



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

CLASS: XI

Date: 17/09/2023

MAX. MARKS: 80

TIME: 3 HOURS

General Instructions:

1. This question paper contains 34 questions. All questions are compulsory.
5. Questions 1 to 20 carry 1 mark each.
6. Questions 21 to 26 carry 3 marks each.
7. Questions 27, 28 and 29 carry 4 marks each.
8. Questions 30 to 34 carry 6 marks each.
9. There will be no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 1 questions of six marks.

1. Aakash who trades in electronic goods, gifted a television to his daughter. Will it be recorded in the books of account? What will be the Journal entry? [1]
2. Sold goods to Ashim, of the list price ₹ 40,000 allowing 10% trade discount and 2% cash discount. Ashim paid 40% immediately. Cash discounts allowed to Ashim will be_____ [1]

OR

Devika is running a stationery shop; she purchased books, registers, and notebooks etc., on credit for ₹ 15,000. The transaction is supported by purchase invoice. Identify the qualitative feature of accounting information from the given statement.

3. M/S Bina Ltd., purchases stationery of ₹ 11,000 from M/s Alok & Co. on credit and receives their invoice or bill. This transaction is recorded through [1]
 - (a) Debit Voucher
 - (b) Credit Voucher
 - (c) Cash Voucher
 - (d) Transfer Voucher
4. Identify the wrong statement from the following: [1]
 - (a) The revenue is recognized at the time of sale irrespective of amount is received or not.
 - (b) Companies may create secret reserve by making more provisions for doubtful debts.
 - (c) As per the Historical Cost Principle asset should be recorded in the books at the price at which it is acquired.
 - (d) Trade discount is recorded in the books of accounts.

OR

Is the government in need of accounting information? Why?

5. Match the following [1]

| | |
|--|-----------------------------------|
| 1. Goods taken by proprietor for personal use and paid the amount by cheque. | (a) Not to be recorded in Journal |
| 2. Received an order for ₹ 50,000 for supply of goods. | (b) Rebate |
| 3. Life insurance premium paid by the firm. | (c) Sales |
| 4. Reduction in the sale price due to poor quality of goods. | (d) Drawings |

Choose the correct options:

- (a) 1-d; 2-c; 3-b; 4-a.
 - (b) 1-c; 2-a; 3-d; 4-b
 - (c) 1-b; 2-d; 3-a; 4-c
 - (d) 1-d; 2-c; 3-b; 4-a
6. What is the next step of accounting after Identifying and measuring the financial transactions? [1]
 - (a) Classifying
 - (b) Summarizing
 - (c) Recording
 - (d) Analysis and Interpretation

7. Purchase of office equipment for cash would cause [1]
 (a) Cash in hand to decrease (b) External liability to decrease
 (a) Total liabilities to increase (d) Total assets to increase.
8. ' Depreciation charged on Furniture @ 20%', which accounting voucher will be prepared for it? [1]
OR
 You are given a number of accounts below. State which of them will show a debit balance and credit balance.
 1) Discount allowed 2) Furniture 3) Ram (Customer) 4) Purchases returns
9. Debt written off as bad debt, if recovered subsequently, credited to the Debtor's Account. Is it correct? [1]
 Give reasons.
OR
 What do you mean by Contra Entry? Give examples.
10. Read the following statements – Assertion (A) and Reason (R). Choose one of the correct [1]
alternatives
Assertion (A): outstanding expenses must be added to particular expenses to know exact position.
Reason (R): All costs which are applicable to revenue of the period should be charged against the revenue.
Alternatives:
 (a) Both (A) and (R) are true, and (R) is the correct explanation of (A).
 (b) Both (A) and (R) are true, and (R) is not the correct explanation of (A).
 (c) Assertion (A) is true but reasons (R) is false.
 (d) Assertion (A) is false but Reason (R) is true.
11. As per the Modern Classification of Accounts, salary paid in advance is _____ Account. [1]
OR
 Is the balance of petty cash book an asset or income? Give reason.
12. Madhav, an employee of Robosoft Electronics, deposited in the bank ₹ 50,000 as the previous day's sale [1]
 held overnight in the firm's safe. He has recorded in the Cash Book as follows. In the bank column on
 payment side; and in the cash column on receipt side. Has he passed the entry correctly? Give the reason.
13. Dr. Santhosh Kumar, a homeopath doctor in practice has been advised by his Accountant to maintain his [1]
 accounts on Accruals Basis instead of the presently followed Cash Basis of Accounting. Do you agree with
 the advice of the Accountant? Give reasons.
14. The following appear in the books of Ram & Co [1]
 Cash- ₹ 20,000; Machinery- ₹ 50,000; Stock: ₹ 1,00,000; Debtors- ₹ 40,000 and Creditors- ₹ 30,000.
 The value of capital will be:
 (a) ₹ 2,10,000 (b) ₹ 1,80,000
 (c) ₹ 1,00,000 (d) ₹ 1,60,000
- OR**
 Journalize the following transactions in the books of Saurabh:
 Received ₹ 15,000 from insurance company against a claim ₹ 22,000 for loss by fire.
15. If the seller receives back the goods sold i.e., in case of sales return, which of the following is prepared: [1]
 (a) Credit Note (b) Debit Note
 (c) Invoice or Bill (d) Cash Memo
16. A firm earns a revenue of ₹ 27,000 and the expenses to earn this revenue are ₹ 13,000. Calculate its [1]
 income.
OR
 The management of a firm is remarkably incompetent, but the firms' accountants cannot take this into
 account while preparing book of account because of _____ concept.
17. What do you mean by accounting standards? [1]

Read the following hypothetical situation and answer Q.No. 18 and 19.

Virat dealing in electronic goods sold 20 TV sets costing ₹ 30,000 each at ₹ 40,000 each. Out of this ₹ 5,00,000 were received in cash and the balance is not yet received. State the answer of following.

Amount of Revenue:

18. (a) ₹ 5,00,000 (b) ₹ 6,00,000 [1]
(c) ₹ 8,00,000 (d) ₹ 7,00,000

19. Amount of Debtor: [1]
(a) ₹ 2,00,000 (b) ₹ 3,00,000
(c) ₹ 4,00,000 (d) ₹ 7,00,000

20. Which of the following is not a business transaction? [1]
(a) Bought furniture of ₹ 10,000 for business.
(b) Paid for salaries of employees' ₹ 15,000.
(c) Paid sons fees from her saving bank account ₹ 20,000.
(d) Paid sons fees from the business ₹ 2,000.

21. Mohan, a legal consultant, during the financial year 2022-23 earned ₹ 5,00,000. Out of which he received ₹ 3,25,000 in cash. He incurred an expenses of ₹ 2,10,000, out of which ₹ 50,000 are outstanding. He also received consultancy fee relating to previous year ₹ 40,000 and also paid ₹ 22,000 expenses of last year. [3]

You are require to determine his income for the year if,

- i. He follows Cash Basis of Accounting.
ii. He follows Accrual Basis of Accounting.

22. Differentiate between Trade Discount and Cash Discount. (Any 3 differences) [3]

OR

Classify the following accounts into Asset, Liability, Revenue and expense.

a) Plant and machinery b) bad debts c) Depreciation d) bank overdraft e) Creditors f) Goodwill

23. Prepare the accounting vouchers for the following transactions. [3]
i. Sold shirts to Sheetal Pai vide Bill No. 31.
ii. Withdrew for personal use by cheque No. 5107.

24. On 1st April, 2023 the position of Bhushan Agencies., Jaipur was as follows: [3]
Cash in Hand ₹ 6,000, Cash at Bank ₹ 26,400, Stock of Finished Goods ₹ 7,500, Machinery ₹ 60,000, Furniture ₹ 25,000, Nihal ₹ 22,000 (Debtor), Ashish ₹ 30,000 (Debtor), Loan ₹ 40,000, Bhargav ₹ 7,500 (Creditor).

Pass the Opening Journal entry.

OR

Open a "T" shape account of creditor, Shekhar, and write the transactions on the proper side:

- | | |
|---|--------|
| (i) Goods purchased from Shekhar on credit | 65,000 |
| (ii) Goods returned to Shekhar | 5,000 |
| (iii) Paid to Shekhar | 25,000 |
| (iv) Purchased goods from Shekhar on credit | 10,000 |

25. Give an example for each of the following transactions. [3]
(i) Increase in one asset and decrease in another asset.
(ii) Increase in one asset and increase in liability.
(iii) Increase in asset and increase in owner's capital.

26. Explain the following terms with examples : [3]
(i) Goods (ii) Creditor (iii) Drawings

27. (a) Calculate the External Liabilities as on 31st March, 2023, On 1st April 2022, Aftab started business [4]
with a capital of ₹ 2,50,000 and a loan of ₹ 50,000; borrowed from a friend. During 2022-23, he earned profit of ₹ 50,000. On 31st March, 2023, the total assets were ₹ 7,00,000.

(b) On 1st April, 2022, Tejas commenced his cloth business with a capital ₹ 50,000. On 31st March, 2023 his assets were ₹ 75,000 and liabilities were ₹ 20,000. Find out his closing capital and profits earned during the year.

28. Analyze the following transactions, state the nature of accounts and state which account will be debited and which account will be credited on the basis of Modern Classification of Accounts: (₹) [4]
- | | |
|---|-----------|
| 1. Devender started business with cash | 5,00,000. |
| 2. Borrowed from Shyam | 1,00,000 |
| 3. Purchased furniture from Modern Furniture Mart | 50,000 |
| 4. Sold goods for cash to Dinesh | 30,000 |
| 5. Paid to creditor Anand by cheque | 45,000 |
| 6. Paid interest on loan | 5,000 |

OR

Journalise the following transactions in the books of Ajantha Traders.

- a. Purchased goods from on cash of the list price of ₹ 50, 000 at 15% trade discount and 2% cash discount.
- b. Sold goods to Meher ₹ 1, 00,000 and received ₹ 98, 000 in full settlement of his account.
- c. Goods ₹ 10, 000 destroyed by fire.
- d. Charge interest on capital of ₹ 5, 00,000 @ 7% p.a.
- e. Provide depreciation for plant and machinery costing ₹ 1, 00,000 @ 12% for 8 months.
29. Mithali maintains a columnar Petty Cash Book on the Imprest System. The imprest amount is ₹ 7,500. From the following information, show how his Petty Cash Book would appear for the month of February, 2023. [4]

| | | ₹ |
|-------------|--|-------|
| February 1 | Balance in Hand | 2,550 |
| | Received cash reimbursement to make up the imprest | |
| February 3 | Postage stamps purchased | 550 |
| February 6 | Bus fair to send office employees to workshop | 1,000 |
| February 12 | Wages paid to casual labourers | 1,400 |
| February 17 | Sent documents to Head Office by registered post | 300 |
| February 21 | Paid Telephone bill | 800 |
| February 24 | Refreshment to customers | 1,000 |
| February 27 | Paid Metro fare | 600 |

30. Prepare Cash Book with Bank column of Sunshine Technologies Pune., from the following transactions: [6]
- 2023
- April 1 cash in hand ₹ 50,000
- Bank overdraft ₹ 35,000
- April 3 Capital introduced ₹ 20,000 out of which ₹ 15,000 is by cheque and is deposited in the bank.
- April 4 Purchased goods from Ram Lal for ₹ 4,000 less trade discount ₹ 250 against cheque.
- April 7 Settled the account of Modern Computers of ₹ 1000 by paying cash ₹ 800.
- April 12 Goods sold to Mohan ₹ 5,000.
- April 16 Withdrawn from bank ₹ 4,000.
- April 18 Received a cheque for ₹ 4,500 from Nithesh endorsed to Tarun.
- April 20 Received a cheque from Mohan and allowed him discount of ₹ 300.
- April 24 Cheque received from Mohan deposited into Bank.
- April 26 Withdrew from bank for personal expenses ₹ 1,000 and for income tax ₹ 1,000.
- April 28 Sold old Furniture and payment received in cash ₹ 2,000.
- April 30 Bank charges ₹ 500.
- April 30 Deposited with bank after retaining ₹ 5,000 at office.

31. (a) Bina Watch Co. purchased goods worth ₹ 25 Lakh and sold $\frac{3}{4}$ th of such goods during the year 2018- 19, the market price of the remaining goods was ₹ 3.5 lakh on 31st March, 2019. The Balance sheet of the company shows the closing stock of goods at ₹ 5 lakh. Explain the accounting principle which has been violated. [6]
 (b) Briefly explain the concept of Revenue Recognition with examples.
 (c) Which accounting principles require that personal expenses of proprietor or partners should be debited to drawings account? Explain the principle.

OR

- (a) Differentiate between Accrual basis of Accounting and Cash Basis of Accounting.
 (b) As per which accounting concept (principle) distinction is made between capital expenditure and revenue expenditure? Explain the concept.

32. Pass the Journal entries for the following transactions of Rakesh Sharma. [6]

Date: 2022

Transactions

April 1: Rakesh the proprietor of the business invested ₹ 1,00,000 cash and furniture of ₹ 50,000.

April 4: Opened a bank account by depositing ₹ 50,000.

April 6: Bought machinery from Mukesh ₹ 50,000. Paid carriage ₹ 1,000 and installation charges ₹ 2,000 in cash.

April 8: Sold goods for cash of the list price of ₹ 8,000 at 10% discount and 3% cash discount.

April 10: Goods stolen by employees of ₹ 1,000 (sales price ₹ 1,200).

April 12: Wages due but not paid ₹ 1,000

April 17: Paid to landlord ₹ 3,000 for rent. One-third of the premises are occupied by the proprietor for his own residence.

April 18: Due from Manohar ₹ 30,000. Manohar becomes insolvent, a final settlement of 60% received from him.

April 20: Issued a cheque as an advance for purchase of residential house for self ₹ 1,00,000.

April 25: Bought goods from Manav of List Price ₹ 30,000 less 30% trade discount.

April 30: Sold house hold furniture for ₹ 25,000. The proceeds were invested into business.

33. Prepare the Accounting Equation for the following transactions: [6]

(a) Started business with cash ₹ 50,000: goods ₹ 30,000 and Machinery ₹ 25,000

(b) Purchased goods from Sanjana on credit ₹ 20,000.

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

(d) Withdraw for personal use goods costing ₹ 5,000 and cash ₹ 2,300.

(e) Purchased computer for office use for cash ₹ 30,000.

(f) Salary outstanding ₹ 5, 000.

(g) Goods destroyed by fire ₹ 500.

(h) Paid to Sanjana ₹ 19,000 in full settlement of her account.

(i) Purchased goods from Pavan on credit ₹ 40,000.

(j) Half of the above goods sold to Jeevan at a profit of 20%. Half of which received in cash.

34. Record the following transactions in the ledger accounts of a) Sameer account b) Poonam account and c) sales account d) Cash account [6]

| | | (₹) |
|----------|--|----------|
| April 1 | Raghavendra started business with cash | 5,00,000 |
| April 3 | Bought goods for cash | 20,000 |
| April 5 | Sold goods to Sameer on credit | 15,000 |
| April 7 | Purchased goods from Poonam | 50,000 |
| April 10 | Returned goods to Poonam | 5,000 |
| April 11 | Goods sold at 10% trade discount | 1,00,000 |
| April 15 | Received from Sameer in full settlement of his account | 13,500 |
| April 18 | Cash Sales | 24,500 |
| April 25 | Poonam Account settled by cheque | ? |