



J.K. SHAH[®]
TEST SERIES
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SUGGESTED SOLUTION

FYJC 2020

SUBJECT- BOOK KEEPING AND ACCOUNTANCY

Test Code – FYJ 6095 A

BRANCH - () (Date :)

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ANSWER : 1

(05)

1. Single Entry System
2. Single Entry System
3. Statement of Profit or Loss
4. Single Entry System
5. Statement of Affairs

ANSWER : 2

(05)

1. This statement is **False** : Profit and loss account has debit and credit side which shows all expenses on debit side and all incomes to credit side and the differences is profit and loss for the year. Where as statement of profit just add and less income and expenses to find profit or loss.
2. This statement is **False** : Single Entry System is an ancient method of recording business transaction. It is simple method of book – keeping. It is not a scientific and accurate system of Accounting. This system has no proper set of rules to be followed.
3. This statement is **False** : All transactions are not recorded in single entry system. Only cash book and personal accounts of debtors and creditors are maintained. All transactions are recorded in Double Entry System of Book – keeping and Accountancy.
4. This statement is **True** : All transactions and accounts are not recorded in the Single Entry System. So it is impossible to prepare Trial Balance under this system without which Arithmetical accuracy cannot be checked.
5. This statement is **False**. Drawings made during the year are added to the closing capital in the statement of profit, it increase the profit under Single Entry System.

ANSWER : 3

(10)

In the books of Mrs. Meena of Bilaspur

Statement of Affairs as on 31st March 2019

Liabilities	31.3.2018	31.3.2019	Assets	31.3.2018	31.3.2019
Capital (Balancing figure)	1,56,500	1,67,500	Machinery	50,000	50,000
Creditors	18,000	20,000	Furniture	50,000	30,000
O/s Expenses	1,500	-	Debtors	18,000	25,000
			Stock	30,000	42,000
			Prepaid Expenses	-	500
			Cash at Bank	28,000	40,000
	1,76,000	1,87,500		1,76,000	1,87,500

Statement of Profit or Loss for the year ended 31st March 2019

Particulars	Amt. (Rs.)	Amt. (Rs.)
Capital at the end of the accounting year 2018 – 2019		1,67,500
Add : Drawings made during the accounting year 2018 – 2019		+ 3,000
		1,70,500
Less : Additional Capital introduced during the accounting year 2018 – 2019		(-) 10,000
Adjusted Capital		1,60,500
Less : Capital at the beginning of the accounting year 2018 - 19		(-) 1,56,500
Trading profit / Profit before adjustments		4,000
Add : Interest on drawings		
$\left(3000 \times \frac{6}{12} \times \frac{5}{12}\right)$ (Average period of 6 months)		+ 75
		4,075
Less : (1) Depreciation on Machinery : $\left(50,000 \times 1 \times \frac{5}{100}\right)$	2,500	
(2) R.D.D. $\left(25000 \times \frac{2}{100}\right)$	500	
(3) Interest on Capital :		
(i) On opening balance		
$\left(1,56,500 \times \frac{5}{100} \times 1\right)$	7,825	
(ii) Interest on additional Capital :		
$\left(10,000 \times \frac{6}{12} \times \frac{5}{100}\right)$	+ 250	
	+ 8,075	(-) 11,075
Net Loss incurred during the year 2018 – 2019 :		(-) (7,000)