almost equal every year	1
	Recognition by Income Tax law	Not recognised	Recognised	1
Or				
Written down value method has the following advantages:				
(a) This method is based on a more realistic assumption that the benefits from asset go on diminishing (reducing) with the passage of time. Hence, it calls for proper allocation of cost because higher depreciation is charged in earlier years when asset's utility is higher as compared to later years when it becomes less effective.				
(b) It results into almost equal burden of depreciation and repair expenses taken together every year on profit and loss account.				
(c) Income Tax Act accepts this method for tax purposes.				
(d) As a large portion of cost is written-off in earlier years, loss due to obsolescence gets reduced.				
26	Bank Reconciliation Statement of Misha Ice Cream Parlours as on 31 <sup>st</sup> March 2019			
	PARTICULARS	PLUS ITEMS	MINUS ITEMS	
	Debit balance as per Cash Book	40,000		½
	Cheque deposited but not cleared		10,000	1
	Cheques issued but not cleared	700		1
	Balance as per pass book		30,700	½
		40,700	40,700	

27	Balance Sheet of M/s Shreya as at 31.03.2020			4																																
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30	Statement of Affairs (as on 31-03-19)																																																																	
	LIABILITIES	Amount	ASSETS	Amount																																																														
	Sundry Creditors	29,000	Cash	20,000		1 ½																																																												
	Bills Payable	5,000	Sundry Debtors	78,000																																																														
	Opening Capital (Bal. Figure)	2,72,000	Stock	68,000																																																														
			Machinery	1,40,000																																																														
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	Sundry Creditors	29,000	Cash	18,000		1 ½																																																												
	Bills Payable	10,000	Sundry Debtors	90,000																																																														
	Closing Capital (Bal. Figure)	2,63,000	Stock	64,000																																																														

		Machinery	1,30,000
	3,02,000		3,02,000

Statement of Profit and Loss	
As on 31-03-2020	
Particulars	Amount
Closing Capital	2,63,000
add: Drawings (4,000x12)	48,000
less: Additional Capital	15,000
less: Opening Capital	2,72,000
Profit Earned During The Year	24,000

OR

BASIS FOR COMPARISON	SINGLE ENTRY SYSTEM	DOUBLE ENTRY SYSTEM
Meaning	The system of accounting in which only one sided entry is required to record financial transactions is Single Entry System.	The accounting system, in which every transaction affects two accounts simultaneously, is known as the Double Entry System.
Nature	Simple	Complex
Type of recording	Incomplete	Complete
Errors	Hard to identify	Easy to locate
Ledger	Personal and Cash Account	Personal, Real and Nominal Account
Preferable for	Small Enterprises	Big Enterprises
Suitable for tax purposes	No	Yes

2

1x5



31

Trading A/c  
as on 31.03.2018

Dr.

Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
Opening Inventory	50,000	Sales 12,03,700 (-) Return <u>(700)</u>	12,03,000
Purchase 8,15,000 Less Returns <u>(5,000)</u>	8,10,000	Closing Stock	20,000
Gross profit transferred to Profit and loss account	3,63,000		
	12,23,000		12,23,000

1 ½

Profit and Loss A/c  
as on 31.03.2018

Dr

Cr

Particulars	Amount (₹)	Particulars	Amount (₹)
Salaries and Wages	35,000	Gross profit transferred from Trading Account	363,000
Bad Debt	7,800	Rent received	13,400
Net Profit transferred to Capital account	3,33,600		
	<b>3,76,400</b>		<b>3,76,400</b>

1 ½

Balance Sheet  
as on 31.03.2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital 2,40,000 Net Profit+ <u>333,600</u>	573,600	Debtors	1,28,000
Creditors	3,44,800	Patents	35,000
Bank Loan	2,00,000	Machinery	4,50,000
		Cash at Bank	485,400
		Closing Stock	20,000
	<b>11,18,400</b>		<b>11,18,400</b>

2

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