



**INDIAN SCHOOL SOHAR**  
**PREFINAL EXAM**  
**ACCOUNTANCY**

**Date: 04-02-2018**  
**Class: XI**

Total no of pages.6  
**Max Marks: 90**  
**Time: 3 hours**

General Instructions:

1. All questions are compulsory.
2. Provide working notes wherever necessary.
3. Attempt all the parts of a question at one place.

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1. What is meant by book value of a fixed asset? **1**
  2. Who are the parties to a bill of exchange? **1**
  3. Give one example for compensating error. **1**
  4. What do you understand by the term casting? **1**
  5. What is the rule for expenses account? **1**
  6. Rent for the month of March 2017 is not paid. Under which accounting concept it should be recorded as expenses for the year ended 31<sup>st</sup> March 2017? **1**
  7. On 1<sup>st</sup> April 2007, a limited company purchased a machine for ₹ 1,90,000 and spent ₹ 10,000 on its installation. At the date of purchase, it was estimated that the scrap value of the machine would be ₹ 50,000 at the end of the sixth year. Find out the amount of depreciation and % of depreciation under fixed instalment method. **3**
  8. Give journal entries to the following transactions:
    - 1) Provide depreciation on furniture ₹ 500 and on Machinery ₹ 2,000.
    - 2) Interest on drawings ₹ 1,000.
    - 3) ₹ 20,000 wages outstanding. **3**
  9. On 1<sup>st</sup> January 2017, Dinesh purchased goods from Chander for ₹ 60,000 and accepts a bill drawn by Chander payable after two months. On the due date Dinesh is able to manage ₹ 20,000 in cash and he arranges with Chander for the retirement of the bill in consideration of this payment and a fresh bill for three months for the balance plus interest at 18% per annum. The second bill is duly met on maturity. Pass the journal entries in the books of Chander. **3**
  10. On the basis of the information given below calculate the amount of medicines to be debited to the income and expenditure account of good health hospital for the year ended 31.3.2017.

Particulars	31.3.2016(₹)	31.3.2017(₹)
Stock of medicines	1,75,750	1,44,650
Creditors for the medicines	15,06,900	18,20,700

Medicines purchased during the year ended 31.3.2017 were ₹ 60,80,700. **3**

11. From the following information prepare a bank reconciliation statement as on 30<sup>th</sup> May 2017 from the following particulars.
  - i) Bank balance as per cash book ₹ 17,600
  - ii) Cash and cheque totaling ₹ 36,000 were sent to bank during May but one cheque of ₹ 11,800 was shown in the pass book of 2<sup>nd</sup> June.
  - iii) As per the instruction bankers have directly collected ₹ 4,100 from a customer but it was not entered in the cash book.
  - iv) Three cheques for ₹ 10,000, ₹ 12,000 and ₹ 4,800 respectively were drawn on 27<sup>th</sup> May but the cheque for ₹ 4,800 was encashed on 1<sup>st</sup> June.

- v) On 31<sup>th</sup> May bankers had debited Rs.45 as bank charges but had intimated it on 3<sup>rd</sup> June.
- vi) ₹16,200 were withdrawn from bank on 25<sup>th</sup> May but there is no entry for it in the cash book. 3

12. Ascertain the cost of goods sold and gross profit from the following information given: 3

Opening stock	32,000	Purchases	2,80,000
Direct expenses	20,000	Indirect expenses	45,000
Closing stock	50,000	Sales	4,00,000
Sales return	8,000		

13. Show how you will deal with the following items while preparing the final accounts of a social club for the year ending 31<sup>st</sup> March 2007.

Pavilion Fund as on 1.4.2006	₹ 8,00,000
Donation received for pavilion during the year	₹ 12,00,000
Expenditure on construction of pavilion during the year	₹ 7,00,000
Capital fund as on 1.4.2006	₹ 10,00,000
Life membership fee received	₹ 50,000
The construction work is in progress and has not yet been completed.	4

14. Rectify the following errors:

- Furniture purchased for ₹ 10,000 wrongly debited to purchases account.
- Machinery sold on credit to Raman for ₹ 20,000 recorded through purchases book.
- A credit sale of ₹ 126 to Rajesh was entered in his account as ₹ 162.
- Cash paid to Ram ₹ 400 was debited to the account of Shyam. 4

15. Enter the following transactions in Purchases book and Sales book. 4

March 2	Purchased goods from Navrang traders for ₹ 8,300.
March 3	Sold goods to Rohan ₹ 3,200.
March 5	Bought from Ruchi traders for ₹ 12,100.
March 10	Purchased goods from Jaipur stores of the list price of ₹ 15,400 less 5% trade discount.
March 12	Sold goods to Arun Traders for ₹ 18,000 less 15% trade discount.
March 16	Bought from Amit traders for ₹ 10,000.
March 17	Arun traders returned goods for ₹ 3,000 less trade discount
March 18	Purchased machinery from Kirloskar Ltd ₹ 20,000.
March 20	Sales to Kalpana & Co for ₹ 14,700.
March 22	Sales to Rupa traders for ₹ 10,000.
March 29	Returns inwards from Kalpana & Co for ₹ 2,000

16. From the following particulars, prepare bank reconciliation statement of Alpha Electronic Motor Private Ltd as on 30<sup>th</sup> September, 2017.

- Overdraft as on 30<sup>th</sup> September as per pass book ₹ 10,000.
- Cheque deposited in the bank but not recorded in cash book ₹ 100.
- Cheque received and recorded in the cash book but not sent to bank for collection ₹ 1,000.
- Several cheques were drawn in the last week of September; totalling ₹ 15,000 of these cheques totalling only, ₹ 9,000 were cashed before 30<sup>th</sup> September.
- Similarly several cheques, totalling Rs.9,000 were sent for collection of these cheques of the value of ₹ 1,500 were credited on 5<sup>th</sup> October and ₹ 2,000 on 7<sup>th</sup> October balance being credited before 30<sup>th</sup> September.
- Fees of ₹ 250 was paid directly by the bank but as not recorded in the cash book.

(g) In the cash book a bank charge of ₹ 30 was recorded twice while another bank charge of ₹ 50 was not recorded at all.

(h) Interest of ₹ 1,400 was charged by the bank but was not recorded in the cash book. **4**

17. What is readymade accounting software? Explain the advantages of readymade accounting software? (Any three points) **4**

18. Books of Mumbai Chemicals Ltd showed the following balances on 1<sup>st</sup> April 2012.

Machinery account ₹ 10,00,000.

Provision for depreciation account ₹ 4,05,000.

On 1<sup>st</sup> April 2012, a machine which had a cost of ₹ 2,00,000 on 1<sup>st</sup> October, 2009 was sold for Rs.80,000. The firm writes off depreciation @ 10% p.a under the reducing balance method and its accounts are made up on 31<sup>st</sup> March each year. You are required to prepare the machinery account and provision for depreciation account for the year ending 31<sup>st</sup> March 2013. **6**

19. Trial balance of Anuj did not agree. It showed an excess credit of ₹ 6,000. He put the difference in suspense account. He discovered the following errors.

a. Cash received from Ravish ₹ 8,000 posted to his account as ₹ 6,000.

b. Return inwards books over cast by ₹ 1,000.

c. Total of sales book ₹ 10,000 was not posted to sales account.

d. Credit purchases from Nanak ₹ 7,000 were recorded in sales book. However, Nanak's account was correctly credited.

e. Machinery purchased for ₹ 10,000 was posted to purchases account as Rs.5,000. Rectify the errors and prepare a suspense account. **6**

20. Show the accounting equation on the basis of following transactions:

1) Started business with Cash ₹ 20,000, Goods ₹ 50,000 and Furniture ₹ 30,000.

2) Purchased goods from Gopal on credit ₹ 40,000.

3) Sold goods for cash ₹ 40,000 (costing ₹ 30,000)

4) Sold goods to Ram on credit ₹ 65,000 (costing ₹ 50,000)

5) Withdrew goods for personal use costing ₹ 5,000

6) Advance rent paid ₹ 10,000

7) Cash received from Ram ₹ 63,000 in full settlement of his account.

8) Depreciation provided for furniture @ 10% p.a.

9) Cash drawn for personal use ₹ 7,000.

10) Deposited into bank account ₹ 10,000. **6**

21. Prepare a Three column Cash book from the following transactions.

Date	Particulars	Amount (₹)
Jan 1	Cash in Hand ₹ 16,000. Bank balance (Cr) ₹ 9,000	
Jan 3	Deposited into bank	12,000
Jan 5	Received from Mohan	4,000
	Discount allowed	100
Jan 7	Received a cheque from Hari and sent it to bank	6,000
Jan 9	Received a cheque from Prem Mohan	1,750
	Discount allowed	250
Jan 12	Withdrew from bank for office use	3,000
Jan 13	Bought goods for cash	16,000
Jan 14	Sold goods for cash	20,000
Jan 16	Paid to Ganesh by cheque	4,900
	Discount received	600

Jan 18	Prem Mohan's cheque deposited into the bank	15000
Jan 20	Sold goods to Gopal for ₹15,000 for which he gave cash ₹8,000 and a cheque of ₹7,000	
Jan 22	Deposited Gopal cheque into bank	
Jan 24	Paid rent by cheque	
Jan 25	Bank notifies that Prem Mohan's cheque was dishonoured	
Jan 28	Received from Anil ₹2,700 in cash and ₹5,400 by cheque. Cheque is deposited on the same date	

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22. X who keeps incomplete records gives you the following information:

Particulars	1 <sup>st</sup> Jan 2017(₹)	31 <sup>st</sup> Dec 2017(₹)
Stock in hand	18,700	20,400
Debtors	12,000	14,000
Creditors	9,000	1,500
Bills receivable	4,000	5,000
Bills payable	10,000	12,000
Furniture	60,000	60,000
Building	1,20,000	1,20,000
Bank balance	43,500	13,350(overdraft)

The following adjustment were made:

- A provision of ₹1,450 is required for bad and doubtful debts.
  - Depreciation @5% on building and furniture @10%
  - Drawings of Mr.X during the year ₹17,520.
  - Wages Outstanding ₹3,000, Salaries outstanding ₹1,200. Insurance has been prepaid to the extent of ₹250.
  - Legal expenses outstanding ₹700. Fresh capital introduced during the year ₹30,000.
- Prepare a statement of profit as on 31<sup>st</sup> March 2017.

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23. The following is the Receipts and payments account of Maharaja Club for the year ended 31-12-2017.

Receipts	Amount(₹)	Payments	Amount(₹)
To balance b/d	6,800	By purchase of foodstuffs	6,000
To Subscription (including ₹2,000 for 2016)	1,20,000	By postage stamps	3,000
To sale of foodstuffs	8,500	By furniture purchased	25,000
To entrance fees	15,000	By salaries	32,000
To hire of grounds	7,100	By books	41,500
To income from advertisements in Souvenir	22,000	By newspapers	800
		By rent and rates, insurance	24,200
		By sundry expenses	4,000
		By travelling expenses	18,500
		By printing of souvenir	9,200
		By balance c/d	15,200
<b>Total</b>	<b>1,79,400</b>	<b>Total</b>	<b>1,79,400</b>

Additional information:

- Assets on 31.12.2016 were Land and building ₹1,50,000, Stock of foodstuffs ₹2,200, stationery ₹800.
- Subscription due on 31.12.2016 was ₹2,400 and on 31.12.2017 was ₹3,500.

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3. On 31.12.2017 stock of foodstuffs was ₹ 3,800 and stationery Rs.600.
4. 20% of the surplus of every year will be transferred to Reserve fund. Prepare Income and expenditure account for the year ending 31-12-2017 and a balance sheet on that date.

**(OR)**

The following was the Receipts and payments account of Santhosh club for the year ended 31-12-2017.

Receipts	Amount(₹)	Payments	Amount (₹)
To cash in hand	18,160	By bank overdraft(1.1.2017)	14,000
To Subscription		By investment	2,00,000
2016	1,200	By furniture	5,960
2017	64,800	By salaries	20,400
2018	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 on securities	2,000	By sundry expenses	5,600
To sale proceeds from old furniture (cost ₹ 320)	400	By balances	
		Cash in hand (31.12.2017)	5,640
		Cash at bank (31.12.2017)	57,000
<b>Total</b>	<b>4,57,160</b>	<b>Total</b>	<b>4,57,160</b>

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

1. On 1<sup>st</sup> January 2017 the club premises stood at ₹ 1,00,000. Investments at ₹ 24,000, furniture at Rs.12,000 at stock of stationery Rs.360.
2. The club had 720 members each paying an annual subscription of ₹ 100 subscription amounting to ₹ 200 were still in arrears for the year 2016.
3. Salaries for December 2017 amounting to ₹ 1,600 are outstanding.
4. Create a Drama fund. Write off 50% of the stationery.

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24. The following balances were extracted from the books of Mahesh as on 31<sup>st</sup> March 2017.

Debit balances	Amount(₹)	Credit balances	Amount(₹)
Stock (1.4.2016)	62,000	Sales	4,48,000
Purchases	3,15,000	Purchases returns	2,500
Sales returns	3,700	Sundry creditors	43,000
Sundry debtors	80,000	Bills payable	4,300
Bills receivable	12,100	Capital	2,00,000
Drawings	30,000	Discount	3,800
Cash in hand	24,800	Bad debts provision	3,000
Cash at bank	32,800	Commission	2,400
Discount	2,600	Salary outstanding	5,000
Carriage on purchases	7,500		
Carriage on sales	1,200		
Bad debts	2,400		
Furniture	16,000		
Rent	10,000		
Salaries	25,000		
Repairs	2,300		
Insurance	3,600		
Sales van	75,000		
Sales van expenses	6,000		

Total	7,12,000	Total	7,12,000
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Taking into account the following adjustments prepare trading and profit and loss account and balance sheet as at 31<sup>st</sup> March 2017.

1. Stock was valued at the end of the year ₹ 46,000.
2. Depreciate furniture at 15% and sales van at 20%.
3. A sum of ₹ 200 is due for repairs.
4. Write off ₹ 2,000 as further bad debts and create a provision for doubtful debts @ 5% on debtors. Also provide 2% for discount on debtors.
5. Rent is paid at the rate of ₹ 1,000 per month.

(OR)

On 31<sup>st</sup> March 2017, the following trial balance of Ajay was given. Prepare trading and profit and loss account for the year and balance sheet at that date after making the following adjustments:

- (i) Stock on 31<sup>st</sup> March 2017 was valued ₹ 26,000.
- (ii) ₹ 2,000 Salary outstanding. Accrued commission ₹ 2,500.
- (iii) Depreciate patents by 10%.
- (iv) General expenses include insurance premium paid up to 30<sup>th</sup> June, 2017 @ ₹ 3,000 per annum.
- (v) General Manager is entitled to a commission of 5% on net profits after charging such commission.

Debit balances	Amount (₹)	Credit balances	Amount (₹)
Income tax	8,000	Capital	3,00,000
Stock 1.4.2016	16,000	Return outwards	4,100
Returns	5,600	Outstanding rent	1,000
Carriage inwards	8,200	Creditors	26,200
Deposit in bank	15,000	Bad debts provision	3,500
Carriage outwards	3,700	Sales	2,50,000
Rent	13,000	Commission	900
Purchases	1,48,000	Loan from Malik @ 18% p.a (loan taken on 1 <sup>st</sup> October 2016)	20,000
Debtors	75,800		
Goodwill	35,000		
Land and buildings	2,00,000		
Furniture	15,000		
Salaries and wages	38,000		
Advertisement expenses	3,000		
Bad debts	2,000		
Patents	6,000		
Cash in hand	8,900		
General expenses	4,500		
<b>Total</b>	<b>6,05,700</b>	<b>Total</b>	<b>6,05,700</b>

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