



INDIAN SCHOOL SOHAR
SECOND TERM EXAM
ACCOUNTANCY

Date: 27.11.2014
Class: XI

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. Subscriptions received in advance is income of liability **1**
2. What is meant by noting of bill of exchange? **1**
3. Indicate how accounting equation is affected if payment is made to a creditor? **1**
4. Depreciation is cash expenditure like other normal expenses. Comment. **1**
5. What is meant by outstanding expenses? **1**
6. Which balance of the bank column in the cash book signified bank overdraft? **1**

7. Mohan started a business on 1st April 2012 with a capital of Rs.10,000 and borrowed Rs.3000 from a friend. He earned a profit of Rs.5000 during the year ended 31st March 2012 and with drew cash of Rs.4000 for private use. What is his capital as on 31st March.2013. **3**

8. Open a ledger account of Mohan from the following transactions **3**
 - (i) Purchased goods from Mohan Rs.20,000 on credit
 - (ii) Goods sold to Mohan Rs 50,000 allowed his trade discount of 7%
 - (iii) Goods returned to Mohan Rs.500
 - (iv) Goods returned by Mohan Rs.750
 - (v) Cash paid to Mohan Rs.10,000
 - (vi) Cash received from Mohan Rs.7500
9. Define the following terms with examples: a)Revenue b)Drawings c)Creditor **3**
10. 'Capital is a liability for the business' Explain this statement with principles applied **3**

11. Journalise the following:
 - a) Cheque of Jatinder of Rs.10,000 deposited returned unpaid
 - b) Bank charged charged by bank Rs.250
 - c) Sold household furniture for Rs.5000 in cash and paid the money into the business. **3**
12. Correct the following errors:
 - a. Rs.5,400 received from A was to the debit of his account.
 - b. The total of sales returns book overcast by Rs.800
 - c. Cheque of Rs.400 received from Ranjan was dishonoured and debited to the discount account. **3**

13. On 15th June 2013 Mohan sold goods to Sohan valued at Rs.2,000. He drew a bill for 3 months for the amount of and discounted the same with his bankers at 1960. On the due date bill was dishonoured and Mohan paid to the bank amount due plus the noting charges of Rs.10. pass the journal entries in the books of both the parties. **4**

14. A petty cashier in a firm received Rs.1,500 as the petty cash imprest on 4th June 2013. During the week the expenses were as follows

June4	Wages to casual labour	200
June5	Stationery purchased	120
June 6	postage paid	140
June 7	Repairs	90
June8	Paid Electricity bill	210
June8	Wages paid	150
June9	Locks purchased	80
June10	Refreshments to customers	60

Prepare the petty cash book under the imprest system. 4

15. Distinguish between capital expenditure and revenue expenditure. 4

16. On October 1st2010 A truck was purchased for Rs.8,00,000 by Laxmi transport company Limited. Depreciation was provided at 15% p.a., on the diminishing balance basis on this truck. On Dec 2012 this truck was sold was sold Rs.5,00,000. Accounts are closed on 31stDecember every year. Prepare a truck A/C from 2010 to 2012. 4

17 Enter the following the transactions in subsidiary books of Ram for the month of Jan 2013.

Jan1	Sold goods to Ramesh	5,250
Jan1	Bought from HariRam	7,800
Jan2	Sold to Dinakar	5,500
Jan2	Sold furniture to Arun	1,500
Jan3	Purchases from Managal	7,000
Jan4	Bought from Devi Dayal	3,200
Jan5	Sold to ZakirHussain	3,500
Jan6	Sold to Ram saran	5,000
Jan7	Purchased machinery from Akil	2,000
Jan8	Purchased goods from Raganath subject to a trade Discount of 10%	10,000
Jan10	Sold to Rajaram subject to a trade discount of 5%	5,000

18. Give the journal entries to rectify the following errors using suspense account where necessary

(i) Goods of the value of Rs.2,000 returned by Mr.Guptha were entered in the sales book and posted there from to the credit of his account

(ii) Goods worth Rs.1,500 bought by the proprietor for his personal use without any payment being made as yet was wrong entered in the purchases book.

(iii) A cheque for Rs.500 received from Ashok was dishonoured and has been posted to the debit of sales return account

(iv) The total of one page of the sales book was carried to the next page Rs.680 instead of 860.

(v) An item of 500 relating to prepaid insurance account was omitted to be brought forward from the previous year book. 6

19. Enter the following transactions in a suitable cash book and shown the balance at the end of the month.

Date	Transactions	Amount
Jan1	Cash in hand	50,000
Jan2	Opened a bank account and deposited office cash therein	37,500
Jan3	Purchased office furniture and paid by cheque	2,500
Jan6	Purchased stationery	500
Jan8	Cash purchases	2,000
Jan9	Paid to Manilal as price for goods by cheque received discount Rs.200	10,000
Jan10	Received from Kartarsingh payment for goods in cash Rs.5000 and by cheque 12500 and deposited into the bank	17,500
Jan12	Cash sales	3,500
Jan16	Kartarsingh's cheque returned dishonoured by the bank	
Jan18	Cash purchases (in cash Rs,5000 and by cheque Rs.4500)	9,500
Jan20	Withdrew cash from bank for personal use	1,000
Jan22	Sold goods for cash and deposited the cash into bank	12,000
Jan27	Kartarsingh paid cash n lieu of dishonoured cheque, allowed him discount Rs.200	12,500
Jan28	Paid office rent	5,000
Jan30	Paid salary to staff	10,000

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20. On April 1 2010, following balances appeared in the books of Pavi traders.

Furniture A/C 1,00,000

Provision for Depreciation on furniture A/C 44,000

On October1,2010 a part of furniture purchased for 40,000 on April 1 2006 was sold for Rs.10,000. on the same date a new furniture costing Rs.50,000 was purchased. The depreciation was provided @ 10% p.a. On straight line method and no depreciation was charged in the year of sale. Prepare furniture A/C and provision for depreciation A/C for the year ending March31st 2011 and find out profit or loss on sale of asset.

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21. What do you meant by double entry system? Give any 5 advantages of double entry system.**6**

22. Show the accounting equation to show the effect of the following transactions of M/S Royal Traders:

Rs.

Started business with cash 1,20,000

Purchased goods for cash 10,000

Rent received 5,000

Salary outstanding 2,000

Prepaid insurance 1,000

Received interest 700

Sold goods for cash(costingRs.5000) 7,000

Goods destroyed by fire 500

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23. The trial balance of Mr. Shanmugam as on 31st March 2014 was as follows:

Particulars	Amount	Particulars	Amount
Purchases	1,62,505	Sales	2,52,400
Sundry debtors	50,200	Provision for doubtful debts	5,200
Opening stock	26,725	Sundry creditors	30,526
Wages	23,137	Bills payable	3,950
Salaries	5,575	Outstanding expenses	2,000
Furniture	7,250	Trade expenses accrued but not paid	700
Postage	4,226	Capital Account	10,000
Power and fuel	1,350		
Trade expenses	5,831		
Bad debts	525		
Loan to Subbu @ 15% p.a on 1.12.2013	3,000		
Cash in hand	10,000		
Drawings	4,452		
	3,04,776		3,04,776

Prepare trading and profit and loss account for the year ended 31st March 2014 and the balance sheet as on that date taking into account the following information:

- Depreciate furniture at 10% p.a
- Sundry debtors include an item of Rs.500 due from a customer who has become insolvent and nothing is recoverable from his estate.
- Provision for doubtful debt is to be maintained at 5% on sundry debtors
- Goods of the value of Rs.1,500 have been destroyed by fire and the insurance company has admitted a claim for Rs.1,000
- Stock on 31st March 2014 was Rs.12,550

(OR)

The trial balance of Mr. Krishnan on 31st December 2009 prepare the trading and profit and loss account and balance sheet after making the following adjustments:

- value of closing stock Rs.29,638
- Depreciate plant and machinery 10% furniture 5%, horses and carts Rs.4000.
- Provide 5% for doubtful debts on debtors
- Prepaid expenses: insurance Rs.300 and taxes Rs.190
- 3/5 of insurance and taxes, rent and general expenses to be charged to factory and balance to the office.
- Commission to manager at 10% of net profit

Particulars	Amount	Particulars	Amount
Plant and machinery	19,720	Capital	80,000
Manufacturing wages	34,965	Creditors	50,160
Salaries	10,135	Bank loan	10,000
Furniture	9,480	Purchases return	1,140
Freight on purchases	1,980	Sales	2,46,850
Freight on sales	2,150	Provision for bad debts	6,000
Building	28,000		
Manufacturing expenses	9,455		
Fuel and power	1,276		
Electricity(Factory)	986		
Electricity(office)	1,500		
Insurance and taxes	4,175		
Goodwill	30,000		
Rent	2,400		
Debtors	78,140		
Stable expenses	2,473		
Opening stock	34,170		
Delivery van	5,165		
Purchases	97,165		
Sales return	3,170		
General expenses	8,000		
Bad debts	1,485		
Interest and bank charges	475		
Bank balance	7,540		
Cash	145		
	3,94,150		3,94,150

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24. From the following Receipts and Payments account of a Friends club for the year ended 31st March 2013, Prepare **Income and expenditure account** for the year ended **balance sheet** as on that date.

Receipts	Amount	Payments	Amount
To cash in hand(1.4.2012)	1,41,300	By rent and taxes	86,100
To entrance fees	55,200	By salaries	1,09,000
To Subscriptions	2,20,000	By electricity charges	6,200
To donations	1,06,100	By general expenses	12,500
To interest	4,100	By books	31,200

To surplus from cultural programme	8,200	By office expenses	45,000
		By investments	1,40,000
		By cash in hand	61,900
		By cash at bank	43,000
	5,34,900		5,34,900

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Additional information:

1. In the beginning of the year, the club had books worth Rs.3,00,000 and furniture worth Rs.58,000
2. Subscriptions in arrears on 1st April 2012 were Rs.6000 and Rs.7000 on 31st March 2013.
3. Rs.18,000 was due by way of rent in the beginning as well as at the end of the year
4. Write off Rs.5000 from furniture and Rs.30,000 from books

(OR)

Following is the Receipts and payments account of Cricket club prepare the **income and expenditure account** for the year ended 31st March 2010, and **Balance sheet** at that date.

RECEIPTS		PAYMENTS	
To balance b/d			
Cash	3,520	By Maintenance	6,820
Bank	27,380	By repairs	500
Fixed deposit@6%	30,000	By match expenses	13,240
To subscription (including 6000 For 2008-09)	40,000	By Salaries	11,000
To entrance fees	2,750	By Conveyance	820
To Donation	5,010	By upkeep of lawns	4,240
To interest on fixed deposits	900	By Postage and Stationery	1,050
To tournament Fund	20,000	By Purchase of cricket goods	9,720
To Sale of Crockery (Book Value Rs.1200)	2,000	By sundry expenses	2,000
		By Investments	5,700
		By Balance c/d Cash	2200
		Bank	23,320
		Fixed deposit	30,000
	1,31,560		1,31,560

Additional information:

1. Salary outstanding is Rs.1,000
2. Opening balance of stock of postage and stationery and cricket goods is Rs.750 and Rs.3210 respectively. Closing stock of the same is Rs.900 and Rs.2,800 respectively.
3. Outstanding subscriptions for 2008-09 and 2009-10 are Rs.6600 and Rs.8000 respectively.
4. Donations and entrances fees are not to be capitalized. **8**
