

ANSWER KEY & MARKING SCHEME · CBSE CLASS 11**Recording of Transactions – II**

Accountancy · Chapter 4 · Use this with the Board Paper · Companion to Quick Drill

HOW TO USE

Attempt the Board Paper first (closed-book, full time). Then come here. For 2-mark+ questions, compare your answer to the model. For 3-4 mark questions, also consult the **Topper Templates** below — these show the exact step-by-step structure that scores full marks per CBSE marking-scheme conventions.

MODEL ANSWERS · BOARD PAPER**Section A — Objective / VSA (1 mark x 6)****Q1. What is meant by 'posting'? [1 mark]**

Ans: Posting is the process of transferring entries from the journal/subsidiary books to the relevant accounts in the ledger.

Q2. On which side of an account is the balance c/d written to balance it? [1 mark]

Ans: On the shorter side (the side with the smaller total), so that both totals become equal.

Q3. Why is no separate cash account opened in the ledger? [1 mark]

Ans: Because the cash book itself serves as the cash account (it is both a journal and a ledger).

Q4. By which letter is a contra entry denoted in the cash book? [1 mark]

Ans: By the letter 'C' in the L.F. column.

Q5. In which book is the credit purchase of a machine recorded? [1 mark]

Ans: In the journal proper (it is the credit purchase of an asset, not 'Purchases').

Q6. Name the book in which goods returned by a customer are recorded. [1 mark]

Ans: The sales return book (return inward book).

Section B — Short Answer I (2 marks x 3)**Q7. Distinguish between a journal and a ledger on any two bases. [2 marks]**

Ans: (1) NATURE OF RECORD: the journal is the book of original entry recording transactions chronologically (date-wise); the ledger is the book of final entry classifying them account-wise. (2) BALANCING: the journal is not balanced, whereas accounts in the ledger are balanced periodically to find their net position. In short, the journal records and the ledger classifies and summarises.

Q8. What is a contra entry? Give one example. [2 marks]

Ans: A contra entry is one that affects BOTH the cash and the bank columns of the same double-column cash book, so its double effect is completed within the cash book itself; it is marked 'C' in the L.F. column and is not posted to the ledger. Example: ₹10,000 cash deposited into the bank — the bank column is debited and the cash column is credited.

Q9. Explain the imprest system of petty cash. [2 marks]

Ans: Under the imprest system the petty cashier is given a FIXED sum (the imprest amount) at the start of a period for small payments. At the end of the period the head cashier reimburses EXACTLY the amount spent, restoring the petty cash float to the same fixed imprest amount, so the opening balance is the same every period.

Section C — Short Answer II (3 marks x 2)

Q10. Why is the journal subdivided into special purpose books? Name any three such books. [3 marks]

Ans: When transactions are numerous, recording them all in one journal is slow, bulky and prevents division of labour, so the journal is subdivided into special purpose (subsidiary) books — each for one class of transaction — to speed up recording, allow several clerks to work together and make information easy to locate. Any three: (1) Cash Book — all cash and bank receipts and payments; (2) Purchases Book — credit purchase of goods; (3) Sales Book — credit sale of goods. (Others: purchases return book, sales return book, journal proper.)

Q11. State the special purpose book in which each of the following is recorded: (i) cash sales, (ii) credit purchase of goods, (iii) goods returned to a supplier. [3 marks]

Ans: (i) Cash sales → the CASH BOOK (debit/receipts side). (ii) Credit purchase of goods → the PURCHASES BOOK. (iii) Goods returned to a supplier → the PURCHASES RETURN (Return Outward) BOOK. Each carries one mark; note that cash sales do NOT go in the sales book, and only goods (not assets) go in the purchases book.

Section D — Long Answer (6 marks x 2)

Q12. Prepare and balance Ram's Account in the ledger from the following: goods sold to Ram on credit ₹20,000 and ₹5,000; received from Ram by cheque ₹17,000. Interpret the closing balance. [6 marks]

Ans: Ram's Account — DEBIT side: 'To Sales A/c ₹20,000' and 'To Sales A/c ₹5,000' (debit total ₹25,000, because credit sales increase what Ram owes). CREDIT side: 'By Bank A/c ₹17,000' (the cheque received reduces what he owes). The debit side (₹25,000) exceeds the credit side (₹17,000) by ₹8,000, so 'By Balance c/d ₹8,000' is written on the credit (shorter) side; both sides then total ₹25,000 and the account is ruled off. The balance is brought down on the debit side as 'To Balance b/d ₹8,000'. INTERPRETATION: a debit balance of ₹8,000 means Ram is a DEBTOR who still owes the firm ₹8,000 (an asset of the business).

Q13. Explain the meaning of a double-column (cash and bank) cash book and describe how it is prepared and balanced, including the treatment of contra entries. [6 marks]

Ans: A DOUBLE-COLUMN cash book has TWO amount columns on each side — CASH and BANK — recording all cash and bank receipts and payments in one book, and (like every cash book) it is both a book of original entry and the cash/bank ledger account, so no separate cash or bank account is opened. PREPARATION: receipts are entered on the DEBIT (left) side and payments on the CREDIT (right) side; cash items go in the cash column and cheque/bank items in the bank column; opening balances are shown as 'To Balance b/d'. CONTRA ENTRIES: when cash is paid INTO the bank, the bank column is debited and the cash column credited; when cash is drawn FROM the bank for office use, the cash column is debited and the bank column credited — in both cases the letter 'C' is written in the L.F. column and the entry is NOT posted again to the ledger, because both legs are inside the same book. BALANCING: each column is totalled and balanced separately; for example, after balancing, the cash column may close at ₹15,000 (debit balance) and the bank column at ₹42,000 (debit balance), each brought down as 'To Balance b/d' on the debit side for the next period.

★ TOPPER TEMPLATE — 6 mark: 'Prepare a double-column (cash and bank) cash book and balance both columns.'

Most papers

Step 1 [1 mark]	Rule the format correctly	Draw the two-sided cash book with Date, Particulars, L.F., CASH and BANK columns on BOTH the debit (receipts) and credit (payments) sides. Just ruling it right and heading the columns earns the format mark.
Step 2 [2 marks]	Enter receipts on the debit side, payments on the credit side	Cash/cheques RECEIVED go on the LEFT (debit) side in the relevant column; cash/cheques PAID go on the RIGHT (credit) side. Write 'To ...' on the debit side and 'By ...' on the credit side. Place each amount in the cash or the bank column as appropriate.
Step 3 [2 marks]	Mark the contra entries with 'C'	For cash deposited into bank or cash withdrawn from bank, debit one column and credit the other of the SAME cash book, and write 'C' in the L.F. column of both legs. Explicitly identifying the contra entries is where the mark-rich part sits.
Step 4 [1 mark]	Balance both columns and bring down	Total both sides; insert 'By Balance c/d' (cash) and 'By Balance c/d' (bank) on the shorter side so each column's totals agree; then show 'To Balance b/d' on the opposite side as the opening balance. State the closing balances, e.g. Cash ₹15,000 Dr and Bank ₹42,000 Dr.

COMMON LOSS OF MARKS:

- Not marking 'C' on contra entries.
- Putting a cheque received in the cash column instead of the bank column.
- Forgetting to bring the balance b/d down on the opposite side after balancing.

★ TOPPER TEMPLATE — 3-4 mark: 'Prepare and balance a ledger account (e.g. Ram's Account) from the given transactions.'

Most papers

Step 1 [1 mark]	Open the T-account and post to the correct sides	Draw the T-format (Date · Particulars · J.F. · Amount on each side). Post each transaction to the SAME side it was debited/credited in the journal — debit stays debit ('To ...'), credit stays credit ('By ...').
Step 2 [1 mark]	Total both sides and find the difference	Add up both sides. The difference between the larger and smaller total is the closing balance. State which side is bigger so the reader sees whether it is a debit or a credit balance.
Step 3 [1 mark]	Insert balance c/d on the shorter side	Write 'To/By Balance c/d' for the difference on the SHORTER side so both totals become equal; rule off the account with equal totals on both sides.
Step 4 [1 mark]	Bring the balance down + interpret	Bring the same amount down on the OPPOSITE side as 'Balance b/d' (the opening balance for next period). State the result, e.g. 'Ram's A/c shows a balance c/d of ₹8,000 on the debit side — a debit balance, meaning Ram is a debtor who owes the firm ₹8,000.' (Totals ₹25,000 on each side.)

COMMON LOSS OF MARKS:

- Writing balance c/d and balance b/d on the same side.
- Not interpreting a debit balance as a debtor / asset.
- Arithmetic slip in the totals that changes the closing balance.

★ TOPPER TEMPLATE — 3 mark: 'Name the special purpose books and state what each records' OR 'Why is the journal subdivided?'

Frequent

Step 1 [1 mark]	State the need for subdivision	Open with the reason: when transactions are numerous, recording everything in one journal is slow and cumbersome, so the journal is SUBDIVIDED into special purpose (subsidiary) books, each for one type of transaction. This framing fetches the structure mark.
Step 2 [1 mark]	Name the books and their use	List with one-line use: Cash Book (all cash/bank receipts and payments), Purchases Book (credit purchase of goods), Sales Book (credit sale of goods), Purchases Return / Return Outward Book, Sales Return / Return Inward Book, Bills Receivable/Payable Books, and the Journal Proper for everything else.
Step 3 [1 mark]	State what the Journal Proper catches + advantage	Add that the JOURNAL PROPER records transactions that fit no other book (opening, closing, adjusting, rectifying entries, credit purchase/sale of assets). Close with an advantage: division of labour, speed and easier reference. One example anchors the mark.

COMMON LOSS OF MARKS:

- Saying cash purchases go in the purchases book (they go in the cash book).
- Putting the credit purchase of an asset in the purchases book instead of the journal proper.
- Listing books without stating what each records.

MARKING SCHEME — GENERAL NOTES

- In ledger answers, award marks for correct posting side (debit→debit, credit→credit), correct balancing (c/d on shorter side, b/d on opposite side) and correct interpretation of the Dr/Cr balance.
- In the cash book, the format (cash and bank columns on both sides), correct column placement of cash vs cheque items, and the 'C' marking of contra entries each carry marks.
- Stating that a debit balance on a debtor means he owes the firm (an asset) earns the interpretation mark; computing without interpreting loses it.
- For 'which book' questions, award one mark per correctly named book; recording cash sales in the sales book or an asset purchase in the purchases book earns no mark for that point.
- Arithmetical slips that change the closing balance lose the balancing mark even if the method is otherwise correct.