

Date: 14.09.2014  
Class: XI

**INDIAN SCHOOL SOHAR**  
**FIRST TERM**  
**ACCOUNTANCY**

Max Marks:90  
Time: 3 hours

General Instructions:

1. All questions are compulsory
  2. Draw neat formats with pencil
  3. Provide working notes wherever necessary
  4. Write down the serial number of the question before attempting it
  5. Attempt all the parts of a question at one place
- Use of calculators or any other calculating device is not allowed.

1. What is capital? 1
2. 'Closing stock is valued at cost or market price whichever is less' Which concept of accounting is applied here? 1
3. Give two examples for Real account. 1
4. A Ltd company purchased 50 computers from HCL and is allowed discount of Rs.20,000 for purchase thereof. Is the discount allowed trade discount or a cash discount? How will you record in the books of accounts? 1
5. What is scrap value? 1
6. What is contra entry? 1
7. You are given a number of accounts below. State which of them will show a **debit balance and credit balance**. 1)Discount allowed 2) Repairs 3) Ram Customer 4) Purchases returns 5) Provision for doubtful debts 6) Loss on sale of machinery 3
8. Ram &Co purchased a machinery for Rs.25,000.On 1<sup>st</sup> January 2011. The estimated life of the machinery is 5 years, after which its residual value will be Rs.5,000 only. Find the amount of **annual depreciation and Rate of depreciation** according to the straight line method 3
9. What are accounting Concepts? Explain Accrual concept and Cost Concept. 3
10. The amount of sundry debt in the trial balance is Rs.90,000. You are required to write off Rs.5000 as bad debts add make a provision for doubtful debts account @10% on sundry debtors. Calculate the **provision for doubtful debts** and how it will be adjusted in the financial statement. 3
11. Define the following terms a) Drawings ii) Tangible assets iii) Liability 3
12. Define trial balance. What are the Characteristics of a trial balance? 3
13. Distinguish Accrual basis of accounting and cash basis of accounting. 4
14. Journalise the following transactions in the books of Arjun 4
  - a. Interest on capital Rs.3000
  - b. Goods worth Rs.2000 given as charity.
  - c. Received Rs.975 from Harikrishna in full settlement of his account for Rs.1000.
  - d. Received a first and final dividend of 60 Paise in a rupee from the official receiver of Rajan who owned on us Rs.1000.
15. Draw the **balance sheet** from the following balances: 4

Capital Rs.60,000, Machinery 27,000 Bills payable 2,800, Debtors 21,600 Creditors 1,400, Drawings 2,700, Cash at bank 4,500, closing stock 22,400, Net profit 14,000.
16. Prepare a simple **Cashbook** from the following details and find out the closing balance. Page No.1

June 1                      Cash in hand                      5,000

June2	Furniture purchased for cash	1,000	
June4	Goods purchased for cash	3,000	
June5	Cash sales	2,800	
June7	Cartage paid	50	
June18	Purchases on credit	2,500	
June23	Rent paid	1,000	
June24	Machinery sold	2,000	
June 31	Dividend received	1,000	<b>4</b>

17. State whether the following items of expenditure are of **capital or Revenue** natures:

- A second hand car was purchased for Rs.2,00,000
  - Rs.2500 paid for the installation of new machinery
  - Cost of annual taxes paid and the annual insurance premium paid on the car purchased
  - Rs.10,000 paid for electricity bill.
- 4**

18. Define Accounting. What are the advantages of accounting? (five points) **6**

19. Arun company purchased Machinery for Rs.20,000. On 1<sup>st</sup> January 2008, the machinery is depreciated at 10% p.a on the original cost. On 1<sup>st</sup> April 2009 another machinery purchased at a cost of Rs.50,000. On 1<sup>st</sup> July 2010 the machinery which was purchased on 1<sup>st</sup> January 2008, sold for Rs.12,000. Give the **Machinery account from 2008 to 2010**, assuming the books are closed on 31<sup>st</sup> December every year. **6**

20. Journalise the following transactions and prepare the ledgers of Cash A/C, Bank A/C and Mohan A/C and Shyam A/C. **6**

2012 Jan1	Started business with cash	50,000
Jan3	Paid into bank	40,000
Jan 5	sold goods to Mohan	22,000
Jan9	Goods returned by Mohan	2,000
Jan11	Goods purchased from Shyam	31,500
Jan15	Goods returned to Shyam	1,500
Jan18	Bought Furniture for office use by cheque	9,000

21. Prepare proper **subsidiary books** and post them into the ledger from the following transactions for the month of February 2006. **6**

Feb 01	Goods sold to Sachin	5000
04	Purchase from Kushal traders	2480
06	Sold goods to Manish traders	2100
07	Sachin returned goods	600
08	Returns to Kushal traders	280
10	Sold to Mukesh	3300
14	Goods purchased from Kunal Traders	5200
15	Furniture purchased from Tarun	3200
17	Goods bought from Naresh	4060
20	Goods return to Kunal Traders	200
22	Goods return inwards from Mukesh	250

**Page No.2**

24	Purchased goods from Kirit&Co for list price of Rs.5700 less 10% trade discount	
25	Sold to Shri Chand goods for 6,600 less 5% trade discount	
26	Sold to Ramesh Brothers	4000
28	Returned outwards to Kirit and Co less 10%	

	Trade discount	1000
28	Ramesh brothers returned goods	500

22. Enter the following transactions in a double Column cash book of M/s Mahesh Brothers January 2005.

		<b>6</b>
January 01	Cash in hand	3,500
	Bank overdraft	2,300
03	Purchased goods for cash	1,200
05	Paid wages	200
10	Cash sales	8,000
15	Deposited into bank	6,000
22	Sold goods for cheque which was deposited into bank same day	2,000
23	Commission received	1,000
25	Paid rent by cheque	1,200
26	Paid for stationery	1,000
28	Drew cash from bank for personal use	1,000
31	Bought goods by cheque	1,000

23. Following balances have been extracted from the trial balance of M/s Kesav Electronics Ltd. You are required to prepare the trading and **profit and loss account and balance sheet** as on 31<sup>st</sup> December 2010.

Account Title	Amount	Account Title	Amount
Opening Stock	2,26,000	Sales	
Purchases	4,40,000	Return outwards	6,80,000
Drawings		Creditors	
Buildings	75,000	Bills payable	15,000
Motor Van	1,00,000	Interest received	
Freight inwards		Capital	50,000
Sales return	30,000		
Trade expense			63,700
Heat and Power	3,400		
Salary and wages			20,000
Legal expense	10,000		
Postage and telegram			3,50,000
Bad debts	3,300		
Cash in hand			
Cash at bank	8,000		
Sundry debtors			
Investments	5,000		
Insurance			
Machinery	3,000		
	1,000		
	6,500		

	79,000		
	98,000		11,78,700
	25,000		
	40,000		
	3,500		
	22,000		
	11,78,700		

Page No.3

The following additional information is available

1. Stock on 31<sup>st</sup> December 2010 was Rs.30,000
2. Depreciation is to be charged on building at 5% and motor van at Rs.10%
3. Write off bad debts Rs.1000 and create Provision for doubtful debts to be maintained at 5% on sundry debtors.
4. Unexpired insurance was Rs.600.outstanding expenses on salary 500.
5. The manager is entitled to a commission @ 5% on net profits before charging such commission.

(OR)

From the following ledger balances of Mr.Charan Singh, prepare the **Trading and Profit and Loss account and the balance sheet** for the year ended 31<sup>st</sup> March 2011 and the balance sheet as at that date after making the necessary adjustments.

Particulars	Amount	Particulars	Amount
Cash in hand	1,500	Capital	10,000
Purchases	12,000	Bank overdraft @ 5% (1 <sup>st</sup> Jan 2008)	2,000
Sales returns	1,000	Sales	15,000
Establishment charges	2,200	Purchases returns	2,000
Taxes and insurance	500	Bad debts provision	700
Bad debts	500	Sundry creditors	2,000
Sundry debtors	5,000	Commission	500
Investments	4,000	Bills payable	2,500
Stock on 1 <sup>st</sup> January	3,000		
Drawings	1,400		
Furniture	600		
Bills receivable	3,000		
	34,700		34,700

1. Salaries Rs.100 and taxes Rs.200 are outstanding but insurance Rs.50 is prepaid.
2. Write off bad debts Rs.200 and create Provision for doubtful debts @ 5% per annum.
3. Depreciate Furniture by 10%.
4. Stock on 31<sup>st</sup> March 2011 is Rs.4500
5. A fire occurred on 1<sup>st</sup> April destroying goods costing Rs.2,000. The insurance company admitted a claim of Rs.1000.

24) Ram had the following transactions:

- i) Commenced business with cash Rs.50,000
- ii) Paid into bank Rs.10,000
- iii) Purchased goods for cash rs.20,000 and credit Rs.30,000
- iv) Sold goods for cash Rs.40,000 costing Rs.30,000
- v) Rent paid Rs.500
- vi) Rent Outstanding Rs.100
- vii) Bought furniture Rs.5000 on credit
- viii) Bought refrigerator for personal use Rs.5000
- ix) Purchased motor cycle for cash Rs.20,000

Create an **Accounting Equation** to show the effect of the above transactions on his assets and liabilities, capital and show his final balance sheet.

(OR)

(i) A firm purchased on 1<sup>st</sup> January 1999, a second hand machinery for Rs.36,000 and spent Rs.4,000 on its installation. On 1<sup>st</sup> July in the same year, another machinery costing Rs.20,000 was purchased. On 1<sup>st</sup> July 2001, machinery brought on 1<sup>st</sup> January 1999 was sold for Rs.12,000 and a new machine purchased for Rs.64,000 on the same date. Depreciation is provided annually on 31<sup>st</sup> December @ 10% p.a on Written down Value method. Show the **Machinery account from 1999 to 2001**. (6 mark)

(ii) Define depreciation. What are the causes of depreciation?(2 mark)      **8**