



**INDIAN SCHOOL SOHAR**  
**TERM I EXAMINATION (2022-23)**  
**ACCOUNTANCY (055)**

**CLASS -XI**  
**Date: 02/10/2022**

**Time: 3 hours**  
**Max. Marks: 80**

**General Instruction:**

1. Question nos. 1 to 16 are very short answer type questions carrying 1 mark each.,
2. Question nos. 17 and 18 are short answer type–I questions carrying 3 marks each.
3. Question nos. 19 to 24 are short answer type–II questions carrying 4 marks each.
4. Question nos. 25 to 27 are long answer type–I questions carrying 6 marks each.
5. Question nos. 28 to 29 are long answer type–II questions carrying 8 marks each , An internal choice has been provided in 1 questions of eight marks.

- Q 1.** What is meant by GAAP? (1)
- Q2.** Name any two objectives of Accounting. (1)
- Q3.** What is an accounting equation? (1)
- Q4.** Last step of accounting process is : (1)
- (a) provide information to various parties who are interested in business enterprise.
- (b) record the transactions in the books.
- (c) to make summary in the form of financial statement.
- (d) to classify the transaction under separate heads in the ledger.
- Q5.** (1)
- If the Capital is ₹ 2,60,000 and Assets are ₹ 5,00,000,  
What is the amount of Liabilities?
- Q6.** (1)
- Read the following statements: Assertion and Reason.  
Choose one of the correct alternatives given below.  
Assertion (A): Certain accounting conventions like conventions of consistency, conservatism, full disclosure, etc. are allowed while preparing financial statements.  
Reason (R): use of accounting conventions makes the financial statements comparable, simple and realistic.  
Alternatives:  
a) Both (A) and (R) are true and (R) is the correct explanation (A).  
b) Both (A) and (R) are true and (R) is not the correct explanation of (A)  
c) Assertion (A) is true but Reason (R) is False  
d) Assertion (A) is False but Reason (R) is True.
- Q7.** (1)
- According to the Going Concern Concept, a business is viewed as having
- (a )A limited life (b) A very long life  
(c )An indefinite life (d) A Short life

**Q8.** The owner of the firm records his medical expenses in the firms' income statement. Indicate which principle that is violated. **(1)**

- (a) Cost principle (b) Prudence  
(c) Full Disclosure (d) Entity concept

**Q9.** Match the source document in column 1 with the corresponding transactions in column II **(1)**

Column I		Column II	
(i)	Cash memo	(A)	Credit Purchases
(ii)	Invoice	(B)	Withdrawing cash from bank
(iii)	Pay in slip	(C)	Cash Sales
(iv)	Cheque	(D)	Deposited cash into bank

- (a) (i) – (D); (ii) – (B); (iii) – (A); (iv) - (D) (b) (i) – (B); (ii) – (C); (iii) – (D); (iv) - (A)  
(c) (i) – (C); (ii) – (A); (iii) – (D); (iv) - (B) (d) (i) – (C); (ii) – (B); (iii) – (D); (iv)-(A)

**Q10.** Rs.1,500 being income tax liability of proprietor paid by the firm will be debited to **(1)**

- (a) Income tax account (b) Drawings account (c) Profit and loss account

**Q11.** Read the following statements: Assertion and Reason. Choose one of the correct alternatives given below **(1)**

Assertion (A): The Management uses accounting information to arrive at various decisions like determination of selling price, cost controls, investment into new ventures, etc.

Reason (R): The management has the responsibility to safeguard the customer's investment and increase its value by managing the business efficiently.

Alternatives:

- a) Both (A) and (R) are true and Reason (R) is the correct explanation of (A).  
b) Both (A) and (R) are true and Reason (R) is not the correct explanation of (A)  
c) Assertion (A) is true but Reason (R) is False  
d) Assertion (A) is False but Reason (R) is True

**Q12.** M/s Global Ltd., a dealer in computer hardware, has received an order for 10 computers along with an advance of ₹ 50,000. The firm maintains its accounts on Accrual Basis of Accounting. Should the amount received, i.e., ₹ 50,000 credited to the Sales Account or to the Advance Received Account? Give reasons for your answer. **(1)**

**Q13.** Define the term Purchase. **(1)**

- Q14.** Which of the following is not a business transaction : **(1)**
- (a) Purchase of goods for resale amounted to ₹ 50,000
  - (b) Paid salaries and Wages amounted to ₹ 10,000
  - (c) Paid rent for office premises ₹ 5,000
  - (d) Purchased a LCD for personal use ₹ 45,000
- Q15.** Read the following statements: Assertion and Reason. Choose one of the correct alternatives **(1)** given below
- Assertion (A): “Assets are future economic benefits, the rights which are owned or controlled by an organization or individuals.”
- Reason (R): “Assets are valuable resources owned by a business which were acquired at a measurable money cost.”
- Alternatives:
- a) Both (A) and (R) are true and Reason (R) is the correct explanation of (A).
  - b) Both (A) and (R) are true and Reason (R) is not the correct explanation of (A)
  - c) Assertion (A) is true but Reason (R) is False
  - d) Assertion (A) is False but Reason (R) is True
- Q16.** Purchase of office equipment for cash would cause **(1)**
- (a) Cash in hand to decrease
  - (b) External liability to decrease
  - (c) Total liabilities to increase
  - (d) Total assets to increase
- Q17.** Mohan started a business on 1st April 2021 with a capital of ₹ 2,00,000 and a loan of **(3)**  
₹ 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 March 31st 2022 his assets were 3,80,000. Find out his capital as on 31st March, 2022 and profit earned during the year 2021-2022.
- Q18.** What is the meaning of Ind-AS? What are the two underlying assumptions in Ind-As? **(3)**
- Q19.** Classify the following into Assets, Liabilities, Capital, Revenue and Expenses: **(4)**
- (i) Plant and Machinery, (ii) Bank Loan, (iii) Interest Paid, (iv) Capital (v) Debtors,
  - (vi) Accrued Income, (vii) Freight, (viii) Discount Received.
- Q20.** Define Accounting **(4)**  
What are the Attributes of Accounting? (Any four points)

- Q21.** Open a “ T” shape Cash Account with the following transactions: **(4)**
- |                                       |         |
|---------------------------------------|---------|
| (i) Sanjay started business with cash | 40,000  |
| (ii) Purchase goods                   | 20,000  |
| (iii) Sold goods                      | 24,000  |
| (iv) Paid rent                        | 400     |
| (v) Paid salaries                     | 600     |
| (vi) Drew for personal use            | 500     |
| (vii) Furniture purchased             | 1 0,000 |

- Q22.** Define Book Keeping. Distinguish between Book Keeping and Accounting on the basis of: **(4)**
- (i) Scope (ii) Objective (iii) Performance.

- Q23.** Prepare Accounting Voucher in the Books of M/s Modern Computer, Patna. **(4)**

2021		₹
Jan 5	Bought Desktop computer from Robosoft Tec for cash vide Cash Memo No. 35	40,000
Jan 10	Cash Withdrawn from Bank, Cheque No. 75	25,000
Jan 15	Sold Computer to M/s Goodluck Computers Bombay vide Bill No. 31598	25,000

- Q24.** Identify the accounting concept or assumption involved in the statement and explain the concept or assumption: **(4)**
- (i) Closing stock is valued at cost or market price which is less.
- (ii) The caliber or quality of the management team is not disclosed in the balance sheet.
- (iii) Financial statements of the firm are prepared every year on 31st March.
- (iv) Sale is recognized on the basis of cash memo or invoice.

- Q25.** Analyze the following transaction of M/s Vipin Traders, state the nature of accounts and state which account will be debited and which account will be credited? **(6)**

- |  |          |
|--|----------|
| (i) Started business with cash                       | 1.00.000 |
| (ii) Deposited cash into bank for opening an account | 50,000   |
| (iii) Purchased furniture from Delhi Safe            | 40,000   |
| (iv) Paid to creditor Madhu by Cheque                | 25,000   |
| (v) Paid interest on loan                            | 5,000    |
| (vi) Withdrew cash from bank for office use          | 15,000   |

- Q26.** (6)
- 1) What do you mean by Accrual Basis of Accounting?
  - 2) Gaurav , the Legal Consultant gives the following information during the financial year 2021-2022 earned total income of ₹ 4,00,000. Out of which he received ₹ 3,50,000. He incurred an expense of ₹ 1,70,000, out of which ₹ 40,000 are outstanding. In addition he also receive consultancy fee relating to previous year ₹ 45,000 and also paid ₹ 20,000 expenses of last year. You are require to determine his income if he adopts ;  
(i) Cash Basis of Accounting, and (ii) Accrual Basis of Accounting.

- Q27.** (6)
- Explain the following Accounting concepts with examples.
- (i) Accrual Assumption
  - (ii) Consistency Concept
  - (iii) Dual Aspect Concept

- Q28.** (8)
- (1) Explain and give examples of each of the following:  
(i) Expenses (ii) Assets (iii) Drawings.

(2) Rahul Started business of buying and selling of computer parts with ₹ 10,00,000 as initial investment. Out of this he paid ₹ 5,00,000 for the purchase of desktops, laptops and other computer accessories, and ₹ 1,00,000 for furniture and ₹ 1,50,000 for other Electronic (Air conditioners, ceiling fans) items. And remaining amount he deposited into the bank. He sold 5 laptops, 3 desktop computers for ₹ 4,50,000 for cash and few computers accessories for ₹ 2,00,000 on credit to Mahesh.

Subsequently he bought computer mouse and 4 new laptops of ₹ 2,00,000 from Dinesh. In the last week of the month, due to mishandling 2 laptops costing ₹ 50,000 were destroyed, some desktop computers damaged. Later on, some laptops which cost ₹ 1,00,000 were sold for ₹ 1,50,000. Expenses paid during the year were ₹ 20,000. Rahul withdrew ₹ 25,000 from business for his domestic use.

From the above, answer the following:

- (i) What is the amount of capital with which Rahul started the business?
- (ii) What Fixed Assets did he buy?
- (iii) What is the total value of goods purchased?
- (iv) Who is the creditor and state the amount payable to him?
- (v) Who is the debtor and what is the amount receivable from him?
- (vi) What is the total amount of expenses?
- (vii) What is the total amount of drawings of Rahul?

OR

(8)

Use the accounting equations to show the effect of the following transactions of M/s Royal Traders.

1. Commenced business with cash ₹ 1,00,000, bank ₹ 50,000 and goods ₹ 40,000.
2. Purchased goods for cash ₹ 20, 000 and credit ₹ 30, 000.
3. Cash sales ₹.20, 000.
4. Sold goods on credit (costing Rs.8,000) for ₹ 10,000.
5. Received from debtors in full settlement ₹ 8,500.
6. Bought furniture from Modern furniture shop ₹ 50,000
7. Goods destroyed by fire ₹ 500.
8. Paid rent in advance ₹ 8,000.
9. Deposited into the bank ₹ 10,000
10. Withdrew ₹ 2,500 from bank for domestic expenses.
11. Paid salary in cash ₹ 4,500 and salary outstanding ₹ 5,000.
12. Charge depreciation on furniture @ 10% p.a.

Q29.

(8)

Pass the Journal entries in the books of Hari Shankar from the following transactions.

2021		₹
April 1	Commenced business with cash	1,00,000
April 2	Opened a current account with a cheque	25,000
April 3	Purchased goods from Subhash	20,000
April 4	Paid for repairs of office building	2,000
April 6	Sold goods to Ramnath & Co.	15,000
April 8	Sold goods to Manohar for cash	30,000
April 9	Received commission	750
April 10	Additional capital introduced	12,000
April 12	Ramnath returned defective goods	2,000
April 14	Paid rent for the office building	500
April 15	Paid salary to Gopal by cheque	1,500
April 16	Goods returned to Mahesh & Co.	2,500
April 18	Purchased stationery in cash	500
April 20	Old machinery sold	14,500



