



**INDIAN SCHOOL SOHAR**  
**SECOND TERM EXAM**  
**ACCOUNTANCY**

**Date: 19.11.2017**  
**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. According to which concept depreciation is to be charged as per one particular method year after year? **1**
2. On 1<sup>st</sup> Sep 2017 Mr.Shiv appointed as a as Marketing manager of the firm with a salary of Rs.50,000 per month. State whether this event will be recorded in the books of accounts and why? **1**
3. What is the last step of accounting process? **1**
4. Give one demerit of straight line method of depreciation? **1**
5. What is impersonal account? **1**
6. What is the basis of accounting followed while preparing the Income and Expenditure account? **1**
7. Sundar started his business on 1<sup>st</sup> January 2013, with Rs.6,00,000. He borrowed Rs.1,00,000 from his friend. At the end of the year his assets were Rs.15,00,000. He also introduced Rs.2,00,000 as fresh capital during the year. Find out his capital at the end and profit or loss made by him. **3**
8. Explain the following terms: a) Insolvent b) Current Asset c) Turnover. **3**
9. A machinery purchased on 1<sup>st</sup> April 2015 at Rs.50,000. Another machinery purchased on 1<sup>st</sup> October 2015 at Rs.25,000. Prepare the Machinery account for the years 2016-2016 and 2016-17 if depreciation is charged at 10% under straight line method of depreciation. **3**
10. Journalise the following transactions in the books of X:
  - a) Sold goods to Gopal Rs.2,00,000 at a trade discount of 15% and a cash discount of 10%.
  - b) Paid Sales tax to the government Rs.5,000.
  - c) Interest on drawings Rs.2,000. **3**
11. Receipts and payments account of Friends Entertainment club showed that Rs.68,500 were received by the way of subscription for the year ended on March 31<sup>st</sup>,2016.The additional information is provided as under:
  - a)Subscription outstanding as on 31<sup>st</sup> March 2015 were Rs.6,500
  - b)Subscription received in advance as on 31st March 2015 were Rs.4,100
  - c)Subscription outstanding as on March 31<sup>st</sup> 2016 were Rs.5,400
  - d)Subscription received in advance as on March 31<sup>st</sup> 2016 were Rs.2,500.

Show how the above information would appear in the final accounts for the year ended on 31<sup>st</sup> March 2016 of Friends entertainment club. **3**



16. Distinguish between single entry system and double entry system of accounting. 4  
 17. Show the treatment of the following items in the profit and loss account and balance sheet:

Name of the accounts	Debit	Credit
Debtors	1,00,000	-----
Provision for doubtful debts	-----	5,000
Bad debts	2,000	-----

- (i) There was further bad debts of Rs.500, Create a provision for doubtful debts @ 5% on debtors 4  
 18. (a) Distinguish between cash basis of accounting and accrual basis of accounting? 3  
 (b) Give three advantages of Accounting Standards. 3

19. On 1<sup>st</sup> Oct 2010, Jyothi Limited purchased a machine for Rs.3,90,000 on which they spent Rs.5,000 for carriage, Rs.2,000 for brokerage and Rs.3,000 for the installation expenses. On 1<sup>st</sup> November, 2011 they purchased another machine for Rs.1,20,000. On 30<sup>th</sup> September, 2013 the machine purchased in 2010 was sold for Rs.1,50,000. The company charges depreciation @ 10% per annum on written down value method. Accounts are closed on 31<sup>st</sup> March every year. Prepare machine account up to 31<sup>st</sup> March 2014. 6

20. Prepare a Three column cash Book of Akil Bros for the year 2017. 6

Date	Transactions
Jan 1	Cash in hand Rs.18,225 and Bank overdraft Rs.4,500
Jan 3	Discounted a bill of exchange (3 months) of Rs.5,000 @ 2% with bank
Jan 5	Bought goods by cheque Rs.7,000
Jan 6	Goods sold for cash Rs.5,000 and deposited immediately to the bank
Jan 9	Paid Rs.6,000 for bills payable
Jan 12	Paid advertisement expenses Rs.1,000
Jan 19	Cash sales Rs.35,000
Jan 20	Cheque received from John Rs.10,000
Jan 21	Endorsed the cheque to Murali (which was received from John)
Jan 22	Paid to Mohan Rs.5,000 and discount received Rs.500
Jan 23	Cash purchases Rs.18,000.
Jan 24	Withdrew from bank for office use Rs.5,000
Jan 28	Paid to Raju Rs.850 in full settlement of his dues Rs.1,000.
Jan 29	Dividend received by the bank Rs.3,500.

21. Mr. Ashok is not able to maintain his books under the double entry system. The following information is available:

	Jan 1 2015	Dec 31 2015
Sundry creditors	45,000	93,000
Loan from wife	66,000	57,000
Sundry debtors	22,500	35,000
Land and building	45,000	90,000
Cash in hand	35,000	75,000
Bank overdraft	56,000	45,000
Furniture	30,000	25,000
Stock	65,000	34,000

During the year Mr.Ashok sold his personal asset for Rs.30,000 and invested this amount into the business. Furniture is to be depreciated @ 10% per annum. Provide bad debts provision at 5% on debtors. He withdrew cash from his business Rs.2,500 Per month for 6 months. Find out the profit or loss of Ashok. **6**

22. Prepare the accounting equation of Mr.Rahul to find the effect of the following transactions.

- (i) Started business with cash Rs.50,000, goods Rs.8,000 and furniture Rs.50,000.
- (ii) Bought goods on credit Rs.50,000.
- (iii) Goods costing Rs.20,000 sold at a profit of 25% on cost on credit .
- (iv) With drew Rs.2,000 goods from the business for personal use of Rahul.
- (v) Paid Taxes Rs.4,000.
- (vi) Received cash from debtors Rs.15,000 and cash paid to the creditors for Rs.22,500.
- (vii) Rent outstanding Rs.5,000.
- (viii) Depreciation provided on furniture @ 10% p.a.
- (ix) Paid to creditor Rs.27,000 in full settlement of his dues Rs.27,500.

**6**

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

Debit balances	Amount	Credit balances	Amount
Plant and Machinery	5,50,000	Capital	5,50,000
Furniture and fittings	10,000	Returns outwards	6,000
Opening stock	60,000	Sundry creditors	20,000
Purchases	2,10,000	Sales	5,20,000
Returns inwards	20,000	Loan @ 12%p.a (1 <sup>st</sup> Oct 2013)	10,000
Salaries	70,000	Provision for bad debts	3,600
Sundry debtors	50,000		
Freight on purchases	7,200		
Sales tax	12,000		
Postage and stationery	500		
Rent and taxes	12,850		
Bad debts	2,000		
Direct wages	15,000		
Interest on loan	300		
Insurance	6,000		
Advertisement expenses	10,000		
Sundry expenses	4,200		
Cash at bank	34,550		
Drawings	35,000		
<b>Total</b>	<b>11,09,600</b>	<b>Total</b>	<b>11,09,600</b>

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

1. Further bad debts Rs.5,000 and create a provision for 5% on debtors.
2. Salaries are paid @ Rs.7,000 per month.
3. Insurance paid in advance Rs.1,000.
4. Goods of the value Rs.2,500 have been destroyed by fire on 20<sup>th</sup> March and the insurance company has admitted a claim for Rs.1,000.
5. Stock on 31<sup>st</sup> March 2014 Rs.70,000.

**(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.6,000.
2. Depreciation on machinery charged at 10% and 5% on patents.
3. Interest on bank overdraft due Rs.1,500.
4. Wages outstanding Rs.4,000.
5. The manager is entitled to a commission of 5% on net profit after charging such commission.
6. Accrued interest to be received Rs.1,000.

Trial balance of Murugan as on 31<sup>st</sup> March 2017

Particulars	Amount	Particulars	Amount
Opening stock	7,000	Sundry creditors	56,600
Sundry debtors	60,000	Sales	2,12,100
Purchases	41,000	Purchases returns	5,400
Sales returns	6,600	Capital account	4,60,000
Excise duty	15,900	Bank overdraft	42,000
Carriage on purchases	3,900	Loan from bank	1,00,000
Carriage on sales	2,700	Interest on investments	14,410
Auditor fees	2,100	Discount received	400
Investments	2,00,000		
Factory rent	14,400		
Coal, gas and water	4,500		
Productive wages	1,210		
Indirect expenses	6,600		
Cash in hand	12,000		
Patents and trade marks	27,000		
Leasehold building	4,50,000		
Machinery	36,000		
<b>Total</b>	<b>8,90,910</b>	<b>Total</b>	<b>8,90,910</b>

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24. From the following information relating to Royalclub, prepare income and expenditure account for the year ending 31<sup>st</sup> March 2014 and a balance sheet as on that date.

Receipts	Amount	Payments	Amount
To Cash in hand	4,900	By Salary	20,100
To subscriptions (including Rs.800 for the year ending 31.3.2015)	52,100	By travelling expenses	8,600
To donations	6,000	By printing and stationery	1,720
To proceeds from the charity show	16,200	By rent	16,600
To sale of furniture(book value Rs.4,000)	1,600	By repairs	450
To life membership fees	9,000	By building purchased	30,000
To interest on investments (cost of investments 40,000)	4,800	By government bonds	5,000
To sale of old car	20,000	By balance c/d	32,130
<b>Total</b>	<b>1,14,600</b>	<b>Total</b>	<b>1,14,600</b>

On 1.4.2013 the club owned land and building valued at Rs.40,000 and furniture valued at Rs.10,500. There were 150 life members on that date each of whom had paid subscription of Rs.100. The book value of car was Rs.25,000.

Subscriptions due on 31<sup>st</sup> March 2013 and on 31<sup>st</sup> March 2014 were Rs.3,400 and Rs.2,000 respectively. Similarly, interest on investments due at the beginning of the year was Rs.800 and at the end of the year was Rs.1,000.

(OR)

From the following receipts and payments account of Dramatic and sports club prepare an income and expenditure account for the year ended 31<sup>st</sup> March 2013 and the balance sheet as at that date

Receipts	Amount	Payments	Amount
To balance c/d	3,400	By overdraft (1.4.2012)	8,800
Subscriptions	3,000	By salaries	13,100
2011-12	56,200	By drama expenses	6,000
2012-13	2,000	By sports materials	18,000
2013-14		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 from 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
<b>Total</b>	<b>1,45,000</b>	<b>Total</b>	<b>1,45,000</b>

Additional Information:

- The club had 600 members, each paying an annual subscription of Rs.100. In 2011-12 ten members had paid their subscriptions for 2012-13 as well
- Municipal taxes amounting to Rs.1,600 per annum have been paid up to 30<sup>th</sup> June 2013.
- Balance of sports materials as on 31<sup>st</sup> March 2013 was Rs.3,600
- The club had buildings amounting to Rs.1,20,000 and musical instruments worth Rs.30,000 on 1.4.2012.

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