

**SESSION ENDING EXAMINATION
(2014-2015)
SUBJECT-ACCOUNTANCY
CLASS – XI**

Time: 3 Hrs. M.M. M.M. 90

General Instructions:

- (i) All the questions are compulsory.
 - (ii) Marks of each question have been indicated against it.
 - (iii) All parts of the question must be attempted at one place.
 - (iv) Show working notes wherever necessary.
-

SECTION-A

1. What are the two bases of Accounting? 1
2. Which of the following is not a specific Reserve:- 1
 - a) Investment Equalisation Reserve
 - b) Debenture redemption Reserve
 - c) General Reserve
3. Pass necessary journal entry when goods are withdrawn for personal use. 1
4. Bank overdraft is – 1
 - a) Short Term Liability
 - b) Contingent Liability
 - c) Long Term Liability
5. What are Accounting standards? State the objectives of Accounting Standards 3
6. Identify and explain the following principles
 - a) Closing stock is valued at lower of cost or market price which concept of accounting is applied here?
 - b) Rent for the month of march 2014 is not paid under which accounting concept it should be recorded as expense for the year ended 31st March 2014 3

7. Name two types of errors (with examples) which do not affect the Trial Balance 3

8. Distinguish between “Provision” and “Reserve” 3

9. Record the following in an appropriate Book of Original Entry :

2013 Jan. 1 Cash in hand Rs. 12,400

Bank Overdraft Rs. 1,400

Jan. 3 Deposited into Bank Rs. 3,000

Jan. 5 Received Cheque from Sharma Rs. 5,400

Jan. 6 Deposited Sharma’s Cheque int bank

Jan. 31 Bank Charges Rs. 65 4

10. There was a difference in the Trial Balance of Raj & sons, prepared for the year ending 31st March 2013. The accountant put the defence in a Suspense Account. Subsequently The following errors were found:

(a) Purchases Returns Book total of Rs. 400 has not been posted to Ledger Account.

(b) Rs. 5,100 spent on legal expense for the newly acquired building was debited to Building Account as Rs. 1,500

(c) A sale of Rs. 6540 to Rajesh has been credited to his account. Rectify the above mentioned errors and show the Suspense Account. 4

11. Anand runs a small Bakery business. He was not maintain his accounts on Double entry system. On May 1,2013 he had stated the business with a capital of Rs. 78,000. On 31st March 2014 his incomplete records could provide the following date:

a) Amount due to suppliers of raw materials Rs. 17,500

b) Stock of raw material Rs. 2,000

c) Stock of finished products Rs. 2,500

d) Fixed Assets Rs. 34,000

e) Amount due from customers Rs. 42,000

f) He had withdrawn Rs. 2,500 per month for meeting his personal expenses.

g) He had introduced Rs. 7,000 as capital during the year.

h) He has cash at bank Rs. 21,000 and cash in hand Rs. 1,800

i) Outstanding electricity bill Rs. 2250

Calculate the profit/loss of his business during the year using statement of Affairs method. 6

12. On 31st Dec.2013 the pass book of Teneja showed an overdraft of Rs. 7,700/- . On the basis of the following particulars prepare a Bank Reconciliation Statement.

- a) Cheques issued before 31st Dec. 2013 but not yet presented for payment amounted to Rs. 3,500
- b) Cheques paid into the Bank but a Cheque amounting to Rs. 2,600 has not yet been collected yet.
- c) Interest on loan amounting to Rs. 554, directly debited by the bank did not appear in the Cash Book
- d) Rs. 4,800 directly deposited by the customer entered in the pass book but not in the cash book.

13. ABC Construction Ltd. Purchased a machinery on 1st October 2006 for Rs. 6,55,000. On March 1, 2007, it purchased another machinery for Rs. 2,40,000. On July 1,2008 it sold off the first machinery purchased in 2006, for Rs. 5,24,000. Depreciation Account is maintained by charging depreciation @ 10% p.a. on Straight Line Method. Account, Provision for depreciation Account for the year ended 31st March 2007-2008 and 2008-09. Also prepare A machinery disposal account 6

14. A purchased goods for Rs. 23,000 from B on 15th October 2013 and accepted a bill of exchange drawn upon him by B payable after two months. On the due date the bill was duly presented for payment. A dishonored the bill. The payee noted with RS. 95 as noting charges. Record the necessary journal entries in the books of B and A, when:

- a) The bill was immediately discounted by B with his bank @ 9% p.a.
- b) The bill was endorsed by B in favour of his creditor C after one month. 8

PART B

FINANCIAL ACCOUNTING II

15. What entry is passed when additional bad debts are written off? 1

16. The receipt and payment account is a summary of:-

- a) Debit and Credit balance of ledger account
- b) Income and expenditure
- c) Cash received and cash paid 1

17. What is meant by Deferred Revenue Expenditure? Give two examples. 3

18. Extract of a Trial Balance on 31st March 2013 is as follows:

SUNDRY DEBTORS	RS. 1,02,000
BAD DEBTS	RS. 1,400
PROVISION FOR BAD DEBTS	RS. 3,400

Additional Information:

A debtor of Rs. 2,000 could not be recovered. It is decided to maintain a Provision for Bad and Doubtful Debts @ 5% on Debtors. Show how these adjustments be shown in the financial Statements.

19. Mr. Suresh, a Manager in a not-for-profit organization received a sum of Rs. 50,000 for construction of building as Donation. He however, used this amount for his personal use.

- (i) Is he right?
- (ii) Identify the value missing in the above case.
- (iii) Give the accounting treatment of such donation in the Financial Statements.

20. Distinguish between a Receipts & payments Account and an Income & Expenditure Account and an Income & Expenditure Account 4

21. Write explanatory notes on

- (i) Utility Software and
- (ii) Application Software 4

22. Make a comparison between manual and Computerized Accounting 6

23. RECEIPTS AND PAYMENTS ACCOUNT OF ABC CLUB

FOR THE YEAR ENDED 31ST MARCH 2014

RECEIPTS	RS.	PAYMENTS	RS.
To Entrance fees	5,000	By Internet charges	2,500
		By Fax Machine	5,000

To Legacies	12,000	By rent	1,000
To subscriptions	10,000	By salary	4,500
To sale of Old newspapers	1,500	By honorarium	1,000
To profit from fashion show	1,500	By conveyance	500
To life membership fees	9,000	By stock	2,000
		By balance c/d	22,500
	39,000		39,000

Additional Information:

- (i) Rent outstanding was Rs. 600.
- (ii) 50% of the Entrance fees was to be capitalized.
- (iii) Subscriptions outstanding for 2013-2014 were Rs. 500.
- (iv) Subscriptions outstanding for 2013-2014 Rs. 100.
- (v) Internet charges were unpaid for 2013-2014 Rs. 100.

Prepare Income and Expenditure Account and the Balance sheet of the Club. 6

24. Anand runs a small Bakery business. He was not maintaining his accounts on Double entry Prepare a Trading and Profit & Loss Account and Balance Sheet of swami & Sons for the year ending March 31, 2009, from the following figures taken from the Trial Balance on the same date.

Debit Balance Amount (Rs.)	Credit Balance Amount (Rs.)
Stock 01.04.2008 16,800	Capital 78,000
Sales Return 8,000	Sales 2,99,000
Purchases 2,43,000	Returns Outward 5,700
Freight –in 8,600	Trade Creditors 4,800
Rent and Taxes 5,700	Bank Loan @ 10% (1.4.2008) 20,000
Salaries & wages 9,300	Income from Investment 3,600
Trade Debtors 24,000	Discount Received 2,250

Bank Interest 1,000	
Printing and Advt. 14,600	
Cash at Bank 300	
Discount allowed 1,340	
Investment 11,000	
Furniture 3,800	
General Expenses 3,610	
Audit Fees 500	
Insurance 800	
Travelling Exp. 3,000	
Other fixed Assets 30,000	
Drawings 10,000	
4,13,350	4,13,350

Additional Information:

(i) Stock as on March 31, 2009 valued at Rs. 10,000;

(ii) Depreciation on Fixed Assets to be charged @ 5% p.a.

(iii) Rs. 1,000 Debtor found to be unrecoverable; Provision for Doubtful Debtor to be created @ 5%

(iv) Salary paid in advance Rs. 1,000.