

M.M. : 80

CLASS-XI
ACCOUNTANCY (055)

Marking Scheme/Hints to Solution

[Note : Any other relevant answer, not given herein but given by the candidate be suitably rewarded.]

S. No.	Value Points/Key Points	Marks Allotted to each value point/key point	Total Marks
Part-A			
1.	B – Principle based accounting standards	1	1
2.	B – Indirect tax	1	1
3.	D – Donation of goods	1	1
4.	Objective of Accounting Calculation of Profit or Loss	1	1
OR			
	Objective of Accounting : Depreciation of Financial Position of the firm	1	
5.	A – Both A and R are correct and R is the correct explanation of A.	1	1
OR			
	B – Both A and R are correct but R is not the correct explanation of A.	1	
6.	A An Ice Cream seller sold his Deep-Freezer having a book value ₹ 10,000 for cash ₹ 11,000 and earned a profit of ₹ 1000	1	1
7.	B – Receipt	1	1

8.

Debit Voucher

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Received ₹	Sh. Arihant Traders	
	Address : _____	
Revenue Affix	Voucher No. : _____	Date : _____
	Amount (₹)	
	Debit	
	Rent a/c	5,000
	Total	5,000
Paid Cash/Cheque No. _____		dt. _____
Sd/- _____		Sd/- _____
Manager		Accountant

9.

Difference between

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Basis	Trade Discount	Cash Discount
Objective	It is generally allowed to the resellers to enable them to earn profits even if they sell the goods at list price.	It is allowed to encourage prompt payment.

10.

B a-3, b-2, c-4, d-1

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11.

B. ₹ 3,400

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12.

Journal

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Date	Particulars	L.F.	Dr. Amount ₹	Cr. Amount ₹
	Charity A/c Dr.		560	
	To Purchases A/c			500
	To Input CGST A/c			30
	To Input SGST A/c			30
	(Goods given as charity and input CGST and input SGST reversed @ 6%)			

Working Note :

$$\text{Value of Purchase} = 560 \times \frac{100}{112} = 500$$

OR

Journal

Date	Particulars	L.F.	Dr. Amount ₹	Cr. Amount ₹	
	Furniture A/c Dr.		40,000		
	Input IGST A/c Dr.		4,800		
	To Bank A/c			44,800	
	(Furniture purchased and IGST paid @ 12%)				

Working note :

$$\text{Value of Furniture} = 4,800 \times \frac{100}{12} = 40,000$$

- | | | | |
|-----|--|---|---|
| 13. | A. ₹ 21,500 | 1 | 1 |
| | OR | | |
| | D. ₹ 40,000 | 1 | |
| 14. | B. Only statement 2 is true and statement 1 is false. | 1 | 1 |
| | OR | | |
| | A. Both A and R are correct and R is the correct explanation of A. | | |
| 15. | C. ₹ 800 | 1 | 1 |
| | OR | | |
| | D. Unintentional mistakes | 1 | |
| 16. | Capital ₹ 10,00,000 | 1 | |
| | Sales = ₹ 10,00,000 (Cash sale ₹ 4,00,000 + Credit sale ₹ 6,00,000) | 1 | |
| | Payment by Debtor/Aayush = ₹ 6,00,000 – ₹ 5,000 (Discount)
= ₹ 5,95,000 | 1 | 3 |
| | OR | | |
| | Current Assets = Prepaid Rent ₹ 5,000 | 1 | |
| | Creditors = ₹ 15,000 – ₹ 1,000 (Purchase return) = ₹ 14,000 | 1 | |
| | Drawings = ₹ 1,000 (Masks) + ₹ 5,000 (from Bank) = ₹ 6,000 | 1 | |

17.

Rectifying Entries in the books of Khayti

Date	Particulars	L.F.	Dr. Amount ₹	Cr. Amount ₹
1.	Tripti Dr. Divya Dr. To Suspense A/c (Goods sold to Tripti for ₹ 50,000 was credited to Divya as ₹ 5,000 now rectified)		50,000 5,000	55,000
2	Legal charges A/c Dr. To Amitabh (Legal charges ₹ 15,000 paid to her Lawyer Mr. Amitabh was debited to his personal account now rectified)		15,000	15,000
3	Suspense A/c Dr. To Sales A/c (Sales Book was undercast by ₹ 10,000 now rectified)		10,000	10,000

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18.

**Books of Jeetendra
Accounting Equation**

S.No.	Transactions	Assets = Capital+Liabilities				
		Cash + Machinery + Stock + Accrued Commission = Capital				
1.	Balance brought forward	25,000	50,000	20,000	5,000	= 1,00,000
2.	Received ₹ 2,000 for accrued commission	2,000			(2,000)	
	New Equation	27,000	50,000	20,000	3,000	= 1,00,000

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½

Cont...

3.	Sold goods costing ₹ 8,000 for cash at a profit of 20% on sales price	10,000		(8,000)		2,000	
	New Equation	37,000	50,000	12,000	3,000	= 1,02,000	
4.	Depreciate machinery by 10%			(5,000)		(5,000)	
	New Equation	37,000	45,000	12,000	3,000	= 97,000	
5.	Goods of ₹ 2,000 and cash ₹ 3,000 were used by Jeetendra for personal use	(3,000)		(2,000)		(5,000)	
	New Equation	34,000	45,000	10,000	3,000	= 92,000	
	Total		92,000			92,000	

Working note :

$$3. \text{ Profit} = \frac{20}{80} \times ₹ 8,000 = ₹ 2,000$$

Therefore, Cash received from Sale = ₹ 8,000 + ₹ 2,000 = ₹ 10,000

19.

Books of Karvy Traders

Trial Balance

As at 31/3/22

Particulars	Debit	Particulars	Credit
		Balances	Balances
		₹	₹
Purchases (Adjusted) } Debtors }	5,00,000 60,000	Creditors } Sales }	50,000 15,00,000

Cont...

Stock (31/3/22)] (1)	25,000	Provision for doubtful debts	} (1)	5,000
Office expenses		2,000	Discount (Cr.)		5,000
Advertisement		3,000	10% Loan from Bank		2,00,000
Building		5,00,000	Rent received in advance		2,000
Interest on loan		2,000	Outstanding Salary		3,000
Machinery		10,00,000	Capital (B/F) (½)		3,62,000
Cash at Bank		35,000			
Total	(½)	21,27,000			21,27,000

20.

Difference between Reserve and Provision

Basis	Reserve	Provision
Nature	It is an appropriation of profit.	It is a charge against profit.
Investment	It may be invested outside the business.	It is not invested.
Compulsion / prudence	It is created out of profits as a matter of prudence and due to legal requirements.	It is made because of accounting principles (Prudence).

OR

It resulted in creation of 'Secret Reserves'. Secret reserve is a reserve the existence and/or the amount of which is not disclosed in the Balance Sheet. It is also called Hidden Reserve. It can be said that there is a surplus of assets over liabilities and that the surplus is not disclosed or shown by the Balance Sheet.

Advantages of a Secret Reserve (any 2)

1. It increases the working capital of the concern and also strengthens its financial position.
2. It enables the directors to tide over unfavourable time. As and when profit reduces, the directors can maintain the rate of dividend by utilising it.
3. Heavy losses of an exceptional nature can be met without disclosing the fact in the published statements and without disturbing the normal business profit.

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Disadvantages of a Secret Reserve (any 2)

1. The Balance Sheet will not disclose true and fair position of the affairs of the business.
2. Value of shares goes down in the market.
3. The shareholders do not get their due share of profit from the business.

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- 21.
1. **Going concern Assumption** was violated here. According to this assumption, it is assumed that business shall continue for a foreseeable period and there is no intention to close the business or scale down its operations significantly. It is because of this concept that a distinction is made between capital expenditure, i.e., expenditure that will give benefit for a long period and revenue expenditure, i.e., one whose benefit will be consumed or exhausted within the accounting period. On the basis of this concept, fixed assets are recorded at their original cost and they are depreciated in a systematic manner over their expected useful life. For example, a machine purchased is expected to last 10 years. The cost of the machinery is spread on a suitable basis over the next 10 years for ascertaining the profit or loss for each year. The total cost of the machine is not treated as an expense in the year of purchase itself.
 2. **Full Disclosure Principle** is followed here. According to the Principle of Full Disclosure, “there should be complete and understandable reporting on the financial statements of all significant information relating to the economic affairs of the entity.”
Apart from legal requirements, good accounting practice requires

1+1

all material and significant information to be disclosed. Whether information should be disclosed or not always depends on the materiality of the information. Disclosure of material information will result in better understanding. For example, the reasons for low turnover should be disclosed.

1+1

22.

Books of Sneha
Bank Reconciliation Statement
as on December 31, 2022

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Particulars	Plus Items	Minus Items
Balance as per Cash book	1,000	
Cheques issued but not presented	7,000	
Life insurance premium paid directly by bank		1,500
Dividend collected by bank directly	3,500	
Balance as per Pass book		10,000
	11,500	11,500

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OR

Books of Mehak
Bank Reconciliation Statement
as on 31/1/23

Particulars	Plus Items	Minus Items
Debit balance as per Pass book		15,000
Cheque received and sent to bank recorded in cash column of Cash book		5,000
Direct deposit in Bank by customer 'Aryan'		7,000
Bank column of Cash book is overcasted	10,000	
Overdraft as per Cash book	17,000	
	27,000	27,000

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½

23.

Working note :

	M1	M2	Total
Machine (Cost)	2,00,000 (1/4/19)	3,00,000	5,00,000
Depreciation (2019-20)	(20,000)		
BV	1,80,000		
Depreciation (2020-21)	(18,000)		
	1,62,000		
Depreciation (2021-22)	(16,200)		
BV	1,45,800		
Total provision for depreciation (till 1/4/22)	54,200	1,44,800	1,99,000
BV on 1/4/22	1,45,800	1,55,200	
Depreciation (1/10/22)	(7,290)		
BV (1/10/22)	1,38,510		
Sale price	1,00,000		
Loss on sale	38,510		
Depreciation (31/3/23)		15,520	

Dr.

Machinery A/c

Cr.

Date	Particulars	LF	Amt. ₹	Date	Particulars	LF	Amt. ₹
1/4/22	To Balance b/d		5,00,000	1/10/22	By Provision for Dep. A/c		61,490
				1/10/22	By Bank A/c		1,00,000
				1/10/22	By Loss on sale of Mach. A/c		38,510
				31/3/23	By Balance c/d		3,00,000
			5,00,000				5,00,000
1/4/23	To Balance b/d		3,00,000				

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Dr. **Provision for Depreciation A/c** Cr.

Date	Particulars	LF	Amt. ₹	Date	Particulars	LF	Amt. ₹
1/10/22	To Machinery A/c		61,490	1/4/22	By Balance b/d		1,99,000
31/3/23	To Balance c/d		1,60,320	1/10/22	By Depreciation A/c		7,290
				31/3/23	By Depreciation A/c		15,520
			2,21,810				2,21,810
				1/4/23	By Balance b/d		1,60,320

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24.

Books of Shreya

Dr. **Cash Book (Double Column)** Cr.

Date	Particulars	L.F.	Cash (₹)	Bank	Date	Particulars	L.F.	Cash (₹)	Bank
2022					2022				
1/4/22	To Balance b/d (½)		10,000		1/4/22	By Balance b/d			5,000
4/4/22	To Cash A/c (1)	C		5,000	4/4/22	By Bank A/c	C	5,000	
					5/4/22	By Bank charges A/c (1)			100
					6/6/22	By Outstanding Rent A/c (1)		1,000	
6/4/22	To Balance c/d (½)			100	6/6/22	By Balance c/d		4,000	
			10,000	5,100				10,000	5,100
7/4/22	To Balance b/d		4,000		7/4/22	By Balance b/d			100

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Journal Proper

Date	Particulars	L.F.	Dr. Amt. (₹)	Cr. Amt. (₹)
2/4/22	Salary A/c Dr. To Outstanding Salary A/c (Salary still to be paid)		2,000	2,000
3/4/22	Cheque in hand A/c Dr. Discount allowed A/c Dr. To Manoj (Postdated cheque received)		5,200 300	5,500

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25.

Journal of 'Feather Graphics'

Date	Particulars	L.F.	Dr. Amt. (₹)	Cr. Amt. (₹)
1	Purchase A/c Dr. Input IGST A/c Dr. To Mitra Traders (Goods purchased from Mitra Traders)		80,000 9,600	89,600
2	Machinery A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Bank A/c (Machinery purchased)		2,50,000 15,000 15,000	2,80,000
3	Charity A/c Dr. To Purchases A/c To Input IGST A/c (Goods given as charity)		11,200	10,000 1,200

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Cont...

4	Drawings A/c To A Ltd. (Laptop purchased for personal use of proprietor)	Dr.	44,800	44,800
5	Electricity expenses A/c To Bank A/c (Electricity expenses paid)	Dr.	8,000	8,000

Working note for (2nd transaction)

$$\text{Purchase price} = 2,80,000 \times \frac{100}{112} = 2,50,000$$

OR

Books of Dice Furniture House, Pahar Ganj, New Delhi
Sales Book

Date	Particulars	Inv. No.	LF	Details	Sales	Output IGST ₹	Total ₹
3/4/22	Laxmi Furniture, Rohtak 4 Sofa set @ ₹ 5,000 each Less T.D. @ 15% Add : Output IGST @ 18%			20,000 <u>3,000</u> 17,000 <u>3,060</u> 20,060	17,000	3,060	20,060
10/4/22	Star Furnitures, Kanpur 50 Chairs @ ₹ 200 each 10 Tables @ ₹ 500 each Less : T.D. @ 5% Add : Output IGST @ 18%			10,000 <u>5,000</u> 15,000 <u>750</u> 14,250 <u>2,565</u> 16,815	14,250	2,565	16,815

Cont...

25/4/22	Vishal Mega Mart, Hisar						
	10 Almirah ₹ 3,000 each			30,000			
	2 Sofa sets @ ₹ 5,000 each			10,000			
	20 Chairs @ ₹ 500 each			10,000			
				<u>50,000</u>			
	Less : T.D. @ 10%			5,000			
				<u>45,000</u>			
	Add : Output IGST @ 18%			8,100			
				<u>53,100</u>	45,000	8,100	53,100
	Sales A/c	Cr.			76,250	13,725	89,975

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Note : Output CGST and Output SGST columns are not prepared as there is no entry in these columns but the examinees may create these columns too. Marks may not be deducted for not preparing these columns.

Dr. **Laxmi Furniture** Cr.

Date	Particulars	LF	Amt. ₹	Date	Particulars	LF	Amt. ₹
3rd April	To Sales A/c		17,000				
	To Output IGST A/c		3,060				

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Dr. **Star Furniture** Cr.

Date	Particulars	LF	Amt. ₹	Date	Particulars	LF	Amt. ₹
10 th April	To Sales A/c		14,250				
	To Output IGST A/c		2,565				

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Dr. **Vishal Mega Mart** Cr.

Date	Particulars	LF	Amt. ₹	Date	Particulars	LF	Amt. ₹
25 th April	To Sales A/c		45,000				
	To Output IGST A/c		8,100				

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Part-B

26.

**Books of Aksh
Profit and Loss A/c
for the year ending 31/3/22**

Particulars	Debit ₹	Particulars	Credit ₹
Insurance Premium	10,000		

½

**Balance Sheet
as at 31/3/22**

Liabilities	Amount ₹	Assets	Amount ₹
		Prepaid Insurance	2,000

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27.

Sales = X

Cost of goods sold = ₹ 70,000

Gross profit = 12.5% of sales = $\frac{12.5}{100} \times X = \frac{X}{8}$

Sales = COGS + GP

$X = ₹ 70,000 + \frac{X}{8}$ $X - \frac{X}{8} = 70,000$

$X = 70,000 \times \frac{8}{7} = ₹ 80,000 = \text{Sales}$

Gross Profit = ₹ 80,000 – ₹ 70,000 = ₹ 10,000

Any other suitable method may also be accepted as valid

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28.

B. 2, 3, 1, 4

1 1

29.

A. Both A and R are correct and R is the correct explanation of A.

1 1

30. Difference between Capital Expenditure and Revenue Expenditure

Basis	Capital Expenditure	Revenue Expenditure
Capacity	It increases earning capacity of the business.	It is incurred for earning profits.

OR

Difference between Capital Expenditure and Revenue Expenditure

Basis	Capital Expenditure	Revenue Expenditure
Period	Its benefit extends to more than one year.	Its benefit is exhausted within the year.

31. Cost of Goods sold = Adjusted purchases + direct expenses =
₹ 5,80,000 + 60,000 = ₹ 6,40,000

Gross Profit = Net Sales – Cost of goods sold =
₹ 11,00,000 – ₹ 6,40,000 = 4,60,000

Operating Profit = Gross Profit – Administrative Expenses –
Selling Expenses = ₹ 4,60,000 – ₹ 45,000 – ₹ 65,000 = ₹ 3,50,000

32. Dr. **Sundry Debtors** Cr.

Date	Particulars	LF	Amt.	Date	Particulars	LF	Amt.
31/3/22	To Balance b/d		1,05,000	31/3/22	By Bad debts A/c		5,000
				31/3/22	By Balance c/d		1,00,000
			1,05,000				1,05,000

Dr. **Bad Debts A/c** Cr.

Date	Particulars	LF	Amt.	Date	Particulars	LF	Amt.
31/3/22	To Balance b/d		2,000	31/3/22	By Provision for doubtful debts A/c		7,000
31/3/22	To Sundry Debtors		5,000				
			7,000				7,000

Dr.

Provision for Doubtful Debts A/c

Cr.

Date	Particulars	LF	Amt.	Date	Particulars	LF	Amt.
31/3/22	To Bad debts A/c		7,000	31/3/22	By Balance b/d		4,000
	To Balance c/d		10,000	31/3/22	By Profit/Loss A/c		13,000
			17,000				17,000

Working note :

Debtors 1,05,000

(-) Further bad debts (5,000)

- Net Debtors 1,00,000

Provision for doubtful debts = 10% of 1,00,000 = 10,000

33.

Books of Ayushi Traders

Journal

Date	Particulars	L.F.	Dr. Amt. (₹)	Cr. Amt. (₹)
31/3/22	Trading A/c Dr. To Opening stock A/c To Purchases A/c To Carriage inward A/c To Dock charges A/c To Power charges A/c (Transfer of direct expenses to Trading A/c)		1,91,900	45,000 1,17,500 2,400 5,000 22,000
31/3/22	Sales A/c Dr. Closing Stock A/c Dr. To Trading A/c (Sales and Stock at end transferred to Trading A/c) Note : Sales and Closing Stock may be recorded in separate entries		3,46,800 75,000	4,21,800

31/3/22	Trading A/c	Dr.		2,29,900	
	To Profit & Loss A/c				2,29,900
	(Gross Profit transferred to P/L A/c)				
31/3/22	Profit & Loss A/c	Dr.		93,500	
	To Carriage outwards A/c				4,500
	To Bad debts A/c				1,100
	To Advertisement A/c				20,000
	To Salaries A/c				41,000
	To Interest on Bank Loan A/c				2,000
	To Rent and Insurance A/c				24,900
	(Indirect expenses transferred to Profit & Loss A/c)				
31/3/22	Discount A/c	Dr.		2,000	
	Commission A/c	Dr.		1,600	
	To Profit & Loss A/c				3,600
	(Other incomes transferred to P/L A/c)				
31/3/22	Profit & Loss A/c	Dr.		1,40,000	
	To Capital A/c				1,40,000
	(Net profit transferred to Capital A/c)				

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Books of Raj Kishore and Sons

Profit and Loss A/c

for the year ending 31/3/22

Particulars	Debit ₹	Particulars	Credit ₹
Outstanding Audit fees (½)	2,000	Gross Profit	1,67,000
Depreciation on Machinery (½)	5,000	Discount (½)	1,500
Depreciation on Furniture (½)	200	Commission	2,000
Rent 10,000			
(+) o/s rent <u>2,000</u>	12,000		
O/s Interest on Loan	2,000		
Office wages	4,000		
Lighting (office)	2,000		
Telephone expenses (½)	3,500		
Advertisement expenses	6,500		
Bad debts	2,000		
Discount allowed	5,000		
Net Profit t/f to Capital (½)	1,26,300		
	1,70,500		1,70,500

Balance Sheet

As at 31/3/22

Liabilities	Amount ₹	Assets	Amount ₹
Outstanding Audit fees (½)	2,000	Inventory (½)	51,000
Outstanding Rent	2,000	Machinery	50,000
		(-) Depreciation	<u>(5,000)</u>
			45,000

Capital	40,000] (1)		Furniture	2,000		
(-) Drawings	(5,000)			(-) Depreciation	<u>(200)</u>	1,800	
(+) Net Profit	<u>1,26,300</u>		1,61,300				
10% Loan	20,000			Trucks		30,000	
(+) o/s Interest	<u>2,000</u>	22,000			} (½)		
Advance rent received		4,500		Debtors			40,000
				Cash in hand			6,000
				Cash at Bank			11,000
				Bills Receivable			7,000
			1,91,800			1,91,800	

Working notes :

Rent for February and March is outstanding, therefore the rent paid ₹ 10,000 is for 10 months only.

$$\text{Rent for 12 months} = ₹ 10,000 \times \frac{12}{10} = ₹ 12,000$$

$$\text{Outstanding Rent} = ₹ 12,000 - ₹ 10,000 = ₹ 2,000$$