



INDIAN SCHOOL SOHAR
SECOND TERM EXAM
ACCOUNTANCY

Date: 22.11.2015

Class: XI

Max Marks:90

Time: 3 hours

General Instructions:

1. All questions are compulsory
2. Provide working notes wherever necessary
3. Write down the serial number of the question before attempting it
4. Attempt all the parts of a question at one place

- | | |
|--|--------|
| 1. What is the purpose of preparing journal proper? | 1 |
| 2. Define merchandise? | 1 |
| 3. Godrej imported from Germany one machinery for sale in India and another machinery for production purpose. Will you treat them goods or fixed assets? | 1 |
| 4. Why depreciation on fixed assets is not recorded in receipts and payments account? | 1 |
| 5. Mahesh started a business with a capital of Rs.15,000 on 1 st April 2014. During the year he made a profit of Rs.3,000. He owes Rs.2,500 to suppliers of goods. What is the total assets in his business on 31 st March 2015? | 1 |
| 6. What is casting and posting? | 1 |
| 7. Find out the value of opening stock on the basis of the following information: Purchases Rs.2,80,000, direct expenses Rs.20,000, indirect expenses Rs.45,000 closing stock (cost) Rs.50,000, Market price is 60,000. sales Rs.4,00,000 purchase returns Rs.8,000. Gross profit is 20% on sales. | 3 |
| 8. Explain the following terms: a) opening entry b) goods c) tangible assets. | 3 |
| 9. The book value of furniture on 1.4.2014 is Rs.6,000. New machinery purchased for Rs.5,000. Balance of furniture as on 31.3.2015 is Rs.8,500. Find out the amount of depreciation charged for furniture during the year 2014-15. | 3 |
| 10. Journalise the following transactions: | |
| a) Bought goods from Arun for Rs.2,00,000 at a trade discount of 15%. | |
| b) Paid central sales tax Rs.5,000 to the government. | |
| c) Prepaid insurance Rs.3,000 | 3 |
| 11. On the basis of the following information calculate the amount to be debited to stationery account to be debited to stationery account in income and expenditure account for the year ended 31 st March 2014. | |
| Stock of stationery on 1 st April 2013 | 3,000 |
| Creditors for stationery on 1 st April 2013 | 2,000 |
| Amount paid for stationery during 2013-14 | 10,800 |
| Stock of stationery on 31 st March 2014 | 500 |
| Creditors for stationery on 31 st March, 2014 | 1,300 |
| Also show how the above items shown in the balance sheet as on March 2014. | 3 |

12. Give the journal entries corresponding to the narration given below:

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Date	Particulars	Debit (Rs.)	Credit(Rs.)
April 6	-----a/c Dr To-----a/c (Being goods given for charity)	20,000	20,000
April 10	-----a/c Dr To -----a/c (Being machinery purchased on credit)	40,000	40,000
April 15	-----a/c Dr To-----a/c (Being interest on capital provided for 1,00,000 @ 10% for 6 months)	-----	-----

13. Explain any four external users of accounting.

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14. Prepare the double column cash book with cash and discount column:

- Cash in hand.Rs.15,000
- Cash sales Rs.20,000 and cash purchases Rs.7,000
- Paid to Somu Rs.4,900 and discount received Rs.100.
- Received Rent Rs.5000
- Received cash from Bhuvan Rs.9,900 and discount allowed Rs.100
- Paid Rs.9,750 to Hari in full settlement of his account Rs.10,000
- Paid office rent Rs.3,000
- Purchased goods for Rs.15,000 at a trade discount of 10%
- Donation to the club Rs.2,000

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15. Distinguish between receipts and payments accounts and income and expenditure account.

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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 for March 2016 and the balance sheet as on 2005 and 2006?

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17. Show the treatment of the following items in the profit and loss account and balance sheet:

Name of the accounts	Debit	Credit
Debtors	40,300	-----
Provision for doubtful debts	-----	2,000
Bad debts	700	-----

- There was further bad debts Rs.300, Make a provision for doubtful debts @ 5%.

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18. (a) What is trial balance? Explain any three limitations of trial balance.

4

(b)What is owner's equity? Give an equation for calculating owner's equity.

2

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

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2015 March

March 1	Cash Balance	Rs.6,000
	Bank overdraft	Rs.3,000
March 3	deposited into bank	Rs.2,000
March 5	Received from Mohan Rs.4,000 and discount allowed Rs.200	
March 7	Received a cheque from Hari and sent it to bank	Rs.6,000
March 9	Received cheque from Prem Mohan Rs.1,600 and deposited on the same day.	
March 12	Withdrew from bank for office use	Rs.9,000
March 13	Bought goods for cash	Rs.8,000
March 14	Goods sold to Ravi on credit	Rs.15,000
March 16	Paid to Ganesh by cheque Rs.9,500 and discount received Rs.500	
March 20	Withdrew from bank for personal use	Rs.3,000
March 25	Prem Mohan's cheque dishonoured	
March 26	Paid rent by cheque	Rs.5,000
March 27	Received cheque from Raja Rs.18,000 and deposited on the same day	
March 28	Furniture purchased for cash	Rs.6,000
March 30	Bank charges charged by bank	Rs.250

20. Explain any six accounting principles of accounting.

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21. Following transactions were recorded in the books of Suresh. Prepare Purchases book, Sales book and Purchases Return book.

March 1	Purchased from Chandra Textiles. 1,000 meters of un-stitched materials of Rs.250 per meter, 250 shirts of Rs.350 each .
5	Sold to Krishna and Bros. 250 meters of unstitched materials at Rs.650 each, 12 silk sarees of Rs.6,500 each. Trade discount 15%.
10	Purchased from Lakshmi Mills. 2000 sarees of Rs.500 each, 250 coats of Rs.2,000 each. 400 uniform sets of Rs.300 each uniform set.
12	Purchased from Ravi & Sons one computer for office use at Rs.10,000 on credit.
16	returned to Chandra textiles. 50 shirts and 100 meters of unstitched materials.
20	Returned from Krishna Bros. 3 Silk sarees.
22	Sold goods to Jai Hanuman & Co for Rs.10,000.
25	Purchased from Akil Rs.12,000 worth of children readymade for cash.
27	Sold to Mahesh & Co for credit. 25 Uniform sets of Rs.450 each at a trade discount of 10%.
30	Sold used furniture for cash Rs.3,500.

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22. Show the accounting equation to find the effect of the following transactions of M/S Rajeev traders and prepare the balance sheet.

- (i) Started business with cash Rs.20,000 and Machinery Rs.35,000 and goods Rs.50,000.
- (ii) Purchased goods for on credit Rs.25,000.
- (iii) Goods costing Rs.50,000 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 profit of 10% out of which Rs.12,000 received in cash
- (v) Paid advertisement Rs.4,000.
- (vi) Received cheque from debtors Rs.15,000 and cash paid to the creditors for Rs.20,000
- (vii) Rent received Rs.2,000.
- (viii) Interest on capital provided Rs.4,750 for the year
- (ix) Purchased car for personal use Rs.50,000

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23. Following is the trial balance of Prem Prakash as on March 31, 2014.

Debit balances	Amount	Credit balances	Amount
Plant and Machinery	55,000	Capital	99,230
Furniture and fittings	1,720	Sales	1,20,177
Factory fuel and power	542	Creditors	22,680
Office salaries	3,745	Purchase Returns	3,172
Factory lighting	392	Bills Payable	6,422
Travelling expenses	925		
Carriage on sales	960		
Cash at bank	2,245		
Cash in hand	68		
Sundry debtors	47,800		
Purchases	83,290		
Wages	9,915		
Rent and taxes	1,765		
Office expenses	2,778		
Carriage inwards	897		
Discount	422		
Drawings	6,820		
Stock on 1 st April 2013	21,725		
Manufacturing expenses	2,680		
Sales Return	7,422		
Insurance	570		
Total	2,51,681	Total	2,51,681

Taking into account the following adjustments, Prepare Trading and profit and loss account and Balance sheet as at 31st March 2014:

1. Depreciation 5% on Plant and Machinery and 10% on fixtures and fittings.
2. Provision for doubtful debts 5% on sundry debtors.
3. Insurance unexpired on 31st March 2014 Rs.70.
4. Outstanding wages and salaries Rs.800 and Rs.350 respectively.
5. Goods of the value of Rs.2,500 have been destroyed by fire on 20th March and the insurance company has admitted a claim for Rs.1,000,
6. Stock on 31st March 2014 Rs.16,580.

(OR)

From the following additional information and the trial balance, prepare the trading profit and loss account and the balance sheet of Murugan:

1. The closing stock was valued at the end of the year Rs.20,000
2. Depreciation on plant and machinery charged at 10% and on land and building at 5%
3. Make a provision at 5% on debtors for bad debts and Make a provision for discount on debtors at 3%
4. Wages outstanding was Rs.100 and Salary prepaid were Rs.40
5. The manager is entitled to a commission of 5% on net profit after charging such commission.
6. Accrued Commission to be received Rs.1,000.

Particulars	Amount	Particulars	Amount
Drawings account	20,000	Sales	2,20,000
Land and building	12,000	Capital	2,01,110
Plant and machinery	40,000	Discount	1,260
Carriage inward	100	Apprentice premium	5,230
Wages	500	Bills payable	28,870
Salary	2,000	Purchase Return	10,000
Sales return	200		
Bank charges	200		
Coal gas and water	1,200		
Purchases	1,50,000		
Trade expenses	3,800		
Stock(opening)	76,800		
Cash at bank	50,000		
Rates and taxes	870		
Bills receivable	24,500		
Sundry debtors	54,300		
Cash in hand	30,000		
Total	4,66,470	Total	4,66,470

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24. From the following Receipts and Payments account of Natraj Literacy society, Hyderabad for the year ended 31st March 2014.

Receipts	Amount	Payments	Amount
To balance b/d on 1.4.2013	7,200	By Salaries	16,500
To donations	8,000	By Sundry expenses	1,000
To rent of the hall	15,400	By charities	1,500
To proceeds of lectures	4,700	By cost of lectures	3,000
To interest on bonds	900	By news papers	3,800
To journey receipts	5,600	By journey expense	4,400
To sale of old newspapers	300	By books	14,000
To sale of old furniture(book value Rs.2,000)	400	By Mowing machine (Purchased on 1.7.2013)	10,000
		By furniture	7,000
		By postage	400
To Subscriptions		By conveyance expenses	800
2012-13	1,500	By balance c/d	20,400
2013-14	38,000		

2014-15	800		
Total	82,800	Total	82,800

Additional information:

1. There are 400 members each paying annual subscription of Rs.100
2. On 1st April 2013 the trust owned buildings Rs.75,000, Furniture Rs.10,000, Books Rs.6,000 and 12% bonds Rs.10,000
3. Journey income receivable Rs.400. Salaries of Rs.1,500 for March 2014 were not paid.
4. Charge depreciation @10% p.a on buildings and mowing machine at 20% p.a for books and furniture. 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 Queen's Club, Kolkata for the year ended 31st March 2014:

Receipts	Amount	Payments	Amount
To balance (1.4.2013)		By rent	15,000
Cash	3,600	By advertisement	2,700
Current account	7,570	By salaries	27,400
To subscription	42,200	By insurance premium	1,200
To entrance fees	3,800	By electricity charges	2,500
To life member ship fees	6,000	By Telephone charges	2,400
To interest on investments	200	By Furniture (Purchased on 1st Oct 2013)	8,000
		By balance c/d(31.3.2014)	
		Cash	2,400
		Current A/c	1,770
Total	63,370	Total	63,370

You are required to prepare the **Income and Expenditure account** for the year ended 31st March 2014 and the **balance sheet** as at that date after taking into account the following information:

- (i) Subscription outstanding on 31st March 2013 4,000
Subscription outstanding on 31st March 2014 5,400
Subscriptions received in advance on 31st March 2013 1,500
Subscriptions received in advance on 31st March 2014 2,100
- (ii) Rent Rs.2,500 was due both at the beginning and end of the year.
- (iii) Insurance prepaid on 31st March 2013 200
Insurance prepaid on 31st March 2014 300
- (iv) As on 31st March 2013, Premises stood in the books at Rs,55,000 and investments at Rs.20,000. Depreciate furniture by 10% p.a. **8**
