



INDIAN SCHOOL SOHAR
TERM II EXAMINATION (2018-19)
ACCOUNTANCY

Date: 15.11.2018

Max Marks:90

Class: XI

Duration: 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.

1. A limited company cannot maintain its accounts under single entry system why? 1
2. Lalit of Delhi purchased goods of ₹ 20,000 from Mano of Chennai. Whether IGST or CGST and SGST will be charged by Mano? Why? 1
3. Why should a business follow the consistency principle? 1
4. Jayaram has purchased a building for ₹ 5,00,000 which he got financed from bank to the extent of ₹ 1,00,000. How it will be shown in the accounting equation? 1
5. A credit balance always signify a balance in the liabilities account. Is it correct? Give reason. 1
6. What is casting? 1
7. Calculate the value of closing stock from the following information: 3

Opening stock	₹ 20,000,	Cash sales ₹ 60,000,
Credit sales	₹ 40,000,	Purchases ₹ 70,000,
Rate of gross profit on cost 1/3		
8. What are the limitations of Journal? 3
9. Mr.Y started business on 1st April 2017 with a capital of ₹ 2,00,000 and a loan of ₹ 75,000 from the bank. During the year he had introduced additional capital of ₹ 60,000 and had withdrawn ₹ 36,000 for personal purposes. On 31st March 2018, his assets were ₹ 3,80,000. Find out his closing capital and profit earned during the year. 3
10. What is a trial balance? Give any two limitations of trial balance? 3
11. Petty casher of M/s Deepak stores is entitled to receive ₹ 4,000 as imprest amount of every fortnight. Prepare simple petty cash book from the following transactions: 3

Feb 2018

15 th	cash received from cashier	4,000
17	Bought stationery	1,200
19	Paid taxi fare	300
20	Paid bus fare	100
21	Bought postage stamps	700
23	Paid cartage	200
23	Paid to the cleaner	300
24	Paid for refreshment	400

12. Why there is a need of preparing the balance sheet. (3 points)

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

4

Date	Particulars	Debit ₹	Credit ₹
April 6	-----a/c Dr To-----a/c (Being goods given for charity)	20,000	20,000
April 10	-----a/c Dr -----a/c Dr To-----a/c (Being Akil settled his account by cheque, discount allowed 2,000)	----- -----	40,000
April 15	-----a/c Dr To-----a/c (Being interest on capital provided for 1,00,000 @ 10% for 6 months)	-----	-----

14. Pass the journal entries for the following transactions:

(i) Purchased goods from Sanjiv Rs.40,000 plus IGST @ 12% at 10% trade discount and 2% cash discount. Payment was made immediately and availed the discount.

(ii) Sold goods to Anil for Rs.20,000 plus CGST and SGST @ 6% each. Allowed him trade discount @ 10% and received 5,000 cash immediately balance on credit.

4

15. Distinguish between Single entry system and double entry system on the basis of (i) accounts (ii) Authenticity (iii) financial position (iv) adjustments.

4

16. From the following transactions of Raju prepare the ledger accounts (a) Drawings Account (b) Purchases Account.

Apr 1 st	Cash deposited into the bank account	₹ 30,000
Apr 3 rd	Bought goods for cash	₹ 20,000
Apr 5 th	Goods purchased from Hari	₹ 45,000
Apr 6 th	Cash withdrawn from bank for personal purposes	₹ 10,000
Apr 9 th	Land purchased	₹ 5,00,000
Apr 10 th	Goods with drawn by the proprietor	₹ 3,000
Apr 11 th	Goods destroyed by the fire	₹ 12,000
Apr 15 th	Cash sales	₹ 1,00,000.

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	4,10,000	-----
Provision for doubtful debts	-----	20,000
Bad debts	6,000	-----

(i) Additional bad debts ₹ 10,000.

(ii) Maintain the provision for doubtful debts @ 10% on sundry debtors.

4

18. (a) What is meant by accrual basis of accounting? Explain any two limitations of accrual basis of accounting? 3

(b) "Purchase of stationery is treated as expense" Identify the accounting concept involved in this statement. Give reasons 3

19. Prepare a Cash book of Ram with cash and bank column from the following details: 6

2015 March

March 1	Cash Balance	₹ 15,000
	Bank overdraft	₹ 25,000
March 3	Purchased goods priced ₹ 20,000 at 15% trade discount, paid cash ₹ 10,000 and balance by cheque	
March 5	Sold goods priced ₹ 26,000 plus @ 12% IGST.	
March 9	purchased furniture and paid by cheque ₹ 6,500 Plus CGST and SGST @ 6% each.	
March 12	Sold old machinery having book value of ₹ 14,000 for ₹ 12,000 and received payment by cheque.	
March 13	purchased goods of ₹ 11,000 plus 6% CGST and SGST each and paid by cheque.	
March 16	sold goods for cash ₹ 10,000 and allowed 2% cash discount.	
March 20	Paid electricity bill by cheque ₹ 3,000	
March 25	Paid rent by cheque ₹ 5,000	
March 27	received cheque from Raja ₹ 18,000 and deposited on the same day	
March 28	Furniture purchased for cash ₹ 6,000	
March 29	Cheque received from Raja dishonoured	
March 30	Drew cash for personal use ₹ 2,000	
March 30	Bank charges charged by bank ₹ 500.	

20. What are the advantages of accounting? (any six points) 6

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

March 1	Purchased from Chandra Textiles Hyderabad. 1,000 meters of cloth materials of ₹ 250 per meter, 250 shirts of ₹ 350 each. Plus 12% IGST
5	Sold to Krishna and Bros Chennai. 250 meters of Linen materials at ₹ 650 each, 12 silk sarees of ₹ 6,500 each. Trade discount 15%., Plus CGST and SGST 12% each.
10	Purchased from Lakshmi Mills, Mumbai 2000 sarees of ₹ 500 each, 250 coats of ₹ 2,000 each. 400 uniform sets of ₹ 300 each uniform set plus 12% IGST
12	Purchased from Ravi & Sons one computer for office use at ₹ 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 ₹ 10,000 plus 12% IGST.
- 25 Purchased children readymade from Akil ₹ 12,000 for cash.
- 27 Sold to Mahesh & Co, Bangalore
25 Uniform sets of ₹ 450 each at a trade discount of 10%. Plus IGST 12%
- 30 Sold used furniture for cash ₹ 3,500.

6

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

- (i) Rajeev started business with cash ₹ 50,000, Machinery ₹ 35,000 and goods ₹ 50,000.
- (ii) Interest received in advance ₹ 8,000.
- (iii) Received commission ₹ 12,000.
- (iv) Purchased furniture for ₹ 50,000 and half of the amount paid in cash immediately.
- (v) Interest charged on drawings ₹ 2,000.
- (vi) Rent outstanding ₹ 2,000.
- (vii) Depreciation charged on machinery ₹ 5,000.
- (viii) Payment made to creditors at 2% discount.

6

23. Mr. Thiru does not maintain his books in the double entry system and maintains a cash book only. The following are the details taken from the books of accounts.

(i) Balances	Opening	Closing
Stock	19,800	1,13,200
Creditors	31,000	14,500
Debtors	1,18,000	1,25,000

(ii) The following are the cash transactions made during the year.

Cash on 1st April	1,50,000	Drawings	30,000
Collection from customers	1,60,800	Loan from bank	23,000
Cash paid to creditors	1,44,000	capital introduced	12,000
Rent and taxes	11,500	Cash sales	11,500
Salaries	1,12,000	Sundry income	16,500
Sundry expenses	18,000	Cash purchases	15,000

(iii) Bad debts written off ₹ 1,200

Find out the closing balance of cash, total sales and total purchases of Mr. Thiru.

8

24. Taking into account the following adjustments, prepare trading and profit and loss account and balance sheet of Sahana as on 31st March 2018:

1. Provide depreciation @10% on Plant and Machinery and 5% on Motor van.
2. Bad debts amounted ₹ 2,000 and create a provision for doubtful debts @ 5% on sundry debtors.
3. Outstanding wages ₹ 8,000 and Salaries ₹ 3,500 respectively.
4. Stock on 31st March 2018 ₹ 16,500.
5. Rent paid in advance ₹ 1,200.

Debit balances	Amount	Credit balances	Amount
Computers	37,000	Creditors	29,500
Plant and machinery	1,60,000	Sales	5,21,870
Motor van	2,20,000	Purchase Returns	2,100
Cash in hand	6,330	15% Bank loan (taken on 1 st Oct 2017)	2,00,000
Cash at bank	50,000	Capital	2,10,000
Opening stock	8,100	Output CGST	4,000
Debtors	65,300	Output SGST	4,000
Purchases	2,74,685	Output IGST	6,000
Sales Return	2,300		
Rent	6,700		
Salaries	35,000		
Carriage outwards	3,100		
Wages	54,755		
Interest	10,000		
Electric charges	4,200		
General expenses	24,000		
Input IGST	10,000		
Input CGST	3,000		
Input SGST	3,000		
Total	9,77,470	Total	9,77,470

(OR)

The following is the trial balance of Babu as on 31st March 2018. Considering the adjustments given below prepare the trading and profit and loss account and balance sheet of Babu as on 31st March 2018.

Particulars	Amount	Particulars	Amount
Drawings account	20,000	Sales	2,20,000
Land and building	12,000	Capital	2,00,000
Plant and machinery	40,000	Discount	1,470
Carriage inward	2,100	Apprentice premium	5,000
Wages	5,000	Bills payable	30,000
Salary	2,000	Purchase Return	10,000
Sales return	1,000		
Bank charges	200		
Coal gas and water	1,200		
Purchases	1,48,000		
Trade expenses	3,000		
Stock(opening)	76,800		
Cash at bank	50,000		
Rates and taxes	870		
Bills receivable	20,000		
Sundry debtors	54,300		
Cash in hand	30,000		
Total	4,66,470	Total	4,66,470

1. The closing stock was valued at the end of the year ₹ 1,20,000.
2. Depreciation on plant and machinery charged at 5% and on land and building at 2%
3. Wages outstanding was ₹ 1,000 and Salary prepaid were ₹ 400
4. The manager is entitled to a commission of 5% on net profit after charging such commission.
5. Accrued Commission to be received ₹ 1,000.

8