**Practice Paper 2**

**Subject Accountancy**

Class XI

Time : 3 hrs Marks: 90

General Instruction

This Question Paper contains two part A and B.

All question are compulsory.

Answer the question after carefully reading the text.

All parts of question should be attempted at one place.

**Part A Financial Accounting-I**

1. Why is the evidence provided by source documents important to accounting?
2. The book in which all accounts are maintained is known as
3. Cash book (b) Journal (c ) Purchase book (d) ledge
4. A trial balance shows
5. Credit balance (b) Debit balance only

(c) Both debit and credit balance (d) Either debit or credit balance

1. Raj, a dealer in furniture received advance against sales of tables and chairs, he treated the advance as sales, Identify the value not followed. State the correct treatment.  **(1x4)**
2. Accounting performs a number of function. Give any three such functions. **(3)**
3. From the following prepare bank reconciliation statement on 31st March, 2013. The cheques from X Rs. 25,000, Y Rs. 30,000 and Z Rs. 24,000 were deposited into account in March, 2013 but were credited by the bank in April, 2013 but were credited by the bank in April, 2013.

The cheque issued to W Rs. 30,000, P Rs. 50,000 and Q Rs. 30,000 in March, 2013 were presented for payment in April 2013.

A Cheque for Rs. 10,000 which was received from a customer was entered in the bank column of the cash book in March, 2013 but the same was paid into bank in April, 2013. The bass book shows a credit of Rs. 25,000 for interest and a debit of Rs. 5,000 for bank charge. The balance (Debit) as per the cash book was Rs. 18,00,000 whereas the pass book showed a credit balance of Rs. 18,41,000. (3)

1. Give any three points of distinction between accrual cash basis of accounting.  **(3)**
2. Briefly discuss the system of accounting which does not record tow fold effect of transaction? **(3)**
3. Show the accounting equation on the basic of the following transactions
4. Started business with cash Rs. 6,00,000 and good Rs. 3,00,000.
5. Purchased good for cash Rs. 4,00,000 and on credit Rs. 2,50,000.
6. Good Costing Rs. 4,80,000 sold at a profit of 33 % Three –Fourth payment received in cash.
7. Paid rent Rs. 2,00,000 sold at a loss loss of 5% out of which Rs. 1,20,000 received in cash.
8. Paid rent Rs. 40,000 and salary Rs. 60,000.
9. Received cash from debtors Rs. 1,50,000.
10. Paid telephone bill amounting to Rs. 8,000.**(4)**
11. Rectify the following errors
12. Good returned to W Rs. 8,000 were recorded in sales return book.
13. Goods returned to W Rs. 8,000 were recorded in sale return book. However, Ws account was correctly debited.
14. Good returned from X Rs. 12,000 were recorded in purchase return book.
15. Good returned from X Rs. 12,000 were recorded in purchase return book. However, X’s account was corrected. **(4)**
16. Prepare returns inward and returns outward books from the following transactions.

2013.

Dec 1 XYZ Bros, Meerut returned

5 Pairs of shoes for being defective @ 500 per pair

(-) Trade discount 10%

Dec 5 Returned to WXY Pvt. Ltd. Delhi

100 pairs of chappals being not up to the approved sample @ 150 per pair (-) Trade discount 15%

Dec 12 PQR Shop Company, Meerut returned 12 pairs of ladies chappals @ 200 Per pair (-) Trade discount 10%

Dec 20 Returned to Liberty shoes Pvt. Ltd. Punjab

100 Pairs Canvas shoes @175 per pair

(-) Trade discount 15%

Dec 24 MNO Bros, Surat returned 10 pairs sandals @ 250 per pair(4)(4)

1. Record the following transactions in a suitable cash book and find out the cash and bank balances

2013 Amt (Rs.)

Mar 1 Cash in hand 5,00,000

Mar 1 Bank overdraft 1,00,000

Mar 2 Paid wages 1,50,000

Mar 3 Deposited into bank 2,00,000

Mar 4 Cash sales 7,50,000

Mar 5 Sold goods for cheque which was deposited

in the same day 5,00,000

Mar 6 Purchased goods from Babu on credit 4,00,000

Mar 7 Draw from bank for personal use 1,00,000

Mar 8 Paid to Babu account, discount received

Rs. 15,000 3,50,000

Mar 9 Received from Golu, who owes Rs 2,10,000,

Rs 2,00,000 only account in full settlement(4)

1. A joint stock company has bought machinery for Rs. 1,00,000 including a boiler worth Rs. 10,000. This machinery account was for the first four years credited for depreciation on the reducing instalment system at the rate of 10% per annum during the fifth year, i.e., the current year, the which amount is credited to the machinery account.

Prepare the machinery account for the current year, adjusting there in the cash received and the loss suffered on the damaged boiler and the depreciation of the machinery for the current year.(6)

14. Z and Y were in need of funds temporarily. On 1st January, 2013, Z drew upon Y a bill for Rs. 4,000 for 3 month. Y returned it duly accepted and Z got it discounted at 18% per annum. Half the proceeds were remitted to Y. on the due date, Z sent the required sum to Y who the bill. Journalise the transactions in the books of both the parties.(6)

15. (i) How does matching principle apply to depreciation?

(ii) Explain briefly the accounting period principle?(6)

Part B **Financial Accounting-II**

16. The nature of receipts and payments account in a non-profit organisations is

(a) real (b) nominal (C) personal (d) None of these(1)

17. State any two essential features report.(1)

18. Inspite of many capabilities a computer suffers from various limitations. Give any three such Limitations.(3)

19. (i) Explain the term deferred revenue expenditure with the help of an example.

(ii) Under which approach, assets which are liquid are presented first in the balance sheet?(3)

20. Following incomplete information is available from records maintained by Raja Mani.

|  |  |  |
| --- | --- | --- |
| Items | 1st April, 2012 Rs. | 31st March, 2013 Rs. |
| Cash  Bank  Debtors  Stock  Machinery  Creditors  Bank Loan | 1,00,000  8,00,000  10,00,000  7,00,000  20,00,000  11,00,000  12,00,000 | 1,500,000  10,00,000  12,00,000  6,00,000  20,00,000  10,00,000  12,00,000 |

During the year Raja Mani introduced in the business the amount realised on sale Rs. 10,00,000 investment at the premium of 5%. Personal expenses of Raja Mani paid from business account amounted to Rs. 1,25,000 per month. Prepare a statement to calculate profit (or Loss) during the year.(4)

21. (i) What are the various steps involved in designing accounting reports?

(ii) Give any who basic requirement required for the use of computers in any database oriented application.(6)

22. (i) From the following information of a club show the amounts of match expenses and match fund in the financial statements of the club for the year ended on 31st March, 2012 and 31st March, 2013.

|  |  |
| --- | --- |
| Particulars | Amt. (Rs) |
| Match expenses (paid during the year, 2012-2013)  Match fund (as on 31st March, 2012)  Donation for Match fund (received during the year , 2012-2013)  Proceeds from sale of match tickets (received during the year, 2012-2013) | 60,00,000  34,00,000  18,00,000  6,00,000 |

(ii) Briefly explain the two financial statements required to be prepared by non- profit organisations. (6)

23. Prepare income and expenditure account and balance sheet from the following receipts and payments account and the balance sheet.

Receipts and Payments Account

Dr. For the year ended, 2013 Cr.

|  |  |  |  |
| --- | --- | --- | --- |
| Receipts | Amt. (Rs.) | Payments | Amt (Rs.) |
| To Balance (1st January, 2013  Subscriptions  2012  2013  2014  To Entrance fees  To Locker rent  To Miscellaneous | 10,00,000  20,000  2,10,000  15,000  80,000  70,000  4,00,000 | By Expenses 2012  2013  By Land  By Interest  By Miscellaneous expenses  By Balance (31st December,2013 | 1,20,000  2,00,000  4,00,000  40,000  2,00,000  8,35,000 |
| 17,95,000 | 17,95,000 |

Balance Sheet

as at 31st December, 2013

|  |  |  |  |
| --- | --- | --- | --- |
| Liabilities | Amt (RS.) | Assets | Amt(Rs) |
| Capital fund  Subscriptions received in advance  Outstanding expenses  Loan | 33,62,000  60,000  1,40,000  5,00,000 | Buildings  Outstanding subscription  Outstanding locker's rent  Cash | 30,00,000  38,000  24,000  10,00,000 | | |
| 40,62,000 | 40,62,000 | |

(8)

24. Prepare the final accounts from the following trial balance for the year ended

31st March, 2013.

|  |  |  |  |
| --- | --- | --- | --- |
| Name of accounts | Debit Balance (Rs.) | Name of accounts | Credit Balance (Rs) |
| Drawings  Purchases  Carriage inward  Wages  Power  Depreciation on machinery  Advertisement development  Plant and machinery  Goodwill  Agent's samples  Opening stock  Debtors  Cash at bank  Cash in hand  Salaries  General expenses  Prepaid expenses  Salary to agent  Rent and insurance  Discount allowed  Sales return  Commission to agent | 85,000  28,00,000  40,000  3,00,000  1,10,000  20,000  1,50,000  7,00,000  1,80,000  60,000  3,50,000  2,62,000  1,60,000  1,98,000  5,00,000  1,70,000  9,000  2,10,000  2,30,000  70,000  29,000  32,000 | Capital  Creditors  Outstanding expenses  Rent received  Purchase return  Sales  Provision for bad debts  Discount received | 15,00,000  4,50,000  90,000  20,000  1,50,000  44,00,000  20,000  35,000 |
| 66,65,000 | 66,65,000 |

**Adjustment**

(i) Closing stock was valued at Rs. 5,00,000 goods costing Rs. 50,000 was destroyed by fire. The insurance company admitted a claim for Rs. 30,000 only.

(ii) Depreciate agents samples by 25%.

(iii) Write-off advertisement development by 30%.

(iv) Write-off Rs. 22,000 as bad debts and create a provision for doubtful on debtors at 5%.

(v) Proprietor withdrew Rs. 10,000 for his private use. This amount was included in general expenses.

(vi) Charge 5% manager's commission on net profit after charging his commission.

(vii) There is an contingent liability of Rs. 2,00,000 in respect of a court case.(8)