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. 14th 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

<table>
<tr><td></td><td>Example of Deferred Revenue Expenditure: Renovation of cinema mall.
OR
(a) Purchase of a fixed asset
(b) Construction of building
(c) Custom duty paid on import of a machinery</td><td>

1
1
1</td></tr>
<tr><td>20</td><td>Causes of differences between balance as per the Cash book and as per Pass book:
(a) Cheques issued but not yet presented for payment.
(b) Interest received by the bank
(c) Cheque deposited into the bank but not yet collected by the bank.</td><td>
1
1
1</td></tr>
<tr><td>21</td><td>

Books of Hemant

Journal

<table>
<tr><th>Date</th><th>Particulars</th><th>L.F</th><th>Dr.</th><th>Cr.</th></tr>
<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>Dr.</td><td></td><td></td><td>10,000</td></tr>
<tr><td>March,25</td><td>To Samarth</td><td></td><td></td><td></td></tr>
<tr><td></td><td>(Being goods purchased from Samarth)</td><td></td><td>10,000</td><td></td></tr>
<tr><td></td><td>Samarth'sA/c</td><td></td><td></td><td>10,000</td></tr>
<tr><td></td><td>Dr.</td><td></td><td></td><td></td></tr>
<tr><td></td><td>To Bills Payable A/c</td><td></td><td></td><td></td></tr>
<tr><td></td><td>(Being acceptance given to Samarth)</td><td></td><td></td><td></td></tr>
<tr><td>May,</td><td>BillsPayableA/c</td><td></td><td>10,000</td><td></td></tr>
<tr><td>28</td><td>Dr.</td><td></td><td></td><td>10,000</td></tr>
<tr><td></td><td>To Bank A/c</td><td></td><td></td><td></td></tr>
<tr><td></td><td>(Being acceptance met on maturity)</td><td></td><td></td><td></td></tr>
</table>

OR

The bills of exchange as instruments of credit are used frequently in business because of the following advantages:

(a) Framework for relationships:

A bill of exchange represents an instrument, which provides a framework for

</td><td>1

1

1

1x3</td></tr>
</table>

	enabling the credit transaction between the seller/creditor and buyer/debtor on an agreed basis. **(b) Certainty of terms and conditions:** 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. **(c) Convenient means of credit:** 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.	
22	Following are the limitations of incomplete records: a) As double entry system is not followed, a trial balance cannot be prepared. b) Correct ascertainment and evaluation of financial result of business operations cannot be made.	 1 ½ 1 ½
23	**Books of Suraj** **Journal**	

Date	Particulars	L.F	Dr	Cr	
2019					
July 1	Bills Receivable A/c Dr		60,000		1
	To Kartik's A/c			60,000	
	(Received Kartik's acceptance payable after three months)				
July 1	Bank A/c Dr		58,200		
	Discount A/c Dr		1,800		
	To Bills Receivable A/c			60,000	1
	(Kartik's acceptance discounted with the bank @12% p.a.)				

Books of Kartik

Journal

Date	Particulars	L.F	Dr	Cr	
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 Following points of distinction between capital expenditure and revenue expenditure : 4

(a) Capital expenditure increases earning capacity of business whereas revenue expenditure is incurred to maintain the earning capacity.

(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.

(c) Revenue expenditure is generally recurring expenditure and capital expenditure is non-recurring by nature.

(d) Capital expenditure benefits more than one accounting year whereas revenue expenditure normally benefits one accounting year.

25

Basis of Difference	Straight Line Method	Written Down Value Method	
Basis of charging depreciation	Original Cost	Book Value i.e. original cost less depreciation charged till date. In this	1

			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 31st 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

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital 16,50,000		Land and Building	4,80,000
+ Net profit1,00,000	17,50,000	Investment	1,20,000
Bank overdraft	2,50,000	Debtors	1,00,000
		Stock	7,00,000
		Cash in hand	2,00,000
		Cash at bank	4,00,000
	20,00,000		20,00,000

28 Bank Reconciliation statement of Vansh Brothers, as on March 31,2019

Particulars	PLUS ITEMS	MINUS ITEMS	Marks
Overdraft as per passbook		25,200	½
Insurance premium paid by the bank	2,500		1
Interest on overdraft	1,500		1
Cheque deposited but not yet cleared	8,100		1
Amount wrongly debited by bank	2,000		1
Overdraft as per cash book	11,100		½
	25,200	25,200	

29

Dr **Machinery Account** **Cr**

Date	Particulars	Amt (₹)	Date	Particulars	Amt (₹)
1.1.10	To Bank A/c	1,60,000	31.12.10	By Depreciation A/c	16,000
			31.12.10	By Balance c/d	1,44,000
		1,60,000			1,60,000
1.1.11	To Balance b/d	1,44,000	31.12.11	By Depreciation	16,000
			31.12.11	By Balance c/d	1,28,000
		1,44,000			144,000
1.1.12	To Balance b/d	1,28,000	31.12.12	By Depreciation	16,000
			31.12.12	By Balance c/d	1,12,000
		1,28,000			1,28,000

1½ 1½ 1½ ½

30

Statement of Affairs (as on 31-03-19)

LIABILITIES	Amount	ASSETS	Amount
Sundry Creditors	29,000	Cash	20,000
Bills Payable	5,000	Sundry Debtors	78,000
Opening Capital (Bal. Figure)	2,72,000	Stock	68,000
		Machinery	1,40,000
	3,06,000		3,06,000

1 ½

Statement of Affairs (as on 31-03-20)

LIABILITIES	Amount	ASSETS	Amount
Sundry Creditors	29,000	Cash	18,000
Bills Payable	10,000	Sundry Debtors	90,000
Closing Capital (Bal. Figure)	2,63,000	Stock	64,000

1 ½

		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

2

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

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 (700)	12,03,000
Purchase 8,15,000 Less Returns (5,000)	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 rofit transferred from Trading Account	363,000
Bad Debt	7,800	Rent received	13,400
Net Profit transferred to Capital account	3,33,600		
	3,76,400		**3,76,400**

1 ½

Balance Sheet

as on 31.03.2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital 2,40,000 Net Profit+333,600	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
	11,18,400		**11,18,400**

2