



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

Board of Studies
The Institute of Chartered Accountants of India

29th July, 2024

CORRIGENDUM

**Corrigendum to Study Material (April, 23 edition) of Foundation Paper 1:
Accounting – Printed copy**

In the printed copy of the Study Material [April, 2023 Edition], students may note the following corrections. The correction has been carried out in the Study material hosted on the website:

S.No.	Chapter	Para no. /question no./ Illustration no.	Page No.	Remarks
1.	2 (Unit 1)	Illustration 8	2.37	Point (iv) The amount of ₹ 20,000 to be replaced with ₹ 30,000.
2.	2 (Unit 1)	Illustration 9	2.40	In the narration of Journal entry no 5, the amount ₹ 14,000 and ₹1,400 to be read as ₹ 28,000 and ₹ 2,800
3.	2 (Unit 1)	Illustration 10	2.41	Point (iii) the words “and 5% Cash discount.” to be ignored while solving the question.
4.	2 (Unit 1)	Illustration 10	2.42	Point (iii) the journal entry and working note to be read as Bank A/c Dr. 60,480 Cash A/c Dr. 20,160 Mukesh’s A/c (refer W. N.) Dr. 53,760 To Sales A/c 1,20,000 To Output CGST A/c 7,200 To Output SGST A/c 7,200 (Being goods sold to Mukesh at a trade discount of 20% and received 60%, charged CGST and SGST @ 6% each) Working Note: After allowing trade discount of ₹ 30,000 on ₹ 1,50,000 = ₹ 1,20,000, 60% of the balance amount i.e. ₹ 1,34,400 (₹ 1,20,000 + 12% GST ₹ 14,400) is paid in cash and by cheque.



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				<p>Hence, the amount paid in cash and cheque = ₹ 1,34,400 × 60% = ₹ 80,640.</p> <p>Amount paid by cheque = ₹ 80,640 × 3/4 = ₹ 60,480</p> <p>Amount paid in cash = ₹ 80,640 × 1/4 = ₹ 20,160</p> <p>Mukesh's A/c = (₹ 1,20,000 + ₹ 14,400 – ₹ 60,480 – ₹ 20,160) = ₹ 53,760</p>								
5.	2 (Unit 1)	True and False	2.43 Point 2	<p>In True and False statement point 2 to be read as:</p> <p>“In the traditional approach, for an entity a debtor will be receiver after sale of goods.”</p>								
6.	2 (Unit 1)	True and False	2.46 Point 2	<p>In True and False statement Answer of Point 2 to be read as:</p> <p>False: In the traditional approach, a debtor will be giver since he will be paying money for the sale of goods by the entity.</p>								
7.	2 (Unit 5)	True and False	2.121	<p>Answer to point 4 to be read as:</p> <p>True: Contra entry can be passed in a two-column cash book which includes bank and cash columns.</p>								
8.	2 (Unit 5)	True and False	2.121	<p>Answer to point 2 to be read as:</p> <p>False: Two column cash book consists of two columns either cash column & discount column or cash column & bank column.</p>								
9.	2 (Unit 6)	Practical Question 1	2.157	<p>Answer to Practical Question 1 adj(vii) to be read as</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Bad Debts A/c (refer W.N 1)</td> <td style="width: 30%; text-align: right;">Dr 1,560</td> </tr> <tr> <td style="padding-left: 20px;">To Trade receivables A/c</td> <td style="text-align: right;">1,560</td> </tr> <tr> <td>Provision for Doubtful Debts A/c (W.N.2)Dr</td> <td style="text-align: right;">1,396</td> </tr> <tr> <td style="padding-left: 20px;">To Profit and Loss A/c</td> <td style="text-align: right;">1,396</td> </tr> </table> <p>Working Note:</p>	Bad Debts A/c (refer W.N 1)	Dr 1,560	To Trade receivables A/c	1,560	Provision for Doubtful Debts A/c (W.N.2)Dr	1,396	To Profit and Loss A/c	1,396
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				(i) Balance of Trail Balance for Computation of Provision for Doubtful Debts Trade receivables as per books 23,390 Deduction vide item (iv) 270 270 Bad Debts <u>1,560</u> <u>21,560</u> (ii) Amount Charge to Profit & Loss on Account of Provision for Doubtful Debts Opening of Provision for Doubtful Debts 2,320 Less: Bed debts 1,560 760 Closing Balance of Provision for Doubtful Debts 2,156 Charge to Profit and Loss A/c 1,396
10	5	Multiple Choice Question 10	5.37	The year 1st October,2021 to be read as 1st October,2022
11	6	Illustration 4	6.16	Adjustment No (iv) to be read as: Katrak's acceptance to Patel for ` 5,000 was discharged by endorsing Mody's acceptance to Katrak for a similar amount.
12	7	Illustration 7	7.41	In Balance Sheet the amount to Inventories to be read as 13,00,000
13	10 (Unit 3)	Illustration 9	10.78	The Journal entry at the end of the page to be read as : Memorandum Revaluation A/c Dr. To Assets Accounts (with decrease in the value of individual assets) To Liabilities (with increase in the value of individual assets)
14	10(Unit 4)	Illustration 9	10.150	The words in bold are to be added in between the illustration. "Sundry Fixed Assets was revalued for ₹ 1,10,000. But B and C did not prefer to show such an increase in assets in the balance sheet. Also they agreed to bring necessary cash to discharge 50% of the A's claim, to make the bank balance ₹ 25,000 and to make their capital proportionate.
15	10(Unit 4)	Illustration 9	10.151	"Revaluation Profit" in working notes to be read as "Memorandum Revaluation Profit"



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16.	11(Unit 3)	Illustration 13	11.106	The date 1-1-2019 to be read as 1-1-2022 .
17.	11 (Unit 3)	Multiple Choice Question	11.112	The answer to Multiple Choice Question 7 is (a).