



INDIAN SCHOOL SOHAR
FINAL EXAMINATION
ACCOUNTANCY

Date: 01.03.2018
Class: XI

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

General Instructions:

1. All questions are compulsory
2. Show your workings notes wherever necessary
3. All parts of question should be attempted at one place.

-
1. What is the principle of valuation of inventory? 1
 2. What are the two bases of accounting? 1
 3. Ajay a dealer in furniture received advance against sales of tables and chairs. In your opinion how should this advanced be treated and why? 1
 4. Which account should be debited if wages are paid for installation of a machine? 1
 5. Is bank reconciliation statement a part of double entry system? Explain. 1
 6. Give one difference between reserve and provision. 1

 7. A commenced his cloth business on 1st April 2016 with a capital of ₹ 30,000. On 31st March his assets were Rs.50,000 and liabilities were ₹ 10,000. Find out his closing capital and profits earned during the year. 3

 8. Journalise the following transactions in the books of Gopal.
(i) Purchased goods from Shyam & Co, at a list price of ₹ 25,000, trade discount @ 10% and 3% cash discount. Payment was made immediately.
(ii) ₹ 2,000 due from Hari are bad debts.
(iii) Interest charged by the bank ₹ 2,500. 3

 9. Explain the following terms:
(a) Accounting Information System (AIS) (b) Customised Software. 3

 10. A machine which costs ₹ 2,00,000 is depreciated at 25% per year using written down value method. Show the machinery account for 3 years. What will be the value of machine at the end of 3 years? 3

 11. Calculate the value of opening stock from the following: 3
Cash sales 40,000 Credit sales 1,65,000
Sales returns(out of credit sales) 5,000 Purchases 1,24,000
Purchases Returns 4,000 Carriage inwards 8,000
Closing stock 36,000 Rate of gross profit 40% on sales

 12. Show the treatment of the following items in the Income and expenditure account
Subscription received during the year ₹ 50,000
Subscriptions outstanding on 31st March 2007 ₹ 20,000
Subscriptions outstanding on 31st March 2008 ₹ 6,000
Subscriptions received in advance on 31.3.2007 ₹ 8,000
Subscriptions received in advance on 31.3.2008 ₹ 9,000
Subscriptions of ₹ 1,500 are still in arrears for the year 2006-07. 3

13. On 1st Jan, 2012 Satish drew on Harish three bills of exchange in full settlement of claims the first for ₹ 14,000 for one month, the second for ₹ 16,000 at two months and the third for ₹ 18,000 at three months. The bills were duly accepted by Harish. The first bill was endorsed by Satish to his creditor Rajan on 3rd Jan 2012. The second bill was discounted on 15th Jan for ₹ 15,900 and the third bill was sent for collection on 4th Feb. All the bills were met on maturity and the second bill was dishonoured, noting charges being paid ₹ 240. Satish charged ₹ 300 for interest from Harish and drew on him a fourth bill for two months for ₹ 16,540. The fourth bill was duly met on maturity. Pass journal entries in the books of Satish. 4

14. Prepare a bank reconciliation statement as on 30th June 2017, for Jyothi sales Private Limited from the following information given below: 4
- | | |
|--|----------|
| (i) Bank overdraft as per cash book on 30 th June 2017 | 1,10,450 |
| (ii) Cheque issued on 20 th June 2017 but not yet presented | 15,000 |
| (iii) Cheques deposited but not yet credited by the bank | 22,750 |
| (iv) Bills for collection not advised by the bank but credited to the account | 47,200 |
| (v) Interest debited by the bank on 27 th June, 2017 but no advise received | 12,115 |
| (vi) Subsidy received from the government by the bank credited to Jyothi's account | 22,000 |
| (vii) Amount wrongly debited by the bank | 2,400 |
| (viii) Amount wrongly credited by the bank | 5,000 |

15. M/S Ram Narain traders, who are dealers in readymade garments purchased the following:

2015 May 2 Purchased from Fashion house, Chennai
200 shirts @ ₹ 800 per shirt, 225 T shirts @ ₹ 400 per shirt
Less 20% trade discount, Paid GST @ 12%.

May 10 Purchased from Appollo garments Mumbai
150 Bu shirts @ ₹ 600 per piece
180 T shirts @ ₹ 500 per piece
Less 15% trade discount, Paid GST @ 12%

May 15 Purchased 12 chairs @ ₹ 1,250 per chair

May 25 Purchased from Ambi shirts, New Delhi.
120 Shirts @ ₹ 1100 per shirt,
Paid GST 12% and Freight charges ₹ 2,000.

Prepare the purchase book. 4

16. Prepare the Cash account, Arun account and Sales account (ledger accounts) from the details given below. 4

Date	Particulars	Amount(₹)
2015 April 1	Started business with cash	2,00,000
	Goods	50,000
	Bank balance	60,000
April 3	Goods Sold for cash	25,000
April 5	Goods Sold to David	20,000
April 7	Goods Purchased for Credit from Arun	21,000
April 10	Goods returned to Arun (10% of Purchases)	
April 15	Cash received from Arun	15,000
April 18	Paid for wages	2,400
April 23	Cash received from David	19,000
April 23	Discount allowed	1,000
April 29	Salaries paid by cheque	27,000
April 30	Dividend received in cash	2,500

17. Distinguish between receipts and payments account and income and expenditure account. 4
18. Prepare an accounting equation with the help of following transactions and prepare the balance sheet.
- Commenced business with cash ₹ 50,000, cheque ₹ 1,00,000, goods ₹ 30,000 and furniture ₹ 20,000.
 - Sold goods to Ajay on credit costing ₹ 40,000 for ₹ 50,000.
 - Purchased goods for cash ₹ 40,000. Credit ₹ 45,000
 - Goods returned to the supplier ₹ 1,000.
 - Commission received in advance ₹ 20,000
 - Invested in shares (personal) ₹ 10,000
 - Interest on capital ₹ 12,000.
 - Salary outstanding ₹ 7,000. 6
19. In taking out a trial balance, an accountant finds an excess credit of ₹ 2,728. Being desirous of closing his books, he places the difference to suspense account. Later on detects the following errors.
- ₹ 825, the total of purchases return book has been posted to the debit of sales return book.
 - Goods purchased from Suresh for ₹ 1,800 have been recorded in sales book as ₹ 180.
 - An item of ₹ 328 written off as a bad debt from Ajay Sharma has not been debited to bad debts account.
 - Goods purchased from X ₹ 3,500 and from Y ₹ 4,000 but were recorded in the purchase book as X ₹ 4,000 and Y ₹ 3,500.
 - Goods returned to Ramesh for the value of ₹ 130 returned by a customer Navinkumar had ₹ 2,600 was correctly recorded in the returns outward book but was wrongly posted to his account as ₹ 260.
 - A sum of ₹ 2,210 stolen by an ex-employee stand debited to suspense account.
 - A sum of ₹ 500 written off as depreciation on machinery, were not posted to machinery account. 6
20. The following information is available from Sachin who maintains of accounts on single entry system.

Particulars	1 st Apr 2015(₹)	31 st Mar 2016(₹)
Cash and bank balance	20,000	21,000
Sundry debtors	17,000	25,000
Stock	40,000	60,000
Furniture	29,000	29,000
Sundry creditors	32,000	22,000
10% loan from Mrs.Sachin	30,000	30,000
Prepaid insurance	2,500	3,400
Bills payable	3,000	5,000
Bills receivable	20,000	25,000

Sachin withdrew ₹ 5,000 from the business every month for meeting his household expenses. During the year he sold investments held by him privately for ₹ 35,000 and invested the amount in his business.

At the end of 2015-16 it was found that full year's interest on loan from Mrs.Sachin had not been paid. Interest accrued from bank ₹ 2,500. Depreciation @ 10% per annum was to be provided on furniture for the full year. Prepare a statement of profit as on 31st March 2016. 6

21. Prepare a Cash book from the following details of Mr. X for the year ended 31.1.2014.

6

Date	Particulars	Amount(₹)
Apr1	Cash in hand	6,200
	Bank overdraft	18,500
Apr 2	Received a cheque from Hari and paid into bank on the same date	1,300
	Received a cheque from Vinod	3,300
Apr3	Cheque received from Vinod deposited into bank	
Apr5	Purchased goods and paid by cheque	20,000
Apr5	Freight paid	250
	Sold goods for cash	12,220
Apr6	Sold goods for cash	16,000
Apr9	Withdrew cash for private use	1,000
Apr11	Withdrew cash for office use	5,000
Apr12	Goods purchased from Suresh on credit	2,500
Apr14	Paid to Suresh by cheque	2,500
Apr16	Received cheque from Ajay Rs.3,700 endorsed to Vijay	
Apr17	Received cheque from Mahesh and deposited in to bank	2,700
Apr20	Received cash Rs.1,000 and cheque Rs.1,200 for sales	
Apr22	Paid into bank	10,000
Apr24	Received a cheque from Prem and sent in to bank immediately	4,150
Apr26	Bank notifies that Prem's cheque has been dishonoured and bank charged Rs.20 as noting charges	
Apr28	Kishore directly deposited in the bank account	3,000
Apr30	Bank has charged interest on over draft	780

22. A company whose account year is a financial year, purchased on 1st July 2013, machinery costing ₹ Rs.30,000.

It purchased further machinery on 1st January 2014, costing ₹ 20,000 and on 1st October 2014 costing ₹ 10,000.

On 1st April 2015, one-third of the machinery installed on 1st July 2013 became obsolete and was sold for ₹ 3,000.

Show how machinery account would appear in the books of the company. It being given that machinery was depreciated at 10% p.a on the straight line method.

What would be the value of machinery account on 1st April 2016.

6

23. The following is the receipts and payments of Rajdhani Club for the year ended Mar 2015:

Receipts	Amount(₹)	Payments	Amount(₹)
To Balance b/d		By Staff salary	35,400
Cash in hand	4,000	By Canteen expenses	3,500
Cash in deposit account	16,000	By Miscellaneous expenses	800
Cash in current account	5,200	By Insurance	2,000
To subscription	80,000	By Telephone expenses	4,800
To entrance fees	12,000	By furniture purchased	15,000
To life membership fees	15,000	By investments	46,000
To newspaper sales	200	By balance c/d	
To canteen collection	4,400	Cash in hand	6,700
To interest on deposits	1,600	Cash in deposits	20,000
		Cash in current account	4,200
Total	1,38,400	Total	1,38,400

Additional information:

	31.3.2014	31.3.2015
Outstanding subscription	7,000	5,600
Subscription received in advance	2,000	2,500
Salaries outstanding	1,200	1,800
Insurance prepaid	400	500
Furniture	10,000	-----
Sports equipment	20,000	-----

Depreciate furniture by 20% and sports equipment by 30%.

You are required to prepare an income and expenditure account for the year ended 31st march 2015 and a balance sheet as at that date.

(OR)

Following is the Receipts and payments account of Shri Mahabir sports club for the year ended 31st March 2014.

RECEIPTS	Amount(₹)	PAYMENTS	Amount(₹)
To balance c/d		By Salaries	17,000
Cash	800	By upkeep of fields and pavilion	3,400
Bank	4,200	By medicines purchased	4,000
Fixed deposit at 9% p.a	10,000	By Match expenses	8,800
To members subscription		By Building construction	30,000
(including Rs.800 for 2012-13)	96,000	By maintenance expenses	3,600
To members admission fees	3,500	By rent and taxes	8,950
To sale of furniture	1,600	By grass seeds	500
To sale of grass	200	By Car purchased	40,000
To donations	5,000	By balance b/d	
To match fund receipts	12,000	Cash	1,500
To interest on fixed deposits	450	Bank	6,000
		Fixed deposit at 9% p.a	10,000
Total	1,33,750	Total	1,33,750

Additional information:

- Subscription receivable is as follows:

On 31 st March 2013	₹ 1,000
On 31 st March 2014	₹ 2,500
 - Advance subscription are as follows:

On 31 st March 2013	₹ 600
On 31 st March 2014	₹ 900
 - Stock of medicine on 31st March 2013, ₹ 480, and on 31st March 2014 ₹ 650.
 - Outstanding salary payable on 31st March 2013, ₹ 1,200 and on 31st March 2014 ₹ 1,400.
 - The total furniture on 1st April 2013 was worth ₹ 20,000 and book value of furniture sold was ₹ 5,000. Charge depreciation @ 10% on closing balance of furniture.
- Prepare an income and expenditure account for the year ended 31st March 2014 and balance sheet as on that date.

8

24. From the following information prepare financial statements of M/S Raj & Bros for the year ending 31st March 2009.

Debit balances	Amount(₹)	Credit balances	Amount(₹)
Stock on 1.4.2008	16,800	Capital	78,000
Returns inwards	8,000	Sales	3,09,000
Purchases	2,43,000	Returns outward	5,700
Freight inwards	8,600	Trade creditors	4,800
Rent and taxes	5,700	10% bank loan(1-7-2008)	24,000
Salaries	9,300	Income from investment	3,600
Debtors	24,000	Discount received	2,250
Bank interest	1,000		
Printing and advertising	14,600		
Cash at bank	18,300		
Discount allowed	1,340		
Investment	25,000		
Furniture	3,800		
General expenses	3,610		
Audit fees	500		
Insurance	800		
Travelling expenses	3,000		
Plant and machinery	30,000		
Drawings	10,000		
Total	4,27,350	Total	4,27,350

Additional information:

1. Depreciation on plant and machinery @ 10% p.a. A machine has been purchased on 1st July 2008 for Rs.12,000.
2. The manager is entitled to a commission of 10% of the net profit before charging such commission.
3. Closing stock in trade is valued at Rs.6,000.
4. Rent outstanding Rs.5,000

(OR)

The following is the trial balance of Rani for the year ended 31-3-2017.

Debit	Amount(₹)	Credit	Amount(₹)
Wages	15,000	Sales	4,80,000
Salaries	25,000	Capital	2,10,000
Carriage inward	5,000	Sundry creditors	30,000
Carriage outward	4,000	Bills payable	25,000
Return inward	3,000	Discount received	10,000
Purchases	3,60,000	Returns outwards	5,000
Opening stock	12,000		
Printing and stationery	4,600		
Trade expenses	2,400		
Rent, Rates and taxes	8,000		
Discount allowed	6,000		
Cash in hand	15,000		
Cash at bank	80,000		
Sundry debtors	70,000		
Bad debts	10,000		
Bills receivables	30,000		
Investments	50,000		
Plant	60,000		
Total	7,60,000	Total	7,60,000

The following adjustments are required to be made:

1. Closing stock was valued at Rs.20,000
 2. On 1st Feb 2017 stock costing Rs,20,000 was stolen and it was not insured.
 3. Depreciate plant by 10%.
 4. Further bad debts Rs.1,000.Create a new provision of 5% on debtors.
 5. A plant costing Rs.60,000 was purchased on August 31,2016 but it was not recorded in purchases book by mistake.
- Prepare the trading and profit and loss account and balance sheet of Rani for the year ended 31.3.2017.