

Annual Examination – (2015-16)
Accountancy (Set 3)
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 cash memo a source document or an accounting voucher?
2. Rent is paid for the month of April, 2013 in March, 2013. The accounting year ended on 31st March, 2013. The accountant has shown it on the assets side of balance sheet. Is he correct? Identify the value followed by the accountant.
3. Name the column in the journal which is not filled at the time of journalising?
4. Should a transaction be first recorded in a journal or a ledger. Why?
5. State the nature of accounting information required by
 - (a)** management
 - (b)** Owners
6. From the following particulars, prepare a bank reconciliation statement showing the balance as per cash book on 31st December, 2015.
 - (i)** The following cheques were paid into bank in December, but were credited in January. X Rs. 35,000, Y Rs 25,000 and Z Rs 20,000.

(ii) The following cheques were issued by the firm in December, but were presented in January P Rs 40,000, Q Rs 45,000.

(iii) A cheque for Rs 10,000 which was received from a customer was entered in the bank column of the cash book in December, but was omitted to be banked in December.

(iv) The pass book shows a debit entry of Rs 10,000 for bank charges and credit entry of Rs 20,000 for interest.

(v) Interest on investments Rs 25,000 collected by bank appeared in the pass book.

(iv) The bank balance as per pass book was Rs 6,20,000 on 31st December, 2013.

7. Briefly discuss the three branches of accounting?

8. Explain briefly any three advantages of double entry system of accounting?

9. Record the following in the appropriate book of original entry.

2015		Amt (Rs)
Aug-01	Cash in hand	62,000
Aug-01	Bank overdraft	7,000
Aug-03	Deposited into bank	15,000
Aug-05	Received cheque from Varun	27,000
Aug-06	Deposited Varun's cheque into bank	
Aug-31	Bank charges	325

10. Rectify the following errors

(i) Wages paid for installation of machinery Rs 500 was posted to wages account as Rs 50.

(ii) Machinery purchased from Ram & Co for Rs 10,000 on credit was entered in purchase book as Rs 6,000 and posted there from to Ram & Co as Rs 1,000.

(iii) Credit sales to Vishal Rs 5,000 were recorded in purchase book.

(iv) Credit purchases from Sohan & Co for Rs 6,000 were recorded in sales book. However, Sohan & Co was correctly credited.

11. The rough book of M/s MNO & Co contains the following

2015	
Dec-	Purchased from M/s ONZ & Co on credit.

01	
	5 gross pencils @ Rs 100 per gross
	1 gross registers @ Rs 200 per dozen
	(-) trade discount @ 10 %
Dec-02	Purchased for cash from the RST stationery mart.
	10 gross exercise books @ 160 per dozen
Dec-03	Purchased computer printer for office use from M/s Office Goods Co on credit for Rs 4,000.
Dec-04	Purchased on credit from the XYZ paper Co
	5 reams of white paper @ Rs 100 per ream
	10 reams of ruled paper @ Rs 65 per ream
	(-) Trade discount @10%
Dec-05	Purchased 1 dozen ink-pots @ ? 10 each from M/s Verma Bros on credit.

Prepare the purchase book of M/s MNO & Co

12. Mr Nanda started business as on 1st April, 2013 with a capital of 15,00,000. During the year, the following transactions took place.

	Amt (Rs)
(i) Furniture purchased for cash	2,00,000
(ii) Purchased goods from N on credit	2,50,000
(iii) Sold goods (costing Rs 1,00,000) to M for cash	1,40,000
(iv) Additional capital introduced	2,00,000
(v) Commission received in advance	20,000
(vi) Paid to creditor Z Rs 2,25,000 in full settlement.	
(vii) Sold goods (costing Rs 1,50,000) for Rs 1,80,000 out of which Rs 50,000 received in cash.	

(viii) Depreciation on furniture provided @ 10%.

13. On 1st October, 2011 the MNP transport company purchased a truck for Rs 40,00,000. On 1st April, 2013 this truck was involved in an accident and was completely destroyed and Rs 30,00,000 were received from the insurance company in full settlement. On the same date another truck was purchased by the company for Rs 50,00,000. The company writes-off 20% depreciation per annum on written down value method. Give the truck account from 2011 to 2013.

14. A sell goods to B for Rs 10,000 and draws a bill on him for the same amount for 3 months. Before the due date, B requests A to cancel the bill, to accept Rs 3,000 as part payment and to draw a fresh bill on him for Rs 7,200 for a further period of 2 months Rs 200 being the interest for the extended period. A agrees to the proposal. The new bill is duly honoured. Pass the necessary journal entries and other party's account in the books of both the parties.

15. (i) Briefly explain the concept based on the premise 'do not anticipate profits but provide for all losses'.

(ii) Explain briefly 'full disclosure' principle of accounting?

Section – B

Financial Accounting – II

16. Adjustments for outstanding expenses, prepaid expenses or depreciation are not made in receipts and payments account. Why?

17. Name the accounting software appropriate for small business organisations, having one user and single office location.

18. Accounting software is an integral part of the computerised accounting system. An important factor to be considered before acquiring accounting software is the accounting expertise of people responsible in organisation for accounting work. In the light of this statement, briefly discuss various types of accounting software.

19. Calculate closing stock from the following:

(i)

	Amt (Rs)
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Sales	40,000
Return inwards	1,000
Return outwards	2,000
Purchases	24,600
Carriage inwards	800
Gross profit	16,000

(ii) Is it correct that debit balance in the profit and loss account is profit?

20. Shyam, who keeps his books on single entry system, tells you that his capital on 31st March, 2013 is Rs 11,22,000 and his capital on 1st April, 2012 was Rs 11,52,000. He further informs you that during the year, he withdrew for his household purpose Rs 5,05,200. He sold his personal investment of Rs 1,20,000 at 2% premium and brought that money into the business.

You are required to prepare statement of profit or loss, also identify the value being conveyed in the question.

21. An accounting report is an essential report, which must be able to fulfill certain basic criterion. In the context of this statement, explain various types of accounting reports.

22. How will you deal with the following items while preparing the final accounts of a club

	1st April, 2015 Amt (Rs)	31st March 2016 Amt (Rs)
Stock of stationery	4,00,000	3,00,000
Creditors for stationery	7,20,000	5,40,000

Amount paid for stationery during the year 2012-13 Rs 25,00,000.

23. Following is the receipt and payment account of Indian Sports Club for the year ended 31st December, 2015

Receipt and Payment Account

For the year ended 31st December, 2013

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Receipt	Amt (Rs)	Payments	Amt (Rs)
To balance b/d	10,000	By salary	15,000
To subscriptions	52,000	By billiard table	20,000
To entrance fee	5,000	By office expenses	6,000
To tournament fund	26,000	By tournament expenses	31,000
To sale of old newspaper	1,000	By sports equipment	40,000
To legacy	37,000	By balance c/d	19,000
	1,31,000		1,31,000

Additional Information:

On 31st December, 2013 subscription outstanding was Rs 2,000 and on 31st December, 2012 subscription outstanding was Rs 3,000. Salary outstanding on 31st December, 2013 was Rs 1,500.

On 1st January, 2013 the club had building Rs 75,000, furniture Rs 18,000, 12% investment Rs 30,000 and sports equipment Rs 30,000. Depreciation charged on these items including purchases was 10%.

Prepare income and expenditure account of the club for the year ended 31st December, 2013 and ascertain the capital fund on 31st December, 2012.

Or

From the following receipts and payments account of Aakash Club, prepare income and expenditure account and balance sheet for the year ending 31st December, 2015.

Receipts and Payments Account

For the year ending 31st December, 2015

Receipts	Amt (Rs)	Payments	Amt (Rs)
To cash in hand as at 1st January, 2015	13,600	By salaries	48,000
To subscriptions	1,20,400	By travelling expenses	12,000
To donation	6,000	By stationery	4,600
To sale of furniture (Book value Rs			

12,000)	8,000	By rent	32,000
To entrance fee	1,600	By repair	1,400
To life membership fee	14,000	By books purchased	12,000
To interest on investment (@5% full year)	10,000	By building purchased	60,000
		By cash in hand as at 31st December, 2006	3,600
	1,73,600		1,73,600

Additional Information:

Items	As on 1st Jan 2015	As on 31st Dec 2015
Subscriptions received in advance	2,000	6,400
Outstanding subscriptions	4,000	7,400
Stock of stationery	2,400	1,600
Books	27,000	33,000
Furniture	32,000	16,000
Outstanding rent	2,000	4,000

24. Following trial balance is extracted from the books of a merchant on 31st March, 2013

Name of Accounts	Debit Balance (Rs)	Credit Balance (Rs)
Furniture	64,000	
Motor vehicles	6,25,000	
Building	7,50,000	
Capital A/c		
Bad debts	12,500	
Provision for doubtful debts		12,50,000
Sundry debtors and creditors	3,80,000	
Stock on 1st April, 2012	3,46,000	20,000
Purchases and sales	5,47,500	2,50,000

Bank overdraft		
Sales and purchases return	20,000	15,45,000
Advertisement	45,000	2,85,000
Interest A/c	11,800	12,500
Commission		
Cash	65,000	
Taxes and insurance	1,25,000	37,500
General expenses	78,200	
Salaries	3,30,000	
	34,00,000	34,00,000

The following adjustments are to be made

- (i) Stock in hand on 31st March, 2013 was Rs 3,25,000.
- (ii) Depreciate building @ 5%, furniture @ 10% and motor vehicles @ 20%.
- (iii) Rs 8,500 are due for interest on bank overdraft.
- (iv) Salaries Rs 30,000 and taxes Rs 12,000 are outstanding.
- (v) Insurance amounted to Rs 10,000 is prepaid.
- (vi) One-third of the commission received is in respect of work to be done next year.
- (vii) Write off further Rs 10,000 as doubtful debts and provision for doubtful debts is to be made equal to 5% on sundry debtors.

Prepare the trading and profit and loss account for the year ended 31st March, 2013 and the balance sheet as at that date.

Or

Prepare the trading and profit and loss account and a balance sheet of M/s Shine Ltd from the following particulars.

Name of Accounts	Amt (Rs)	Name of Accounts	Amt (Rs)
Sundry debtors	2,00,000	Bills payable	1,71,100
Bad debts	6,000	Sundry creditors	50,000
Trade expenses	5,000	Provision for bad debts	3,000
Printing and stationery	10,000	Return outwards	9,000

Rent, rates and taxes	6,900	Capital	5,00,000
Freight	4,500	Discount received	7,000
Sales return	12,000	Interest received	22,520
Motor car	50,000	Sales	2,00,000
Opening stock	1,51,100		
Furniture and fixtures	31,000		
Purchases	1,50,000		
Drawings	27,120		
Investments	1,31,000		
Cash in hand	72,000		
Cash at bank	1,06,000		
	9,62,620		9,62,620

Additional Information:

- (i) Closing stock was valued Rs 70,000.
- (ii) Depreciation charged on furniture and fixtures @ 5%.
- (iii) Further bad debts Rs 2,000. Make a provision for bad debts @ 5% on sundry debtors.
- (iv) Depreciation charged on motor car @ 10%.
- (v) Interest on drawings @ 6%.
- (vi) Rent, rates and taxes was outstanding Rs 400.
- (vii) Discount on debtors 2%.