



INDIAN SCHOOL SOHAR
UNIT TEST I (2023-24)
ACCOUNTANCY (055) SET-1

CLASS: XI

Date: 21/05/2023

MAX. MARKS: 20

TIME: 40 MINUTES

General Instructions:

- This question paper contains 8 questions. All questions are compulsory.
- There is no overall choice. However, an internal choice has been provided for three marks and four marks.

1. "Cost of a calculator for ₹ 500 is charged to Revenue and not treated as an asset, although its useful life is extended to more than one year." Which accounting concept is being followed? 1
 - (a) Cost
 - (b) Objectivity
 - (c) Prudence
 - (d) Materiality
2. State any two objectives of Accounting Standards. 1
3. Arun and Varun are two partners of a firm. Firm receives an order for goods and received advance of ₹ 25,000. Varun wants to include it in the sales figure but Arun oppose it. How should the issued be settled? State the accounting treatment. 1
4. Read the following statements: Assertion and Reason. Choose the correct alternative. 1

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.
5. Mr. Mahapatra started a business for buying and selling of stationery with ₹ 5,00,000 as an initial investment. Of which he paid ₹ 50,000 for furniture, ₹ 50,000 for computer and printer and ₹ 2,00,000 for buying stationery items. He employed a sales person and clerk. At the end of the month he paid ₹ 5,000 as their salaries. Out of the stationery bought he sold some stationery for ₹ 1,50,000 for cash and some other stationery for ₹ 1,00,000 on credit basis to Mr. Ravi. Subsequently he bought stationery items of ₹ 1,50,000 from Mr. Roshan. In the first week of July there was a fire accident and he lost ₹ 30,000 worth of stationery. From the above information, answer the following: 3
 - (a) What are the fixed assets he bought?
 - (b) Who is the debtor? What is the amount receivable from him?
 - (c) What is the total amount of expenses and losses?

Or

Shifali is a talented fashion designer and has created her own fashion label 'Fashion Fiesta'. She had ₹ 20,00,000 in her savings account and decided to launch her label. She thought that her funds were insufficient and she borrowed ₹ 5,00,000 from her brother and took a loan of ₹ 10,00,000 from HDFC Bank. She rented a shop in 'Sadar Bazar' and spent ₹ 4,50,000 in furnishing it. She bought dress materials and other consumables from Rohan for ₹ 7,50,000 paid 30% amount immediately. She had ₹ 5,00,000 surplus funds and purchased the shares of Infosys Ltd., with the surplus funds. And received the dividend from the shares of Infosys Ltd. The books are closed on 31st March each year. Mall maintenance expenses were ₹ 25,000 of which ₹ 15,000 paid immediately.

Calculate the following from the above information:

- (i) Creditors
- (ii) Investment
- (iii) Outstanding Expenses

6. Describe the role of accounting in the modern world. 3

7. Explain the following terms with examples: 4

- (a) Liability (b) Stock (c) Deferred Revenue Expenditure (d) Capital

Or

Define Book Keeping. Distinguish between book keeping and accounting on the basis of (a) Scope (b) Objective (c) Performance.

8. Answer the following questions:

- (i) Bharat Industries purchased goods worth ₹ 20 Lakh and sold 3/4th of such goods during year 2022-23. The market price of the remaining goods was ₹ 3.5 Lakh on 31st March 2023. The Balance Sheet of the company shows the closing stock of goods at ₹ 5 Lakh. Identify and explain the accounting principle which has been violated. 2
+
2
+
- (ii) Financial statements of the firm are prepared every year on 31st March. Identify the accounting concept or assumption involved in the statement and explain the concept or assumption. 2
- (iii) Gopinath, the proprietor of M/s G.K & Co. purchased a Motor Vehicle for his personal use. The payment was made from the bank account of business. The accountant debited the Drawings Account whereas Gopinath should be debited to Motor Vehicle Account. In your view who is correct and why?



INDIAN SCHOOL SOHAR
UNIT TEST I (2023-24)
ACCOUNTANCY (055) SET-2

CLASS: XI

Date: 21/05/2023

MAX. MARKS: 20

TIME: 40 MINUTES

General Instructions:

- This question paper contains 8 questions. All questions are compulsory.
- There is no overall choice. However, an internal choice has been provided for three marks and four marks.

1. Sale is recognized on the basis of cash memo or invoice. Which accounting concept is being followed? 1
- (b) Cost (b) Objectivity
 (c) Prudence (d) Materiality
2. 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
3. State any two advantages of double entry system of book keeping. 1
4. "Personal transactions of the owners 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
5. Sheetal is a talented fashion designer and has created her own fashion label 'Fashion Fiesta'. She had ₹ 30,00,000 in her savings account and decided to launch her label. She thought that her funds were insufficient and she borrowed ₹ 15,00,000 from her brother and took a loan of ₹ 5,00,000 from HDFC Bank. She rented a shop in 'City Bazar' and spent ₹ 4,50,000 in furnishing it. She bought dress materials and other consumables from 'Angel Fashions' for ₹ 5,00,000 paid 30% amount immediately. Mall maintenance expenses were ₹ 30,000 of which ₹ 15,000 paid immediately. She had ₹ 3,00,000 surplus funds and purchased the shares of Infosys Ltd., with the surplus funds. And received the dividend from the shares of Infosys Ltd. The books are closed on 31st March every year. Calculate the following from the above information: 3
- (iv) Creditors
 (v) Lenders
 (vi) Outstanding Expenses
6. Accounting provides information about the profitability and financial soundness of a concern. In addition, it provides various other valuable information also. However accounting has certain limitations. Explain any three of such limitations. 3

Or

Define Accountancy. What are the attributes of accounting? (Write any 4 points).

7. Explain the following terms with examples: 4
(a) Expenses (b) Goods (c) Capital Expenditure (d) Drawings
Or

Define Accounting Information. Describe the informational needs of external users.

8. Answer the following questions: 2+
(i) Ramesh Printers purchased a printing machine for ₹ 37 lakh on 1st April 2022. The market price of the machine on 31st March 2023 was ₹ 42 lakh. The company values the machine at ₹ 42 lakh while 2+
preparing its Balance Sheet. Identify and explain which accounting principle does the firm violate? 2
(ii) The directors of M/s RSM & Co. are interested to adopt Written Down Value (WDV) method of charging depreciation in place of Straight Line Method (SLM) in the current accounting period to show higher profit. Identify and explain which accounting principle is not followed?
(iii) "Cost of a calculator for ₹ 500 is charged to Revenue and not treated as an asset, although its useful life is extended to more than one year." Identify the accounting concept or assumption involved in the statement and explain the concept or assumption.
