

Annual Examination – (2015-16)
Accountancy (Set 2)
CBSE 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.
- (vii)** All parts of the question must be attempted at one place.
- (viii)** Show working notes wherever necessary.

Section - A

1. Is trial balance a statement or an account?
2. Is it correct that a debit balance always signifies a balance in asset account?
3. Is it correct to say, sales book is a record prepared from invoices issued to customers.
4. What is an opening entry?
5. What do you mean by accounting standards? State any two objectives of IASB?
6. Give any three limitations of accounting.
7. Define the following terms in accounting
 - (i)** Capital
 - (ii)** Voucher
 - (iii)** Loss
8. From the following particulars, ascertain the bank balance as per the pass book as on 31st

March, 2013

(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, 2013 amounted to Rs 1,00,000.

(iii) Cheques paid into 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 1,25,000,

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

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

2013		Amt (Rs)
Jan-01	Cash in hand	22,00,000
	Cash at bank	6,00,000
Jan-03	deposited in bank	8,00,000
Jan-04	Goods purchased and issued a cheque for the same	3,40,000
Jan-07	Cash purchases	1,60,000
Jan-08	paid commission by cheque	1,20,000
Jan-09	withdrew from bank for 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	
Jan-16	interest collected by bank	1,40,000
Jan-20	Cash sales	4,20,000

Jan-22	Salaries paid	4,00,000
Jan-22	Goods sold to Z & co	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	

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 Rs 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.

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.

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

- (i)** Ram commenced business with cash Rs 5,00,000 goods Rs 60,000 machinery Rs 1,00,000 and furniture Rs 50,000.
- (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 70,000.
- (v)** Interest on drawings charged @ 5%.
- (vi)** Goods sold to Shyam for Rs 80,000 and received a bill receivable for the same amount for

3 months.

(vii) Received Rs 80,000 from Shyam against the bills receivable on its maturity.

13. The following balances appear in the books of Harish Ltd.

Machinery account as on 1st April, 2014 = Rs 1,60,00,000

Provision for depreciation as on 1st April, 2014 = Rs 62,00,000

On 1st July, 2014 a machinery which was purchased on 1st April, 2011 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 2014-2015. Also, pass the journal entries for the sale of machinery.

14. On 1st January, 2014, Z sold goods to W for Rs 50,000 and on the same day drew upon him a bill at 3 months for the amount. W accepted the bill and returned it to Z. On 4th January, 2014, Z discounted the bill with his bank at Rs 49,000. On the due date, the bill was dishonoured and bank paid Rs 1,000 as noting charges.

15. Explain the following:

(i) Business entity principle

(ii) Money measurement concept

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

Section – B

Financial Accounting – II

16. What is the nature of receipts and payments account in a non-profit organisation?

17. State any two essential features of an accounting report.

18. In-spite of many capabilities a computer suffers from various limitations. Give any three such limitations.

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

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

20. Following incomplete information is available from records maintained by Tina.

Items	1st April, 2014	31st March, 2015
Cash	1,00,000	1,50,000
Bank	8,00,000	10,00,000
Debtors	10,00,000	12,00,000
Stock	7,00,000	6,00,000
Machinery	20,00,000	20,00,000
Creditors	11,00,000	12,00,000
Bank loan	12,00,000	12,00,000

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

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

(ii) Give any two basic requirements required for the use of computers in any database oriented application.

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 years ended on 31st March, 2014 and 31st March, 2015.

Particulars	Amt (Rs)
Match expenses (paid during the year, 2014-15)	60,00,000
Match fund (as on 31st March, 2014)	34,00,000
Donation for match fund (received during the year, 2014-2015)	18,00,000
Proceeds from sale of match tickets (received during the year, 2014-15)	6,00,000

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

organisations.

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

Receipt and Payments Account

For the year ended, 2013

Receipts	Amt (Rs)	Payments	Amt (Rs)
To balance (1st January, 2013)		By expenses	
Subscriptions		2012	1,20,000
2012	10,00,000	2013	2,00,000
2013	20,000	By land	4,00,000
2014	15,000	By interest	40,000
To entrance fees	80,000	By miscellaneous expenses	2,00,000
To locker rent	70,000	By balance (31st December, 2013)	8,35,000
To miscellaneous incomes	4,00,000		
	17,95,000		17,95,000

Balance Sheet

As at 31st December, 2012

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

Or

The receipts and payments account of Sprit charitable institution is given

Receipts and Payments Account
For the year ended 31st March, 2015

Receipts	Amt (Rs)	Payments	Amt (Rs)
To balance b/d	80,000	By furniture	12,000
Cash at bank	40,000	By investments	1,04,000
Cash in hand	58,000	By advance for building	40,000
To donations	80,800	By charities	70,000
To subscriptions	75,700	By salaries	35,600
To endowment fund	1,06,400	By rent and taxes	18,500
To legacies	13,800	By printing	6,400
To interest on investment	1,500	By postage	2,800
To interest on deposits	2,800	By advertisements	5,600
To sale of old newspapers		By insurance	26,600
		By balance c/d	
		Cash at bank	98,500
		Cash in hand	39,000
	4,59,000		4,59,000

Prepare the income and expenditure account for the year ended on 31st March, 2015 after considering the following:

- (a) It was decided to treat 50% of the amount received on account of legacies and donations as income.
- (b) Liabilities to be provided for are rent Rs 3,200, salaries Rs 4,800, advertisement Rs 800.
- (c) Rs 8,000 due for interest on investment was not actually received.
- (ii) What do you understand by receipt and payment account? How is it different from income and expenditure account.

24. Prepare the final accounts from the following trial balance for the year ended 31st March, 2015.

Name of Accounts	Debit Balance (Rs)	Name of Accounts	Credit Balance (Rs)
Drawings	85,000	Capital	15,00,000
Purchases	28,00,000	Creditors	4,50,000
Carriage inward	40,000	Outstanding expenses	90,000
Wages	3,00,000	Rent received	20,000
Power	1,10,000	Purchase return	1,50,000
Depreciation on machinery	20,000	Sales	44,00,000
Advertisement development	1,50,000	Provision for bad debts	20,000
Plant and machinery	7,00,000	Discount received	35,000
Goodwill	1,80,000		
Agent's samples	60,000		
Opening stock	3,50,000		
Debtors	2,62,000		
Cash at bank	1,60,000		
Cash in hand	198,000		
Salaries	5,00,000		
General expenses	1,70,000		
Prepaid expenses	9,000		
Salary to agent	2,10,000		
Rent and insurance	2,30,000		
Discount allowed	70,00		
Sales return	29,000		
Commission to agent	32,000		

	66,65,000		66,65,000
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Adjustments:

- (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 debts 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.

Or

The following is the trial balance of RK Traders on 31st March, 2015. Prepare trading and profit and loss account and balance sheet after making the following adjustments.

- (i) Value of closing stock Rs 59,000.
- (ii) Depreciate plant and machinery 10%. Furniture 5%. Also written-off goodwill by Rs 4,500.
- (iii) Provide 5% for doubtful debts on debtors.
- (iv) Prepaid expenses: Insurance Rs 800 and taxes Rs 420.
- (v) $\frac{2}{3}$ th of insurance and taxes, rent and general expenses to be charged to factory and the balance to the office.
- (vi) Advertising is to be written-off over 3 years.
- (vii) Commission to manager at 5% on net profit after changing such commission.

Name of Accounts	Amt (Rs)	Name of Accounts	Amt (Rs)
Plant and machinery	45,800	Capital	1,82,000
Manufacturing wages	60,900	Creditors	1,15,680
Salaries	32,270	Bank loan	32,000
Furniture	15,690	Purchases return	4,560

Freight on purchases	4,460	Sales	4,56,760
Freight on sales	3,200	Provision for bad debts	15,600
Building	45,500		
Manufacturing expenses	15,900		
Fuel and power	3,500		
Electricity (factory)	4,200		
Insurance and taxes	8,400		
Goodwill	65,000		
Rent	6,400		
Debtors	1,15,540		
Stable expenses	4,960		
Opening stock	60,800		
Purchases	2,54,500		
Sales returns	8,780		
General expenses	16,000		
Bad debts	5,650		
Interest and bank charges	1,250		
Advertising	8,700		
Bank balance	18,000		
cash	1,200		
	8,06,600		8,06,600