

QB365 Question Bank Software Study Materials

Accounts From Incomplete Records Important 2 Marks Questions With Answers (Book Back and Creative)

12th Standard

Accountancy

Total Marks : 40

2 Marks

20 x 2 = 40

- 1) From the following particulars ascertain profit or loss:

	RS.
Capital at the beginning of the year (1 st April, 2016)	2,00,000
Capital at the end of the year (31 st March, 2017)	3,50,000
Additional capital introduced during the year	70,000
Drawings during the year	40,000

Answer :

PARTICULARS	RS.
Closing capital (as on 31.3.2017)	3,50,000
Add: Drawings during the year	40,000
	3,90,000
Less: Additional capital introduced during the year	70,000
Adjusted closing capital	3,20,000
Less: Opening capital (as on 1.4.2016)	2,00,000
Profit made during the year	1,20,000

Statement of profit or loss for the year ended 31st March, 2017

- 2) From the following particulars ascertain profit or loss:

	RS.
Capital as on 1 st April 2018	1,60,000
Capital as on 31 st March, 2019	1,50,000
Additional capital introduced during the year	25,000
Drawings made during the year	30,000

Answer :

PARTICULARS	RS.
Closing capital (as on 31.3.2019)	1,50,000
Add: Drawings during the year	30,000
	1,80,000
Less: Additional capital introduced during the year	25,000
Adjusted closing capital	1,55,000
Less: Opening capital (as on 1.4.2018)	1,60,000
Loss incurred during the year	(-) 5,000

Statement of profit or loss for the year ended 31st March, 2019

- 3) From the following particulars, prepare bills receivable account and compute the bills received from the debtors

PARTICULARS	RS
Opening bills receivable	20,000
Closing bills receivable	30,000
Cash received for bills receivable	60,000
Bills receivable dishonoured	5,000

Answer :

PARTICULARS	RS	PARTICULARS	RS
To Balance b/d	20,000	By Cash A/c	60,000
To Debtors A/c	75,000	By Debtors A/c	5,000
(Bills received during the year – balancing figure)		(Bills receivable dishonoured)	
		By Balance c/d	30,000
	95,000		95,000

Dr. Bills receivable account

Cr.

4) What is meant by incomplete records?

Answer : (i) When accounting records are not strictly maintained according to double entry system, these records are called as incomplete accounting records.

(ii) Generally, cash account and the personal accounts of customers and creditors are maintained fully and other accounts are maintained based on necessity.

5) State the accounts generally maintained by small sized sole trader when double entry accounting system is not followed.

Answer : Generally cash account and the personal accounts of customers and creditors are maintained by small sized sole trader. When double entry accounting system is not followed.

6) What is a statement of affairs?

Answer : A Statement of affairs is a Statement showing the assets and liabilities on a particular date. The balance of assets show on the right side and the balance of liabilities on the left side. This Statement resembles a balance Sheet the difference between the total of assets and total of liabilities is taken as Capital.

Capitals = Assets - Liabilities

7) From the following particulars ascertain profit or loss:

PARTICULARS	RS.
Capital at the beginning of the year (1 st April, 2018)	5,00,000
Capital at the end of the year (31 st March, 2019)	8,50,000
Additional capital introduced during the year	1,20,000
Drawings during the year	70,000

Answer :

PARTICULARS	RS.
Closing capital (as on 31.03.2019)	8,50,000
Add : Drawings during the year	70,000
	9,20,000
Less: Additional capital introduced during the year	1,20,000
Adjusted closing capital	8,00,000
Less: Opening capital (as on 1st April, 2018)	5,00,000
Profit for the year	3,00,000

Statement of profit or loss for the year ending 31st March 2019

8) Find out credit sales from the following information:

PARTICULARS	RS.
Debtors on 1 st April, 2018	1,00,000
Cash received from debtors	2,30,000
Discount allowed	5,000
Returns inward	25,000
Debtors on 31 st March 2019	1,20,000

Answer :

PARTICULARS	RS.	PARTICULARS	RS
To Balance b/d	1,00,000	By Cash received	2,30,000
To Credit sales	2,80,000	By Discount allowd	5,000
(Balancing figure)		By Sales returns	25,000
		By Balance c/d	1,20,000
	3,80,000		3,80,000

Dr **Total Debtors account** Cr

- 9) From the following particulars, prepare bills receivable amount and compute the bills received from the debtors.

PARTICULARS	RS.
Bills receivable at the beginning of the year	1,40,000
Bills receivable at the end of the year	2,00,000
Cash received for bills receivable	3,90,000
Bills receivable dishonoured	30,000

Answer :

PARTICULARS	RS.	PARTICULARS	RS
To Balance b/d	1,40,000	By Cash	3,90,000
To Debtors A/c	4,80,000	By Debtors	30,000
(Bills received during the year - balancing figure)		(Bills receivable dishonoured)	
		By Balance c/d	2,00,000
	6,20,000		6,20,000

Dr Bills receivable account Cr

- 10) From the following details, calculate credit purchases

PARTICULARS	RS.
Opening creditors	1,70,000
Purchase returns	20,000
Cash paid to creditors	4,50,000
Closing creditors	1,90,000

Answer :

PARTICULARS	RS.	PARTICULARS	RS
To Cash (paid)	4,50,000	By Balance b/d	1,70,000
To Purchase returns	20,000	By Credit purchases	4,90,000
To Balance c/d	1,90,000	(balance figure)	
	6,60,000		6,60,000

Dr **Total Creditors account** Cr

- 11) Under single entry system is it possible to check the arithmetical accuracy of books of accounts?

Answer : No, as arithmetical accuracy is checked by preparing a trial balance and in case of single entry system a trial balance cannot be prepared as it does not record both aspects of a transaction.

- 12) Can a limited company maintain its accounts under single entry system?

Answer : No, due to legal restrictions, a company cannot maintain its accounts under single entry system.

- 13) Why is statement of affairs prepared under single entry system not referred to as balance sheet?

Answer : Statement of affairs prepared under single entry system is not called a balance sheet because statement of affairs is not prepared with the list of ledger balances kept on the basis of double entry system. Also value of assets and liabilities shown in statement of affairs are only the estimates and not the actual values.

- 14) What are the possible reasons for keeping incomplete records?

Answer : (i) Simple method: Proprietors, who do not have the proper knowledge of accounting principles. Find it much convenient and easier to maintain their business records under this system.

(ii) Less expensive: It is an economical mode of maintaining records as there is no need to appoint specialised accountant.

(iii) Flexible: Owner may record transactions as particular own needs. It can be easily adjusted or changed whenever needed.

(iv) Less time consuming: Maintaining books according to the single entry system is less time consuming, as only few books are to be maintained. Further the books are not as comprehensive as they are under double entry system.

15) Mention, two characteristics of "Accounts from Incomplete Records".

Answer : (i) This system is suitable for sole traders or partnership firm doing small scale business

(ii) There is no uniformity as their system differs from firm to firm.

16) State any two limitations of Incomplete Record System?

Answer : (i) It does not reflect correct profit.

(ii) Balance sheet does not reflect correct financial position.

17) What is statement of affairs?

Answer : A Statement of Affairs is a statement of all assets and liabilities. The difference between the amount of two sides is taken as capital.

18) From the following information find out the missing figure.

Closing Capital Rs. 5,00,000

Opening Capital Rs. 7,50,000

Drawings Rs. 3,75,000

Additional Capital Rs. 50,000

Answer :

PARTICULARS	RS.
Closing Capital	5,00,000
Add: Drawings	3,75,000
	8,75,000
Less: Additional Capital	50,000
Adjusted closing Capital	8,25,000
Less: Opening Capital	7,50,000
profit	75,000

19) Mr. A started a business capital Rs. 2,50,000 on 1-4-2018. He withdrew Rs. 40,000. He sold his personal assets Rs. 25,000 and brought the amount into the business on 31st March 2019. Total assets Rs. 1,05,000 You are required the profit or loss for 2018-19.

Answer : Statement of Profit/Loss

PARTICULARS	AMT(RS.)
Closing Capital	1,05,000
Add: Drawings	40,000
	1,45,000
Less: Additional Capital	25,000
Adjusted closing Capital	1,20,000
Less: Opening Capital	2,50,000
Loss	1,30,000

20) From the following details, calculate the missing figure:

Particular	Rs
Capital as on 31 st December 2018	35,000
Capital as on 1 st January 2018	27,000
Goods taken for the personal use of the proprietor	?
Additional capital introduced during the year	2,500

Profit of the year	10,000
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Answer :

PARTICULAR	RS
Closing capital	35,000
Add:Drawings	5,000
	40,000
Less:Additional capital	2,500
	37,500
Less:Opening capital	27,500
Profit	10,000

Statement of Profit and Loss