



INDIAN SCHOOL SOHAR
FINAL EXAMINATION
ACCOUNTANCY

Date: 08-03-2015
Class: XI

Total no of pages. 7
Max Marks:90
Time: 3 hours

General Instructions:

1. All questions are compulsory
2. Show your workings notes wherever necessary
3. All parts of question should be attempted at one place.

1. Is the bank reconciliation statement is prepared under double entry system? 1
2. Give an example of decrease in an asset and decrease in a liability. 1
3. What do you understand by Days of Grace? 1
4. Wages paid to a worker for making additions to machinery amounting to Rs.5000 were debited wages account. Identify the type of error. 1
5. Cost of obtaining license to carry out business is Capital expenditure or Revenue expenditure? 1
6. What is the nature of Receipts and Payments Account? 1
7. In the trial balance of a trader the following position is shows as on March 31,2011.

1. Debtors	40,000
2. Bad debts	1,200
3. Provision for doubtful debts as on 1.4.2010	2,800
- Further bad debts are Rs.1000. Provision for doubtful debts is to be maintained at 5% on debtors. Show how this will appear in the profit and loss account and balance sheet. 3
8. Give journal entries to the following transactions:
 - 1) Bad debts of Rs.5,000 were written off two years back. They have now been recovered.
 - 2) Salaries of Rs.5,200 of one month were outstanding.
 - 3) Goods worth Rs.3,000 were used by the proprietor.3
9. Distinguish between manual accounting and computerized accounting. (3 points) 3
10. Find out the **closing stock** from the following details:

Sales	3,00,000	Opening stock	25,000
Purchases	2,50,000	Wages(productive)	5,000
Carriage inwards	3,500	Rate of Gross profit on sales	25%

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11. From the following information find out the amount to be taken to Income and Expenditure account for the year ended 31 December 2010: 3
 - a) Salaries paid during 2010 30,000
 - b) Salaries outstanding on December, 2009 1,200
 - c) Salaries prepaid in 2009 for 2010 800
 - d) Salaries prepaid in 2010 for 2011 1,600
 - e) Salaries outstanding on December 31, 2010 2,400

12. A machine was purchased on January 1, 2011 for Rs.50,000 and spent Rs.20,000 for the installation. Depreciation is provided at 10% p.a on straight line method. On 1st October 1, 2011 the machine was sold for Rs.36,000 and the account was closed. Find out the amount of **depreciation** and the **profit or loss** on sale of Machine. 3

13. Prepare the Accounting Equation of Mr. Santhosh from the following transactions:

a) Santhosh started the business with	4,00,000	
b) Bought a building	2,00,000	
c) Salaries outstanding	26,000	
d) Prepaid insurance	15,000	
e) Borrowed from Bank	50,000	
f) Interest due on loan but not paid	1,500	
g) Rent received	15,000	
h) Interest receivable accrued	6,000	4

14. On April 3,2011 the pass book of a merchant shows a credit balance of Rs.4,800. Prepare a Bank Reconciliation statement from the following information:

- a) Cheques for Rs.12,000 were deposited in the bank on March 29, but cheques for Rs.6,800 were cleared in April.
- b) On March 23, cheques for 9,800 were issued. Out of these cheques for Rs.1,500 were presented in March and the remaining were not presented at all.
- c) Interest of Rs.1,800 collected by bank in March does not entered in cash book.
- d) A bill receivable of Rs.3,200 discounted from the bank, has been dishonoured. On due date there is no intimation from the bank.
- e) The bank has debited Rs.2,000 and credited Rs.1,200 in pass book. These entries do not appear in cash book. 4

15. Record the following transactions into proper subsidiary books,of Bombay Selections:

2011 Aug 2	sold goods to Mehta sons Invoice No.3112 4 coats @Rs.5000 each 6 Ladies suits @ Rs.1,000 each	
August 5	sold goods to Mohan &Co, Invoice.3113 6 Kids suits@ Rs1,600 each 4 Gents shirts @ Rs.800each Less 15% trade discount	
April 6	Purchased furniture from Godrej on credit Rs.15,000	
April 12	Goods purchased on credit from Janata Stores Bill no.1351 15 pant pieces @ Rs.800 each 20 trousers @ Rs.500 each and 10 shirt pieces @ 450 each	
April 15	goods purchased on credit from Golden fabrics Bill no.410 10 woollen suits @ Rs.2000 each and 12 cotton Sarees @Rs.1,200 each Less 10% trade discount,	
April 25	Goods returned to Golden fabrics Debit not No.113 2 cotton Sarees @ Rs.1,200 each	4

16. Identify the **accounting concepts** from the following information:
- At present market price of the fixed assets of the company is very high as compared to the book value. Under which concept the assets are recorded?
 - At the end of the accounting period factory rent of the company is outstanding for Rs.10,000. Under which concept outstanding rent is recorded?
 - 'Closing stock is valued at lower of cost or market price' Which concept is applied here?
 - Under which accounting concept the advance received is recorded as 'Advance against sale' and not sales
- 4
17. Distinguish between Fixed Assets and Current assets. (Any four differences)
- 4
18. (a) On 1st April 2010, following balance appeared in the books of M/S Krishna Traders:
- | | |
|---|--------|
| Furniture account | 50,000 |
| Provision for Depreciation of furniture account | 22,000 |
- On 1st October, 2010 a part of Furniture purchased for 20,000 on 1st April, 2006 was sold for Rs.5000. On the same date a new furniture costing Rs.25,000 was purchased. The depreciation was provided @10% P.A on original cost of the asset and no depreciation was charged on the asset in the year of sale. Prepare "Furniture Account and Provision for Depreciation account for the year ending 31st March 2011.
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- (b) Give the disadvantages of straight line method of depreciation. (four points)
- 2
19. The trial balance of Mr. Dutt shows an excess credit of Rs.4,930. The difference has been posted to the suspense account. Rectify the following errors and prepare the suspense account in the books of Mr. Dutt
- Goods amounting to Rs.100 had been returned by a customer and were taken into stock but no entry in respect thereof was made in the books.
 - The total of return inwards Book for December had been cast by 1000 short
 - The purchase of an office table costing Rs.3000 had been passed through the purchases day book.
 - Rs.3750 paid for wages to workmen for making showcases had been charged to the wages account.
 - A purchase of 670 had been posted to the creditors' account as Rs.600
 - A cheque for Rs.200 received from P.C. Joshi had been dishonored and was debited to the Printing and stationery account
 - Rs.10,000 paid for the purchase of a motor cycle for Mr. Dutt had been charged to the Miscellaneous expenses account.
 - A sale of Rs.2000 Singhi & Co was wrongly credited to their account.
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20. Prem owned Rs.25,000 to Rakesh, He accepted bill for his amount drawn by Rakesh for three months on May 5, 2011. Rakesh discounted the bill for Rs.24,600, just before the maturity of the bill. Prem approached Rakesh and requested him to renew the bill for two months. Rakesh agreed provided Prem paid Rs.10,000 in cash and interest @12% for two months immediately and a new bill will be accepted for the balance for two months which Prem agreed. On October 8, 2011 just before maturity of the second bill, Prem became insolvent and only 40 Paise in a rupee were recovered from him. Give the journal entries in the books of Rakesh and the ledger account of Prem.
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21. From the following transactions prepare a two column Cash book with cash and bank column of Ganga Ram.

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Date	Particulars	Amount
Jan 1	Cash in Hand	2,400
Jan 5	Bank overdraft	3,400
Jan 8	Cash sales	4,100
Jan 10	Deposited into bank	2,000
Jan 13	Jim issued a cheque	1,500
Jan 15	Bought goods by cheque	200
Jan 17	Purchased stationery for cash	225
Jan 19	Jim cheque returned dishonoured with bank charges of Rs.50	
Jan 20	Received a cheque from Janak	2,500
Jan 22	Withdrew cash for office use	680
Jan 25	Paid salary by cheque Rs.1,200 and rent in cash 240	
Jan 25	Bought goods for cash	1,500
Jan 28	Ramesh who owned us Rs.1,000 paid only 60 paise in the rupee	
Jan 28	Received cash from Mangai	5,800
Jan 30	Received refund of loan for Rs.8000 and deposited Rs.6000 in bank	

22. Mr.X has maintained his books by single entry method. From the following details calculate the profit or loss.

Particulars	1 st Jan 2014	31 st Dec 2014
Stock	40,000	60,000
Debtors	30,000	40,000
Cash	2,000	1,000
Bank	10,000	5,000(overdraft)
Creditors	15,000	25,000
Outstanding expenses	5,000	8,000
Furniture (cost)	3,000	3,000
Accrued interest	2,000	5,000

The following adjustment were made:

- Mr.X withdrew cash Rs.2000 per month for private use
- A provision of 5% on debtors is necessary.
- Interest on capital charged @10% per annum.
- He sold the personal asset and invested in the business Rs.30,000 during the year.
- Depreciation provided for furniture is 10% p.a.

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23. Naina Sports Club gives the following Receipts and Payments account for the year ended December 31, 2010.

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED DEC 31,2010

Receipts	Amount	Payments	Amount
To Cash in hand	650	By Grassing Mowing machine	4,000
To cash at bank	2,400	By Ground men's fees	2,500
To subscriptions	6,500	By rent	1,200
To Rent of the Hall	4,000	By salaries to coaches	6,000
To Life membership fees	2,000	By office expenses	2,400
To Entrance fees	1,200	By sports Equipment purchased	2,500
To donations	7,500	By Cash in hand	1,300
To sale of grass,Plants	700	By Cash in bank	5,050
Total	24,950	Total	24,950

Additional information:

1. Subscriptions due on 31st December,2009 and on 31st December 2010 were Rs.1,200 and Rs.1000 respectively.
2. Subscriptions received includes Rs.200 subscriptions for the year 2011.
3. Sports equipment on hand on 31 December 2009 was Rs.1,500. The value place on this equipment on hand on 31st December,2010 was Rs.1,600.
4. The grass Mowing Machine was purchased on 1st January 2010 and is to be depreciated @ 10% per annum.
5. Office expenses include Rs.200 for 2009 and Rs.400 are still due for 2010.

Prepare Income and expenditure account for the year ending 31-3-2010 and a balance sheet on that date.

(OR)

The following was the Receipts and payments account of Santhosh club for the year ended 31-12-2010.

Receipts	Amount	Payments	Amount
To balance b/d		By salaries(including Rs.3600 for 2009)	18,600
Cash	1,000	By sports equipment	5,500
Bank	2,600	By furniture	3,000
To subscription		By addition to building	25,000
2009	2,250	By printing and stationery	1,200
2010	12,250	By diet expenses	7,400
2011	900	By Rent and Rates(Rs.250 for 2009)	1,000
To government grant		By electricity charges	1,400
Building	40,000	By office expenses	800
Maintenance	10,000	By Investments 8% Bonds	10,000
To fees from players	2,000	By balances	
To donations	4,400	Cash	1,100
To net collections from charity shows	13,000	Bank	13,400
Total	88,400	Total	88,400

You are required to prepare Income and expenditure account and balance sheet after making the following adjustments:

1. Value of sports equipment on 31.12.2009 Rs.50,000
2. Buildings as on 1.1.2010 Rs.40,000
3. Subscription due as on 31.12.2009 Rs.3,250
4. Investments in 8% Bond were made on 1st July 2010.

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24. The following balances were extracted from the books of Modern Traders on 31st March 2011.

Debit	Amount	Credit	Amount
Cash at bank	49,000	Bills payable	5,500
Sundry debtors	29,200	Loan @10% p.a	44,000
Discount allowed	1,300	Return outwards	960
Office furniture	5,500	Capital	2,28,800
Office expenses	2,700	Sales	3,45,710
Salaries	13,200	Provision for bad debts	1,000
Purchases	1,60,000	Sundry creditors	4,000
Freehold property	56,600		
Plant and machinery	1,99,000		
Drawings	13,200		
Cash in hand	2,600		
Interest on loan	1,100		
Factory lighting	1,100		
Loose tools	2,200		
Freight	9,900		
Office rent	2,800		
Bad debts	600		
Gas and fuel	2,970		
Insurance	1,800		
Postage and telegram	1,500		
Wages	35,200		
Opening stock	38,500		
Total	6,29,970	Total	6,29,970

The additional information is under

1. Closing stock is Rs.8,000
2. Depreciation on plant and machinery, Furniture and Freehold property by 10%. Loose Tools were Valued at Rs.2000.
3. Sundry debtors Rs.1,260 are bad.
4. A provision of 10% on sundry debtors for doubtful debts is to be created.
5. The manager is entitled a commission of 10% on net profit after charging such commission.

(OR)

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The following is the trial balance of Rani for the year ended 31-3-2014.

Debit	Amount	Credit	Amount
Drawings	3,000	Capital	1,80,000
Stock	9,200	Bills Payable	9,000
Purchases	1,64,500	Creditors	42,000
Sales returns	2,000	Discount received	500
Insurance Premium	1,500	Sales	3,19,000
Excise duty paid on purchases	10,000	Bank overdraft	3,000
Packing expenses	2,000		
Carriage outwards	8,000		
Postage	100		
Advertisement	1,000		
Bad debts	300		
Land and building	90,000		
Plant and machinery	1,70,000		
Furniture	1,000		
Debtors	25,400		
Cash in hand	500		
Cash at bank	40,000		
Goodwill	9,000		
Salaries and wages	16,000		
Total	5,53,500	Total	5,53,500

You are required to prepare Rani's Trading and Profit and Loss account for the year ended 31.3.2014 and his Balance sheet of as at that date of after taking into account the following Adjustments:

1. Closing stock was Rs.20,000
2. Interest on Bank overdraft unpaid Rs.225.
3. Depreciated Land and building at 10%, Plant and machinery 15%.
4. Write off further bad debts of Rs.500 and make a provision for doubtful debts at 5% on debtors.
5. A fire occurred on 25th March 2014 in the godown and stock of the value of Rs.15,000 was destroyed. It was insured and the insurance company admitted the claim in of Rs.10,000.

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