



INDIAN SCHOOL SOHAR
SECOND TERM EXAM
ACCOUNTANCY

Date: 26.11.2015
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
6. Use of calculators or any other calculating device is not allowed.

1. What is contra entry? 1
2. Which principle states that the financial statements should disclose all significant information? 1
3. Indicate how accounting equation is affected if amount is collected from debtor? 1
4. In which book the entry will be made when Goods taken away by the proprietor from business for his personal use? 1
5. What is meant by prepaid expenses? 1
6. If the capital of a business is Rs.1,20,000 and outside liabilities are Rs.20,000. Calculate the total assets of the business. 1
7. Find out the Value of closing stock from the following details: Opening stock Rs.5,000, Sales Rs.16,000, Carriage inwards Rs.1,000, Sales Returns Rs.1,000, Gross profit Rs.600, Purchase Rs.10,000, Purchase Returns Rs.900. 3
8. Explain the process of Accounting? 3
9. Find the **amount** of depreciation and the **rate (%)** of depreciation from the following information: Cost of Machine Rs.1,00,000, useful life of the machine is 10 years and scrap value is 10% of cost. 3
10. State whether the following are **capital or revenue expenditure**
 - a) A new machine is purchased for Rs.80,000
 - b) Rs.1,500 paid for the wages for the installation of machinery
 - c) Rs.6,000 paid for annual insurance premium
 - d) Rs.20,000 were spent on repairs before using a second hand machine purchased recently
 - e) Rs.2000 paid for advertisement
 - f) A sum of Rs.40,000 was spent on painting the new factory 3
11. Atul does not keep proper records of his business. He gives you the following information, Find out the **closing capital**:
 Opening capital Rs.70,000, Profit for the year Rs.20,000, Drawings Rs.7,000. During the year proprietor introduced additional capital of Rs.20,000 in the business. 3
12. Distinguish between Statement of Affairs and Balance sheet. 3

13. Prepare the **ledger accounts** of (a) Dev a/c and (b) Manmohan a/c

2015	March	3	Purchased goods from Dev	Rs.1,00,000	
		4	Goods returned to Dev	Rs.2,000	
		5	Cash paid to Dev in full settlement of his account.		
		6	Sold goods to Manmohan	Rs.80,000	
		8	Manmohan returned goods	Rs.1,000	
		15	Received cheque from Manmohan in full settlement of his account		

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14. Journalise the following transactions:

- Purchased a Motorcar for Rs.60,000 and Rs.5000 paid for its repairs and renewals
- Goods worth Rs.2,000 were distributed as free samples
- Rs.750 due from Sanjay Guptha are bad debts
- Received Rent Rs.5000
- Cash withdrawn from bank for personal use Rs.7,000
- Salaries outstanding Rs.5,500
- Paid insurance premium Rs.5000
- Goods given for charity Rs.2,000

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15. Distinguish between straight line method and diminishing balance method of depreciation.

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16. Receipts and payment account of Shimla Sports Club showed that Rs.82,000 were received by way of subscriptions for the year ended on March 31st,2006.

- Subscriptions outstanding as on March 31,2005 were Rs.8,400
- Subscriptions outstanding as on March 31,2006 were Rs.9,200
- Subscriptions received in advance as on March 31,2005 were Rs.3,000
- Subscriptions received in advance as on March 31,2006 were Rs.5,000

Show how the above information would appear in the Income and expenditure account and the balance sheet as on 31st March 2005 and 2006?

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17. The amount of sundry debtors in a trial balance is Rs.90,000.Provision created during the previous year Rs.6000.You are required to write off Rs.5000 as bad debts and make a provision for doubtful debts on 10% on sundry debtors. Show how this is to be adjusted in the final accounts.

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18. Charu does not keep proper books of accounts. Prepare the **Statement of profit or loss** for the year ending 31.3.2008 from the following information:

Particulars	1.4.2007	31.3.2008
Cash in hand	10,000	36,000
Debtors	20,000	80,000
Creditors	10,000	46,000
Bills receivable	20,000	24,000
Bills payable	4,000	42,000
Car	-----	2,00,000
Stock	40,000	30,000
Furniture	8,000	48,000
Investment	40,000	50,000
Bank balance	1,00,000	90,000

The following adjustments are to be made:

- (a) Proprietors withdrew cash Rs.5,000 per month for private use
- (b) Depreciation @ 5% on car and 10% on furniture.
- (c) Outstanding rent Rs.6,000
- (d) Fresh capital introduced during the year Rs.30,000.
- (e) Provision for bad debts @ 5% on debtors.

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19. Prepare a **three column cash book** of Ram from the following details:

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2015 March

March 1	Cash Balance	Rs.52,000
	Bank overdraft	Rs.3,20,000
March 3	Sold goods for cash to Chaman Lal for Rs.1,50,000 allowed him 20% trade discount.	
March 4	Received cash from Mukesh Rs.9,800 in full settlement of his account for Rs.10,000	
March 5	Received cheque from Gaurav Rs.19,500 in full settlement of his account for Rs.20,000 and cheque deposited on the same date	
March 7	Paid salary in cash Rs.40,000 and by cheque Rs.75,000	
March 10	Received from Chaman Lal a cheque for Rs.40,000 & deposited into the bank.	
March 12	Withdrew from bank for office use Rs.25,000 and for personal use Rs.50,000.	
March 20	Received from Chaman Lal a cheque for Rs.30,000 and deposited on the same day.	
March 22	Received by cheque a first and final dividend of 60 paise in the rupee from the official Receiver of Siva who owned Rs.40,000.	
March 25	Received a cheque from Thiru for Rs.24,750 after a discount of Rs.250. The cheque is endorsed to Gangha Prasad on 29 th March in full settlement of his account of Rs.25,200.	
March 31	Cheque received on March 20 th dishonoured.	

20. R. Rattan bought a Machine for Rs.3,60,000 on 1st July 2008. Another machine was purchased for Rs.2,40,000 on January 1, 2009 and another on 1st October 2009 for Rs.60,000. On 1st April 2010, one-third of the first machine was sold for Rs.92,600. Prepare **Machine account** from 2008 to 2011. Rate of depreciation is 10% under straight line method. Assume the accounts are closed on March 31 every year. 6

21. Following transactions were recorded in the books of Sh. Dharsan Kumar. Prepare **Purchases book, Sales book and Purchases Return book.**

March 1	Sold to Chandra Light house 50 Tubelights @ Rs.160 each 20 Heaters @ Rs.12,000 each Less 25%
5	Purchased from Charat Ram Electric Co 25 Table Fans @ Rs.600 each 20 Ceiling Fans Rs.800 each
10	Chaudhry & Sons purchased from us 80 dozen bulbs @ Rs.90 per dozen
12	Purchased from Ram Lal & Sons one typewriter Rs.6,000 on credit for office use
16	Sri Ram & Sons Sold to us 10 Electric Irons @ Rs.1500 each @ 10% discount
20	Chandra Light House Returned 5 Tubelights Sold on March 1
22	Sold goods to Jai Bhagwan & Co for cash Rs.10,000
25	Returned to Sri Ram & Sons 2 Electric irons purchased on March 16.

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22. Show the **accounting equation** to show the effect of the following transactions of M/S Royal Traders and prepare the **balance sheet**.

- (i) Started business with cash Rs.60,000 and goods Rs.30,000
- (ii) Purchased goods for cash Rs.40,000 and on credit Rs.25,000
- (iii) Goods costing Rs.48,000 sold at a profit of 25%. Out of which $\frac{3}{4}$ th payment received in cash
- (iv) Goods costing Rs.20,000 sold at a loss of 5% out of which Rs.12,000 received in cash
- (v) Paid rent Rs.4,000 and salary Rs.6,000 in cheque
- (vi) Received cheque from debtors Rs.15,000
- (vii) Paid telephone bill amounting to Rs.800
- (viii) Purchased Motor cycle for personal use Rs.50,000

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23. The trial balance of Mr. Shanmugam as on 31st December 2003 was as follows:

Particulars	Amount	Particulars	Amount
Opening stock	42,000	Sales	4,10,000
Purchases	2,00,000	Sundry creditors	20,000
Plant	60,000	Purchases Return	8,000
Salary	33,000	Commission	7,500
Wages	44,000	Bank	24,000
Discount	2,000	Capital Account	1,50,000
Rent	27,500	Interest on Investments	700
Furniture (including Furniture of Rs.5000 purchased on 1 st July 2003)	20,000	Discount	800
Carriage inwards	5,800		
Carriage outwards	3,200		
Sundry Debtors	1,00,000		
Office expenses	6,600		
Cash in hand	5,400		
Investments @ 14% p.a	10,000		
Insurance	1,500		
Motor Van	60,000		
Total	6,21,000	Total	6,21,000

Prepare trading **and profit and loss account for the year ended 31st December 2003** and the **balance sheet** as on that date taking into account the following information:

- (a) Provide Rs.1,000 for bad debts. Create provision for doubtful debts @ 5% on debtors.
- (b) Depreciate plant by 10% p.a and Furniture by 20% p.a
- (c) Unearned Commission Rs.1,500
- (d) Goods of the value of Rs.2,500 have been destroyed by fire and the insurance company has admitted a claim for Rs.1,000
- (e) Stock on 31st December 2003 was Rs.60,000.

(OR)

The trial balance of Mr. Krishnan on 31st March 2014 prepare the **trading and profit and loss account** and **balance sheet** after making the following adjustments:

(b) Commission includes Rs.300 being commission received in advance.

(d) Bank loan has been taken at 10% p.a. interest.

(f) Commission to manager at 10% of net profit after charging such commission.

Particulars	Amount	Particulars	Amount
Building	30,000	Capital	25,000
Furniture	2,640	Return outwards	1,600
Scooter	4,000	Sales	56,040
Returns inwards	2,300	Bad debts provision	700
Stock on 1 st April 2011	8,000	Bank loan	5,000
Purchases	33,800	Commission	900
Bad debts	300	Creditors	8,000
Carriage inward	700		
General expenses	1,200		
Interest on loan	300		
Insurance and taxes	2,000		
Scooter expenses	2,600		
Salaries	4,400		
Cash in hand	2,000		
Debtors	3,000		
Total	97,240	Total	97,240

24. From the following Receipts and Payments account of a Friends club for the year ended 31st March 2013

Receipts	Amount	Payments	Amount
To balance b/d on 1.4.2012	4,400	By Salaries	18,200
To Subscriptions	46,100	By rent	15,000
To interest	2,500	By printing and stationery	7,300
To tournament fund	12,000	By expenses on charity show	16,100
To donation	6,000	By tournament expenses	7,500
To donation for building	20,000	By investment purchased	10,000
To receipts from advertisement	5,200	By furniture	6,000
		By Balanced c/d on 31.3.2013	16,100
Total	96,200	Total	96,200

Subscriptions outstanding on 31st March 2012, were Rs.4,500 and on 31st March,2013 were Rs.6,000.Rent outstanding at the beginning of the year was Rs.1,000 and in the end was Rs.1,500.Furniture was purchased on 1st July 2012.Depreciation on furniture is 10% p.a. On 1st April,2012 the club had furniture valued Rs.8,000 and investments valued Rs.15,000. Prepare **Income and expenditure account** for the year ended **balance sheet** as on that date.

(OR)

The following is the Receipts and Payments account of Super time club for the year ended 31st December 1992.

Receipts	Amount	Payments	Amount
To Cash in hand	18,160	By Advertisements	14,000
To subscriptions		By investments	2,00,000
1991	1,200	By furniture	5,960
1992	64,800	By Salaries	20,400
1993	600	By Printing and stationery	24,160
To entrance fees	50,000	By postage and telegrams	4,400
To Proceeds from drama	3,20,000	By cost of drama	1,20,000
To Interest from securities	2,000	By sundry expenses	5,600
To sale proceeds from old furniture(Cost 320)	400	By Cash in hand	5,640
		Cash at bank	57,000
Total	4,57,160	Total	4,57,160

You are required to prepare the **Income and Expenditure account** for the year ended 31st December 1992 and the **balance sheet** as at that date after taking into account the following information:

- On 1st January 1992, the club premises stood at Rs.1,00,000. Investment at Rs.24,000, furniture Rs.12,000 and stock of Stationery at Rs.360
- The club had 720 members each paying an annual subscription of Rs.100.Subscriptions amounting to Rs.200were still in arrears for the year 1991.
- Salaries for December 1992 amounting to Rs.1,600 are outstanding
- Drama fund is to be created.

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