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- (i) Accounting Standards for non-corporate entities in India are issued by the Central Government.
 - (ii) Subsidy received from the government for working capital by a manufacturing concern is a revenue receipt.
 - (iii) Reducing balance method of depreciation is followed to have a uniform charge for depreciation and repairs and maintenance together.
 - (iv) Discount at the time of retirement of a bill is a gain for the drawee.
 - (v) Business of partnership comes to an end on death of a partner.
 - (vi) Receipts and Payments Account highlights total income and expenditure.
- (6 Statements x 2 Marks = 12 Marks)**

- (i) **False** - Accounting Standards for non-corporate entities in India are issued by the Institute of Chartered Accountants of India (ICAI)..
- (ii) **True** - Subsidy received from the government for working capital by a manufacturing concern is a revenue receipt because it has no effect on improvement of future capability of business in revenue generation.
- (iii) **True** - In the early periods of useful life of a fixed assets, repairs and maintenance expenses are relatively low because the asset is new. Whereas in later periods, as the asset become old, repairs and maintenance expenses increase continuously. Under written down value method, depreciation charged is high in the initial period and reduces continuously in the later periods. Thus, depreciation and repair and maintenance expenses become more or less uniform throughout the useful life of the asset.
- (iv) **True** - Discount at the time of retirement of a bill is a gain for the drawee and loss for the drawer.
- (v) **False** - Surviving partners may continue to carry on the business in case of partnership.
- (vi) **False** - Receipts and payments account is a classified summary of cash receipts and payments over a certain period together with cash and bank balances at the beginning and close of the period.

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- i. Insurance claim received on account of plant and machinery completely damaged by fire is a capital receipt.
 - ii. In the balance sheet of Angel Limited, preliminary expenses amounting to ₹ 15 lakhs and securities premium account of ₹ 105 lakhs are appearing; The accountant can use the balance in securities premium account to write off preliminary expenses.
 - iii. The financial statements must disclose all the relevant and reliable information in accordance with the Full Disclosure Principle.
 - iv. In case of admission of a new partner in a partnership firm, the profit/loss on revaluation account is transferred to all partners in their new profit sharing ratio.
 - v. The debit notes issued are used to prepare Sales Return Book.
 - vi. Debenture holders enjoy the voting rights in the company.
- (i) **True:** Insurance claim received on account of plant and machinery completely damaged by fire is a capital receipt as it is not obtained in course of normal business activities.
- (ii) **True:** According to Section 52 of the Companies Act, 2013, Securities Premium Account may be used by the company to write off preliminary expenses of the company. Thus, the accountant can use the balance in securities premium account to write off the preliminary expenses amounting ₹ 15 lakhs.
- (iii) **True:** The financial statements must disclose all the relevant and reliable information in accordance with the Full Disclosure Principle.
- (iv) **False:** In case of admission of new partner in a partnership firm, profit/loss on revaluation account is transferred to old partners in their old profit-sharing ratio.
- (v) **False:** The debit notes issued are used to prepare purchases return book.
- (vi) **False:** Debenture holder does not enjoy voting rights in company. He is only a creditor of the company.

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- i. Subsidy received from the government for working capital by a manufacturing concern is a revenue receipt.
 - ii. If the effect of errors committed cancel out, the errors will be called compensating errors and the trial balance will disagree.
 - iii. The financial statements must disclose all the relevant and reliable information in accordance with the Full Disclosure Principle.
 - iv. Limited Liability Partnership (LLP) is governed by Indian Partnership Act, 1932.
 - v. Nominal Accounts are kept under Single Entry System.
 - vi. A person holding preference shares of a company cannot hold equity shares of the same company.
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- (i) **True:** Subsidy received from the government for working capital by a manufacturing concern is a revenue receipt because it has no effect on improvement of future capability of business in revenue generation.
 - (ii) **False:** If the effect of errors committed cancel out, the errors will be called compensating errors and the trial balance will agree.
 - (iii) **True:** The financial statements must disclose all the relevant and reliable information in accordance with the Full Disclosure Principle.
 - (iv) **False:** The provisions of the Indian Partnership Act, 1932 shall not apply to a limited liability partnership. Limited Liability (LLPs) Act, 2008 is applicable for Limited Liability Partnerships
 - (v) **False:** Under the single entry system of bookkeeping, generally cash book and personal accounts of creditors and debtors are maintained, and no other ledger is maintained.
 - (vi) **False:** Preference share holder can hold both Equity shares and Preference shares of the company. Any person can hold both kinds of shares.

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- (a) A concern proposes to discontinue its business from December 2023 and decides to dispose off all its plants within a period of 3 months. The Balance Sheet as on 31st December, 2023 should continue to indicate the plants at its historical costs as the assets will be disposed off after the Balance Sheet date.
- (b) The Sales book is kept to record both cash and credit sales.
- (c) Bank reconciliation statement is prepared to arrive at the bank balance.
- (d) Damaged Inventory should be valued at cost or market price, whichever is lower.
- (e) Reducing balance method of depreciation is followed to have a uniform charge for depreciation and repairs and maintenance together.
- (f) Discount at the time of retirement of a bill is a gain for the drawee.
- (g) A withdrawal of cash from the business by the proprietor for personal use should be charged to profit and loss account as an expense.
- (h) In case of admission of a new partner in a partnership firm, the profit/loss on revaluation account is transferred to all partners in their new profit sharing ratio.
- (i) Where a Non-Profit organization separate trading activity, the profit and loss from the trading account shall be transferred to Income and Expenditure Account at the time of consolidation.
- (j) In the balance sheet of X Limited, preliminary expenses amounting to ₹ 5 lakhs and securities premium account of ₹ 35 lakhs are appearing; The accountant can use the balance in securities premium account to write off preliminary expenses.
- (k) Debenture interest is payable after the payment of preference dividend but before the payment of equity dividend.

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- (a) **False:** If the fundamental accounting assumption of going concern is not followed, then the assets and liabilities should be stated at realizable value not historical cost.
- (b) **False:** The Sales book is a register especially kept to record credit sales of goods dealt in by the firm, cash sales are entered in the cash book and not in the sales book.
- (c) **False:** Bank reconciliation statement is prepared to reconcile and explain the causes of differences between bank balance as per cash book and the same as per bank statement as on a particular date.
- (d) **False:** Damaged Inventory should be valued at net releasable value.
- (e) **True:** In the early periods of useful life of a fixed assets, repairs and maintenance expenses are relatively low because the asset is new. Whereas in later periods, as the asset become old, repairs and maintenance expenses increase continuously. Under written down value method, depreciation charged is high in the initial period and reduces continuously in the later periods. Thus, depreciation and repair and maintenance expenses become more or less uniform throughout the useful life of the asset.
- (f) **True:** Discount at the time of retirement of a bill is a gain for the drawee and loss for the drawer.
- (g) **False:** Cash withdrawal for personal use by the proprietor from his business should be treated as his drawings and not a business expense chargeable to profit and loss account. Such drawings should be deducted from the proprietors capital.
- (h) **False:** In case of admission of new partner in a partnership firm, profit/loss on revaluation account is transferred to old partners in their old profit-sharing ratio.
- (i) **True:** Where in case of a Non-Profit organization separate trading activity, the profit and loss from the trading account shall be transferred to Income and Expenditure Account at the time of consolidation.
- (j) **True:** According to Section 52 of the Companies Act, 2013, Securities Premium Account may be used by the company to write off preliminary expenses of the company. Thus, the accountant can use the balance in securities premium account to write off the preliminary expenses amounting ₹ 5 lakhs
- (k) **False:** Debenture interest is payable before the payment of any dividend on shares.

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- 1 The balance in petty cash book represents an asset.
2. Finished goods are normally valued at cost or market price whichever is higher.
- 3 Subscriptions received for the current year shall be shown in the balance sheet as a current asset.
- 4 When shares are forfeited, the share capital account is debited with called up capital of shares forfeited and the share forfeiture account is credited with Calls in arrear of shares forfeited.
- 5 Discount at the time of retirement of a bill is a gain for the drawee.
6. Bills receivable and bills payable books are type of subsidiary books.
(6 statements x 2 Marks = 12 Marks)

1. **True** - The balance represents the cash physically in existence and is therefore an asset.
2. **False** - Finished goods are normally valued at cost or net realizable value whichever is lower.
3. **False** - Current year subscription shall be shown in the credit side of the income and expenditure account and not in the balance sheet, as it is not a capital item.
4. **False** - When shares are forfeited, the share capital account is debited with called up capital of shares forfeited and the share forfeiture account is credited with amount received on shares forfeited.
5. **True** - Discount at the time of retirement of a bill is a gain for the drawee and loss for the drawer.
6. **True** - Yes they are types of subsidiary books which is alternate to the journals.

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- (i) Wages paid for erection of machinery are debited to Profit and Loss Account.
- (ii) Amount spent for the construction of temporary huts, which were necessary for construction of the Cinema House and were demolished when the Cinema House was ready, is capital expenditure.
- (iii) If the effect of errors committed cancel out, the errors will be called compensating errors and the trial balance will disagree.
- (iv) Promissory note is different from bill of exchange because the amount is paid by the maker in case of former and by the acceptor in the later.
- (v) The business of partnership must be carried on by all the partners.
- (vi) Debenture interest is payable after the payment of preference dividend but before the payment of equity dividend.

- (i) **False:** Such wages being related to capital asset should be debited to the machinery account.
- (ii) **True:** Since the temporary huts were necessary for the construction, their cost should be added to the cost of the cinema hall and thus capitalised.
- (iii) **False:** If the effect of errors committed cancel out, the errors will be called compensating errors and the trial balance will agree.
- (iv) **True:** In case of the promissory note, it is generally the maker who makes the payment, but in case of the bill of exchange, the person accepting the bill shall be liable to make the payment to the holder of the bill.
- (v) **False:** The business of the partnership firm can be carried on by all the partners or by any one of them acting for all.
- (vi) **False:** Debenture interest is payable before the payment of any dividend on shares.

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- (a) Accrual concept implies accounting on cash basis.
- (b) The Sales book is kept to record both cash and credit sales.
- (c) Bank reconciliation statement is prepared to arrive at the bank balance.
- (d) The provision for bad debts is debited to sundry debtors account.
- (e) Periodic inventory system is a method of ascertaining inventory by taking an actual physical count.
- (f) Discount at the time of retirement of a bill is a gain for the drawee.
- (g) The provision for discount on creditors is often not provided in keeping with the principle of conservatism.
- (h) Partners can share profits or losses in their capital ratio, when there is no agreement.
- (i) Both revenue and capital nature transactions are recorded in the Receipts and Payments Account.
- (j) A fixed charge generally covers all the assets of the company including future one.

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- (a) **False** - Accrual concept implies accounting on 'due' or 'accrual' basis. Accrual basis of accounting involves recognition of revenues and costs as and when they accrue irrespective of actual receipts or payments.
- (b) **False** - The Sales book is a register specially kept to record credit sales of goods dealt in by the firm, cash sales are entered in the cash book and not in the sales book.
- (c) **False** - Bank reconciliation statement is prepared to reconcile and explain the causes of differences between bank balance as per cash book and the same as per bank statement as on a particular date.
- (d) **False:** The provision for bad debts is debited to Profit and loss Account, in Balance Sheet it is shown either on liability side or deducted from the head debtors.
- (e) **True:** Under Periodic inventory system actual physical count of inventory is taken of all the inventory on hand at a particular date.
- (f) **True** - Discount at the time of retirement of a bill is a gain for the drawee and loss for the drawer.
- (g) **True:** According to the principle of conservatism provision is maintained for the losses to be incurred in future. Discount on creditors is an income so provision is not maintained.
- (h) **False** - According to Partnership Act, in the absence of any agreement to the contrary profits and losses are to be shared equally among partners.
- (i) **True:** All the receipts and payments whether of revenue or capital nature are included in Receipt and Payment account.
- (j) **False:** A fixed charge is a mortgage on specific assets. A floating charge generally covers all the assets of the company including future one

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State with reasons whether the following statements are True or False:

- (i) A claim that an enterprise is pursuing through legal process, where the outcome is uncertain, is a contingent liability.
- (ii) If the effect of errors committed cancel out, the errors will be called compensating errors and the trial balance will disagree.
- (iii) Stock at the end, if appears in the trial balance, is taken only to the Balance Sheet.
- (iv) Re-issue of forfeited shares is allotment of shares but not a sale.
- (v) Both revenue and capital nature transactions are recorded in the Receipts and Payments Account.
- (vi) Since company has existence independent of its members, it continues to be in existence despite the death, insolvency or change of members. **(6 Statements x 2 Marks = 12 Marks)**

- (i) **False:** A claim that an enterprise is pursuing through legal process, where the outcome is uncertain, is a contingent asset.
- (ii) **False:** If the effect of errors committed cancel out, the errors will be called compensating errors and the trial balance will agree.
- (iii) **True:** If closing stock appears in trial balance, it depicts that one aspect of the double entry has been completed, hence it is taken only to Balance Sheet.
- (iv) **False:** A forfeited share is merely a share available to the company for sale and remains vested in the company for that purpose only. Reissue of forfeited shares is not allotment of shares but only a sale as they have already been allotted earlier.
- (v) **True:** All the receipts and payments whether of revenue or capital nature are included in Receipt and Payment account.
- (vi) **True:** As per perpetual existence the company has existence independent of its members, it continues to be in existence despite the death, insolvency or change of members.

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- (i) The debit notes issued are used to prepare sales return book.
- (ii) Sale of office furniture should be credited to Profit and Loss Account.
- (iii) Outstanding salaries for the previous year shall be shown as liability in the current year balance sheet.
- (iv) When closing inventory is overstated, net income for the accounting period will be understated.
- (v) The results and position disclosed by final accounts are not exact.
- (vi) In case of a public holiday, the due date of the bill falls on the next working day.
- (vii) Goodwill is intangible asset therefore it cannot be valued
- (viii) Where a Non-Profit organization is a separate trading activity, the profit / loss from the trading account shall be transferred to Income Expenditure Account at the time of consolidation.
- (ix) The firm will receive surrender value of the joint life policy on the death of the partner.
- (x) Company X Ltd. is incurring huge losses; the Board of Directors are of the opinion that in case of losses, there is no need to pay interest to debenture holders.

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- (i) **False:** The debit notes issued are used to prepare purchases return book.
- (ii) **False:** Sale of office furniture should be credited to Furniture account since it is a capital receipt.
- (iii) **False:** It shall be disclosed as a current liability in the opening balance sheet.
- (iv) **False:** When closing inventory is overstated, net income for the accounting period will be overstated.
- (v) **True:** They are prepared on the basis of assumptions, conventions, concepts and personal judgements of the person who prepare them.
- (vi) **False:** In case of a public holiday, the due date of the bill falls on the preceding working day.
- (vii) **False:** Even though Goodwill is intangible asset it can be valued in terms of money. It can be measured in terms of physical units.
- (viii) **True:** Where in case of the trading activities for Non-Profit organization, the profit/loss from such activity is to be transferred to the Income and Expenditure Account at the time of consolidation.
- (ix) **False:** the firm will receive full value of sum assured of the joint life policy on the death of the partner
- (x) **False:** Even if the company incurs losses, it has to pay interest on debentures. Debenture being debts on the company & debenture holders are not concerned with the profit or loss of the company, the interest is to be paid at the rate fixed on it at the time of issue of debenture.

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- (i) *The financial statement must disclose all the relevant and reliable information in accordance with the full disclosure principle.*
- (ii) *The gain from sale of capital assets is added to revenue to ascertain the net profit of the business.*
- (iii) *Depreciation is non-cash and non-operating expense which is to be provided for if there are profits.*
- (iv) *Sum of the year's digit method is an example of accelerated method of charging depreciation.*
- (v) *Inauguration expenses of ₹ 10 lakhs incurred on the new unit in an existing business is a capital expenditure.*
- (vi) *Discount column of cash book records the trade discount. (6 x 2 = 12 Marks)*

- (i) **True:** The financial statement must disclose all the reliable and relevant information about the business enterprise to the management and also to their external users for which they are meant, which in turn will help them to take a reasonable and rational decision. The disclosure should be full and final as per AS – 1, so that users can correctly assess the financial position of the enterprise.
- (ii) **True:** Gains from the sale of capital assets are considered as the revenue of the business. But this revenue is not in the ordinary course of business so it is capital receipts.
- (iii) **False:** Depreciation is non-cash but operating expenses which are to be provided for whether there are profits or losses in the financial year.
- (iv) **True:** Sum of year digit method is an example of accelerated method of charging depreciation. Higher depreciation is charged in earlier years sum of year's digit method.
- (v) **False:** Inauguration expenses incurred on the opening of a new unit may help to explore more customers This expenditure is revenue expenditure, as the expenditure may not generate any enduring benefit to the business over more than one accounting period.
- (vi) **False:** Discount column of cash book records the cash discount. Trade discount is not shown in the books of accounts.

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- (i) *If Closing Stock appears in the Trial Balance then it does not enter in Trading Account. It is shown only in the Balance Sheet.*
 - (ii) *If the amount is posted in the wrong account or it is written on the wrong side of the account, it is called error of principle.*
 - (iii) *Accounting Standards can override the statute.*
 - (iv) *Promissory Note is different from Bill of Exchange because the amount is paid by maker in case of former and by the acceptor in the later.*
 - (v) *All errors are rectified by means of journal entries.*
 - (vi) *Revaluation Account is also known as Profit and Loss Adjustment Account.*
- (6 x 2 = 12 Marks)**

- (i) **True:** If closing stock appears in the trial balance then it is not entered in the trading account but it is shown only in the balance sheet because it has already been adjusted to purchase account.
- (ii) **False:** If the amount is posted in the wrong account or it is written on the wrong side of the account, it is called error of commission and not error of Principle.
- (iii) **False:** Accounting standards cannot override the statute. The standards are required to be framed within the ambit of prevailing statutes.
- (iv) **True:** In case of the promissory note, it is generally the maker who makes the payment, but in case of the bill of exchange, the person accepting the bill shall be liable to make the payment to the holder of the bill.
- (v) **False:** Errors not affecting the trial balance can be rectified by passing a rectification journal entry. While other errors that affect one account of trial balance cannot be rectified by passing journal entries. Totaling errors cannot be rectified by passing journal entries
- (vi) **True:** Revaluation is also called as profit and loss adjustment account. It is used to record the gain/loss arising from the revaluation of assets and liabilities of a firm at the time of reconstitution.

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- (i) *Nominal Accounts are balanced at the end of the Accounting Year.*
 - (ii) *Overhaul Expenses of a second-hand machinery purchased are Revenue Expenditure.*
 - (iii) *Valuation of inventory at cost or net realizable value is based on Principle of Conservatism.*
 - (iv) *A Promissory Note can be made payable to the Bearer.*
 - (v) *The Receipts and payment account for a non-profit organization follows the accrual concept of accounting.*
 - (vi) *Legal heirs of a deceased partner are entitled to his capital account balance only.*
- (6 x 2 = 12 Marks)**

1. **False:** Nominal Accounts are not balanced. The balances at the end are transferred to Trading/ Profit & Loss A/c.
2. **False:** Overhaul expenses are incurred to put second-hand machinery in working condition to derive enduring long-term advantage. So, it should be capitalized.
3. **True:** The conservatism concept states that one shall not account for anticipated profits but shall provide all prospective losses. Valuing inventory at cost or net realisable value whichever is less, therefore is based on principle of conservatism.
4. **False:** A promissory note should not be made payable to the bearer. The payee must be to a certain person.
5. **False:** It depicts the cash system of accounting rather than the accrual system, as the cash receipts and payments pertaining to any year are entered in the Receipts and payments account. The principle of accrual is not followed with regard to the receipts and payments account of a non-profit organization.
6. **False:** Legal heirs of a deceased partner are entitled to all the dues of deceased partner.

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- (i) *As per concept of conservatism the accountant should provide for all possible losses but should not anticipate income.*
 - (ii) *Expenses in connection with obtaining a license for running the Cinema Hall are Revenue Expenditure.*
 - (iii) *Under or over - casting of a subsidiary book is an example of error of commission.*
 - (iv) *If Del-credere commission is paid to consignee, the loss of bad debts is to be borne by the consignor.*
 - (v) *Perpetual debentures are payable at the time of liquidation of the company.*
 - (vi) *Overhead is defined as the total cost of direct material, direct wages and direct expenses.*
- (6 x 2 = 12 Marks)**

- (i) **True:** Conservatism states that the accountant should not anticipate any future income, however they should provide for all possible losses.
- (ii) **False:** The Cinema Hall could not be started without license. Expenditure incurred to obtain the license is pre-operative expense and hence it is to be capitalised. Such expenses are amortised over a period of time.
- (iii) **True:** If an amount is posted in the wrong account or it is written on the wrong side or the totals are wrong or a wrong balance is struck, it will be a case of "errors of commission." Thus, under or over casting of subsidiary books is an example of error of commission.
- (iv) **False:** To increase the sale and to encourage the consignee to make credit sales, the consignor provides an additional commission generally known as del-credere commission. In case del-credere commission is provided to consignee, bad debts is no more the loss of the consignor and it is borne by the consignee.
- (v) **True:** Perpetual debentures, also known as irredeemable debentures are not repayable during the life time of the company.
- (vi) **False:** Overhead is defined as total cost of indirect material, indirect wages and indirect expenses. Indirect material, wages and expenses cannot be directly linked to unit produced.

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- (i) *The financial statements are not prepared on the assumption that an enterprise is a going concern and will continue its operation for the foreseeable future.*
- (ii) *Periodic inventory system is a method of ascertaining inventory by taking an actual physical count.*
- (iii) *The provision for discount on creditors is often not provided in keeping with the principle of conservatism.*
- (iv) *If the errors are detected after preparing trial balance, then all the errors are rectified through suspense account.*
- (v) *Both revenue and capital nature transactions are recorded in the Receipts and Payments Account.*
- (vi) *A fixed charge generally covers all the assets of the company including future one.*

(6 x 2 = 12 Marks)

- (i) **False:** The financial statements are normally prepared on the assumption that an enterprise is a going concern and will continue in operation for the foreseeable future.
- (ii) **True:** Under Periodic inventory system actual physical count of inventory is taken of all the inventory on hand at a particular date.
- (iii) **True:** According to the principle of conservatism provision is maintained for the losses to be incurred in future. Discount on creditors is an income so provision is not maintained.
- (iv) **False:** If the errors are detected after preparing trial balance, then all the errors are not rectified through suspense account. There may be errors of principle, compensating errors, errors of complete omission which can be rectified without opening a suspense account.
- (v) **True:** All the receipts and payments whether of revenue or capital nature are included in Receipt and Payment account.
- (vi) **False:** A fixed charge is a mortgage on specific assets. A floating charge generally covers all the assets of the company including future one.

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- (i) *A claim that an enterprise is pursuing through legal process, where the outcome is uncertain, is a Contingent Liability.*
 - (ii) *At the end of the accounting year, all the nominal accounts of the ledger book are balanced.*
 - (iii) *The specific due date excludes the addition of grace days to arrive at the due date.*
 - (iv) *Any amount spent for replacement of worn out part of a machine is capital expenditure.*
 - (v) *Debentures Suspense Account appears on the Liability side of the Balance Sheet of a Company.*
 - (vi) *If the errors are detected after preparing trial balance, then all the errors are rectified through suspense account.*
- (6 x 2 = 12 Marks)**

- (i) **False:** A claim that an enterprise is pursuing through legal process, where the outcome is uncertain, is a contingent asset.
- (ii) **False:** At the end of the accounting year, all the nominal accounts of the ledger book are totalled and transferred to Profit & Loss A/c.
- (iii) **True:** Where the due date is specifically given, then there is no need of further addition of 3 days grace to it.
- (iv) **False:** Amount spent for replacement of any worn- out part of a machine is revenue expense since it is part of its maintenance cost.
- (v) **False:** Debentures Suspense Account appears on asset side of Balance Sheet under Non-Current Asset.
- (vi) **False:** If the errors are detected after preparing trial balance, then all the errors are not rectified through suspense account. There may be Errors of Principle and/or Errors of Omission, which can be rectified without opening a suspense account.

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- (i) Any amount spent to minimize the working expenses is revenue expenditure.
- (ii) Expenses incurred on the repairs for the first time on purchase of an old building are capital expenditure.
- (iii) The provision for bad debts is debited to sundry debtors account.
- (iv) Non-participating preference shareholders enjoy voting rights.
- (v) There is no entry passed by the consignee in his books for the remaining stock of goods lying with him.
- (vi) Discount column of the cash book is never balanced. (6 x 2 = 12 Marks)

- (i) **False:** It may be reasonably presumed that money spent for reducing revenue expenditure would have generated long-term benefits to the entity. So this is capital expenditure.
- (ii) **True:** Repairs for the first time of an old building are incurred to put the building in usable condition. This is a part of the cost of building. Accordingly, this is a capital expenditure.
- (iii) **False:** The provision for bad debts is debited to Profit and loss Account, in Balance Sheet it is shown either on liability side or deducted from the head debtors.
- (iv) **False:** A share on which only a fixed rate of dividend is paid every year, without any accompanying additional rights in profits and in the surplus on winding-up, is called 'Non-participating Preference Shares. Non-participating preference shareholders do not enjoy voting rights.
- (v) **True:** It is the consignor who has to record the closing stock of the consigned goods since he is the owner of the goods. There is no entry passed in the books of the consignee.
- (vi) **True:** Discount column is totalled and transferred to the discount allowed or received account.

https://t.me/CA_Success_Path