

**ELEMENTS OF BOOK-KEEPING AND ACCOUNTANCY (254)**

**SAMPLE QUESTION PAPER 2020-21**

**CLASS X**

**MM – 70**

**TIME: 3 HOURS**

**General Instructions:**

<b>1</b>	<b>This question paper contains 30 questions.</b>
<b>2</b>	<b>Marks are indicated against each question.</b>
<b>3</b>	<b>There are two Case Based Questions (CBQ's).</b>
<b>4</b>	<b>Answers should be brief and to the point.</b>
<b>5</b>	<b>Workings to the answers should be given clearly.</b>

<b>Q.No</b>	<b>QUESTIONS</b>	<b>Marks</b>
1	Heavy expenditure undertaken on the advertisement for brand building at the time of launch of a product by a company is ____ (Choose the correct alternative) a. Revenue Expenditure b. Capital Expenditure c. Deferred Revenue Expenditure d. Statement of financial position	1
2	A new machine was imported by Nishtha Ltd. from South Korea for ₹7,00,000 and 20% p.a. depreciation is charged as per reducing balance method. The book value of the machine at the end of the second year would be _____ (Choose the correct alternative) a. ₹ 4,84,000 b. ₹ 4,48,000 c. ₹ 4,64,000 d. ₹4,72,000	1
3	_____ is not a negotiable instrument. (Choose the correct alternative)	

	<p>a. Bills of exchange b. Promissory Note c. Bearer cheque d. Crossed cheque</p> <p style="text-align: center;">OR</p> <p>Maker of the bill is also known as _____ (Choose the correct alternative)</p> <p>a. Bill Receivable b. Drawer c. Drawee d. Reserve</p>	1
4	<p>Depreciation is charged on which of the following? (Choose the correct alternative)</p> <p>a. Land b. Sales c. Plant and Machinery d. Capital</p> <p style="text-align: center;">OR</p> <p>_____ is not a cause of depreciation. (Choose the correct alternative)</p> <p>a. Wear and Tear b. Obsolescence c. Fluctuation in prices d. Efflux of time</p>	1
5	<p>Bank Reconciliation Statement is the comparison of the bank statement with:</p> <p style="text-align: right;">(Choose the correct alternative)</p> <p>a. Trading Account b. Cash Book c. Statement of Affairs d. Sales Book</p>	1
6	<p>Credit balance as Cash book as on 31<sup>st</sup> March, 2020 is ₹ 30,750. The bank has debited ₹ 700 as bank charges and has credited ₹ 7,775 on account of interest.</p>	

	<p>Balance as per pass book should be _____ (Choose the correct alternative)</p> <p>a. ₹26,475 b. ₹24,475 c. ₹ 23,675 d. ₹ 16,500</p>	1																																												
7	<p>Cost of goods sold is equal to _____. (Choose the correct alternative)</p> <p>a. Sales – Gross Profit b. Sales + Gross Profit c. Sales + Net Profit d. Sales – Net profit</p>	1																																												
<p><b>Read the following text and answer question (8-10) on the basis of the same:</b></p> <p>Gopi Chand started with the manufacturing unit of Solar Charkha in February 2018 and was nominated by the ruling government under Make in India awards. Gopi Chand wants to set up another unit in a nearby village and purchase land for premises there too. Given below is Trial Balance of Gopi Chand as at 31st March 2020.</p> <p style="text-align: center;"><b>Trial Balance as at 31st March 2020</b></p> <table border="1" data-bbox="261 1043 1235 1709"> <thead> <tr> <th>Debit Balance</th> <th>Amount (₹)</th> <th>Credit Balance</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Opening Stock</td> <td>50,000</td> <td>Capital</td> <td>1,70,000</td> </tr> <tr> <td>Purchases</td> <td>80,000</td> <td>Sundry Creditors</td> <td>44,000</td> </tr> <tr> <td>Office furniture</td> <td>35,000</td> <td>Bank Loan</td> <td>1,00,000</td> </tr> <tr> <td>Depreciation on furniture</td> <td>7,000</td> <td>Sales</td> <td>1,04,000</td> </tr> <tr> <td>Advertisement Expenses</td> <td>10,000</td> <td></td> <td></td> </tr> <tr> <td>Salary</td> <td>14,000</td> <td></td> <td></td> </tr> <tr> <td>Telephone Expenses</td> <td>4,000</td> <td></td> <td></td> </tr> <tr> <td>Cash at Bank</td> <td>18,000</td> <td></td> <td></td> </tr> <tr> <td>Land and Building</td> <td>2,00,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">----- <b>4,18,000</b> =====</td> <td></td> <td style="text-align: center;">----- <b>4,18,000</b> =====</td> </tr> </tbody> </table> <p><b>Additional Information:</b> 1. Closing stock at the end of year 2020 is ₹ 75,000.</p>			Debit Balance	Amount (₹)	Credit Balance	Amount (₹)	Opening Stock	50,000	Capital	1,70,000	Purchases	80,000	Sundry Creditors	44,000	Office furniture	35,000	Bank Loan	1,00,000	Depreciation on furniture	7,000	Sales	1,04,000	Advertisement Expenses	10,000			Salary	14,000			Telephone Expenses	4,000			Cash at Bank	18,000			Land and Building	2,00,000				----- <b>4,18,000</b> =====		----- <b>4,18,000</b> =====
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8	<p>Which of the following is not a financial statement prepared by a sole trader? (Choose the correct alternative)</p> <p>a) Profit and Loss Account b) Trading Account c) Bank Book d) Balance Sheet</p>	1
9	<p>Trading profit for Gopi Chand will be (Choose the correct alternative)</p> <p>a) ₹ 39,000 b) (₹24,000) c) ₹ 99,000 d) ₹ 49,000</p>	1
10	<p>Total of Liabilities side for Gopi Chand's business will be _____ (Choose the correct alternative)</p> <p>a) ₹3,32,000 b) ₹4,18,000 c) ₹3,28,000 d) ₹3,10,000</p>	1
11	<p>On 12<sup>th</sup> July, 2019 a bill of exchange was drawn by Mr X on Mr Y for one month. The date of its maturity of the will be _____. (Choose the correct alternative)</p> <p>a. 13<sup>th</sup> August, 2019 b. 16<sup>th</sup> August, 2019 c. 15<sup>th</sup> August, 2019 d. 14<sup>th</sup> August, 2019</p>	1
12	<p>As on 31<sup>st</sup> March 2020, debit balance as per cash book of Mr. Singh stood at ₹ 20,000. Cheques worth ₹ 2,600 deposited in bank, could not get cleared due to public holidays and issued cheques could also not be presented by creditors ₹ 7500. In the light of the given conditions, which of the following would be the correct balance as per pass book? (Choose the correct alternative)</p>	1

	<p>a. ₹ 22,600</p> <p>b. ₹22,750</p> <p>c. ₹22,940</p> <p>d. ₹24,900</p>													
	<p><b>Read the following text and answer question (13-16) on the basis of the same:</b></p> <p>Henry used to run a plumbing business, due to Covid 19 he could not afford to pay rent for his shop hence he now operates the same from his home. He has extracted the following information from his books</p> <table border="1" data-bbox="293 607 1206 1077"> <thead> <tr> <th>Particulars</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Capital in the beginning of the year (April 1, 2019)</td> <td>2,00,000</td> </tr> <tr> <td>Capital at the end of the year ( March 31, 2020)</td> <td>2,20,000</td> </tr> <tr> <td>Drawings made during the year</td> <td>50,000</td> </tr> <tr> <td>Loose tools</td> <td>20,000</td> </tr> <tr> <td>Sundry Debtors</td> <td>30,000</td> </tr> </tbody> </table>	Particulars	Amount (₹)	Capital in the beginning of the year (April 1, 2019)	2,00,000	Capital at the end of the year ( March 31, 2020)	2,20,000	Drawings made during the year	50,000	Loose tools	20,000	Sundry Debtors	30,000	
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13	<p>The capital at the end of accounting year is ascertained by preparing: -</p> <p>(Choose the correct alternative)</p> <p>a. Total debtors account</p> <p>b. Profit and loss account</p> <p>c. Total creditors account</p> <p>d. Closing statement of Affairs</p>	1												
14	<p>From incomplete records it is not possible to prepare:</p> <p>(Choose the correct alternative)</p> <p>a. Statement of affairs</p> <p>b. Trial Balance</p> <p>c. Statement of profit and loss</p> <p>d. Bank Reconciliation Statement</p>	1												

15	Profit for Henry for the Financial Year 2019-20 will be _____ (Choose the correct alternative)  a. ₹70,000 b. ₹50,000 c. ₹20,000 d. ₹2,20,000	1
16	Total of Statement of Affairs as on 31st March 2020 for Henry will be (Choose the correct alternative)  a. ₹2,00,000 b. ₹2,20,000 c. ₹50,000 d. ₹2,70,000	1
17	Depreciation is a _____ because it does not involve any cash outflow. (Choose the correct alternative)  a. Cash expenditure b. Non-cash expenditure c. Capital expenditure d. Deferred revenue expenditure	1
18	Freight Inward is shown in _____. (Choose the correct alternative)  a. Profit and Loss Account b. Profit and Loss Appropriation Account c. Trading Account d. Balance Sheet	1
19	Explain the term Deferred Revenue Expenditure with the help of an example.  OR Give any three examples of Capital expenditure.	3
20	State any three causes of difference in balance as per Cash book as per Pass book.	3

21	<p>Samarth sold goods for ₹ 10,000 to Hemant on 25<sup>th</sup> March, 2019. On the same date, Hemant sent his promissory note for the amount payable, after 2 months. On the due date, the bill was met. Give journal entries in the books of Hemant.</p> <p style="text-align: center;">OR</p> <p>State any three advantages of bill of exchange.</p>	3  3												
22	State any two limitations of Incomplete Record System.	3												
23	<p>Suraj received from Kartik an acceptance for 60,000 on 1st July, 2019 at 3 months. Suraj got this acceptance discounted @12% p.a. at his bank. On the due date, Kartik paid the required amount. Give the Journal entries in the books of Suraj and Kartik.</p>	4												
24	State any four points of distinction between Capital and Revenue Expenditure.	4												
25	<p>Distinguish between Straight line method and Diminishing Balance method.</p> <p style="text-align: center;">Or</p> <p>State any four merits of Written down value method.</p>	4  4												
26	<p>Prepare Bank Reconciliation Statement of Misha Ice Cream Parlours as on 31<sup>st</sup> March, 2019:</p> <table border="1" data-bbox="304 1122 1193 1339"> <thead> <tr> <th>S.No.</th> <th>Particulars</th> <th>Amount (in ₹)</th> </tr> </thead> <tbody> <tr> <td>(a)</td> <td>Debit balance as per Cash Book</td> <td>40,000</td> </tr> <tr> <td>(b)</td> <td>Cheques deposited but not cleared</td> <td>10,000</td> </tr> <tr> <td>(c)</td> <td>Cheques issued but not cleared</td> <td>700</td> </tr> </tbody> </table>	S.No.	Particulars	Amount (in ₹)	(a)	Debit balance as per Cash Book	40,000	(b)	Cheques deposited but not cleared	10,000	(c)	Cheques issued but not cleared	700	4
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27	<p>From the following information extracted from the books of M/s Sherya, prepare a Balance sheet as on 31-03-2020. During the year ended 31-03-2020 M/s Sherya earned a net profit of ₹1,00,000. The Position of assets and liabilities on 31-03-2020 was as follows :</p> <table border="1" data-bbox="260 1570 1238 1727"> <tbody> <tr> <td>Cash in hand ₹2,00,000</td> <td>Investment ₹1,20,000</td> <td>Cash at bank ₹ 4,00,000</td> </tr> <tr> <td>Land and Building ₹4,80,000</td> <td></td> <td>Debtors ₹ 1,00,000</td> </tr> <tr> <td>Capital ₹16,50,000</td> <td>Stock ₹ 7,00,000</td> <td>Bank overdraft ₹2,50,000;</td> </tr> </tbody> </table>	Cash in hand ₹2,00,000	Investment ₹1,20,000	Cash at bank ₹ 4,00,000	Land and Building ₹4,80,000		Debtors ₹ 1,00,000	Capital ₹16,50,000	Stock ₹ 7,00,000	Bank overdraft ₹2,50,000;	4			
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Capital ₹16,50,000	Stock ₹ 7,00,000	Bank overdraft ₹2,50,000;												

28	<p>From the following particulars of Vansh Brothers, prepare a bank reconciliation statement on March 31,2019</p> <table border="1" data-bbox="263 268 1157 593"> <thead> <tr> <th></th> <th>Particulars</th> <th>Amount (in ₹)</th> </tr> </thead> <tbody> <tr> <td>(a)</td> <td>Overdraft as per passbook</td> <td>25,200</td> </tr> <tr> <td>(b)</td> <td>Insurance premium paid by the bank</td> <td>2,500</td> </tr> <tr> <td>(c)</td> <td>Interest on overdraft</td> <td>1,500</td> </tr> <tr> <td>(d)</td> <td>Cheque deposited but not yet cleared</td> <td>8,100</td> </tr> <tr> <td>(e)</td> <td>Amount wrongly debited by bank</td> <td>2,000</td> </tr> </tbody> </table>		Particulars	Amount (in ₹)	(a)	Overdraft as per passbook	25,200	(b)	Insurance premium paid by the bank	2,500	(c)	Interest on overdraft	1,500	(d)	Cheque deposited but not yet cleared	8,100	(e)	Amount wrongly debited by bank	2,000	5						
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29	<p>Netra enterprises purchased a Machinery on 1<sup>st</sup> January,2010 for ₹ 1,50,000 and spent ₹ 10,000 on its erection . Show the Machinery account for three years, if the accounts are closed on 31<sup>st</sup> December every year. The depreciation is to be charged @10% p.a. on original cost method.</p>	5																								
30	<p>Following is the position statement of Md Irfan (who maintains his accounts in incomplete system) as on 31-03-2019 and 31-03-2020.</p> <table border="1" data-bbox="454 952 1045 1366"> <thead> <tr> <th>Particulars</th> <th>31-03-2019</th> <th>31-03-2020</th> </tr> <tr> <td></td> <th>Amount in ₹</th> <th>Amount in ₹</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>20,000</td> <td>18,000</td> </tr> <tr> <td>Sundry Debtors</td> <td>78,000</td> <td>90,000</td> </tr> <tr> <td>Stock</td> <td>68,000</td> <td>64,000</td> </tr> <tr> <td>Machinery</td> <td>1,40,000</td> <td>1,30,000</td> </tr> <tr> <td>Sundry Creditors</td> <td>29,000</td> <td>29,000</td> </tr> <tr> <td>Bills Payable</td> <td>5,000</td> <td>10,000</td> </tr> </tbody> </table> <p>During 2019-20, he introduced ₹15,000 as new capital and withdrew ₹ 4,000 per month for his personal use. Ascertain his profit for the year ending 31-03-2020.</p> <p style="text-align: center;">OR</p> <p>Distinguish between Double entry and Single Entry system of accounting.</p>	Particulars	31-03-2019	31-03-2020		Amount in ₹	Amount in ₹	Cash	20,000	18,000	Sundry Debtors	78,000	90,000	Stock	68,000	64,000	Machinery	1,40,000	1,30,000	Sundry Creditors	29,000	29,000	Bills Payable	5,000	10,000	5
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31	<p>Prepare Trading and Profit and Loss account for M/s Solar Charkha Makers from the following information for the year ending 31-03-2019 when Closing stock is valued at 20,000.</p>	5																								



Trial Balance as on 31.3. 2018

Name of Account	Debit Balance (₹)	Credit Balance (₹)
Opening Inventory	50,000	-----
Purchase and Sales	8,15,000	12,03,700
Returns	700	5,000
Rent Received	-----	13,400
Debtors and Creditors	1,28,000	3,44,800
Capitals	-----	2,40,000
Salaries and Wages	35,000	-----
Bad Debts	7,800	-----
Patents	35,000	-----
Machinery	4,50,000	-----
Bank Loan	-----	2,00,000
Cash at Bank	485,400	-----
	<hr style="width: 100%;"/> <b>20,06,900</b> <hr style="width: 100%;"/>	<hr style="width: 100%;"/> <b>20,06,900</b> <hr style="width: 100%;"/>