



INDIAN SCHOOL SOHAR  
TERM II EXAMINATION (2023-24)  
ACCOUNTANCY (055)

No. of Printed Pages: 7

CLASS: XI

Date: 18/02/2024

MAX. MARKS: 80

TIME: 3 HOURS

**General Instructions:**

- This question paper contains 34 questions. All questions are compulsory.
- This questions paper is divided into two parts, **Part A and B.**  
**Part A is Financial Accounting I and Part B is Financial Accounting II.**
- Questions 1 - 16 and 26 to 29 carry 1 mark each.
- Questions 17 – 20 and 30-31 carry 3 marks each.
- Questions 21, 32 and 33 carry 4 marks each.
- Questions 22 to 25 and 34 carry 6 marks each.
- Attempt all parts of the questions together. **Show your working notes clearly.**

**PART-A (Financial Accounting-I)**

1. Which of the following is not recorded in the books of account: [1]
- (a) Purchase of goods for resale amounted to ₹ 15,000.  
(b) Paid salary and wages amounted to ₹ 20,000.  
(c) Paid rent for office premises ₹ 5,000.  
(d) Sale of household furniture for ₹ 10,000.
2. Horizon Ltd. did not use a particular machine during the current year. Should depreciation be charged on that machine also? Give reason. [1]

**OR**

A machine is purchased on April 1, 2022. On 31<sup>st</sup> March, 2023 the value of the machinery is ₹ 4, 50,000 after charging depreciation @ 10 % according to reducing balance method. What is the cost of machinery as on April 1, 2022?

- (a) ₹ 4,95,000 (b) ₹ 5,00,000  
(c) ₹ 4,00,000 (d) Amount cannot be ascertained
3. Anand Ghosree Ltd. of Surat, an owner of a shopping mall received rent on 1<sup>st</sup> April, 2022 from 20 tenants @ ₹ 15,000 per month for 18 months for the year ended 31<sup>st</sup> March, 2023. As per revenue recognition concept of accounting, rent an income to be realized by \_\_\_\_\_ [1]
- (a) ₹ 1,80,000 (b) ₹ 2,70,000  
(c) ₹ 36,00,000 (d) ₹ 54,00,000
4. Goods purchased from Raghav for ₹ 36,000 but recorded as ₹ 63,000 in the purchases book. The type of error related to: [1]
- (a) error of principle (b) error of omission  
(c) compensating error (d) error of commission

**OR**

What are the taxes levied on an intra- state supply?

- (a) CGST and SGST (b) SGST and IGST  
(c) SGST and IGST (d) IGST
5. Lalit who owed ₹ 20,000 became insolvent. 60 paise in a rupee was received from his estate. Bad Debts Account will be debited by [1]
- (a) ₹ 20,000 (b) ₹ 8,000  
(c) ₹ 12,000 (d) ₹ 14,000
6. Modern Furniture House returned tables and chairs worth ₹ 1,00,000 to Diwan Furniture Mart. Where would you record this transaction? Choose the correct answer from the following: [1]
- (a) Journal proper (b) Returns inward Book  
(c) Cash book (d) Returns outward Book

7. Haridas commenced business on 1<sup>st</sup> April, 2022 with a capital ₹ 6, 00,000. On 31<sup>st</sup> March, 2023 his assets were worth ₹ 8, 00,000 and liabilities ₹ 50,000. Find out his closing capital. [1]
- (a) ₹ 7,50,000 (b) ₹ 2,00,000  
(c) ₹ 5,50,000 (d) ₹ 1,50,000

8. Which of the following statements is not appropriate in relation to "Provision"? [1]
- (a) Provision is a charge against profit.  
(b) Provision is created for known liability.  
(c) Provision is created for strengthening the financial position of the business.  
(d) Creation of provision satisfies the principle of conservatism.

9. Read the following statement- **Assertion (A) and Reason (R)**. Choose the correct alternatives. [1]
- Assertion (A):** Purchase account is credited when the proprietor withdrawal goods from the business for his personal use.  
**Reason (R):** Purchase account is credited because as a result of withdrawal of goods, net amount of purchase of the business is reduced.

**Alternatives:**

- (a) Both (A) and (R) are correct, and (R) is the correct explanation of (A).  
(b) Both (A) and (R) are correct, but (R) is not the correct explanation of (A).  
(c) A is correct but (R) is wrong.  
(d) Both (A) and (R) are incorrect.
10. "Valuation of stock to be made either at its book value or its market value whichever is less" it is stated by which accounting concept? [1]
- (a) Cost (b) Money measurement  
(c) Objectivity (d) Prudence
11. Which of the following is not recorded in the cash book? [1]
- (a) Credit sales (b) Bad debts  
(c) Depreciation on machinery (d) All of these

**OR**

Debit balance of ₹ 10,000 in the cash column of the cash book shows that:

- (a) ₹ 10,000 has been paid out (b) ₹ 10,000 is owing  
(c) The amount received exceeds the amount paid by ₹ 10,000 (d) ₹ 10,000 has been credited into the bank account.
12. Mohan and Sohan are two partners of a firm. Firm receives an order for goods. Mohan wants to include it in the sales figure but Sohan opposes it. How should the issue be settled? [1]

**OR**

Cost of calculator for ₹ 500 is shown in the profit and loss account and not treated as an asset, although its useful life is extended to more than one year. Which concept is being followed?

13. "Personal transactions of the owner are not recorded in the books of the business unless it involves inflow or outflow of business funds". To which accounting principle the above phrase is related. [1]
- (a) Accounting entity concept (b) Prudence concept  
(c) Money measurement (d) Going concern

**OR**

The accounting concept which suggested that each transaction should be recorded in the books of account by supporting vouchers of transactions\_\_\_\_\_.

- (a) objectivity (b) dual aspect  
(c) materiality (d) consistency
14. The amount paid to the petty cashier at the beginning of a period is known as\_\_\_\_\_. [1]
- (a) Imprest amount (b) Cash credit  
(c) Call money (d) Demand deposit

**OR**

Assets (except) securities may be valued under Ind-AS on

- (a) Historical cost (b) Fair value  
(c) Both historical cost and fair value (d) Market price

15. Which external user of accounting information is most interested in knowing the long term solvency of the firm? [1]

- (a) Employees (b) Management  
(c) Bank and financial institutions (d) Researches

16. The accountant of Radha Enterprises found that she forgot to record the depreciation on Machinery @ 10% whose book value was ₹ 4,50,000. The firm follows the straight line method. What will be the adjustment journal entry? [1]

Particulars	L.F	Amount (₹)
(a) Profit and Loss A/c To Depreciation A/c	Dr.	10,000 10,000
(b) Profit and Loss A/c To Depreciation A/c	Dr.	45,000 45,000
(c) Depreciation A/c To Profit and Loss A/c	Dr.	45,000 45,000
(d) Depreciation A/c To Machinery A/c	Dr.	10,000 10,000

17. Show the effect of the following transactions through accounting equation: [3]

- (1) Aahana started business with cash ₹ 1,00,000 and goods worth ₹ 10,000.  
(2) Sold 50% of the above goods at a profit of ₹ 2,000 on credit to Rohan.  
(3) Rohan paid 90% of his amount due in full settlement.

18. Enter the following transactions in the purchase book of Rayo Cloth House Mumbai, (Maharashtra), assuming CGST @6% and SGST @ 6%. [3]

Date (2022)	Particulars
April 10	Purchased from RK & Bros, of Mumbai 100 meter cotton cloth @ ₹ 200 per meter 80 meter woolen cloth @ ₹ 500 per meter
April 12	Purchased from SK & Co. of Patna Bihar 50 meter silk cloth @ ₹ 600 per meter 40 meter cotton cloth @ ₹ 250 per meter; trade discount 10%.
April 20	Purchased from Fashion Furniture House, Delhi 10 chairs @ ₹ 2,000 per chair
April 25	Purchased from Shubham & Bros. Kolkata for cash 100 meter cotton cloth @ ₹ 600 per meter Trade discount is 15% and freight charges payable are ₹ 5,000

OR

Pass Journal Entries in the books of Zhakir of Gujarat assuming CGST @ 9% and SGST @ 9% for the following transactions:

- (a) Purchased goods for ₹ 3,00,000 from Jitender of Rajasthan.  
(b) Sold goods costing ₹ 80,000 to Rakesh Verma of Gujarat at a profit of 25% on cost less trade discount 10%.  
(c) Paid for advertisement ₹ 50,000.

19. Why it is necessary for accountants to assume that the business will remain a Going Concern? [3]

OR

From the following statements identify the accounting concept:

- Kamal Food Limited charges 10% p.a. depreciation on fixed assets as per one particular method years after year.
- The entry of a new competitive firm, strike of workers and quarrel between Production Manager and Sales Manager are not recorded in the books of accounts.
- Land and building are shown at ₹ 10 lakhs in the Balance Sheet of the business owned by Mr. Karthik. However, as per the certificate of Government approved valuer the realizable value of land and building is ₹ 100 lakhs. Mr. Karthik wants to show the land and building at this value in his books. Can he do so?

20. Differentiate between Provision and Reserve on the basis of following:

[3]

- Basic nature
- Purpose
- Use for payment

21. Draft a Trial balance from the following information:

[4]

Particulars	Amount(₹)	Particulars	Amount(₹)
Cash in hand	4,100	Returns outward	2,400
Machinery	25,000	Returns inward	9,600
Purchases	66,200	Capital	30,000
Debtors	24,300	Drawings	6,300
Carriage inward	1,800	Bank loan	10,000
Carriage outward	700	Interest on loan	1,500
Wages	17,500	Opening stock	26,200
Rent & taxes	5,300	Sales	1,28,700
Sundry creditors	17,000	Discount received	1,600

OR

Answer the following questions:

- Briefly explain following terms with the example.
  - Current liability
  - Fictitious assets
- Write any two difference between trade discount and cash discount

22. Prepare a Bank Reconciliation Statement as on 31<sup>st</sup> October, 2023 from the following information:

[6]

- Bank balance as per Cash Book ₹ 1, 26,500.
- Cheque issued but not yet presented for payment ₹ 46,000.
- Deposited three cheques for ₹ 12,000, ₹ 25,000 and ₹ 20,000 respectively in the month of October but out of these the first 2 cheques could be cleared by the bank on 31<sup>st</sup> October, 2023.
- Bank charges of ₹ 500 not yet recorded in the cash book.
- Directly deposited by a customer ₹ 16,000 not yet entered in the cash book.
- The bank has paid insurance premium on standing order ₹ 12,400.

23. Record the following transactions in double column cash book of Mr. Rajesh Verma and calculate the closing balance.

[6]

Date	Particulars
April 01	Balance of cash ₹ 22,000 Bank overdraft ₹ 2,500.
April 06	Received cheque on March 28 <sup>th</sup> , for ₹ 4,000 from Gaurav sent into the bank.
April 10	Bank has collected and deposited: Interest of ₹ 6,000; Dividend of ₹ 8,000.
April 16	Bank has paid several payments in its due date: Insurance premium of ₹ 3,000. School fees of the child of Rajesh Verma ₹ 5,000.
April 24	Cash deposited into the bank ₹ 12,000.
April 29	Sold goods (costing ₹ 25,000) at 20% profit for cash.



29. Income Tax paid by a sole trader is reflected in his financial statements: [1]
- On the debit side of the Trading a/c
  - As way of deduction from capital in the Balance sheet
  - On the debit side of Profit and loss a/c
  - As an asset in the Balance sheet

30. From the following information, calculate the value of closing stock [3]

Particulars	(₹)	Particulars	(₹)
Opening stock	25,000	Purchases	93,000
Sales	1,52,000	Carriage inwards	5,000
Returns outwards	3,000	Carriage outwards	6,000
Returns inwards	2,000	Salaries	30,000
Wages	22,000	Rate of gross profit	25% on cost

31. Calculate the amount of gross profit and operating profit on the basis of the following balances extracted from the books of M/s Rajiv & Sons for the year ended March 31, 2023. [3]

Particulars	(₹)	Particulars	(₹)
Opening stock	50,000	Administration expenses	45,000
Net sales	11,00,000	Selling & distribution expenses	65,000
Net purchases	6,00,000	Loss due to fire	20,000
Direct expenses	60,000	Closing stock	70,000

32. Show the treatment of the following items in the profit and loss account and balance sheet: [4]

Particulars	Debit (₹)	Credit (₹)
Debtors	40,300	
Provision for doubtful debts		2,000
Bad debts	700	

**Adjustments:**

- There was a further bad debts ₹ 300.
  - Make a provision for doubtful debts @5%.
  - Create a discount on debtors @ 2%.
33. Mr. Krishna Kulkarni does not keep his books properly. Following information is available from his books. [4]

Particulars	1 <sup>st</sup> April 2022 (₹)	31 <sup>st</sup> March 2023(₹)
Sundry creditors	45,000	33,000
Loan from wife	66,000	57,000
Sundry debtors	22,500	
Land and building	89,600	90,000
Cash in hand	7,500	8,700
Bank overdraft	25,000	
Furniture	1,300	1,300
Stock	34,000	25,000

During the Mr. Krishna sold his private car for ₹ 50,000 and invested this amount into the business. He withdrew from the business ₹ 1,500 per month up to 30<sup>th</sup> September, 2022 and thereafter ₹ 4,500 per month as drawings. You are required to prepare the statement of profit or loss and statement of affairs as on 31<sup>st</sup> March, 2023.

34. The following is the Trial balance of Zoya Steels Ltd. as on 31<sup>st</sup> March 2023. [6]

Name of Accounts	Debit (₹)	Credit (₹)
Cash in hand	1,080	
Cash at bank	5,260	
Purchases and sales	81,350	1,97,560
Returns inward and outwards	1,360	1,000
Wages	20,960	

Fuel and power	9,460	
Carriage on sales	13,400	
Carriage on purchase	4,080	
Opening inventory	11,520	
Building	60,000	
Freehold land	20,000	
Machinery	36,000	
Salaries	33,000	
Patents	12,000	
General expenses	6,000	
Insurance	1,200	
Capital and drawings	10,490	1,42,000
Sundry debtors and creditors	29,000	15,600
<b>Total</b>	<b>3,56,100</b>	<b>3,56,100</b>

You are required to prepare trading account, profit and loss account and balance sheet as on that date after considering the following adjustments:

1. Inventory at the end was ₹ 13,600.
2. Insurance includes a premium of ₹ 170 for the next year.
3. Wages include a sum of ₹ 4,000 spent on the erection of cycle shed for employees.
4. A provision for bad and doubtful debts is to be created @ 5% on sundry debtor.
5. Manager is to be given a commission of 10% on net profits before charging such commission.

**OR**

Following are the balances from the trial balance of Shri Brijesh Mishra on 31<sup>st</sup> March, 2023.

Particulars	(₹)	Particulars	(₹)
Wages	1,20,000	Land and building	10,00,000
Sales	3,75,000	Interest on investments	7,400
Freight on purchase	650	Cash in hand	26,400
Salaries	7,500	Investments	6,00,000
Drawings	6,100	Capital account	13,47,000
Repairs to machinery	1,800	Plant and machinery	1,82,000
Fuel and Power	4,100	X's Loan (Cr.)	18,600
Debtors	16,200	Discount received	500
Postage	1,600	Discount allowed	1,500
Opening stock	6,700	Bank overdraft	3,40,000
Carriage inward	1,000	Bank loan	15,500
Insurance	2,800	Creditor's A/c	40,000
Trade expenses	1,450	Furniture	7,000
Purchases	1,57,200		

Prepare trading and profit and loss account for the year ended 31<sup>st</sup> March, 2023 and Balance sheet as at that date after taking into account the following adjustments:

- (i) Closing stock was valued at ₹ 20,000.
- (ii) Insurance was prepaid ₹ 1,000.
- (iii) Write off ₹ 2,000 as bad debt.
- (iv) Depreciation to be provided on Land and building @5% p.a. and on Plant and machinery @10% p.a.
- (v) Create provision for doubtful debts @ 5% on debtors.
- (vi) Wages include ₹ 4,800 for installation of new machinery.

\*\*\*\*\*THE END\*\*\*\*\*