

Sample Question Paper
ELEMENTS OF BOOK KEEPING & ACCOUNTANCY
Code-254
Class-X

Summative Assessment-II
March 2011 Examination
Design of Question paper

Time Allowed : 3 Hrs

Maximum Marks : 80

01. Weightage to form of Questions

Type of questions	No. of Questions	Marks for each Question	Total Marks
1. MCQs	16	1	16
2. Short Answer Questions	8	3	24
3. Long Answer Questions(i)	4	4	16
4. Long Answer Questions(ii)	4	6	24
Total	32		80

02. Weightage to Content Units

- III. **Bills of Exchange** : Nature and use of bills of exchange and promissory notes; Recording transactions pertaining to drawing, discounting, retiring, dishonoring and renewing of bills of exchange. 30 Marks
- IV. **Errors and their Rectification** : Types of errors and entries for rectification. 30 Marks
- V. **Depreciation**: Objects and Methods – Straight Line and Diminishing Balance Method 20 Marks

7. A sales of Rs. 2000 to Neha is recorded in Purchases Book. Which of the following accounts is to be credited.
- (A) Purchases A/c only (B) Sales A/c only
(C) Both Purchases A/c & Sales A/c (D) Neha's A/c (1)
8. The Sales Book is over cast by Rs. 100. This is an example of
- (A) Error of omission (B) Error of commission
(C) Error of principle (D) Compensatory Error. (1)
9. Rs.1480 received from a debtor Rohit, were credited to Mohit as Rs.1,840. On rectification, Suspense account is to be credited by
- (A) Rs.1480 (B) Rs. 1840
(C) Rs. 360 (D) Rs. 3320 (1)
10. Suspense account is used
- (A) To rectify double sided error (B) To rectify one sided error
(C) To rectify error before the preparation of Trial Balance. (D) None of the above. (1)
11. A bill drawn on Ramesh was entered in the Bills Payable Book but was correctly credited to Ramesh. Which account is to be debited while passing correction entry?
- (A) B/R A/c only (B) B/P A/c only
(C) Ramesh's A/c (D) Both B/R A/c & B/P A/c (1)
12. A machine is purchased on 1st January 2009 for Rs. 20,000. Its life is 10 years and residual value is Rs. 1,500. Amount of depreciation in the 2nd year will be according to Diminishing Value Method
- (A) Rs. 2000 (B) Rs. 1850
(C) Rs 1665 (D) Rs. 1800 (1)
13. Which of the following is the cause of depreciation in case of a coal mine?
- (A) Extraction (B) Lapse of time
(C) Wear & Tear (D) Fall in market Value (1)
14. Which of the following is not an advantage of Straight Line Method .
- (A) It is simple to understand and easy to apply
(B) Under this method no provision is made for purchasing of an asset in case of obsolescence.
(C) It is possible to allocate the total cost of an asset over a number of years
(D) Under this method the amount of depreciation is shown as a direct deduction from the value of the asset. (1)

15. A Company was purchased machinery on 1st January 2008 for Rs. 30000. Depreciation is to be charged @ 10% p.a. by Straight Line Method. The company closes its books on 31st December every year. If the machine was sold for Rs. 24000 on 30.6.2010, how much amount will be shown in the Profit & Loss A/c on sale of the machine.
- (A) Rs. 8000 as loss on sale (B) Rs. 500 as loss on sale
(C) Rs. 1500 as profit on sale (D) Rs. 600 as loss on sale (1)
16. Which of the following is the cause of depreciation in case of patent right.
- (A) Wear & Tear (B) Depletion
(C) Expiry of time (D) Fall in the value due to fall in market price (1)
17. State the parties involved in a bill of exchange. (3)
18. Differentiate between Bill of Exchange and Promissory Note on the basis of :
- (A) Number of parties (B) Acceptance
(C) Nature of liability of the drawer (3)
19. A has received B's acceptance of Rs. 8,000 payable 3 months after date. It is endorsed to C in settlement of his account of Rs. 8200. Pass necessary entries with regard to endorsement in the books of A and C. (3)
20. State the meaning of error of principle. Give any two examples of such errors. (3)
21. List the errors that affect the profits of the business. (3)
22. What is meant by depreciation? Enumerate its causes (any two). (1+2)
23. State any three objectives of providing depreciation. (3)
24. Furniture of Rs. 10,000 was purchased on 30th June 2009. Depreciation is to be provided @ 10% p.a. on the original cost. Prepare Furniture Account for year ending 2009 and 2010. (3)
25. What steps may be taken by the drawer after drawing the bill of exchange? (4)
26. Gunakshi has drawn a bill of exchange of Rs. 3600 on Apporva payable 3 months after date. Gunakshi discounted the bill with the bank at a discount of Rs. 200. On due date the bill was dishonored by Bank with Rs. 20 as noting charges. Pass necessary entries in the books of Gunakshi. (4)
27. Rectify the following errors:-
- (i) Gupta Furniture sold goods of Rs. 8500 to Modern Furnitures but the same was entered in the Sales Returns book. (4)
(ii) Cash paid to Veena Rs. 3250 was correctly entered in the Cash-Book but was debited to Neena as Rs. 2350.
28. State any four characteristics of depreciation. (4)

29. Explain the following terms.
- (A) Discounting of bill (B) Endorsement of bill (6)
(C) Renewal of bill
30. Vikram sells goods to Gurmeet of the value of Rs 20,000. He draws a bill on Gurmeet payable 3 Months after date. Gurmeet accepts the bill and returns it to Vikram. Vikram discounts the bill one month before due date at a discount of Rs. 200. Gurmeet shows his inability to meet the bill on due date and requests to draw a fresh bill for 2 months including interest @12% p.a. which Vikram does. Before due date Gurmeet becomes insolvent and 40 paise in a rupee is received from his official assignee. Pass necessary journal entries in the books of Vikram. (6)
31. Pass journal entries to rectify the following errors.
- (i) Sales Return Book is undercast by Rs. 100
(ii) Salary of Rs. 2500 paid to Hari Ram the peon, is debited to his personal account.
(iii) Wages paid Rs. 1200 to the labour for construction of building is debited to Wages A/c
(iv) Goods purchased returned to Salman of Rs. 1500 were entered in the Sales Returns Book but Salman's account is correctly debited. (6)
32. A machine was purchased for Rs. 40,000 on 1st January 2008. On 1st July 2008 another machine was purchased for Rs. 60,000. On 1st July 2010 machine purchased on 1st January 2008 was sold for Rs. 18,000. Another machine of Rs. 25,000 was purchased on the same date. Depreciation is charged @ 10% p.a. on Straight Line Method.
Show Machinery Account for three years ie 2008, 2009 & 2010 (6)

Marking Scheme
ELEMENTS OF BOOK KEEPING & ACCOUNTANCY
Class-X
Summative Assessment-II

Time : 3 hours

Maximum Marks : 80

Q No	Answer	Marks
1	B	1
2	A	1
3	B	1
4	C	1
5	C	1
6	D	1
7	C	1
8	B	1
9	C	1
10	B	1
11	D	1
12	C	1
13	A	1
14	B	1
15	C	1
16	C	1

17. Parties involved are:

- (i) Drawer : Person who is the seller/creditor and who draws the bill
- (ii) Drawee : Person who is the buyer/debtor and on whom the bill is drawn
- (iii) Payee : Person who is entitled to receive the payment of the bill on date of maturity. Drawer himself / herself may also be the payee. (1 x 3)

18.	Basis	Bill of Exchange	Promissory Note	
	(i) Number of Parties	Three - drawer, drawee and payee	Two-maker and payee	
	(ii) Acceptance	Acceptance of the drawee required	Acceptance is not required	
	(iii) Nature of liability of the drawer.	Liability of the drawer is secondary	Liability of the maker is primary and absolute	(1 x 3)

19.	In the books of A		Dr Amount (Rs.)	Cr. Amount (Rs.)
	C	Dr.	8,200	
	To Bill Receivable A/C			8,000
	To Discount A/c			200
	(Being Bill endorsed)			
	In the books of C		Dr Amount	Cr. Amount
	Bills Receivable A/c	Dr.	8,000	
	Discount A/c	Dr.	200	
	To A			8,200
	(Being Bill of Exchange received in full settlement)			

20. **Error of Principle** : While recording transactions, if any accounting principle is violated, the error is said to be error of principle. If an item of capital expenditure is treated as revenue expenditure and vice versa, it is error of principle: Examples ; (i) Amount spent on repair of building is debited to Building Account.

(ii) Money spent on construction of a cycle shed is debited to Repairs to building Account. (2+½+½)

21. (i) Errors of Principle such as capital expenditure treated as revenue expenditure and vice versa

(ii) Payment of revenue expenses, such as payment of salary to the cashier, debited to his personal account (1 x 3)

(iii) Cash discount allowed to a customer omitted to be recorded in the books.

22. Depreciation is a measure of the wearing out, consumption or other loss of value of a depreciable asset arising from use, passage of time or obsolescence through technology and market changes. (1)

Any two of the following causes :

1. By expiry of time 2. By obsolescence

3. By depletion 4. By wear and tear

5. By permanent fall in market price (1 + 1)

23. Objects of providing depreciation (Any Three)

- (1) Ascertainment of true profit and loss.
- (2) Presentation of true financial position.
- (3) Replacement of assets.
- (4) Calculation of correct cost of production.
- (5) Prevention of withdrawal of capital.
- (6) Excess payment of income Tax.

(1 x 3)

24. **Furniture Account**

Dr.			Cr.		
Date	Particulars	Amount (Rs.)	Date	Particulars	Amount (Rs.)
2009 June 30	To Bank A/c	10,000	2009 Dec.31 " 31	By Depreciation By Balance c/d	500 9,500
		10,000			10,000
2010 Jan 1	To Balance b/d	9,500	2010 Dec. 31 " 31	By Depreciation By Balance c/d	1,000 8,500
		9,500			9,500

(1½ x 2)

25. The drawer may take following steps :

1. He may retain the bill.
2. He may discount the bill with the bank.
3. He may endorse the bill to a creditor.
4. He may send the bill to bank for collection.

1x4=4

26. In the books of Gunakshi

Date	Particulars	LF	Dr. Amount (Rs.)	Cr. Amount (Rs.)	
	Bills Receivable A/c Dr To Apoorva (Being acceptance received for 3 months)		3,600	3,600	1
	Bank A/c Dr Discount A/c Dr To Bills Receivable A/c (Being Bill discounted)		3,400 200	3,600	1½
	Apoorva Dr To Bank A/c (Being Bill dishonoured and noting charges charged by the bank)		3,620	3,620	1½ (4)

27.

Date	Particulars	LF	Dr. Amount (Rs.)	Cr. Amount (Rs.)	
(i)	Modern furnitures A/c Dr To Sales A/c To Sales Return A/c (Being the rectification entry)		17,000	8,500 8,500	
(ii)	Veena Dr To Suspense A/c (Being the rectification entry)		900	900	(2 x 2)

28. Any Four of the following characteristics :

1. Depreciation is charged on fixed assets only.
2. Depreciation is charged on the book value.
3. Once depreciation is charged, it reduces the value of the asset permanently.
4. Depreciation is charged on continuous basis.
5. The charge of depreciation will decrease the value of asset gradually. (1 x 4)

29. (a) **Discounting of bill:-** Selling a bill to a bank or some one else is known as discounting a bill. Bank charges discount as an interest for the expired period of the bill. Such a discount is an expense for the bill holder and gain for the bank.

- (b) **Endorsement of bill** :- If the drawer of the bill writes the name of another person and puts up his/her signatures below, it is termed as endorsement of bill. It makes the endorsee, the payee that is the person to whom bill is endorsed now will get the payment of the bill
- (c) **Renewal of the Bill**:- When the drawee shows his/her liability to meet the bill on due date, he/she may request the drawer to draw another bill for another settled period. Drawer charges interest for such period at a settled rate and draws a fresh bill for the amount of the bill and interest, It is known as renewal of the bill

(2 x 3)

30. In the books of Vikram

Date	Particulars	LF	Dr. Amount (Rs.)	Cr. Amount (Rs.)
(i)	Gurmeet Dr To Sales A/c (Being goods sold to Gurmeet)		20,000	20,000
(ii)	B/R A/c To Gurmeet (Being acceptance received)		20000	20,000
(iii)	Bank A/c Dr Discount A/c Dr To B/R A/c (Being Bill discounted)		19800 200	20,000
(iv)	Gurmeet Dr To Bank A/c (Being of bill cancelled)		20000	20,000
(v)	Gurmeet Dr To Interest A/c (Being interest due)		400	400
(vi)	B/R A/c Dr To Gurmeet (Being new acceptance received)		20400	20400
(vii)	Gurmeet Dr To B/R A/C (Being bill dishonored on insolvency)		20,400	20,400
(viii)	Cash A/c Dr Bad Debts A/c Dr To Gurmeet		8,160 12,240	20400

31.

Date	Particulars	LF	Dr. Amount (Rs.)	Cr. Amount (Rs.)
(i)	Sales Return A/c Dr To Suspense A/c (Being rectification entry)		100	100
(ii)	Salary A/c Dr To Hariram (Being rectification entry)		2500	2500
(iii)	Building A/c Dr To Wages A/c (Being rectification entry)		1200	1200
(iv)	Suspense A/c Dr To Purchases Return A/c To Sales Return A/c (Being rectification entry)		3000	1500 1500

(1½ x 4)

32. Dr

MACHINERY ACCOUNT

Cr

Date	Particulars	Amount Rs.	Date	Particulars	Amount (Rs.)
2008				By Depreciation	
Jan 1	To Bank A/c	40,000	Dec. 31	A/c	7000
July 1	To Bank A/c	60,000	Dec. 31	By Balance c/d	93,000
	Total	1,00,000		Total	1,00,000
2009					
Jan 1	To Balance c/d	93,000	2009	By Depreciation. A/c	10,000
			Dec. 31	By Balance c/d	83,000
	Total	93,000	Dec. 31	Total	93,000
2010			2010		
Jan 1	To Balance c/d	83,000	July 1	By Depreciation. A/c	2,000
July 1	To Bank A/c	25,000		By Bank A/c	18,000
				By P&L A/c	12,000
			Dec. 31	By Depreciation. A/c	7,250
			Dec. 31	By Balance c/d	68,750
	Total	1,08,000		Total	108000

(2 x 3)