



INDIAN SCHOOL SOHAR
PREFINAL EXAM
ACCOUNTANCY

Date: 2-2-2016
Class: XI

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

General Instructions:

1. All questions are compulsory
 2. Write down the serial number of the question before attempting it
 3. Attempt all the parts of a question at one place
- Use of calculators or any other calculating device is not allowed.

1. Mr.Guna the proprietor of a business sold his residential house for Rs.50 lakhs. Will it be recorded in the books of accounts? **1**
2. Which accounting principles states that all anticipated losses should be recorded but all anticipated profits should be ignored? **1**
3. What is error of commission? **1**
4. A bill for Rs.75,000 is discounted with the bank for Rs.72,000.The bill is dishonoured at maturity. The draw payees 40% in full settlement. What is the amount of bad debts? **1**
5. Trial balance is an account. Is it correct? Give reason. **1**
6. Give two examples of entries which is not appear in the Cash book. **1**

7. Give the journal entries for the following:
 - (i) Out of the rent paid this year Rs.10,000 related to next year
 - (ii) Purchased goods from Vinoth of the list price of Rs.40,000 at 10% trade discount
 - (iii) Received Rs.2,500 from Ram previously written off as bad debts. **3**

8. From the following information find out the Match fund to be shown in the balance sheet.
Match Expenses Rs.8,00,000 ,Match fund for the previous year Rs.4,00,000, Donation for match fund Rs.2,40,000, Sale of Match tickets.Rs.3,60,000. **3**

9. Distinguish between Trade discount and Cash discount. **3**
10. Prepare a Petty cash book on the imprest system from the following:
2009
April 1 Received Rs.2,000 for petty cash
3 Paid cartage Rs.100
4 Paid bus fare Rs.120
6 Paid for stationery Rs.120
7 Paid for courier services Rs.50
9 Paid for Taxi fare Rs.180
10 Paid for newspaper Rs.200
11 Paid for the repairs for furniture Rs.230
12 Paid for the refreshments to customers Rs.75. **3**

11. (a) Calculate the cost of goods sold and gross profit from the following information:
Net sales Rs.12,00,000. Gross profit is $\frac{1}{3}$ on sales.
(b) The Written Down value of an asset after three years of depreciation on reducing balance method @ 15% p.a. is Rs.49,130. What was its original cost? **3**

12. Siva Chitra started business on 1st April 2013 with a capital of Rs.50,00,000. On 31st March 2014 her total assets were Rs.60,00,000 and creditors were Rs.3,00,000. She withdrew during the year for her personal expenses Rs.10,000 per month up to 30th June, 2013 and thereafter Rs.15,000 per month up to 31st March, 2014. During the year she sold her personal investments of Rs.80,000 at 5% loss and introduced that amount in the business. You are required to prepare a statement of profit and loss for the year ending 31st March 2014. 3

13. Prepare the Accounting Equation from the following information:

- a) Raghu Started the business with Cash Rs.1,00,000 goods Rs.50,000.
 - b) Bought goods for cash Rs.80,000 and on credit Rs.40,000
 - c) Goods costing Rs.75,000 sold at a profit of 20%. Half the payment is received in cash
 - d) Insurance prepaid Rs.2000
 - e) Purchased a motor cycle for personal use Rs.50,000
 - f) Goods destroyed by fire Rs.1,000
 - g) Paid rent Rs.7,000
- 4

14. Prepare a Bank Reconciliation statement as on 30th September 2013 from the following particulars:

Bank balance as per pass book	10,000	
Cheque deposited into the bank but no entry was passed in the cash book	500	
Cheques received and entered in the cash book but not sent to bank	1,200	
Credit side of the cash book column cast short	200	
Insurance premium directly paid by the bank under the standing advice	600	
Bank charged entered twice in the cash book	20	
Cheques issued but not presented to the bank for payment	500	
Cheque received entered twice in the cash book	1,000	4

15. The following are the some of the transactions of M/S Karthik & Sons. Prepare Purchases book

2014 June 5	Bought from Mohan Lal & Co Agra 20 Quintals Sugar Rs.1,200 per Quintal 40 Bags of Rice Rs.1,500 each Trade discount 15%
June 10	Purchased from RKG & Sons Chennai 20 Ghee Tins each containing 16 Kg @ Rs.120 per Kg Sunflower Oil 1,000 Liters @ Rs.20 per liter Trade discount 10%
June 14	Purchased from Arasu, Delhi Wheat 30 quintals @ Rs.500 per quintal Gram 20 quintals @ Rs.1,200 per quintal Rice 10 quintals @ Rs.1,400 per quintal
June 20	Purchased for cash From GobiNath, Surat 50 Bales of cotton @Rs.1,500 per bale
June 25	Purchased furniture for office use from New furniture House, Bangalore 20 chairs @ Rs.5000 per chair 5 Tables Rs.15,000 each.

4

16. Rectify the following errors:
- Credit Sales to Mridula Rs.5,000 were recorded as Rs.5,400 in Mridula Account.
 - Goods returned to Priya Rs.1,200 were recorded as Rs.12,000 in Priya account.
 - Salary of Rs.800 paid to Hari Babu was wrongly debited to his personal account.
 - Purchases book has been overcast by Rs.1,000
 - Sale of machinery at a book value of Rs.3,000 was credited to sales account.
 - A credit sale of Rs.126 to Rajesh was entered in sales books as Rs.162.
- 4
17. Explain briefly any four advantages of computerized accounting system over the manual system of accounting.
- 4
18. Sunil sold goods to Rajesh on credit Rs.25,000 on 1st April 2013. On the same date, Sunil drew a bill of the same amount at 3 months on Rajesh. The bill was accepted by Rajesh. Sunil discounted the bill with his bank on 4th April 2013 @ 18% p.a. On the due date the bill was dishonoured and noting charged Rs.250 were paid by the bank. Rajesh agreed to pay Rs.5,250 and accepted another bill for the remaining amount for 2 months together with interest @ 12% p.a. Interest was paid in cash. On the due date the bill was duly met. Give the journal entries in the books of Sunil and Rajesh.
- 6
19. Prepare Three Column Cash book from the following transactions:
- 6

Date	Particulars
2014	
May 1	Cash in at office Rs.72 Bank overdraft Rs.1,250
May 4	Received from Prem Chand a cheque for 1,875 in full settlement of his account Rs.1,900 was banked on the same day
May 5	Bought goods and paid by cheque Rs.500
May 6	Narender settled his account of Rs.700 by cheque. This was banked on the same day Paid to Manohar by cheque Rs.420, discount received Rs.80
May 9	Cash sales to David Rs.400 of which Rs.300 were banked
May 12	Old typewriter sold for cash Rs.320
May 17	Received a cheque for Rs.400 from Naresh in full settlement of his account Rs.460
May 20	Cheque received from Naresh endorsed to Suresh in full settlement of his account Rs.420
May 24	Received a cheque from Hari Prakash for Rs.150 Cheque of Hari Prakash was endorsed to Raj Prakash. Discount received Rs.30
May 25	Withdrew from bank for Office use Rs.100 and personal use Rs.100
May 27	Drawings Rs.425
May 28	Paid by cheque Salaries Rs.160 and rent Rs.100
May 29	Bank charges as per pass book Rs.5

20. On 1st April 2008 a company purchased 6 machines for Rs.50,000 each. Depreciation at the rate of 10% p.a. is charged on Straight line method. The accounting year of the company ends on 31st March and the depreciation is credited to a separate 'Provision for Depreciation account'. On 1st October, 2010 one machine was sold for Rs.30,000 and on 1st April,2011 a second machine was sold for Rs.24,000. You are required to prepare Machinery account and provision for depreciation account for four years ending 31st March 2012. **6**

21. A book keeper could not agree the trial balanced. He transferred an amount of Rs.1,859 being excess of the debit side to the suspense account. The following errors subsequently discovered:

- Amount payable to Govind for repairs done to computer and computer supplied for Rs.9,500, were entered in the purchase book as Rs.10,000
- An item of Rs.5,000 relating prepaid insurance account was omitted to be brought forward from the previous year books.
- A discount of Rs.581 allowed to a customer has been credited to him as Rs.562.
- An amount of Rs.5,000 due from Rakesh which had been written off as bad debts in the previous year was now recovered and had been posted to the personal account of Rakesh
- Goods purchased for Rs.1,250 have been posted to the debit of the supplier, Vinod &Co.
- Furniture amounting to Rs.6,500 purchased on credit from quality Furniture Co. An entry for Rs.5,600 was passed in the purchases book
- Sales book Under cast by Rs.4,340.

Pass rectifying journal entries and prepare suspense account. **6**

22. Mr.White does not keep his books properly. Following information is available from his books:

Particulars	1 st Jan 2015	31 st Dec 2015
Sundry Creditors	45,000	93,000
Loan from Wife	66,000	57,000
Sundry debtors	22,500	50,000
Land and building	70,000	90,000
Cash in hand	7,500	8,700
Bank Balance	25,000	-----
Furniture	1,300	1,300
Stock	34,000	25,000

- During the year Mr.White sold his private car for Rs.50,000 at 10% loss and invested this amount into the business. He withdrew from the business Rs.1,500 per month up to 31st July 2005 and thereafter Rs.4,500 per month as drawings.
- Provide depreciation @ 10% on land and building and Furniture.
- Write off Rs.1,000 as bad debts. You are required to prepare a statement showing profit or loss and statement of affairs as on 31.1.2015 and 31.12.2015. **6**

23. The following are the details relating to Excellent Recreation Club for the year ended 31st March 2014:

- On 1st April 2013, the Club had following assets and liabilities: Investments Rs.4,00,000, Furniture Rs.30,000, Library books Rs.50,000 and liability for rent Rs.600 and for salaries Rs.2,000.
- On 31st March 2014, rent of Rs.800 and salaries of Rs.2,500 were in arrears.

3. The book value of furniture sold was Rs.2,500.

Receipts	Amount	Payments	Amount
To cash in hand	500	By salaries	24,000
To cash at bank	5,650	By rent	7,200
To subscription		By Postage	300
(including Rs.1,000 for 2012-13		By printing and stationery	2,550
And Rs.1,500 for 2014-15)	45,500	By electricity expenses	3,000
To interest on Investments	20,000	By meeting expenses	1,500
To bank interest	250	By purchase of library books	10,000
To sale of furniture	3,000	By Investments in Bonds	10,000
		By cash in hand	1,550
		By Cash at bank	14,800
Total	74,900	Total	74,900

Prepare Income and expenditure account for the year ending 31-3-2014 and a balance sheet on that date.

(OR)

The following was the Receipts and payments account of Santhosh club for the year ended 31-12-2013.

Receipts	Amount	Payments	Amount
To balance c/d	3,400	By Bank overdraft (1.4.2012)	8,800
To subscriptions		By Salaries	13,100
2011-12	3,000	By Drama expenses	6,000
2012-13	56,200	By sport materials	18,000
2013-14	2,000	By prizes distributed	5,600
To prize fund	7,000	By charity given	3,500
To charity fund	5,000	By Municipal taxes	1,600
To Proceeds of Drama tickets	16,000	By upkeep of land	3,000
To Sale of waste paper	400	By office expenses	7,800
To endowment fund	32,000	By Purchase of building	60,000
To legacies	20,000	By Balance on 31.3.2013	
		Cash in Hand	5,000
		Cash at bank	12,600
Total	34,800	Total	34,800

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

1. The club has 600 members each paying an annual subscription of Rs.100..
2. Municipal taxes amounting to Rs.1,600 per annum have been paid up to 30th June.
3. The club had buildings amounting to Rs.1,20,000 and musical instruments worth Rs.30,000 and sports materials Rs.3,600 on 1.4.2012.

8

24. On 31st Match 2012 the following trial balance was extracted from the books of Kanna :

Debit	Amount	Credit	Amount
Debtors	40,000	Capital	2,00,000
Interest on loan	2,250	Creditors	25,000
Stock on 1 st April	20,000	Loan on Mortgage	30,000
Motor Vehicle	50,000	Discount	1,800
Cash at bank	4,450	Sales	4,80,000
Investments	16,000	Purchases Returns	10,000
Wages	18,000	Outstanding salaries	600
Land and building	2,80,000	Bills payable	5,400
Bad debts	1,500		
Purchases	2,50,000		
Sales returns	12,000		
Carriage outward	8,000		
Carriage inward	6,500		
Salaries	7,200		
Rates, Taxes and insurance	15,000		
Advertising	5,000		
General expenses	6,400		
Bills receivable	7,500		
Prepaid insurance	3,000		
Total	7,52,800	Total	7,52,800

Prepare Trading and Profit and Loss account for the year ended 31st Match 2012 and balance sheet as at that date, after making adjustments for the following matters:

1. Depreciate land and building at 2.5% and motor vehicles at 20%.
2. Interest on loan at 15% p.a. is unpaid for six months.
3. Kanna withdrew Rs.2,000 for her private use. This amount was included in general expenses.
4. Interest on investments is receivable for full year 10%.
5. Provide for manager commission at 10% on net profit after charging such commission.
6. Stock in hand on 31st Match 2012 was valued at Rs.22,000

(OR)

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

Debit	Amount	Credit	Amount
Drawings	5,275	Capital	59,700
Bills Receivable	4,750	Loan at 8% (Loan taken on	
Machinery	14,400	01.04.2013)	10,000
Debtors	30,000	Commission received	2,820
Wages	20,485	Creditors	29,815
Returns inward	2,390	Sales	1,78,215
Purchases	1,28,295		
Rent	2,810		
Stock	44,840		
Salaries	5,500		
Travelling expenses	945		
Insurance	200		
Cash	9,750		
Repairs	1,685		
Interest on loan	500		
Discount allowed	2,435		
Bad debts	1,810		
furniture	4,480		
Total	2,80,550	Total	2,80,550

You are required to prepare Ram'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.64,480
2. Depreciate machinery by 5% and furniture by 10%
3. Wages include Rs.600 for the erection of machinery.
4. Debtors include a dishonoured bill of Rs.1,000 of which 50% is Bad debts. Create 5% on debtors for bad debts as provision.
5. Commission includes Rs.300 being commission received in advance.

8

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