

ACCOUNTANCY

Maximum Marks: 80

Time Allotted: Three Hours

Reading Time: Additional Fifteen minutes

Instructions to Candidates

1. You are allowed **an additional fifteen minutes** for **only** reading the paper.
2. You must **NOT** start writing during reading time.
3. This question paper has **14 printed pages**.
4. It is divided into **three** sections: **A, B and C**.
5. It has **13 questions** in all. All questions are compulsory.
6. **Section A** has only *one* question with fifteen subparts. Each subpart carries 1 mark.
7. While attempting **Multiple Choice Questions in Section A**, you are required to **write only ONE option as the answer**.
8. **Internal choices** have been provided in **two** questions each in **Section B and Section C**.
9. **All calculations should be shown clearly**.
10. All workings, including rough work, should be done on the same page as, and adjacent to, the rest of the answer.
11. The intended marks for questions or parts of questions are given in the brackets [].

Instruction to Supervising Examiner

Kindly read **aloud** the Instructions given above to all the candidates present in the examination hall.

Note: The Specimen Question Paper in the subject provides a realistic format of the Board Examination Question Paper and should be used as a practice tool. The questions for the Board Examination can be set from any part of the syllabus of Class XII, though the format of the Board Examination Question Paper will remain the same as that of the Specimen Question Paper. The weightage allocated to various topics, as given in the syllabus, will be strictly adhered to.

SECTION A - 15 MARKS

Question 1

In subparts (i) to (vii) choose the correct options and in subparts (viii) to (xv) answer the question as instructed.

- (i) 'Bill discounted but not yet matured' is shown in the footnote of a firm's Balance Sheet as a contingent liability. [1]
Which accounting convention has been used here? (Recall)
- (a) Industry practice
 - (b) Convention of Materiality
 - (c) Convention of Conservatism
 - (d) Convention of Complete Disclosure
- (ii) What will be the transfer entry of net profit of a sole proprietorship firm? (Recall) [1]
- (a) Debit Net Profit; Credit Profit & Loss Account
 - (b) Debit Profit & Loss Account; Credit Net Profit
 - (c) Debit Profit & Loss Account; Credit Capital Account
 - (d) Debit Capital Account; Credit Profit & Loss Account
- (iii) Ronit paid wages for the construction of a building and debited to Wages Account. [1]
Identify the type of error made by Ronit in recording the above entry. (Recall)
- (a) Error of Principle
 - (b) Error of Omission
 - (c) Compensating Error
 - (d) Error of Commission
- (iv) Rajat draws a bill on Sunita and endorses it to Saikat. Saikat holds the bill till the due date of the bill. [1]
Which one of the following options correctly describes Saikat's role in this transaction? (Understand)
- (a) Payee
 - (b) Drawer
 - (c) Drawee
 - (d) Endorser

- (v) Which one of the following is **NOT** a transaction? (Understand) [1]
- (a) Cost of goods sold
 - (b) Cash paid to creditors
 - (c) Cash collected from debtors
 - (d) Reduction in value of assets due to wear and tear
- (vi) What will be the correct order in which the following adjustments will be made while preparing Final Accounts? (Understand) [1]
- P** Provision for bad and doubtful debts
 - Q** Commission to manager on the net profits of the firm
 - R** Investments sold wrongly posted in Sales Account
- (a) P, Q, R
 - (b) Q, P, R
 - (c) R, Q, P
 - (d) R, P, Q
- (vii) Given below are two statements marked Assertion and Reason. Read the statements carefully and choose the correct option. (Understand) [1]
- Assertion:** The capital introduced by the proprietor is credited to his Capital Account.
- Reason:** The concept of *accounting entity* is used to credit proprietor's Capital Account in case of proprietor's contribution.
- (a) Both Assertion and Reason are true, and Reason is the correct explanation of Assertion.
 - (b) Both Assertion and Reason are true, but Reason is not the correct explanation of Assertion.
 - (c) Assertion is true and Reason is false.
 - (d) Both Assertion and Reason are false.
- (viii) During the year 2025-26, Arun, a businessman, paid ₹ 20,000 as rent to his landlord for using his premises for office purpose. The total rent incurred for the entire year was ₹ 24,000. [1]
- State the expenses on rent to be recorded for the year 2025-26 on Accrual Basis. (Recall)
- (ix) Name the accounting convention used to record the closing stock in preparation of Final Account. (Recall) [1]

- (x) From the information given below, find out the net amount to be debited to Profit & Loss Account for the year ending 31st March, 2026. [1]

Trial Balance (an extract) as at 31st March, 2026

Particulars	Dr. (₹)	Cr. (₹)
Sundry Debtors	1,02,000	
Provision for Doubtful Debts		4,000
Bad debts	6,000	

Additional Information:

Further bad debts amounted to ₹ 2,000. Provision for doubtful debts to be maintained at 5% of debtors. **(Evaluate)**

- (xi) On 1st April, 2025, Richa, sold a machinery at a profit of ₹ 24,600. This machinery was purchased on 1st July, 2019, for ₹ 2,50,000. Depreciation was provided on machinery @ 20% per annum on Fixed Instalment Method on 31st March on every year. Calculate the amount at which machinery was sold. **(Evaluate)** [1]
- (xii) For the year 2025-26, Gross Profit, Net Profit and Office and Administrative expenses of Rahul were ₹ 2,39,000; ₹ 1,29,700 and ₹ 76,100 respectively. Indirect income for the same period was nil. From the above information, calculate the non-operating expenses incurred by Rahul. **(Evaluate)** [1]
- (xiii) Starting with bank balance as per Cash Book (Dr.), state whether the following items will be **added, deducted or will have no effect** while preparing the Bank Reconciliation Statement. [1]
- (a) Interest credited by the bank but not recorded in the cash book. **(Understand)**
- (b) Insurance premium paid by the bank as per standing instruction, recorded on the credit side of the cash book. **(Understand)**
- (xiv) If *Mines* is an example of Wasting Assets, what type of assets is Advertisement Suspense Account an example of? **(Understand)** [1]
- (xv) A discount of ₹ 2,500 allowed to a customer, Ratna, was wrongly posted to the Discount Received Account. What will be the effect of this error on the Trial Balance? **(Understand)** [1]

SECTION B - 15 MARKS

Question 2 [3]

Bonnie's passbook showed a debit balance of ₹ 7,500 as at 31st March, 2026, which did not agree with the Cash Book balance.

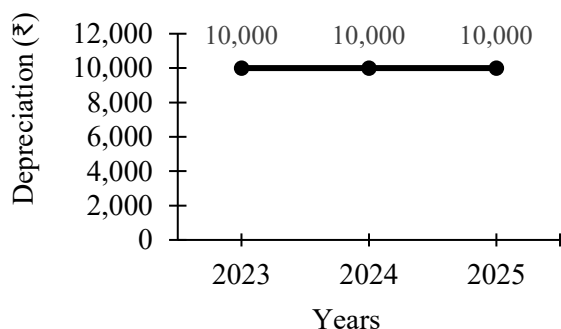
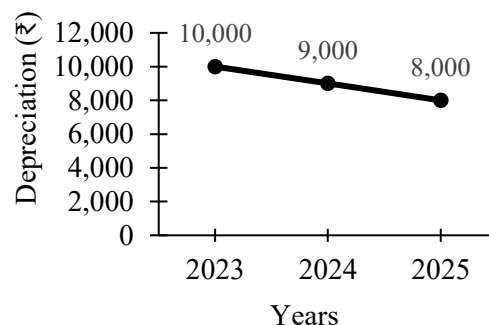
Following causes for discrepancy between Cash Book balance and Passbook balance were discovered upon scrutiny:

- (a) Cheque issued for ₹ 9,700 but recorded as ₹ 7,900 in the Cash Book.
- (b) An amount of ₹ 975 recorded in the Cash Book as payments instead of receipts.
- (c) Payment side of Cash Book undercast by ₹ 700.

Prepare a Bank Reconciliation Statement as at 31st March, 2026, from the above information. **(Apply)**

Question 3**[3]**

The graphs, (A) and (B), shown below represent two different methods of calculating depreciation on machinery purchased by Superior Trader on 1st January, 2023 for ₹ 1,00,000. The accounting year being followed by the trader is the calendar year.

**(A)****(B)**

Based on the above information:

- Calculate the gain / loss on sale of machinery if the asset was sold on 30th June, 2026 for ₹ 70,000 following the method depicted in graph (A). **(Apply)**
- Pass the necessary journal entry to transfer Accumulated depreciation / Provision for depreciation to the Machinery Account at the time of sale of machinery following the method depicted in graph (B). **(Apply)**

Question 4

- Which characteristic of a Computerised Accounting System is highlighted when the entry of a single credit purchase automatically results in updating the purchase account, inventory records, and the suppliers' account without separate postings? **(Recall)** **[1]**
- In a Computerised Accounting System, which component ensures that confidential payroll information is accessible only to authorised personnel and remains protected from unauthorised use? **(Recall)** **[1]**
- 'The software applies the same accounting rules to all transactions.'
Identify the feature of the Computerised Accounting System highlighted in the above statement. **(Recall)** **[1]**

Question 5**[3]**

- Books of Ishu show the following Ledger Accounts with some missing figures represented as '?':

In the books of Ishu
Suraj's Account

Date	Particulars	(₹)	Date	Particulars	(₹)
2026			2026		
April 1	To Balance b/d	3,00,000	April 10	By Bank A/c	?
April 8	To Sales A/c	?	April 10	By Disc. Allowed A/c	?
			April 15	By Sales Return A/c	20,000
			April 20	By Bills Receivable A/c	1,80,000
		?			?

Mahesh's Account

Date	Particulars	(₹)	Date	Particulars	(₹)
2026			2026		
April 21	To Bills Receivable A/c	1,80,000	April, 1	By Balance b/d	?
April 21	To Disc. Received A/c	?			
		?			?

Additional information:

Year

2026

April 10 Received a cheque from Suraj after allowing a discount of 5%.

April 15 Suraj returned 10% of the goods purchased on 8th April, 2026.

April 21 Ishu endorsed a bill received from Suraj to Mahesh in full settlement after 10% discount.

Complete the Ledger Accounts of Suraj and Mahesh in the books of Ishu. (Apply)

OR

(ii) Following transactions took place in the books of Jameel:

- Uma commenced business with a capital of ₹ 2,00,000.
- Bought goods for ₹ 34,000 from Rajesh of which ₹ 25,000 was paid immediately.
- Goods costing ₹ 15,000 were sold for ₹ 20,000 to Sourav.
- Paid rent and salary of ₹ 12,000 and ₹ 18,000 respectively.
- Sourav paid ₹ 18,200 in full settlement.

Prepare an Accounting Equation from the above transactions.

(Create)

Question 6

[3]

(i) Following transactions took place in the books of Raj Electronics:

- Two monitors were purchased from Ashutosh for ₹ 12,000 at 20% trade discount and 10% cash discount, if payment was made within a week.
- Paid carriage on behalf of Ashutosh of ₹ 1,500 out of which ₹ 1,000 was by cheque.
- Bought two laptops from Nikhil Electronics @ ₹ 45,000 each, paid by cheque. One was for office use, and another one was for resale.

Pass the journal entries in the books of Raj Electronics.

(Apply)

OR

(ii) Following transactions are provided by Annu, a wholesaler of electronic items.

2025

June, Annu sold the following items to Adhikari at 10% trade discount on credit:

- 11 20 Pen Drives of 64 GB @ ₹ 450 per piece.
- 12 Speakers for PC @ ₹ 1,200 per piece.

June, She sold the following items to Santosh at 20% trade discount:

- 19 8 monitors @ ₹ 9,000 per monitor.

Prepare Sales Day Book and Sales Account of Annu from the above transactions.

(Create)

SECTION C - 50 MARKS

Question 7

- (i) Following is the Trial Balance (an extract) of Rishi, prepared as at 28th February, 2026.

Trial Balance (an extract) of Rishi

As at 28th February, 2026

Particulars	Debit (₹)	Credit (₹)
Cash	19,500	
Debtor (Jacob)	34,400	
Creditor (Farida)		23,900
Rent	5,500	

Following transactions are given for the month of March 2026:

Year

2026

March, 10 Paid rent ₹ 400

March, 14 Sold goods to Jacob of ₹ 12,000 at 10% trade discount and paid carriage ₹ 500 on behalf of Jacob.

March, 20 Defective goods of ₹ 2,400 were returned to Farida and the remaining amount was paid by cheque.

March, 30 Jacob became insolvent and received 10 paise in a rupee as final dividend.

Note: Rishi closes his books on 31st March every year.

From the above information, prepare the ledger for the following for the month of March 2026:

- (a) **Jacob's Account** (Apply) [3]
- (b) **Farida's Account** (Apply) [2]
- (c) **Rent Account** (Apply) [1]

OR

- (ii) Urja provides an extract of Cash Book and transactions for the month of January, 2026.

(Apply)

Date	Particulars	Disc. All. (₹)	Cash (₹)	Bank (₹)	Date	Particulars	Disc. Rec. (₹)	Cash (₹)	Bank (₹)
2026 Jan, 21	To Bal. b/f	30	13,400	400	2026 Jan, 21	By Bal. b/f	45	2,100	900

Transactions from 22nd January, 2026 to 31st January, 2026:

2026

January, 21 Deposited sufficient cash into the bank to clear the overdraft.

January, 24 Cash received from Ashish ₹ 4,750 after deducting 5% cash discount.

January, 25 Paid salary ₹ 12,000 of which ₹ 5,600 was paid by cheque and the remaining in cash.

January, 27 Two cheques of ₹ 3,500 and ₹ 5,400 were received from Manpreet and she was allowed a discount of ₹ 200.

Cheque of ₹ 3,500 was deposited into the bank on the same day.

January, 29 Cheque received from Manpreet on 27th January, 2026, of ₹ 5,400 was endorsed to Aslam, who allowed a discount of ₹ 600.

From the above information, prepare a Cash Book for the month of January 2026. [6]

Question 8

[6]

Shivani provides her Cash Book and Bank Statement for the month of April, 2026:

Passbook

Date	Particulars	Dr (₹)	Cr (₹)	Balance (₹)
2026				
April 1	Balance			1,20,000
April 4	Salary	55,000		65,000
April 6	Joy		15,000	80,000
April 7	Rina		9,700	89,700
April 10	Rent	32,000		57,700
April 14	Rana	14,000		43,700
April 16	Jaya		6,500	50,200
April 18	Insurance premium	8,400		41,800
April 25	Divya	11,000		30,800
April 26	Dividend		7,250	38,050
April 30	Interest		1,200	39,250
April 30	Bank Charges	1,100		38,150

Cash Book (Bank Column) of Shivani

Date	Particulars	L.F.	(₹)	Date	Particulars	L.F.	(₹)
2026				2026			
April 1	To Balance b/d		1,20,000	April 4	By Salary		55,000
April 5	To Rina		9,700	April 10	By Rent		32,000
April 16	To Jaya		6,500	April 12	By Rana		14,000
April 30	To Interest		1,200	April 16	By Insurance		8,400
April 30	To Aditi		5,000	April 28	By Sunil		3,500
				April 29	By Navin		4,700
				April 30	By Balance c/d		24,800
			1,42,400				1,42,400

You are required to:

- Prepare an Amended Cash Book as at 30th April, 2026. **(Apply)**
- Mention the causes of discrepancy between Cash Book balance and Passbook balance. **(Understand)**

Question 9

[6]

- (i) The ledger accounts of Kanika Traders are given below:

Books of Kanika Traders

Machinery Account

Date	Particulars	J.F.	Amount (₹)	Date	Particulars	J.F.	Amount (₹)
2025 April 1	To Balance b/d		1,00,000	2025 April 1	By ...?.....		...?...
April 1	To ...?...		...?.....	April 1	By ...?.....		...?...
Sept 30	To ...?...		...?.....	2026 March 31	By Balance c/d		1,30,000
			?				?

Provision for Depreciation account

Date	Particulars	J.F.	Amount (₹)	Date	Particulars	J.F.	Amount (₹)
2025 April 1	To Machinery A/c		10,000	2025 April 1	By Balance b/d		20,000
2026 March 31	To Balance c/d		...?...	2026 March 31	By Depreciation A/c		...?...
			?				?

Additional information:

- The firm has a practice of providing depreciation @ 5% per annum on Straight Line Method.
- On 1st April, 2025, a part of the machinery costing ₹ 15,000 was sold at a profit of ₹ 2,000.

Fill in the missing information and redraft the Machinery Account and Provision for Depreciation Account. (Evaluate)

OR

- (ii) On 1st April, 2025, Mahesh & Sons., a car rental agency, had a balance of ₹ 30,00,000 in its Motor Vehicle Account. On the same day, it sold a car whose book value amounted to ₹ 7,29,000 at a loss of 25% on its original cost. The car was purchased on 1st April, 2022.

On 1st October, 2025, the firm purchased another car for ₹8,00,000, at ex-showroom price, paid ₹ 40,000 for insurance and ₹ 20,000 as road tax.

The firm charges depreciation @ 10% per annum on Written Down Value Method.

Prepare the following for the year 2025-26:

(Evaluate)

(a) Motor Vehicle Account

(b) Depreciation Account

Question 10**[6]**

Rectify the following errors in the books of Rajender which were discovered after preparing the Trial Balance: **(Apply)**

- (a) A credit sale of ₹ 9,000 made to Abhay was debited to Keshav for ₹6,000.
- (b) A discounted bill, accepted by Abhay of ₹ 12,000 was returned by Virexa Corp's Bank. It was credited to Bank Account and debited to the Bills Receivable Account.
- (c) The total of one page of the Sales Returns Book was incorrectly carried forward to the next page as ₹ 6,500 instead of the correct amount of ₹ 5,600.
- (d) A cheque received from Rounak of ₹ 2,000, whose account was written off earlier as bad debts, was not recorded in the books.
- (e) Furniture purchased for ₹ 5,500 was wrongly debited to Purchases Account as ₹ 500 and also debited to Furniture Account as ₹ 550.
- (f) During the year, goods worth ₹ 3,500, withdrawn by Rajender for his personal use, were wrongly recorded as credit sales.

Question 11

- (i) On 1st April, 2025, Zenith & Sons drew a bill on Cyrus for ₹ 20,000 for 3 months *after sight*, which was accepted by Cyrus on 2nd April, 2025. On maturity, Cyrus became insolvent. Subsequently, Zenith & Sons received 40 paise in a rupee from Cyrus's estate.

Prepare the following in the books of Zenith & Sons:

- (a) **Cyrus's Account** **(Understand)** **[2]**
 - (b) **Bad Debts Account** **(Understand)** **[1]**
- (ii) On 15th June, 2025, Naureen dishonoured a bill of ₹ 60,000 which was drawn by Gurpreet. Gurpreet paid noting charges of ₹ 500 on the dishonoured bill. Naureen paid ₹ 10,500 immediately to Gurpreet and requested her to draw two bills on her; first bill for ₹ 20,000 for two months and the second bill for three months for the balance amount including interest @ 6% per annum on both the bills. Gurpreet drew both the new bills which were accepted by Naureen. Both the bills were honoured on the due date.

Pass the necessary journal entries in Gurpreet's book on 15th June, 2025. **[3]**
(Understand)

Question 12

- (A) An extract of a Receipts and Payment Account of Unitech Club for the year ended 31st March, 2026 is given below:

Receipts and Payment Account of Unitech Club (an extract)
For the year ended 31st March, 2026

Receipts	(₹)	Payments	(₹)
To Subscriptions:			
2024-25 12,500			
2025-26 2,34,000			
2026-27 6,000	2,52,500		

Additional information:

- Annual membership fees: ₹ 550 per member
- Total number of members: 500
- Subscription receivable on 1st April, 2025, amounted to ₹ 18,000.
- Subscription received in advance during the year 2024-25, for the year 2025-26 was ₹ 2,500.

In the books of Unitech Club, prepare a Subscription Account for the year 2025-26. [3]
(Apply)

- (B) Following is the Receipts and Payment Account TT Sports Club:

Receipts and Payment Account of TT Sports Club
For the year ended 31st March, 2026

Receipts	(₹)	Payments	(₹)
To Balance b/d	3,500	By Salary	24,670
To Subscription	1,46,890	By Charity to needy players	5,500
To Life Membership Fees	30,000	By Sports Material	29,700
To Endowment Fund	50,000	By Tournament exp.	32,570
To Sale of old sports material	2,300	By Endowment Fund Investment	50,000
To Tournament receipts	45,000	By Medicines	2,480
		By Balance c/d	1,32,770
	2,77,690		2,77,690

Additional information:

(a)	31.03.26 (₹)	31.03.25 (₹)
Subscription receivable	3,400	4,500
Subscription received in advance	4,200	5,350
Stock of sports material	5,600	-----
Stock of medicines	-----	520

- (b) On 1st July, 2025, Office Equipment of ₹ 34,000 was purchased on credit. Depreciation being charged on Office Equipment @ 10% per annum on Diminishing Balance Method.
- (c) Endowment Fund Investment was made on 1st January, 2026, earning interest @ 8% per annum.
- (d) Effective tenure for *life membership fees* was for 12 years starting from 1st April 2025.
- (e) During the year, one of the members donated stationery of ₹ 2,000.

Prepare an Income and Expenditure Account for the year 2025-26. [7]
(Apply)

OR

(C) Following information is related to Savitri Club:

[10]

Balance Sheet of Savitri Club

As at 31st March, 2025

Liabilities	(₹)	Assets	(₹)
Capital Fund	2,17,000	Sports Equipment	2,50,000
Building Fund	1,00,000	Stock of Medicines	21,000
Subscription in advance	34,000	Outstanding Subscription	16,000
Outstanding Salary	12,000	Cash and Bank balance	76,000
	3,63,000		3,63,000

Receipts and Payment Account of Savitri Club

For the year ended 31st March, 2026

Receipts	(₹)	Payments	(₹)
To Balance b/d	76,000	By Salary	54,000
To Subscription		By Stationery	11,000
2024-25 10,000		By Books	75,000
2025-26 2,80,000		By Medicines	45,500
2026-27 18,000	3,08,000	By Prize Fund	
To Lockers' rent	32,000	Investments	50,000
To Prize Fund	50,000	By Prize awarded	1,200
To Interest on Prize Fund		By Building	1,30,500
Investments	1,000	By Balance c/d	99,800
	4,67,000		4,67,000

Additional information:

- Outstanding Subscription for the year 2025-26, amounted to ₹ 11,000.
- Prize Fund Investment was made on 1st July, 2025, carrying interest @ 8% per annum.
- Depreciate Books and Sports Equipment by 20%.
- Stock of Stationery and Medicine on 31st March, 2026, were ₹ 3,200 and ₹ 6,500 respectively.
- Salary paid included ₹ 3,300 for the year 2026-27.

Based on the above information, prepare the following for Savitri Club:

- Income and Expenditure Account for the year ended 31st March, 2026 (Apply)**
- Balance Sheet as at 31st March, 2026 (Apply)**

Question 13**[10]**(A) Following is the Trial Balance of Kriti as at 31st March, 2026

Trial Balance of Kriti
As at 31st March, 2026

Particulars	Dr. (₹)	Cr. (₹)
Capital		1,90,000
Drawings	6,000	
Debtors & Creditors	25,000	22,000
Purchases and Sales	70,000	1,25,000
10% Bank Loan (taken on 1 st April, 2025)		50,000
Interest on Bank loan	3,000	
Freehold Property	1,50,000	
Furniture & Fittings	70,000	
General Reserve		20,000
Carriage inward	5,000	
Commission	5,000	9,000
Rent	13,000	
Investment	20,000	
Interest on Investment		2,000
Opening Stock	12,000	
Salaries	24,000	
Wages	2,000	
Cash at Bank	12,000	
Returns	4,000	3,000
	4,21,000	4,21,000

Additional information:

- Closing Stock as at 31st March, 2026, ₹ 35,000, net realisable value ₹ 32,000
- Goods taken by Kriti for personal use ₹ 7,000
- Depreciation to be charged on Furniture and Fittings @ 10% per annum on Diminishing Balance Method.
- Bad debt to be written off ₹ 2,000 and provision for doubtful debt to be created at 5% on the debtors.
- The manager of the business entitled to a commission of 10% on Net Profit after charging such commission.

Based on the above information, prepare the following for Kriti:

- (i) Trading and Profit and Loss A/c for the year ended 31st March, 2026 **(Apply)**
- (ii) Balance Sheet as at 31st March, 2026 **(Apply)**

OR

- (B) On 31st March, 2026, after preparing the Trading Account, following information was provided by the accountant of Anthony.

Particulars	Debit (₹)	Particulars	Credit (₹)
Stock on 31 st March, 2026	15,800	Outstanding Wages	4,600
Land and Building	2,40,000	Trade Creditors	11,000
Plant and Machinery at cost	1,60,000	Bills Payables	3,800
Salary (11 months)	33,000	Bank Overdraft	11,900
Goods lost by fire	4,300	Reserve	2,600
Drawings	21,000	Interest on investment	2,000
Investments (@ 10% per annum)	80,000	Provision for doubtful debts	2,500
Trade Debtors	45,500	Capital	3,25,000
Cash	3,200	Provision for depreciation on Plant and Machinery	26,000
Carriage on sales	1,800	Trading A/c (Cr.)	2,27,200
Insurance premium	12,000		

Additional information:

- Additional investment was made of ₹ 20,000 on 1st July, 2025.
- Insurance premium including ₹ 7,000 paid on 1st January, 2026, expiring on 31st December, 2026.
- Depreciation to be charged on Plant and Machinery @ 10% per annum on Diminishing Balance Method.
- Maintain provision for doubtful debts @ 5% on debtors. Debtors include ₹ 15,500 as good debtors.
- General Manager to get 2% commission on Net Profit before charging such commission.

From the above information, prepare the following in the books of Anthony:

- Profit and Loss Account for the year ended 31st March, 2026.** (Apply)
- Balance Sheet as at 31st March, 2026.** (Apply)



ACCOUNTANCY

ANSWER KEY

SECTION A - 15 MARKS

Question 1

- (i) (d) Convention of Complete Disclosure [1]
- (ii) (c) Debit Profit & Loss Account; Credit Capital Account [1]
- (iii) (a) Error of Principle [1]
- (iv) (a) Payee [1]
- (v) (a) Cost of goods sold [1]
- (vi) (d) R, P, Q [1]
- (vii) (a) Both Assertion and Reason are true, and Reason is the correct explanation of Assertion. [1]
- (viii) ₹ 24,000 [1]
- (ix) Prudence or Convention of Conservatism [1]
- (x) $₹ 6,000 + 2,000 + 5,000 - 4,000 = ₹ 9,000$ [1]
- (xi) ₹ 24,600 [1]
- (xii) Non-operating expenses: [1]
 $1,29,700 = 2,39,000 - 76,100 - x$
 $X = ₹ 33,200$
- (xiii) (i) Add [1]
(ii) No effect [1]
- (xiv) Fictitious Assets [1]
- (xv) Debit side of the Trial Balance will be less by ₹ 5,000 or Credit side of the Trial Balance will be excess by ₹ 5,000 [1]

SECTION B - 15 MARKS

Question 2

[3]

Bank Reconciliation Statement of Bonnie As at 31st March, 2026

Particulars	Amount (₹)	Amount (₹)
Balance as per Passbook (Dr)		7,500
(b) Add: Receipts recorded as payments (975 × 2)		1,950
		9,450
(a) Less: Cheque issued undercast by (9,700 – 7,900)	1,800	
(c) Less: Payment side of Cash Book undercast	700	2,500
Balance as per Cash Book (Cr)		6,950

Question 3

[3]

- (i) Depreciation for 3 years and 6 months = ₹ 35,000
Profit on sale of machinery = ₹ 5,000
- (ii) Provision for depreciation A/c Dr. 30,745
To Machinery A/c 30,745
(Being Accumulated depreciation on sale of assets transferred)

Question 4

[1]

[1]

[1]

- (i) Integration
(ii) Access Control
(iii) Standardisation

Question 5

[3]

In the books of Ishu Suraj's Account

Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
2026 April 1	To Balance b/d	3,00,000	2026 April 10	By Bank A/c	2,85,000
April 8	To Sales A/c	2,00,000	April 10	By Disc. Allowed A/c	15,000
			April 15	By Sales Return A/c	20,000
			April 20	By Bills Receivable A/c	1,80,000
		5,00,000			5,00,000

Mahesh's Account

Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
2026 April 21	To Bills Receivable A/c To Disc. Received A/c	1,80,000 20,000	2026 April, 1	By Balance b/d	2,00,000
		2,00,000			2,00,000

OR

(ii)

Accounting Equation of Jameel

	ASSETS			=	CAPITAL	LIABILITIES
	Cash	Goods	Debtors		Capital	Creditors
(a)	2,00,000				2,00,000	
(b)	(25,000)	34,000				9,000
	1,75,000	34,000			2,00,000	9,000
(c)		(15,000)	20,000		5,000	
	1,75,000	19,000	20,000		2,05,000	9,000
(d)	(30,000)				(30,000)	
	1,45,000	19,000	20,000		1,75,000	9,000
(e)	18,200		(20,000)		(1,800)	
	1,63,200	19,000			1,73,200	9,000
		1,82,200				1,82,200

Question 6

[3]

(i)

Journal of Raj Electronics

Date	Particulars	L.F.	Amount (₹)	Amount (₹)
(a)	Purchases A/c Dr. To Ashutosh's A/c (Being goods purchased at 10% trade discount)		9,600	9,600
(b)	Ashutosh's A/c Dr. To Cash A/c To Bank A/c (Being paid for carriage on goods on behalf of Ashutosh)		1,500	500 1,000
(c)	Office Equipment A/c Dr. Purchases A/c Dr. To Bank A/c (Being laptops purchased for office use and for resale)		45,000 45,000	90,000

OR

(ii)

**In the books of Annu
Sales Day Book**

Date	Particulars	Invoice No.	L.F.	Detail (₹)	Amount (₹)
2025 June, 11	Adhikari 20 Pen Drive 64 GB @ ₹ 450 12 Speakers for PC @ ₹1,200			9,000 14,400 23,400	
	Less: Trade Discount @ 10%			2,340	21,060
June, 19	Santosh 8 Samsung monitors @ ₹ 9,000 Less: Trade Discount @ 20%			72,000 14,400	57,600
	Total Debtors				78,660

Sales Account

Date	Particulars	J.F.	Amount (₹)	Date	Particulars	J.F.	Amount (₹)
2025 June, 30	To Balance c/d		78,660	2025 June, 30	By Sundry Debtors		78,660
			78,660				78,660

SECTION C - 50 MARKS

Question 7

(i) (a)

Jacob's Account

Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
2026 March 1	To Balance b/d	34,400	2026 March 30	By Cash	4,570
March 14	To Sales A/c	10,800	March 30	By Bad debts A/c	41,130
March 14	To Cash A/c	500			
		45,700			45,700

[3]

(b)

Farida's Account

Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
2026 March, 20	To Purchases Ret. A/c	2,400	2026 March, 1	By Balance b/d	23,900
March, 20	To Bank A/c	21,500			
		23,900			23,900

[2]

(c) **Rent A/c** [1]

Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
2026 March, 1	To Balance b/d	5,500	2026 March 31	By Profit & Loss A/c	5,900
March, 10	To Cash A/c	400			
		5,900			5,900

OR

(ii) **Cash Book of Urja** [6]

Date	Particulars	Disc. All. (₹)	Cash (₹)	Bank (₹)	Date	Particulars	Disc. Rec. (₹)	Cash (₹)	Bank (₹)
2026 Jan, 21	To Bal. b/f	30	13,400	400	2026 Jan, 21	By Bal. b/f	45	2,100	900
Jan, 21	To Cash A/c (C)			500	Jan, 21	By Bank A/c (C)		500	
Jan, 24	To Ashish A/c	250	4,750		Jan, 25	By Salary A/c		6,400	5,600
Jan, 27	To Manpreet A/c	200	5,400	3,500	Jan, 29	By Aslam A/c	600	5,400	
Jan, 31	To Bal. c/d			2,100	Jan, 31	By Bal. c/d		9,150	
		480	23,550	6,500			645	23,550	6,500

Question 8

[6]

(i) **Amended Cash Book**

Date	Particulars	L.F.	Amount (₹)	Date	Particulars	L.F.	Amount (₹)
2026 April, 30	To Balance b/d		24,800	2026 April, 30	By Divya		11,000
April, 30	To Joy		15,000	April, 30	By Bank Charges		1,100
April, 30	To Dividend		7,250	April, 30	By Balance c/d		34,950
			47,050				47,050

- (ii)
- Two cheques of ₹ 3,500 and ₹ 4,700 were issued but not presented for payment.
 - Cheque of ₹ 5,000 deposited into bank but not credited.

Question 9

[6]

(i)

**Books of Kanika Traders
Machinery Account**

Date	Particulars	LF	Amount (₹)	Date	Particulars	LF	Amount (₹)
2025 April, 1	To Balance b/d		1,00,000	2025 April, 1	By Provision for dep. A/c		10,000
April, 1	To Gain on sale of machinery A/c		2,000	April, 1 2026	By Bank A/c		7,000
Sept., 30	To Bank A/c		45,000	March, 31	By Balance c/d		1,30,000
			1,47,000				1,47,000

Provision for Depreciation account

Date	Particulars	LF	Amount (₹)	Date	Particulars	LF	Amount (₹)
2025 April, 1	To Machinery A/c		10,000	2025 April, 1	By Balance b/d		20,000
2026 March, 31	To Balance c/d		15,375	2026 March, 31	By Depreciation A/c		5,375
			25,375				25,375

OR

(ii) (a)

Motor Vehicle A/c

Date	Particulars	LF	Amount (₹)	Date	Particulars	LF	Amount (₹)
2025 April, 1	To Balance b/d		30,00,000	2025 April, 1	By Bank A/c		4,79,000
October, 1	To Bank A/c		8,00,000	April, 1	By Loss on sale of Motor Vehicle A/c		2,50,000
October, 1	To Bank A/c		60,000	2026 March, 31	By Depreciation A/c (2,27,100+43,000)		2,70,100
			38,60,000	March, 31	By Balance c/d		28,60,900
							38,60,000

(b)

Depreciation A/c

Date	Particulars	LF	Amount (₹)	Date	Particulars	LF	Amount (₹)
2026 March, 31	To Motor Vehicle A/c		2,70,100	2026 March, 31	By Profit & Loss A/c		2,70,100
			2,70,100				2,70,100

Question 10

[6]

JOURNAL

Date	Particulars	L.F.	Amount (₹)	Amount (₹)
(a)	Abhay's A/c Dr. To Keshav's A/c To Suspense A/c (Being Keshav's Account debited wrongly rectified)		9,000	6,000 3,000
(b)	Abhay's A/c Dr. To Bills Receivable A/c (Being Bills Receivable Account wrongly debited rectified)		12,000	12,000
(c)	Suspense A/c Dr. To Sales Return A/c (Being Sales Return Book overcast rectified)		900	900
(d)	Bank A/c Dr. To Bad Debts Recovered A/c (Being Bad Debts Recovered recorded)		2,000	2,000
(e)	Furniture A/c Dr. To Purchases A/c To Suspense A/c (Being Furniture purchases recorded wrongly rectified)		4,950	500 4,450
(f)	Drawings A/c Dr. Sales A/c Dr. To Purchases A/c To Debtors A/c (Being goods drawn for personal use wrongly recorded rectified)		3,500 3,500	3,500 3,500

Question 11

(i) (a)

Cyrus's Account

[2]

Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
2025 April 1	To Balance b/d	20,000	2025 April 1	By Bills Receivable A/c	20,000
July 5	To Bills Receivable A/c	20,000	July 5	By Bank A/c	8,000
			July 5	By Bad Debts A/c	12,000
		40,000			40,000

(b)

Bad Debts Account

[1]

Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
2025 July 5	To Cyrus's A/c	12,000	2026 March 31	By Profit & Loss A/c	12,000
		12,000			12,000

(ii)

Journal of Gurpreet

[3]

Date	Particulars	L.F.	Amount (₹)	Amount (₹)
2025 June, 15	Naureen's A/c Dr. To Bills Receivable A/c To Cash A/c (Being the bills dishonoured and noting charges paid)		60,500	60,000 500
June, 15	Cash A/c Dr. To Naureen's A/c (Being cash received)		10,500	10,500
June, 15	Naureen's A/c Dr. To Interest A/c (Being interest charged on new bills)		650	650
June, 15	Bills Receivable A/c (1) Bills Receivable A/c (2) To Naureen's A/c (Being new bill drawn and accepted by Naureen)		20,000 30,650	50,650

Question 12

(A)

Subscription Account

[3]

Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
2025 April, 1	To Subs. receivable b/f	18,000	2025 April, 1	By Subs. rec. in advance b/f	2,500
2026 March, 31	To Income & Expenditure A/c	2,75,000	2026 March, 31	By Receipts & Payments A/c	2,52,500
March, 31	To Subs. rece. in advance c/f	6,000	March, 31	By Subs. Receivable c/f (5,500 + 38,500)	44,000
		2,99,000			2,99,000

(B)

Income and Expenditure Account of TT Sports Club
For the year ended 31st March, 2026

[7]

Expenditure	Amount (₹)	Income	Amount (₹)
To Salary	24,670	By Membership fees	1,46,890
To Charity to needy players	5,500	Less: O/s for prev. year	(4,500)
To Sports Mat.	29,700	Add: O/s for curr. year	3,400
Less: Cl. stock	<u>(5,600)</u>	Add: Adv. prev. year	5,350
To Tournament expenses	32,570	Less: Adv. for next year	<u>(4,200)</u>
To Medicines	2,480		1,46,940
Add: Op. stock	<u>520</u>	By Life membership fees	2,500
To Dep. on Office Equipment	2,550	By Sale of old sports material	2,300
To Stationery	2,000	By Interest on EFI	1,000
To Capital Fund (Surplus)	1,05,350	By Tournament receipts	45,000
		By Donation (Stationery)	2,000
	1,99,740		1,99,740

OR

(C)

(i)

Income and Expenditure Account of Savitri Club
For the year ended 31st March, 2026

[10]

Expenditure	Amount (₹)	Income	Amount (₹)
To Salary	54,000	By Subscription	2,80,000
Less: O/s for 24-25	12,000	Add: O/s for 25-26	11,000
Less: Prepaid for 26-27	<u>3,300</u>	Add: Pre-received	<u>34,000</u>
To Stationery	11,000	By Lockers' rent	32,000
Less: Closing Stock	<u>3,200</u>		
To Medicines	45,500		
Add: Opening Stock	21,000		
Less: Closing Stock	<u>6,500</u>		
To Depreciation on Books	15,000		
To Depreciation on Sports Equipment	50,000		
To Capital Fund (Surplus)	1,85,500		
	3,57,000		3,57,000

(ii)

Balance Sheet of Savitri Club
As at 31st March, 2026

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Fund 2,17,000		Sports Equipment 2,50,000	
Add: Surplus 1,85,500		Less: Depreciation (50,000)	2,00,000
Add: Building Fund 1,00,000	5,02,500	Building	1,30,500
		Books 75,000	
Prize Fund 50,000		Less: Depreciation 15,000	60,000
Add: Interest on PFI 3,000		Stock of Medicines	6,500
Less: Prize awarded 1,200	51,800	Prize Fund Investments	50,000
		Accrued Interest on Investments	2,000
Subscription received in advance	18,000	Outstanding Subscription	17,000
		Stock of Stationery	3,200
		Prepaid Salary	3,300
		Cash and Bank balance	99,800
	5,72,300		5,72,300

Question 13**[10]**

(A) (i)

Trading Account of Kriti
For the year ended 31st March 2026

Particulars	Amount (₹)	Particulars	Amount (₹)
To Opening Stock	12,000	By Sales 1,25,000	
To Purchases 70,000		Less: Returns <u>4,000</u>	1,21,000
Less: Drawings 7,000		By Closing Stock	32,000
Less: Goods Returns <u>3,000</u>	60,000		
To Carriage Inwards	5,000		
To Wages	2,000		
To Profit and Loss A/c (Gross Profit transferred)	74,000		
	1,53,000		1,53,000

Profit and Loss Account of Kriti
For the year ended 31st March 2026

Particulars	Amount (₹)	Particulars	Amount (₹)
To Interest on loan 3,000		By Trading A/c (Gross Profit)	74,000
Add Outstanding <u>2,000</u>	5,000	By Commission	9,000
To Commission	5,000	By Interest on Investments	2,000
To Rent	13,000		
To Salaries	24,000		
To Depreciation on Furniture & Fittings	7,000		
To Bad debts 2,000			
Add: Prov. For D/d <u>1,150</u>	3,150		
To Manager's Commission	2,532		
To Capital A/c	25,318		
(Net Profit transferred)			
	85,000		85,000

(ii)

Balance Sheet of Kriti
As at 31st March 2026

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital 1,90,000		Freehold Property	1,50,000
Add Net Profit 25,318		Furniture & Fittings	
Less Drawings 6,000		70,000	
Less Drawings (Goods) <u>7,000</u>	2,02,318	Less Dep. 7,000	63,000
Creditors 22,000		Investments	20,000
Bank Loan 50,000		Debtors 25,000	
Add: O/s Interest <u>2000</u>	52,000	Less: Bad Debts 2,000	
General Reserve 20,000		Less: Prov. for	
O/s Manager's Commission 2,532	2,532	D/d <u>(1,150)</u>	21,850
		Cash at Bank	12,000
		Closing Stock	32,000
	2,98,850		2,98,850

OR

(B) (i)

Profit and Loss Account of Anthony
For the year ended 31st March, 2026

Particulars	Amount (₹)	Particulars	Amount (₹)
To Salary 33,000		By Trading A/c (Gross Profit)	2,27,200
Add: O/s Salary <u>3,000</u>	36,000	By Interest on Invest. 2,000	
To Goods lost by fire 4,300		Add Accrued interest <u>5,500</u>	7,500
To Insurance Prem. 12,000		By Provision for doubtful debts:	
Less: Prepaid <u>5,250</u>	6,750	Old Provision 2,500	
To Depreciation 13,400		Less: New Provision <u>1,500</u>	1,000
To Carriage on sales 1,800			
To Managers Comm. O/s 3,469			
To Capital A/c 1,69,981			
(Net Profit transferred)			
	2,35,700		2,35,700

(ii)

Balance Sheet of Anthony
As at 31st March, 2026

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital 3,25,000		Land & Building	2,40,000
Add: Net Profit 1,69,981		Plant & Machinery 1,60,000	
Less: Drawings <u>21,000</u>	4,73,981	Less: Prov. for Depreciation <u>39,400</u>	1,20,600
Outstanding Managers comm. 3,469		Investments 80,000	
Outstanding Wages 4,600		Sundry Debtors 45,500	
Trade Creditors 11,000		Less: Prov. for doubtful debts <u>1,500</u>	44,000
Bills Payable 3,800		Pre-paid Insurance Premium 5,250	
Bank Overdraft 11,900		Closing Stock 15,800	
Reserve 2,600		Accrued Interest on Investment 5,500	
Outstanding Salary 3,000		Cash 3,200	
	5,14,350		5,14,350