

ANNUAL EXAMINATION

ACXI- M2

Class 11 - Accountancy

Time Allowed: 3 hours

Maximum Marks: 80

General Instructions:

1. This question paper contains 34 questions. All questions are compulsory.
2. This question paper is divided into two parts, Part A and B.
3. Question 1 to 16 and 26 to 28 carries 1 mark each.
4. Questions 17 to 19 and 29 to 31 carries 3 marks each.
5. Questions from 20 to 22 carries 4 marks each.
6. Questions from 23 to 25, 32 and 33 carries 6 marks each.

PART -A

1. Debit balance of a personal account means the person is a _____ of the firm whereas credit balance of a personal account indicated that the person is a _____ of the firm. [1]
a) Owner, Creditor
b) Debtor, Owner
c) Creditor, Creditor
d) Debtor, Creditor
2. At the end of the financial year, during which the sale of goods was worth Rs 5,00,000, the closing stock is valued at Rs 40,000. This is _____. [1]
a) a transaction
b) None of these
c) Both an event as well as transaction
d) an event
3. **Assertion (A):** In the accounting equation, each transaction affects both sides of the equation, i.e. Assets side and Liabilities + Capital side. [1]
Reason (R): Assets of a business are purchased either from the funds (capital) supplied by the proprietor or from the funds provided by external parties.
a) Both A and R are true and R is the correct explanation of A.
b) Both A and R are true but R is not the correct explanation of A.
c) A is true but R is false.
d) A is false but R is true.
4. Consider the following statements with respect to the rules of Debit and Credit: [1]
i. Debit what comes in, credit what goes out.
ii. Debit the receiver, Credit the giver.
iii. Debit all incomes, Credit all expenses.
Identify the correct statement/statements:
a) i and ii
b) All of these
c) ii and iii
d) only i
5. Books of Account are written on the basis of: [1]

- a) None of these
 c) Accounting Vouchers
- b) Source Document
 d) Both the Source Document and Accounting Vouchers

6. Journal entry for Goods distributed as a free sample will be [1]

a)

Advertisement A/c	Dr
To Purchase A/c	

b)

Distribution A/c	Dr
To Purchase A/c	

c)

sample A/c	Dr
To Purchase A/c	

d)

Goods A/c	Dr
To Purchase A/c	

7. While posting in personal accounts from the purchases book, the posting is done: [1]

- a) on debit side
 c) none of these
- b) on both Dr. and Cr. side
 d) on credit side

8. On 1st April 2016, the balance of the cash column of the cash book was Rs 10,000. After receiving Rs 2,000 from Anil, giving a cheque of Rs 3,200 to Sunil and making payment of wages Rs 500, the balance of cash will be: [1]

- a) Rs 11,500
 c) Rs 6,300
- b) Rs 8,300
 d) Rs 8,800

9. What is the journal entry passed if cheques received are deposited on different dates? [1]

- a) Bank A/c ... Dr.
 To Debtors
- b) Cheques-in-hand ... Dr.
 To Debtors
- c) Debtors A/c ... Dr.
 To Cheques-in-hand
- d) None of these

10. Calculate purchase return amount from the following transactions for January 2011. [1]

- (a) Returned goods to M/s Kartik Traders Rs.1,200
 (b) Goods returned to Sahil Pvt. Ltd. Rs.2,500
 (c) Goods returned to M/s Kohinoor Traders for list price Rs.2, 000 less 10% trade discount.
 (d) Return outwards to M/s Handa Traders Rs.550. Options are as follows

- a) Rs.6050
 c) Rs.4500
- b) Rs.5500
 d) Rs.6000

11. The balance of the sales column in the sales day book is Rs 30,000. Rs 5,000 were recovered from debtors. Then the balance of the sales column will be transferred by which amount? [1]

- a) Rs 20,000
 c) Rs 25,000
- b) Rs 30,000
 d) Rs 35,000

12. There are two dentists Dr Sharma and Dr Mehta in your locality who are competitors. Both of them have recently bought an equipment for treatment of patients. They purchased the equipment for ₹ 1,00,000. Dr Sharma has also paid cartage of ₹ 4,000 and spent ₹ 1,000 on its installation. Dr Sharma has decided to write off an equal amount of depreciation every year @ 10% p.a., while Dr Mehta wants to write of a larger amount in [2]

earlier years @ 10% p.a. They have no knowledge about methods of depreciation. On the basis of above information answer the following questions:

i) What is the total cost of equipment for Dr Sharma?

- a) ₹ 1,00,000
- b) ₹ 1,05,000
- c) ₹ 1,04,000
- d) ₹ 1,01,000

ii) What amount of depreciation Dr Mehta will charge on his equipment in third financial year:

- a) ₹ 10,000
- b) ₹ 9,000
- c) ₹ 8,100
- d) ₹ 10,500

13. Consider the following statements with respect to Provisions: [1]

- i. The amounts that are created against profit to meet a known liability.
- ii. The amount that is paid.
- iii. The amount of which is uncertain.

Identify the correct statement/statements:

- a) (i), (ii) and (iii)
- b) (i) and (iii)
- c) (i) and (ii)
- d) (ii) and (iii)

14. Salary of Rs.7500 paid to Accountant Raman was debited to his Personal account. The rectifying journal entry would be [1]

a)

Salary A/c	Dr	7500
To Raman A/c		7500

b)

Raman A/c	Dr	7500
To Salary A/c		7500

c)

Salary A/c	Dr	7500
To Cash A/c		7500

d)

Salary A/c	Dr	7000
To Raman A/c		7000

15. Which of the following errors will affect the Trial Balance? [1]

- a) ₹1,000 paid for repairs to the building have been debited to Building Account.
- b) ₹1,000 paid as installation charges of a new machine has been debited to Repairs Account.
- c) Goods costing ₹4,000 taken by the proprietor for personal use have been debited to Debtor's Account.
- d) The total of the Sales Book has not been posted to the Sales Account.

16. Wages paid to a worker making additions to machinery amounting to ₹5,000 were debited to the Wages account. Identify the type of error. [1]

- a) Compensating error
- b) Error of principle
- c) Error of commission
- d) Error of omission

17. Accounting records transactions and events that can be measured in money terms. Is this, in your opinion, a limitation of accounting or an advantage? Give reasons. [3]

18. The assets of Standard Sugar Co. were acquired by the Government on 1st April, 2000 and the company received a compensation of ₹ 10 crores. The company did not have any other business as on the date of acquisition and has also not ventured into any other business after acquisition of assets. The company placed the amount so received in a fixed deposit with a bank, which is lying deposited with the bank as on date also. It has also filed a case in the Court seeking higher compensation. Is the company a going concern? [3]

19. Pass journal entries for the following: [3]

2019	
Jan. 6	Purchased goods from Henry for ₹ 50,000 on 10% trade discount and 4% cash discount and paid 60% amount by cheque.
Jan. 15	Bought goods from Amit for ₹ 2,00,000 at terms 5% cash discount and 20% trade discount. Paid 3/4th of the amount in cash at the time of purchase.
Jan. 18	Sold goods to Sherpa at the list price of ₹ 50,000 less 20 % trade discount and 4 % cash discount if the payment is made within 7 days. 75 % payment is received by cheque on Jan. 23rd.
Jan. 25	Sold goods to Garima for ₹ 1,00,000, allowed her 20% trade discount and 5 % cash discount if the payment is made within 15 days. She paid 1/4th of the amount by cheque on Feb.5 and remainder on Feb. 15th in cash.

OR

Enter the following transactions in the Journal of Ganesh Bros:

2019		₹
March 3	Sold goods to Dev	1,00,000
5	Received from Dev in full settlement of his account	98,000
6	Sold goods to Manmohan	80,000
8	Manmohan returned goods	1,000
15	Received from Manmohan in full settlement of his account	78,200
16	Received cash from Ram and discount allowed Rs.500	19,500
20	Paid cash to Pawan	4700
	and discount received from him	300
25	Sold goods to Varun of the list price of ₹ 25,000 at 20% trade discount	

20. Capital is a liability for the business. Explain this statement with the principle applied. [4]

21. The following transactions took place in M/s Starbucks Readymade Clothes Shop. Prepare the debit vouchers [4]

2013	Transactions	Amount (Rs)
Sep 1	Bought Readymade clothes for cash vide cash memo no. 885	11,000
Sep 10	Wages paid for the month of December 2013 vide wage sheet no. 57	10,000
Sep 20	Paid for conveyance	100

22. Verma Bros, carry on business as wholesale cloth dealers. From the following, write up their purchases book for April, 2013 [4]

Apr 3	Purchased on credit from M/s Birla Mills
	100 pieces long cloth @ Rs.80 each
	50 pieces shirting @ Rs.100 each
Apr 8	Purchased for cash from M/s Ambika Mills
	50 pieces muslin @ Rs.120 each
Apr 15	Purchased on credit from M/s Arvind Mills
	20 pieces coating @ Rs.1,000 each
	10 pieces shirting @ Rs.90 each
Apr 20	Purchased on credit form M/s Bharat Typewriters Ltd
	5 typewriters @ Rs.1,400 each

23. From the following cash and bank transactions of Gupta Stationery House, Delhi (Proprietor Pramod), prepare Double Column Cash Book for the month: [6]

2019		₹
April 1	Cash in Hand	88,000
	Cash at Bank	1,10,000
April 3	Purchased goods for ₹ 14,000 plus IGST @ 12% from Amar, Jammu and paid by cheque	
April 9	Cash purchases of ₹ 16,000 less trade discount,5% plus CGST and SGST @ 6% each	
April 10	Purchased postage stamps	1,000
April 12	Cash sales deposited into the bank (including CGST and SGST ₹ 6,000 each)	1,12,000
April 14	Drew cash for personal use	8,200
April 15	Received from Naresh, a debtor,	

	cash ₹ 6,000 and cheque ₹ 10,000 both deposited into bank, allowed ₹ 1,000 as cash discount	
April 15	Withdrew from the bank for office use	16,000
April 16	Paid wages	6,000
	Paid Rent ₹ 10,000 plus CGST and SGST ₹ 600 each	
April 19	Paid advance to Pawan by cheque	50,000
April 23	Received a cheque from Subhash against sale of goods; sale value ₹ 16,000, CGST and SGST charged extra @ 6% each	
April 25	Paid to Amar cash ₹ 6,000 and ₹ 10,000 by a cheque, he allowed cash discount ₹ 720	
April 26	Manish, a customer, deposited into bank	12,000
April 29	Withdrew from bank for personal use	4,000
April 30	Bank charged commission ₹ 2,000 plus CGST and SGST @ 6% each	
April 30	Withdrew from bank for paying income tax	10,000

24. From the following information supplied by Sanjay, prepare his bank reconciliation statement as on 31 st December, 2013.

[6]

	Amt(Rs)
(i) Bank overdraft as per pass book	16,500
(ii) Cheques issued but not presented for payment	8,750
(iii) Cheques deposited with the bank but not collected	10,500
(iv) Cheques recorded in the cash book but not sent to the bank for collection	2,000
(v) Payment received from customers directly by the bank	3,500
(vi) Bank charges debited in the pass book	200
(vii) Premium on life policy of Sanjay paid by the bank on standing advice	1,980
(viii) A bill for Rs 3,000 (discounted with the bank in November) dishonoured on 31st December, 2013 and noting charges paid by the bank	100

Investments (Short-term)	80,000	
Capital		15,00,000
Drawings	1,30,000	
Net Profit		6,20,000
	26,00,000	26,00,000

30. Insurance Premium paid by a firm on 1st December 2017 for the year upto 30th November 2018 was ₹18,000 and insurance premium paid on 1st December 2018 for the year upto 30th November 2019 was ₹30,000. What amount will be debited to Profit & Loss Account for the year ended 31st March 2019? [3]

OR

Following is an extract from a Trial Balance:

TRIAL BALANCE as at...

Particulars	Dr. (₹)	Cr. (₹)
Machinery A/c	2,00,000	-
Furniture A/c	1,00,000	
Provision for Depreciation : on Machinery	-	60,000
on Furniture		27,100

Additional Information: Depreciation is charged on machinery at 10% p.a. and on Furniture at 10% p.a. by the Diminishing Balance Method.

Show relevant extract in the Profit and Loss Account and Balance Sheet.

31. Rahul's Trial Balance as on 31st March, 2019 has the following information: [3]

Heads of Accounts	Debit (₹)	Credit (₹)
Salaries and Wages	3,30,000	-
Electricity Expenses	55,000	-

Additional Information:

- Salary for the month of March, 2019 is yet to be paid.
- Electricity Bill for March, 2019 amounted to ₹ 5,200 was received on 2nd April, 2019. Determine the amount of Salary and Electricity Expenses to be provided and show how the two amounts will be shown in the Final Accounts?

32. Given below is the Trial Balance of Gopi Chand Bros, as at 31st March, 2016. You are required to prepare a Trading and Profit & Loss A/c for the year ended 31 st March, 2016 and Balance Sheet as at that date: [6]

Debit Balances	₹	Credit Balances	₹
Opening Stock	45,000	Sundry Creditors	22,100
Purchases	1,20,000	Return outwards	2,500
Return inwards	3,200	Sales	3,50,000

Carriage inwards	2,400	Capital	2,00,000
Carriage outwards	1,500	Loan from Bank	24,000
Office furniture	8,000	Discount Received	2,000
Sundry Debtors	68,000	Commission	1,600
Dock Charges	5,000		
Electric Power	10,000		
Fuel, Gas and Water	12,000		
Bad-debts	1,100		
Advertisement	25,000		
Salary	36,000		
Cash in hand	8,100		
Cash at Bank	30,000		
Motor Vehicles	58,000		
Motor Repairs	3,000		
Interest on Bank Loan	2,400		
Rent and Insurance	24,500		
Business Premises	1,06,000		
Household expenses	33,000		
	6,02,200		6,02,200

Stock at the end ₹ 75,000.

33. From the following balances extracted from the books of Karan and the additional information, prepare the trading and profit and loss account for the year ended 31st March, 2010 and also show the balance sheet as at that date: [6]

	Debit Balance (₹)	Credit Balance (₹)
Stock on 1st April, 2009	625	-
Purchases and Sales	903	1,372
Returns	22	13
Capital Account	-	300
Drawings	45	-
Land and Buildings	300	-
Furniture and Fittings	80	-
Trade Debtors and Trade Creditors	250	450

Cash in hand	35	-
Investments	100	-
Interest	-	5
Commission	-	30
Direct Expenses	75	-
Postage, Stationery and Telephone	25	-
Fire Insurance Premium	20	-
Salaries	90	-
Bank Overdraft	-	400
	2,570	2,570

Additional Information:

- Closing stock on 31st March, 2010 is valued at ₹6,50,000. Goods worth ₹5,000 are reported to have been taken away by the proprietor for his personal use at home during the year.
- Interest on investments ₹5,000 is yet to be received while ₹10,000 of the commission received is yet to be earned.
- 5,000 of the fire insurance premium paid is in respect of the quarter ending 30th June, 2010.
- Salaries ₹10,000 for March, 2010 and bank overdraft interest estimated at ₹20,000 are yet to be recorded as outstanding charges.
- Depreciation is to be provided on land and buildings @ 5% per annum and on furniture and fittings @ 10% per annum.
- Make a provision for doubtful debts @ 5% of trade debtors.

OR

From the following Adjustments and with the help of Trial Balance prepare a Trading A/c, Profit and Loss A/c and Balance Sheet as at 31st March 2018:

Dr. Balances	₹	Cr. Balances	₹
Insurance charges	2,400	Capital	1,70,000
Salaries & Wages	19,400	S. Creditors	20,000
Cash in hand	200	Sales	1,20,000
Cash at Axis Bank	19,500	Returns Outwards	1,200
Trade Expenses	400	Provision for Doubtful Debts	400
Postage	800	Discount	800
Drawings	6,000	Rent of Premises, Sublet for one year to 30th Sept. 2018	1,200
Plant & Machinery:			
Balance on 1st April, 2017	1,20,000		
Addition on 1st Oct., 2017	5,000		

Stock on 1st April, 2017	15,000		
Purchases	82,000		
Returns Inward	2,000		
S. Debtors	20,800		
Furniture & Fixtures	5,000		
Freight	2,000		
Carriage outwards	500		
Rent, Rates & Taxes	4,600		
Printing & Stationery	1,000		
Input IGST	7,000		
	3,13,600		3,13,600

Adjustments:

- i. Stock on 31st March, 2018 was valued at ₹24,000 and stationery unused at the end was ₹250.
- ii. The provision for doubtful debts is to be maintained at 6% on Sundry debtors.
- iii. Create a provision for discount on debtors at 2%.
- iv. Write off ₹800 as bad debts.
- v. Provide depreciation on plant and machinery @ 10% p.a.
- vi. Insurance is paid upto 30th June, 2018.
- vii. A fire occurred on 25th March, 2018 in the Godown and Stock of the value of ₹6,000 was destroyed. The stock was purchased paying IGST @ 18%. It was insured and the Insurance Co. admitted a claim of ₹4,000.