Practice Paper 1

class 11

Subject Accountancy

MM 90 Time 3 hrs

1. Which item show a debit balance in trial Balance?

(a) Purchase (b) Outstanding Salary (c) Prepaid expense (d) Sales

2. Is it correct that a debit balance always Signifies a balance in asset account?

3. Periodic total of sales return journal is posted to

(a) Sales Account (b) Sales return Account (c) Goods Account

(d) None of these

4. What is an opening entry? (1x4)

5. What do you mean by accounting standards? State any two objectives of IASB? (3)

6. Give any three limitations of accounting. (3)

7. Define the following terms in accounting

(i) Capital (ii) Voucher (iii) Loss (3)

8. From the following particulars, ascertain the bank balance as per the pass book as on 31st March, 20013

(i) Bank balance as per the cash book on 31st March, 2013 Rs. 4,00,000.

(ii) Cheques issued but not encashed up to 31st March, 20013 amounted to Rs. 1,00,000.

(iii) Cheques paid the bank but not cleared up to 31st March, 2013 amounted to Rs. 1,50,000.

(iv) Interest on investments collected by the bank but not entered in the cash book Rs. 5,000.

(v) Cheques deposited in the bank but not entered in the cash book

Rs. 1,25,0000.

(vi) Bank charges debited in the pass book but not entered in the cash book Rs.1,000. (3)

9. Prepare the cash book with bank column of Nisha from the following transactions

2013 Amt (Rs.)

Jan 1 Cash in hand 22,00,000

Cash at bank 6,00,000

Jan 3 Deposited in bank 8,00,000

Jan 4 Goods purchased and issued a cheque for the same 3,40,000

Jan 7 Cash purchases 1,60,000

Jan 8 Paid commission by cheque 1,20,000

Jan 9 Withdrew from bank of private use 25,000

Jan 12 Received from X in full settlement of his account Rs 60,000, half of the amount was deposited into bank on the same day 1,40,000

Jan 16 Interest collected by bank 4,20,000

Jan 20 Cash sales 4,00,000

Jan 22 Salaries paid 3,60,000 Jan 23 Received cheque from Z &

Co after discount of Rs. 3,000 3,57,000

Jan 26 Deposited the cheque received from Z & Co into Bank (4)

10 Rectify the following errors

(i) Credit sales to G Rs. 10,000 were recorded in purchases book.

(ii) Credit sales to G Rs. 10,000 were recorded in purchases book. However, G's account was correctly debited.

(iii) Credit purchases from M 15,000 were recorded in sales book.

(iv) Credit purchases from M Rs. 15,000 were recorded in sales book. However, M's account was correctly credited. (4)

11. Journalise the following transactions

(i) A vehicle, bought earlier for Rs 10,000 met with an accident resulting in complete loss. Its salvage was sold for Rs. 500.

(ii) Paid to Mohan Bros by cheque Rs. 6,700 discount allowed by him

Rs. 300.

(iii) Bought goods from Sohan lal & Sons Rs. 400 paid cartage on these goods Rs. 50

(iv) Paid Rs. 1,78,000 to Vijay, in full settlement of Rs. 1,80,000 due to him by cheque. (4)

12. Show an accounting equation on the basis of the following transactions

(i) Sonu commenced business with cash Rs. 15,00,000 goods Rs. 6,00,000 machinery Rs. 10,00,000 and furniture Rs 5,00,000.

(ii) 1/3rd of the above goods sold at a profit of 10% on cost and half of the payment is received in cash.

(iii) Depreciation on machinery provided @ 10%.

(iv) Cash withdrawn for personal use Rs. 1,00,000.

(v) Interest on drawings charged @ 5%.

(vi) Goods sold to Monu for Rs. 1,00,000 and received a bill receivable for the same amount for 3 months.

(vii) Received Rs. 1,00,000 from Monu against the bills receivable on its maturity. (4)

13. The following balance appear in the books of Vihan Ltd

Machinery account as on 1st April, 2013 = Rs. 1,60,000

Provision for depreciation as on 1st April, 2013 = Rs. 62,00,000

on 1st July, 2013 a machinery which was purchased on 1st April, 2010 for Rs. 24,00,000 was sold for Rs. 10,00,000 and on the same date another machinery was purchased for Rs. 6,40,000. The firm charges depreciation @ 15% per annum on original cost method and closes its books on 31st March every year.

Prepare the machinery account and provision for depreciation account for the year 2013-2014.

Also, Pass the journal entries for the sale of machinery. (6)

14. On 1st Jan ,2013 Z sold goods to W for rs. 50000 and on the same date drew upon him a bill at 3 montrhs for the amount . W accepted the bill and returned it to Z. On 4th jan 2013, Z discounted the bill with his bank at rs. 49000. on the due date the bill was dishonoured and bank paid 1000 as noting charges. pass entried in the both books. (6)

15. Explain the following

(i) Business entity principle

(ii) Money measurement concept

(iii) Identify the value involved in adopting the principle of conservatism. (6)

Part B **Financial Accounting-II**

16 Name the Software, which creates and control a connection between a computer and server. (1)

17 Income and expenditure account shows

(a) Surplus or deficit (b) closing capital

(c) Cash in hand (d) Opening capital(1)

18 Give any three advantages, a computerised accounting system offers as compared to manual accounting.(3)

19 Give any three points of distinction between capital expenditure and revenue expenditure.(3)

20 On 1st January, 2013 Ram started business with a capital of Rs. 50,00,000. He kept his books on single entry basis. Soon after, he purchased furniture for Rs. 4,00,000 and purchased goods for Rs. 30,00,000. During the year he borrowed Rs. 10,00,000 from his brother and introduced further capital of his own amounting to Rs. 8,00,000.

On 31st December, 2013 there were sundry debtors amounting to Rs. 22,00,000 and creditors amounted to Rs. 14,00,000. Stock was valued at Rs. 45,00,000. Cash in hand Rs. 1,54,000 and bank overdraft Rs. 4,00,000 During the year, withdrew Rs 20,000 per week his family expenses. You are informed that included in sundry debtors is an irrecoverable amount of Rs. 50,000. He also took goods from the business for his personal use amounting to Rs. 4,000.

You are required to calculate his profit or loss during the year. (4)

21 The main limitations of computerised accounting system emerges out of the environment in which it is made to operate. In the light of this statement give any six such limitations. (6)

22 (i) On the basis of the following information, calculate the amount to be debited to stationery account in the income and expenditure account for the year ended 31st March, 2013.

Amt (Rs.)

Stock of stationery on 1st April, 2012 30,000

Creditors for stationery on 1st April, 2012 20,000

Amount paid for stationery during 2012-13 1,08,000

Stock of stationery on 31st March, 2013 5,000

Creditors for stationery on 31st March, 2013 13,000

**Not :** Also, show the above items in the income and expenditure account for the year ended 31st March, 2013 and in the balance sheet as at that date.

(ii) Distinguish between income and expenditure account on the basis of nature of items therein. (6)

23 (i) A summary of receipts and payments of Medical Aid Society for year ended 31st March, 2013 is given below

Receipts and Payments Account

for the year ended, 31 March, 2013

Receipts Amt (Rs.) Payments Am(Rs.)

To cash in hand 7,00,000 By Payment for medicines 30,00,000

To Subscriptions 50,00,000 By Honorarium to doctors 10,00,000

To Donations 14,50,000 By Salaries 27,50,000

To Interest on investment

@ 7% per annum 7,00,000 By Sundry expenses 50,000

To Charity show proceeds 10,00,000 By Equipments purchased 15,00,000

By Charity Show expenses 1,00,000

By Cash in hand 4,00,000

88,50,000 88,50,000

Donations are to be capitalised.

Additional Information

1st April, 31st March, 1st April, 31st March,

2012 2013 2012 2013

Amt(Rs.) Amt(Rs.) Amt(Rs.) Amt(Rs.) Subscriptions due 50,000 1,00,000 Amount due to 8,00,000 12,00,000

Medicine suppliers

Subscriptions Received 1,00,000 50,000 Value of equipments 21,00,000 30,00,000

in advance

Stock of medicines 10,00,000 15,00,000 Value of building 40,00,000 38,00,000

You are required to prepare the income and expenditure for the year ended 31st March, 2010

(ii) Income and expenditure account is the profit and loss account of a non-trading concern. Explain briefly. (8)

24 From the following trial balance of Kartik, prepare a trading and profit and loss account for the year ended on 31st March, 2013 and a balance sheet as on that date.

Name of Accounts Debit Name of Accounts credit

Balance(Rs) Balance (Rs)

Materials Consumed 15,00,000 Kartik's Capital A/C 18,00,000

Carriage 82,000 Sales 24,00,000

Wages 3,61,000 Loan from Ram @ 12%

(Taken on 1st July, 2012) 1,00,000

power and fuel 54,000 Bank 82,000

Trade expenses 1,45,000 Outstanding wages 34,000

Bad debts 18,000 Trade expenses accrued but

not paid 20,000

Returns 50,000 Discount 6,000

Fire insurance 30,000 Creditors 1,24,000

Rates and taxes 52,000 Apprentice premium 45,000

Cash in hand 16,000 Bills payable 37,000

Stock on 31st March, 2013 4,65,000 Provision for doubtful debts 76,000

Plant and machinery 8,00,000

Furniture 1,80,000

Loose tools 1,60,000

Interest on Ram's Loan 6,000

Debtors 5,40,000

Salaries 2,00,000

Bank charges 3,000

Coal, gas and water 22,000

Bills receivable 40,000

47,24,000 47,24,000

Adjustments

(i) Carry forward the following unexpired amounts

(a) Fire insurance Rs. 5,000

(b) Rates and taxes Rs 12,000

(c)Apprentice premium Rs 15,000

(ii) Wages include Rs. 50,000 spent on installation of a new machine on 1st April, 2012.

(iii) Depreciation is to be charged on plant and machinery @10% and furniture @ 20 % . Loose tools are revalued @ Rs. 1,20,000

(iv) Make a pro0vision of Rs. 40,000 for doubtful debts on debtors.

(v) Accrued income Rs. 23,000 (8)

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