



## DELHI PUBLIC SCHOOL SURAT

### ACCOUNTANCY

Roll No:

Class: XI

Marks: 90

Time Allowed: 3Hrs

**Instructions:**

1. All the questions are compulsory to attempt.
2. All parts of questions should be attempted at one place.
3. Show the workings wherever it is required.
4. Marks for questions are indicated against each.

1. 'Accounting information should be comparable.' Comment giving one example [1]
2. Give one point of distinction between book keeping and accountancy [1]
3. Do you think that the concept of conservatism results in creation of secret reserves? [1]
4. Which concept is applicable on omission of paisa and showing the round figures in financial statements of the business? [1]
5. Depreciation is calculated from the date of..... [1]
  - a. Purchase of asset
  - b. Receipts of asset at premises
  - c. Asset put to use
  - d. Asset installed
6. What is dividend equalisation reserve? [1]
7. Pass the journal entries in the following: [3]

Sr. no.	Particulars
1.	Purchased goods from Roshan ₹80,000 less trade discount of 15% plus VAT @ 10%
2.	Sold goods costing ₹55,000 to Ganesh for ₹50,000 plus VAT 20%
3.	VAT was deposited into government account on the due date
4.	Purchased goods from Abhishek for cash ₹80,000 less trade discount of 10% and paid central tax @ 10%
5.	Sold goods costing ₹65,000 to Yagnesh at profit of 20% on cost less 5% trade discount and charged 10% central sales tax

**8. Prepare accounting equation** from the following transactions:

- 1) Started business with cash ₹40,000 and goods ₹20,000
- 2) Sold half the goods at a profit of 25% to Janak
- 3) Sold remaining half the goods at a loss of 10% for cash
- 4) Bought goods from Rakesh ₹25,000 and paid ₹9,000 in cash
- 5) Bought furniture ₹7,000 for office use and ₹3000 for domestic purpose
- 6) Paid insurance premium ₹1,000 of which ₹200 are prepaid.

[3]

**9. Prepare the cash book with cash and two bank columns** from the following transactions:

April 2017

- 01 Balance cash ₹70,000, SBI ₹40,000, ICICI (overdraft) ₹15,000
- 03 Sold goods for cash ₹32,000 of which ₹16,000 deposited in SBI
- 05 Transfer ₹12,000 from SBI to ICICI
- 08 Bought goods of list price ₹10,000 less 10% T.D. and issued cheques of ₹5,000 of SBI ; ₹4,000 of ICICI
- 11 Received cheques from Amar for ₹10,000 and lodged with SBI
- 22 Bank (SBI) allowed interest ₹200 but (ICICI) charged interest ₹200

[3]

**10. Mention the subsidiary books in which the following transactions are recorded along with the reason:**

- a. Purchase of furniture on credit for use in shop
- b. Sale of goods on credit
- c. Goods returned by Raman
- d. Purchase of stock on credit
- e. Providing interest on capital to proprietor
- f. Goods returned to Jimmy
- g. Bill accepted by proprietor from the creditor
- h. Sale of goods for cash
- i. Provision for doubtful debt @ 5%

[3]

**11. Prepare the bank reconciliation statement** from the following for the period ending 31<sup>st</sup> December, 2012

- a. Overdraft as per pass book ₹7,600
- b. Cheque deposited but not collected by bank ₹8,560
- c. Incidental charges not recorded in cash book ₹80
- d. Cheques issued for ₹7,800 but only ₹4,400 were presented for payment
- e. Insurance premium paid by bank not recorded in cash book ₹4,200
- f. On 31<sup>st</sup> December, 2012 cash was deposited in bank ₹385 but the cashier debited the column with ₹485 by mistake

[3]

**12. State with reason** whether the following statement are **true or false**:

- a. Receipt and payment account is summary of all capital receipts and payments
- b. If sports fund appears, the expenses incurred on sports equipment will be shown on the debit side of income and expenditure account
- c. Donation for specific purposes are always capitalized
- d. Surplus of non-profit organisation is distributed among the members
- e. A non-profit organisation never undertakes trading activities
- f. Receipts from the sale of old assets are treated as income

[3]

13. On the 31<sup>st</sup> March, 2015 the cash book of Shyam Lal and Sons showed a overdraft balance of ₹8,300. The cash book and passbook showed the following differences:

- a. Cheques deposited into bank for ₹16,000, but of these cheques for ₹4,600 were collected and credited in April, 2015
- b. Cheques issued for ₹7,500, but of these cheques for ₹6,000 had been presented for payment in March, 2015
- c. Bill of exchange discounted for ₹10,000 had been entered in cash book, but the proceeds credited as per pass book was ₹9,600
- d. No entry is made in cash book for customer directly deposited ₹6,100
- e. Bank column of the payment side of cash book was undercast by ₹1,000
- f. Payment of insurance premium of ₹2,000 and receipt of insurance claim of ₹8,000 appear in the pass book but not entered in cash book

**Make the appropriate adjustments in the cash book and Prepare Bank Reconciliation statement** [3]

14. How will you deal with the following items while preparing 'Income and Expenditure Account' and the 'Balance Sheet' as on 31/3/2016?

**RECEIPTS AND PAYMENT ACCOUNT FOR THE YEAR ENDING 31/3/2016**

RECEIPTS	AMOUNT	PAYMENTS	AMOUNT
To Subscriptions:			
2015      4,200			
2016      46,000			
2017 <u>1,600</u>	51,800		
Interest	800		

**ADDITIONAL INFORMATION:**

- i) During 2015-16 the club had 500 members, each paying annual subscription of ₹100. ₹4,500 were outstanding subscriptions at the end of previous year and five members had paid their subscription for 2015-16 in the previous year itself
- ii) On the 31<sup>st</sup> March, 2016 accrued interest amounted to ₹1,200. [3]

15. Vibha endorsed Sudha's bill of ₹18,000 in favour of Geeta. Before the maturity date Sudha requested to cancel this bill and drew a new bill upon her including interest of ₹200. Vibha accepted her request. Vibha took the bill from Geeta and cancelled the bill, she also paid Geeta in cash. Then Vibha drew a bill on Sudha. Sudha duly met the bill. **Give Journal Entries in the Books of Vibha.** [4]

**16. Calculate Gross profit from the following information:**

[4]

a.

Particulars	₹
Closing stock	1,50,000
Adjusted Purchases	24,00,000
Wages	1,68,000
Freight inwards	20,000
Freight outwards	15,000
Octroi charges	2,000
Fuel and Power	30,000
Office rent	18,000
Trade expenses	10,000
Sales	30,00,000

b. Calculate Gross profit

Total purchases	8,00,000	Return outwards	20,000
Direct expenses	60,000	2/3 of the goods are sold for ₹6,10,000	

c.

Net sales are ₹6,00,000. Gross profit is 25% on cost. **Find cost of goods sold and gross profit.**

**17. Rectify these errors by passing Journal Entries.**

[6]

- i) In the sales book total of page no. 2 was carried forward to page no.3 as ₹1,000 instead of ₹1,200 and total of page no. 6 was carried forward to page no.7 as ₹5,600 instead of ₹5,000
- ii) Wages paid for installation of machinery ₹500 was posted to wages account as ₹50
- iii) Machinery purchased from R & Co. for ₹10,000 on credit was entered in purchase book as ₹6,000 and posted therefrom to R & Co. as ₹1,000
- iv) Credit purchases from S & Co. for ₹6,000 were recorded in sales book. However S & Co. was correctly credited
- v) Credit purchase from M & Co. for ₹6,000 were recorded in sales book as ₹2,000 and posted therefrom to the credit of M & Co. as ₹1,000
- vi) Bills receivable for ₹1,600 from Noor was dishonoured and posted to debit of Allowance account.

18. Ram sold goods to Lakshman for ₹6,500 and immediately drew a bill of ₹6,000 on Lakshman in full settlement. Ram endorsed the bill to Bharat. Bharat endorsed it to Hanuman. Hanuman discounted the bill for ₹5,700. On the date of maturity, the bill was dishonoured and bank paid noting charges amounting to ₹60. Show the **journal entries** in the books of all parties to record these transactions. [6]

19. From the following Trial Balance, show the **accounting treatment** in the proper financial statements:

a.

Particulars	₹
Sundry debtors	3,05,000
Bad debts	3,000
Provision for bad debts (cr.)	40,000

**Adjustments:**

Further Bad Debts ₹5,000. Create a reserve for doubtful debts @ 10%.

b. From the following Trial Balance, show **the accounting treatment** in the proper financial statements:

Particulars	₹
Sales	2,10,000
Sundry debtors	36,400
Closing stock	20,000

**Adjustments:**

Goods costing ₹5000 were sent to customer on 'sale on approval basis' for ₹6,400 and had been recorded in the books as actual sales.

c. **State with reasons whether the following are capital expenditure or revenue expenditure:**

- Custom duty paid on import of a machinery
- Wages paid in connection with the erection of a new machinery
- Amount spent on repainting the factory
- Cost incurred for obtaining license to start a business

[6]

20. Gaurav keeps his books on Single Entry System. From the following information given by him, **ascertain his profit or loss** for the year ended 31<sup>st</sup> March, 2017:

	31 <sup>st</sup> March, 2016 ₹	31 <sup>st</sup> March, 2017 ₹
Bank overdraft	550	
Cash in hand	50	
Sundry Debtors	8,500	11,500
Stock	2,500	2,250
Sundry Creditors	6,060	4,585
Plant and Machinery	15,000	
Loan from Tilak @4%	500	

On 1<sup>st</sup> October, 2016, he paid to Mr. Tilak ₹250 in lieu of his loan but had paid no interest. He had bought additional Plant & Machinery, which cost ₹6,500. He would not be able to collect ₹450 out of ₹11,500 debtors. The cash and bank balance was ₹2,050. Drawings were ₹4,150 and further capital introduced ₹5,000. [6]

21. From the following Receipt and Payment A/c of Rohan Trust and the additional information. **Prepare an Income and Expenditure A/c and Balance sheet as on 31<sup>st</sup> March 2013.**

Receipts	Amount (₹)	Payments	Amount (₹)
Cash	14,000	Rent	6,000
Bank	60,000	Salary	12,000
Subscriptions:		Postage	300
2012 5000		Electricity charges	6,000
2013 83000		Purchase of furniture	20,000
2014 3000	91,000	Books	3,000
Sale of investment	90,000	Defense bonds	1,50,000
Interest on investment	2,000	Help to needy students	22,000
Sale of furniture (book value 3,000)	3,200	Cash in hand	10,900
		Cash at bank	30,000
<b>Total</b>	<b>2,60,200</b>	<b>Total</b>	<b>2,60,200</b>

Adjustments:

- Subscription for 2013 still owing were ₹ 7,000
- Interest due on defense bonds was ₹ 7,000
- Rent still owing was ₹ 1,000
- Book value of investment sold was ₹ 80,000 and investment of ₹ 30,000 were still in hand
- Subscription received in 2013 included ₹ 400 from a life member.
- The total furniture on 1<sup>st</sup> April, 2012 was worth ₹12,000
- Salary paid for the year 2014 is ₹ 2,000 [8]

22. Kedia industries purchased a machine on 1<sup>st</sup> April, 2014 for ₹ 3,00,000. On 1<sup>st</sup> October, 2015 it purchased another machine for ₹2,00,000. On 1<sup>st</sup> May, 2016 the first machine was sold for ₹1,60,000. On 1<sup>st</sup> July, 2016 another machine was purchased for ₹ 1,50,000. Depreciation was to be charged @10% p.a. by diminishing balance method. Accounts are closed on 31<sup>st</sup> December every year.

You are required to prepare:

i) **Machinery A/c**

ii) **Provision for depreciation A/c** [10]

23. Prepare Trading and Profit and Loss A/c for the year ending 31<sup>st</sup> March 2017 from the following Trial Balance of Kuber & Co :

Name of accounts	Debit (₹)	Credit (₹)
Drawings	8,500	
Purchases	2,80,000	
Wages	30,000	
Power	15,000	
Depreciation on machinery	2,000	
Advertisement development	15,000	
Plant and machinery	70,000	
Goodwill	18,000	
Agent's samples	6,000	
Opening stock	35,000	
Debtors	26,200	
Cash	35,800	
Salaries	50,000	
General expenses	17,000	
Prepaid expenses	900	
Salary to agent	21,000	
Rate, rent and insurance	30,000	
Sales return	2,900	
Commission to agent	3,200	
Capital		1,50,000
Creditors		45,000
Outstanding expenses		9,000
Rent received		5,500
Purchase return		15,000
Sales		4,40,000
Provision for doubtful debts		2,000
<b>TOTAL</b>	<b>6,66,500</b>	<b>6,66,500</b>

**Adjustments:**

1. Closing Stock was valued ₹ 50,000. Goods costing ₹5,000 was destroyed by fire. Insurance company admitted a claim for ₹ 3,000 only
2. Depreciate agent sample by 25%. Write off advertisement development by 30%
3. Write off ₹ 2,200 as bad debt and create a provision for doubtful debt on debtors at 5%
4. Proprietor withdrew ₹ 1,000 for private use and this amount was included in general expense
5. Charge 5% manager's commission on net profit after charging his commission
6. There is a contingent liability of ₹ 20,000 in respect of a court case

[10]

**END OF EXAMINATION**