

Annual Examination – (2015-16)

Accountancy

Class – XI

Time: 3 Hrs. M.M. 90

General Instructions:

- (i) All the questions are compulsory.
- (ii) Question no. **1 to 4** and **16 to 17** are very short answer type question carrying **1 mark** each.
- (iii) Question no. **5 to 8** and **18 to 19** are short answer type question carrying **3 marks** each.
- (iv) Question no. **9 to 12** and **20** are also short answer type question carrying **4 marks** each.
- (v) Question no. **13 to 15** and **21 to 22** are long answer type question carrying **6 marks** each.
- (vi) Question no. **23** and are very long answer type question carrying **8 marks** each.
- (iii) All parts of the question must be attempted at one place.
- (iv) Show working notes wherever necessary.

Section-A

1. Which accounts are not considered while preparing the trial balance.
2. Name the process of transferring entries from a journal to their respective accounts in the ledger.
3. Why are rules of debit and credit same for liability and capital?
4. Which document evidenced that the credit has been granted to the named person for the reason stated therein?
5. Briefly discuss the informational needs of any three external users.
6. On December 31, 2013, the cash book of XYZ Bros showed an overdraft of Rs 69,200, from the following particulars make out a bank reconciliation statement and ascertain the balance as per pass book
 - (i) Debited by bank for Rs 2,000 on account of interest on overdraft and Rs 500 on account of charges for collecting bills.
 - (ii) Cheques drawn but not cashed before December 31, 2013 for Rs 40,000.

- (iii) The bank has collected interest and has credited Rs 6,000 in pass book.
- (iv) A bill receivable for Rs 7,000 previously discounted with the bank had been dishonoured and debited in the pass book.
- (v) Cheques paid into bank but not collected and credited before December 31, 2013 amounted to Rs 60,000.

7. Double entry system of accounting is based on the principle of 'dual aspect'. Explain.

8. Qualitative characteristics are the attributes of accounting information which tend to enhance its understandability and usefulness. In the light of this statement, briefly explain any three such characteristics.

9. Create an accounting equation on the basis of the following transactions and show the resulting balance sheet.

	Amt. (Rs)
(i) Sharma started business with cash	5,00,000
(ii) Purchased a building from Yadav, paid by raising a loan from PNB	10,00,000
(iii) Paid interest on loan Rs 20,000 and installment of Rs 2,00,000	
(iv) Purchased goods from Yadav on credit	1,00,000
(v) Goods returned to Yadav costing	20,000
(vi) Sold goods costing Rs 40,000 for Rs 50,000 on credit to Joshi	
(vii) Took goods of Rs 10,000 from business for personal use	
(viii) Accrued interest	5,000

10. Rectify the following errors by passing journal entries, using a suspense account.

- (i) The purchase of Rs 400 from X was entered into sales book but X's personal account was rightly credited.
- (ii) The sale of Rs 430 to Y was credited in his account as Rs 340
- (iii) The sale of old furniture of Rs 540 was credited to sales account as Rs 450
- (iv) Goods worth Rs 100 were taken by the proprietor which was not recorded
- (v) The sales of Rs 296 to P was entered in sales books as Rs 269
- (vi) Sales return books balance of Rs 210 was not included in the accounts.

11. Journalise the following transactions

- (i)** Harish started business with cash Rs 1,00,000 and a building valued at Rs 5,00,000.
- (ii)** An old machine with the book value of Rs 80,000 is exchanged for a new machine of Rs 2,40,000. The old machine is valued at Rs 50,000 for exchange purposes by Machine Tools Ltd.
- (iii)** A cheque from a customer amounted to Rs 5,000 deposited in the bank was returned dishonoured.
- (iv)** Paid landlord Rs 1,500 for rent. One third of the premises is occupied by the proprietor for his own residence.
- (iv)** Goods costing Rs 500 given as charity (Sales price Rs 600).

12. Prepare three-column cash book with cash, bank and discount columns from the following information:

2013		Amt (Rs)
Jan-01	Cash in hand	22,500
	Bank overdraft	10,500
Jan-02	Paid wages	600
Jan-05	Cash sales	21,000
Jan-10	Cash deposited into bank	12,000
Jan-15	Goods purchased and paid by cheque	6,000
Jan-20	Paid rent	1,500
Jan-25	Drew from bank for personal use	1,200
Jan-30	Salary paid	3,000

13. (i) Why should a business follow the consistency principle?

(ii) Explain materiality concept.

14. A draws on B three bills of exchange for Rs 50,000, Rs 40,000 and Rs 30,000 respectively for goods sold to him on 1st February, 2013. These bills were for one month, two month and three month respectively. The first bill was endorsed to his creditor C. The second bill was discounted with his bank on 4th February, 2013 @ 12% per annum discount and the third bill was sent to his bank for collection on 30th April. On the due dates all the bills were duly met

by B. The bank sent the collection advice for the third bill after deducting Rs 250 as collection charges. Pass the journal entries in the books of A and B.

15. You are given the following balances as on 1st April, 2012

Machinery A/c Rs 50,00,000

Provision for depreciation A/c Rs 11,60,000

Depreciation is charged on machinery at 20% p.a. by the diminishing balance method. A piece of machinery purchased on 1st April, 2010 for Rs 10,00,000 was sold on 1st October, 2012 for 6,00,000. Prepare the machinery account and provision for depreciation account for the year ended 31st March, 2013. Also prepare machinery disposal account.

Section – B

Financial Accounting – II

16. An idea about the cash position of non-profit organisation can be known through which account?

17. Rajesh went to an internet cafe and used one PC for some work but instantly she saw that the previous person's email-id who worked on the same computer was opened. She didn't saw it and logged it out. Which value is being observed by Mona by doing so?

18. Software is the instruction that makes a computer work. In context to this discuss any three types of software.

19. (i) From the following figure calculate the operating profit

	Amt (Rs)
Net profit	2,00,000
Rent received	20,000
Gain on sale of machine	30,000
Interest on loans	40,000
Donation	4,000

(ii) State whether the cost of obtaining license to carry out business is a capital or revenue

expenditure.

20. Sharma started a firm on 1st April, 2012 with a capital of Rs 30,000. On 1st July, 2013 he borrowed from his wife a sum of Rs 12,000 @ 9% per annum (interest not yet paid) for business and introduces a further capital of his own amounted to Rs 4,500. On 31st March, 2013 his position was Cash Rs 1,800; stock Rs 28,200; debtors Rs 21,000 and creditors Rs 18,000.

Ascertain his profit or loss taking into account Rs 6,000 for his drawings during the year.

21. Briefly explain any six factors which should be taken into account before sourcing an accounting software.

22. Extracts of receipts and payments account for the year ended 31st March, 2013 are given below

Receipt and Payments Account

For the year ended 31st March, 2013

Receipts	Amt (Rs)	Payments	Amt (Rs)
Subscription	3,00,000		
2011-12	96,00,000		
2012-13	2,50,000		
2013-14	1,01,50,000		
			Amt (Rs)
Subscriptions outstanding as on 31st March, 2012			5,00,000
Total subscriptions outstanding as on 31st March, 2013			12,00,000
Subscriptions received in advance as on 31st March, 2012			2,80,000

Calculate the amount of subscriptions to be shown on the income side of income and expenditure account and show the relevant data in the balance sheet on 31st March, 2012 and 2013.

23. Gokul Dham Society showed the following position on 31st December, 2012

Balance Sheet

As at 31st December, 2012

--	--	--	--

Liabilities	Amt (Rs)	Assets	Amt (Rs)
Capital fund	7,93,000	Electrical fittings	1,50,000
Expenses due	7,000	Furniture	50,000
		Books	4,00,000
		Investment in securities	1,50,000
		Cash in hand	25,000
		Cash at bank	25,000
	8,00,000		8,00,000

Receipt and Payment Account

For the year ending on 31st December, 2013

Receipt	Amt (Rs)	Payment	Amt (Rs)
To balance b/d	50,000	By Electric charges	7,200
Cash in hand 25,000	30,000	By Postage and stationery	5,000
Cash at bank 25,000	2,00,000	By Telephone charges	5,000
To Entrance fees	1,500	By Books purchased (on 1st March 2013)	60,000
To Membership subscriptions	20,000	By Outstanding expenses paid	7,000
To Sales proceeds of old papers	8,000	By Rent	88,000
To Hire of lecture hall		By Investment in securities	40,000
To Interest on securities		By salaries	66,000
		By Balance c/d	
		Cash at bank	20,000
		Cash in hand	11,300
	3,09,500		3,09,500

You are required to prepare an income and expenditure account for the year ending 31st December, 2013 and balance sheet as on that date after making the following adjustments

- (i) Membership subscription included Rs 10,000 received in advance.
- (ii) Provide for outstanding rent Rs 4,000 and salaries Rs 3,000

(iii) Books to be depreciated @ 10% including additions. Electrical fittings and furniture are also to be depreciated at the same rate.

(iv) 75% of the entrance fees is to be capita Used.

(v) Interest on securities is to be calculated @ 5% per annum including purchases of investment made on 1st July, 2013 for Rs 40,000.

Or

The balance sheet of Sports club on 1st April, 2014 and the receipts and payments account for the year ended 31st March, 2015 are:

Balance Sheet

As at 1st April, 2014

Liability	Amt (Rs)	Assets	Amt (Rs)
Capital fund	4,20,000	Premises	4,00,000
Creditors for stationery	10,000	Furniture	20,000
		Bank balance	10,000
	4,30,000		4,30,000

Receipt and Payment Account

For the year ended 31st March, 2015

Receipts	Amt (Rs)	Payments	Amt (Rs)
To balance b/d	10,000	By electricity charges	12,000
To subscriptions	86,000	By furniture	30,000
To donations (not to be capitalised)	33,000	By salaries	60,000
To sundry receipts	27,500	By creditors for stationary	25,000
		By general expenses	21,00
		By balance c/d	8,500
	1,56,500		1,56,500

Additional Information:

(i) On 30th September, 2014 the old furniture was donated to the Ramjash society and new furniture was purchased on 1st October, 2014, depreciation @ 10% per annum is to be provided on the furniture.

(ii) On 31st March, 2015 the creditors for stationery were Rs 4,800 and the value of the unused stationery was Rs 5,400.

(iii) A payment of Rs 5,000 for stationery by the club was to be debited to the general expenses.

You are required to prepare the income and expenditure account for the year ended 31st March, 2015 and the balance sheet as at that date.

24. From the books of Mr. Yadav the following trial balance has been prepared on 31st March, 2013

Name of the Accounts	Debit Balance (Rs)	Name of the Accounts	Credit Balance (Rs)
Purchases	19,35,000	Sales	30,00,000
Wages	2,32,000	Sales tax collected	2,45,000
Carriage on purchases	1,80,000	Interest on investment	7,000
Prepaid insurance (1st April, 2012)	6,250	Provision for doubtful debts	25,000
Bad debts	6,000	Cash discount	45,000
Rent and insurance	77,500	Capital	7,11,750
Salary	1,35,000	Creditors	1,87,500
Debtors	3,75,000	Outstanding wages (31st March, 2013)	9,000
Stock (31st March, 2013)	2,05,000		
Investment	1,00,000		
Cash	1,45,000		
Accrued interest (31st March, 2015)	8,000		
Furniture	1,05,000		
Plant of factory	5,00,000		
Income tax	2,20,000		
	42,30,250		42,30,250

Prepare the trading and profit and loss account for the year ended 31st March, 2013 and the balance sheet as at that date, taking into consideration the adjustment given below:

- (i) On 1st October, 2012 plant worth Rs 1,00,000 was purchased on credit but no entry has been passed.
- (ii) Outstanding expenses: rent Rs 5,000; salary Rs 6,000
- (iii) Prepared expenses: insurance Rs 2,500; wages Rs 4,000
- (iv) Goods worth Rs 27,500 were taken for personal use by the owner but no entry has been made.
- (v) Write off depreciation on plant and furniture @ 10% per annum.
- (vi) Write off Rs 5,000 from debtors as bad debts and create provision for doubtful debts @ 5% and 2% provision for discount on debtors.

Or

From the following trial balance, prepare the trading and profit and loss account for the year ended 31st March, 2015 and the balance sheet as at that date.

Name of Accounts	Amt (Rs)	Name of Accounts	Amt (Rs)
Salaries	40,892	Sales	2,65,680
Bills receivable	25,508	Capital	2,00,000
Investments	1,60,000	Provision for doubtful debts	10,000
Furniture	48,000	10% loan (1st October, 2014)	40,000
Opening stock	18,000	Discount received	1,600
Purchases	1,20,000	Sundry creditors	37,200
Sundry debtors	80,000	Bills payable	20,000
Interest on loan	1,600	Outstanding salaries	2,000
Insurance on premium	3,600	Bad debts recovered	800
Wages	18,400	Interest on investments	8,000
Rent	6,080	Trading commission	28,000
Bad debts	4,800		
Carriage outwards	2,400		
Cash at bank	40,000		

Depreciation on furniture	10,000		
Accrued commission	4,000		
Advertisement	30,000		
	6,13,280		6,13,280

Additional Information:

(i) Closing stock Rs 24,000.

(ii) Goods costing Rs 4,000 were distributed as free samples while goods costing Rs 2,000 were taken by the proprietor for personal use.

(iii) A credit sale of Rs 8,000 was not recorded in the sales book.

(iv) Closing stock included goods costing Rs 4,000 which were sold and recorded as sales but not delivered to the customer.

(v) Maintain provision for doubtful debts @ 5%.