

SRI SATHYA SAI VIDYA VIHAR, INDORE
ANNUAL EXAMINATION- FEBRUARY, 2019
CLASS: XI
SUBJECT: ACCOUNTANCY

TIME: 3 Hrs.

MAX. MARKS: 90

GENERAL INSTRUCTIONS:

- All questions are compulsory
 - Attempt all parts of a question together.
 - Draw format and show working notes where ever necessary.
 - Question paper consists of 24 questions and 8 printed pages.
 - Mention question number clearly.
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Q 1 Where do you present unwritten off deferred revenue expenditure in the final accounts? 1

Q 2 On 17th December, 2018 Ram draws a bill of ₹10,000 for 40 days, calculate the maturity date of bill. 1

OR

A bill of exchange for ₹5,000 drawn on Mohit was endorsed to Rohit in full settlement of ₹5,200 but was dishonoured on due date and ₹50 were paid as noting charges by Rohit. What amount to be claimed by Rohit from the drawer?

Q 3 Identify the statement which is prepared as a link between the ledger and final accounts. 1

Q 4 Bhavik's trial balance as on 31st March, 2018 has the following information: 1

Heads of Accounts	Debit Balance (₹)	Credit Balance (₹)
10% Investments (made on 1 st October, 2017)	1,00,000	
Interest on Investments		10,000

What is the amount of interest on investments to be credited to profit and loss account?

Q 5 ₹5,000 received from Amit were credited to his personal account. The amount had been written off as bad debts earlier. Identify the type of error. 1

Q 6 It is reduction in price allowed by the seller of goods after the goods have been sold. What is being discussed here? 1

Q 7 "Accounting information must be qualitative." Do you agree with this statement? Explain any two qualitative features of accounting information. 3

Q 8 "The preparation of book of accounts is based on certain objectives". What are those objectives? Explain any two objectives. 3

Q 9 Distinguish between "Revenue Reserve" and "Capital Reserve" on the following basis; 3
(i) Source (ii) Usage (iii) Purpose

- Q 10** In a financial year, Anil had total sales of ₹ 15,00,000, out of which ₹ 11,00,000 were received in cash. The total expenses paid by him were ₹ 8,00,000, out of which ₹ 60,000 belongs to next year and ₹ 20,000 are still outstanding. Determine Anil's income for the year as per : 3
- (i) Cash basis of accounting.
(ii) Accrual basis of accounting.

- Q 11** Following is the extract of Trial Balance as on 31st March, 2018: 3

Particulars	Debit (₹)	Credit (₹)
Capital (1-04-2017)		1,00,000
Commission		4,000
Rent	12,000	

Adjustments:

- a) Commission is receivable @ ₹ 500 per month.
b) Rent is paid up to 31st October, 2018.

Pass necessary adjustment entries.

OR

Following is the extract of Trial Balance as on 31st March, 2018:

Particulars	Debit (₹)	Credit (₹)
Drawings	12,000	
Wages	40,000	

Adjustments:

- a) Goods worth ₹ 1,000 withdrawn by proprietor for his personal use.
b) Wages is paid for 10 months.

Pass necessary closing entries for the year ended 31st March, 2018.

- Q 12** From the following particulars obtained from M/s Kavish's books, which are not based on the double entry system, you are required to calculate Net Sales during the year 2017-18. 3

Particulars	Amount (₹)
Sundry debtors as on 1 st April, 2017	15,000
Stock as on 1 st April, 2017	20,000
Sundry debtors as on 31 st March, 2018	36,000
Stock as on 31 st March, 2018	24,000
Cash received from debtors	24,000
Discount allowed to customers	1,000
Bills drawn on debtors	2,500
Goods return from debtors	5,000
Bad Debts	1,500
Cash sales	22,000
Cheques received from customers	4,000
Cheque Dishonoured	1,000
Salary paid	5,000
Gross profit	25% on net sales

- Q 13** (i)“Economic life of an enterprise is artificially split into periodic intervals.”Identify and explain the principle. 4
(ii) “Closing stock is valued at lower of cost or market price”. Identify and explain the principle.
- Q 14** “Accounting equation always holds good under all circumstances.” Explain with the help of each of the following nature of transaction. 4
i. Increase in one asset decrease in another asset and decrease in capital.
ii. Decrease in capital and decrease in fixed asset.
iii. Transaction having nullified effect
- Q 15** Fill in the missing information in the following journal entries: 4

S.No.	Particulars	L.F.	Dr. (°)	Cr. (°)
a) A/c Dr. To Purchases A/c To..... A/c To..... A/c (goods withdrawn by proprietor for his personal use, above goods purchased under SGST and CGST 5% each)		----- 	10,000 ----- -----
b)	Cash A/c Dr. A/c Dr. To.....A/c (Cash received from Raunak after allowing discount @ 5%)		47,500 ----- 	 -----
c)	Purchases A/c Dr. ToA/c To A/c To..... A/c (Good Purchased from Aradhya at 5% trade discount and 4% cash discount and paid half in cash)		95,000 	----- ----- -----

- Q 16** Prepare Corrected Trial Balance from the following balances:- 4

Particulars	Amount(°)	Particulars	Amount(°)
Cos of goods sold	1,70,000	Opening Stock (5% overvalued)	63,000
Other indirect expenses	20,000	Closing Stock (5% undervalued)	38,000
Capital	3,00,000	Sales	2,00,000
Drawings	10,000	Purchases	1,30,000
Bad debts	10,800	Debtors	45,000
Provision for doubtful debts	5,800	Creditors	50,000
Investments in shares	50,000	Rent from tenant	5,500
Building	2,00,000	Discount allowed	2,500
Wages	15,000	Discount received	2,000
Salary	20,000		

OR

Explain the methods of preparing a trial balance with imaginary figures.

Q 17 Following are the extracts from the Trial Balance as at 31st March, 2018.

4

Name of Accounts	Debit Balance (₹)	Credit Balance (₹)
Sundry debtors	52,500	
Provision for doubtful debts		3,000
Provision for discount on debtors		500
Bad debts	1,800	
Creditors		40,000
Sales		75,000

Additional Information:

- (i) Sundry debtors include ₹ 4,000 due from Mr. Aakash and sundry creditors also include ₹ 1,000 due to Mr. Akash
- (ii) Sundry debtors included ₹ 1,500 due from a customer who has become insolvent and 40% realised from his estate.
- (iii) Maintain a provision for doubtful debts @ 5 % on debtors.
- (iv) Maintain a provision for discount @ 2% on debtors.

Required: Show the effects of above adjustments in final accounts for the year ended 31st March, 2018.

Q 18 The following balances appear in the books of Virat on 1st April, 2017:

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Machinery A/c..... ₹ 8,00,000

Provision for Depreciation..... ₹ 3,10,000

On 1st July, 2017 a machinery which was purchased on 1st April, 2014, having book value of ₹ 66,000 on 1st April, 2017 was sold for ₹ 50,000 and on the same date another machinery was purchased for ₹ 3,20,000.

The firm has been charging depreciation @ 15% p.a. on original cost method and closes its books on 31st March every year. Prepare the Machinery Account Provision for Depreciation Account for the year ending 31st March, 2018.

OR

Bajaj Ltd. imported a machine on 1st July, 2015 for ₹ 2,00,000 by paying customs duty and freight ₹ 60,000 and incurred erection charges ₹ 40,000. Another local machinery costing ₹ 1,00,000 was purchased on 1st January, 2016. On 1st July, 2017 one third part of the imported machine got out of order and was sold at a loss of 40% on book value on that date, another machinery was purchased to replace the same for ₹ 80,000 on the same date. Depreciation is to be calculated at 10% per annum on the reducing balance method. Accounts are closed each year on 31st December. Show the machinery account for the year 2015, 2016 and 2017.

Q 19 On 1st January, 2018, Satish drew on Harish three bills of exchange in full settlement of his claim, the first for ₹ 14,000 at one month, the second for ₹ 16,000 at two months and the third for ₹ 18,000 at three months. The bills were duly accepted by Harish. The first bill was endorsed by Satish to his creditor Rajnish on 3rd January, 2018 in full settlement of his claim of ₹ 14,250. The second bill was discounted on 4th February, 2018 at 12% p.a. and the third bill was sent to bank for collection on 10th February, 2018. All the bills were met on maturity except the second bill which was dishonoured, noting charges being paid ₹ 240. Satish charged ₹ 300 for interest from Harish and drew on him a fourth bill for two months. The fourth bill was duly met on

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maturity. Give Journal entries in the books of Satish.

Q 20 Prepare a Bank Reconciliation Statement from the following particulars as on 31st March, 2018, when the debit balance as per the Pass Book was ` 7,200.

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- (a) Cheques were deposited into bank on 25th March for ` 20,000. Out of which cheques for ` 8,000 were cleared on 4th April, cheques for ` 6,000 were cleared on 6th April and one cheque for ` 1,400 was dishonoured on 7th April.
- (b) Cheques amounting to ` 12,000 were issued in March, out of which cheques for ` 2,000 were encashed up to 31st March.
- (c) A bill for ` 5,000 (discounted with the bank in January, 2018) dishonoured on 30th March, 2018 and noting charges paid by bank ` 50. No information regarding the dishonor was received from the bank in March, 2018.
- (d) Cheque issued to creditor for ` 2,000 was through mistake entered in the cash column of cash book. The same has not been presented for payment till date.
- (e) Receipt side of the cash book (bank column) was under cast by ` 100.
- (f) Bank has paid a bill payable amounting to ` 2,500 under a rebate of ` 100 but it has not been entered in the cash book.

Q 21 A retailer has not kept proper books of accounts. From the following information ascertain his profit or loss by using statement of affairs method for the year ending 31st March, 2018

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Particulars	Amount (₹) 1/4/2017	Amount (₹) 31/3/2018
Cash	7,000	8,200
Bank	Dr. 12,000	Cr. 30,000
Stock	44,000	72,800
Debtors	36,000	69,000
Creditors	24,200	16,000
Loan from X	----	20,000
Bills Receivables	8,000	----
Fixed Assets	80,000	1,20,000

He withdrew from business ` 3,000 per month for his. He also used a house for his personal purpose, the rent of which at the rate of ` 1,800 per month and electricity charges at an average of ` 700 per month were paid from the business account.

He had received a lottery prize of ` 40,000 out of which he invested half the amount in business. He has not paid two months' salary to his clerk ` 2,400 per month, but insurance premium ` 1,200 per annum was paid on 1st October, 2017 to run for one year. Bills receivable discounted with bank at a discount of ` 500. Fixed assets are to be depreciated @ 10% p.a, additions were made on 1st July, 2017.

Q 22 Enter into Aarambh's Cash Book (cash and bank column) the following transactions.

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Date	Transactions
2018	
April 1	Balance brought forward from the previous day: Cash in hand ₹ 6,000 and-at bank ₹ 8,800.
April 5	Instructed the bank to issue a bank draft for ₹ 4,500 in favour of Abhash. The bank charged ₹ 15 for issuing the draft.
April 8	Received a money order for ₹ 4,456 from Seema in full settlement of ₹ 4,600 due from her.
April 10	Rent ₹ 5,900 paid by cheque including SGST and CGST @ 9% each.
April 12	Received a cheque from Kanak for ₹ 6,200. Allowed her discount ₹ 120.
April 15	Endorsed Kanak's cheque in favour of Bhawna.
April 18	Salary paid ₹ 2,000.
April 20	Sent a cheque for ₹ 3,000 in payment of tuition fees of Aarambh's son.
April 24	Withdrew ₹ 3,000 from the bank half of which for personal use.
April 28	Received an order from Ganesh for goods of the value of ₹ 6,000 at 10% discount and he sent a cheque for goods of value of ₹ 4,000 with the order.
April 30	Ganesh's cheque deposited into the bank.

Q 23 An accountant, while balancing his book found that there was a difference of ₹ 1,500 in the trial balance (excess debit). Being required to prepare the final accounts he placed the difference to an newly opened Suspense Account, the following errors were discovered before preparing final accounts:

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- (i) Salary for the month of March was posted twice, ₹ 1500.
- (ii) Interest ₹ 600 on investments collected by the bankers, were posted directly in concerned account through the pass book, but no entry was made in the bank column of the cash book
- (iii) A purchase of a chair from Gopal Furniture mart for ₹ 65 has been entered in purchases book as ₹ 560.
- (iv) Cash Purchases from Suraj ₹ 1,800 were recorded in Cash Book as well as in Purchases Book and posted from both.
- (v) A credit item of ₹ 1,070 debited to Raunak's account.
- (vi) Goods amounting ₹ 590 sold to Karan were correctly entered in sales book but posted to credit side of Karan's A/c as ₹ 950.

You are required to pass necessary entries for rectifying the errors and also show the suspense

Account.

Q 24 The following is the Trial Balance of Rustam Traders on 31st March, 2018.

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Particulars	L.F	Debit (₹)	Credit (₹)
Stock (1.4.2017)		16,000	
Purchases / Sales		2,15,000	3,15,000
Returns		3,000	1,800
Debtors / Creditors		73,150	15,950
Goodwill		17,000	
Bills Receivable / Bills Payable		7,000	3,900
Machinery		70,000	
Motor Car		2,30,000	
Provision for Doubtful Debts			1,950
Cash Balance		51,200	
Freehold Property		2,13,000	
Fire Insurance Premium		2,400	
Bad Debts		5,200	
Carriage on Sales		3,450	
Carriage on Purchases		5,550	
Establishment Expenses		7,650	
Input CGST		5,500	
Input SGST		5,500	
Output CGST			7,500
Output SGST			7,500
6% Loan (1.10.2015)			3,00,000
Interest on Loan		3,000	
Capital Account			2,80,000
		9,33,600	9,33,600

Prepare Trading and Profit and Loss Account and Balance Sheet as at 31st March, 2018 after considering the following adjustments:

- Value of goods on hand at the end of the year was ₹ 21,000.
- Depreciate Machinery @ 10% p.a. and Motor car @ 5% p.a.
- Goods costing ₹ 10,000, selling price was ₹ 12,000 destroyed due to fire.
- Goods sent on approval at ₹ 3,000 @ 25% loss on cost were recorded as actual sales.
- The manager is entitled to a commission @ 10% on net profit before charging his commission.

OR

From the following Trial Balance, extracted from the books of Raja Ltd., prepare Trading and Profit & Loss Account for the year ended 31st March, 2018 and a Balance Sheet as at that date:

Debit Balances	₹	Credit Balances	₹
Drawings Account	20,000	Sales	2,20,000
Land & Building	12,000	Capital	1,01,110
Plant and Machinery	40,000	Discount	5,990
Carriage Inward	3,100	Interest on fixed deposits	500
Wages	5,500	Bills Payable	30,000
Salary	12,000	Purchase Return	11,355
Sales Return	6,200	Bank Loan	1,00,000
Bank Charges	260	Output IGST	30,000
Coal, Gas and Water	1,200	Outstanding Expenses	1,045
Purchases	1,26,000		
Discount	3,800		
Stock (Opening)	76,300		
Cash at Bank	49,440		
Rates and Taxes	4,085		
8% Fixed deposits (1.10.2017)	25,000		
Sundry Debtors	51,585		
Cash in Hand	30,000		
Input IGST	33,530		
	5,00,000		5,00,000

The additional information are as under:

1. Closing Stock was valued at the end of the year at ₹ 20,000.
2. Depreciation to be charged on Plant and Machinery at 5% and on Land and Building at 10%.
3. Goods costing ₹ 12,000 sold to Mr. Ram at ₹ 15,700 was not recorded.
4. A bill receivable of ₹ 6,480 received from a debtor after 10% discount was endorsed to a creditor at 20% discount against his dues, now dishonoured.
5. The manager is entitled to a Commission of 5% on net profit after charging such Commission.