

Annual Examination – (2015-16)
Accountancy (Set 4)
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.** To which side of the ledger accounts are the transactions in the receipt side of cash book posted?
- 3.** What is a credit note?
- 4.** What is the process of transferring the debit and credit items from a journal to their respective accounts, in the ledger termed as?
- 5.** State the informational needs of
 - (a)** Suppliers and creditors
 - (b)** Customers
 - (c)** Government and other regulators
- 6.** Give the meaning of book-keeping, accounting and accountancy? Also diagrammatically explain the relationship between the three?

7. On 31st December, 2012, pass book shows a debit balance (overdraft) of Rs 1,00,000. From the following particulars, prepare a bank reconciliation statement:

(i) Cheques amounting of Rs 80,000 drawn on 25th December, of which cheques of Rs 30,000 were cashed within 31st December.

(ii) Cheques paid in for collection amounted to Rs 5,00,000 but cheques of Rs 2,28,000 were credited on 2nd January, 2013.

(iii) Items unticked in the pass book are

(a) Incidental charges Rs 250

(b) Dividend collected by bank on our behalf Rs 3,500

(iv) A cheque for Rs 6,000 debited in the cash book omitted to be banked.

(v) A cheque of Rs 7,500 banked and credited, but omitted to be recorded in the cash book.

8. Briefly discuss any three purposes served by accounting standards?

9. Journalise the following transactions

(i) Received Rs 9,750 from Sonu in full settlement of his account for Rs 10,000.

(ii) Purchased goods amounting to Rs 2,00,000 out of which goods of Rs 1,80,000 were purchased on credit from Vishal.

(iii) Received first and final dividend of 60 paise in the rupee from the official receiver of Kanishk who owed Rs 10,000.

(iv) Received from a salesman for goods (worth Rs 3,000) sold by him after deducting commission Rs 150.

10. Give journal entries to rectify the following errors

(i) Rs 20,000 paid for furniture purchased has been debited to purchases account.

(ii) Rs 30,000 paid to Raja for salary were debited to his personal account.

(iii) Rs 5,000 paid for proprietor's medical bill were debited to 'sundry expenses account'.

(iv) Typewriter purchased for Rs 75,000 has been wrongly passed through the purchases book.

(v) An office table purchased for Rs 50,000 has been passed through invoice book.

(vi) An amount of Rs 12,000 spent on annual white-washing was debited to building account.

(vii) Rs 8,000 paid for rent wrongly debited to landlord's account.

11. A book-keeper extracted the following trial balance as on 31st March, 2013

Name of the Accounts	Debit Balance (Rs)	Credit Balance (Rs)
Furniture	2,00,000	
Capital		20,00,000
Debtors	20,00,000	
Stock (1st April, 2012)	10,40,000	
Creditors		8,00,000
Trade expenses	5,00,000	
Sales		85,80,000
Wages	3,00,000	
Stock (31st March, 2013)	9,80,000	
Machinery		5,00,000
Purchases	62,50,000	
Wife's loan to the business	5,00,000	
Discount allowed		40,000
Drawing made by the proprietor		4,50,000
Motor van	6,00,000	
	1,23,70,000	1,23,70,000

12. Show the effect of the following transactions on the accounting equation

	Amt (Rs)
(i) Jagdish started business with cash	5,00,000
(ii) Purchased good on credit	40,000
(iii) Purchased goods for cash	10,000
(iv) Purchased furniture for cash	5,000
(v) Withdraw for private use	7,000
(vi) Paid rent	2,000
(vii) Received interest	1,000
(viii) Sold goods on credit (cost Rs 5,000)	7,000

13. XYZ Ltd purchased a machinery on 1st May, 2011 for Rs 6,00,000 on 1st July, 2012, it

purchased another machine for Rs 2,00,000.

On 31st March, 2013, it sold off the first machine purchased in 2011 for Rs 3,85,000 and on the same date purchased a new machinery for Rs 5,00,000. Depreciation is provided at 20% per annum on the original cost each year. Accounts are closed each year on 31st December. Show the machinery account for 3 years.

14. On 1st January, 2013, X drew a bill on Y for Rs 50,000 payable after 3 months. Y accepted the bill and returned it to X. After 10 days X endorsed the bill to his creditor, Z. On the due date, the bill was dishonoured and Z paid Rs 1,000 as noting charges.

Record the transactions in the journals of X, Y and Z.

15. Briefly explain the following

- (i)** Objectivity concept
- (ii)** Dual aspect concept
- (iii)** Matching principle

Section – B

Financial Accounting – II

16. Name the software, which creates and control a connection between a computer and a server.

17. All the revenue items relating to current period are shown in income and expenditure account Why?

18. Give any three advantages, a computerised accounting system offers as compared to manual accounting.

19. Give any three points of distinction between capital expenditure and revenue expenditure.

20. On 1st January, 2013 Ram started business with a capital of Rs 50,00,000. He kept his books on single entry basis. Soon after, he purchased furniture for Rs 4,00,000 and purchased goods for Rs 30,00,000. During the year he borrowed Rs 10,00,000 from his brother and introduced further capital of his own amounting to Rs 8,00,000.

On 31st December, 2013 there were sundry debtors amounting to Rs 22,00,000 and creditors

amounted to Rs 14,00,000. Stock was valued at Rs 45,00,000. Cash in hand Rs 1,54,000 and bank overdraft Rs 4,00,000.

During the year, withdrew Rs 20,000 per week for his family expenses. You are informed that included in sundry debtors is an irrecoverable amount of Rs 50,000. He also took goods from the business for his personal use amounting to Rs 4,000.

You are required to calculate his profit or loss during the year.

21. The main limitations of computerised accounting system emerges out of the environment in which it is made to operate. In the light of this statement give any six such limitations.

22. On the basis of the following information, calculate the amount to be debited to stationery account in the income and expenditure account for the year ended 31st March, 2013.

	Amt (Rs)
Stock of stationery on 1st April, 2012	30,000
Creditors for stationery on 1st April, 2012	20,000
Amount paid for stationery during 2012-13	1,08,000
Stock of stationery on 31st March, 2013	5,000
Creditors for stationery on 31st March, 2013	13,000

Note: Also, show the above items in the income and expenditure account for the year ended 31st March, 2013 and in the balance sheet as at that date.

(ii) Distinguish between income and expenditure account on the basis of nature of items therein.

23. (i) A summary of receipts and payments of Medical Aid Society for the year ended 31st March, 2013 is given below

Receipt and Payments Account
For the year ended, 31st March, 2013

Receipt	Amt (Rs)	Payment	Amt (Rs)
To cash in hand	7,00,000	By payment for medicines	30,00,000
To subscriptions	50,00,000	By honorarium for doctors	10,00,000

To donations	14,50,000	By salaries	27,50,000
To interest on investment @ 7% per annum	7,00,000	By sundry expenses	50,000
To charity show proceeds	10,00,000	By equipments purchased	15,00,000
		By charity show expenses	1,00,000
		By cash in hand	4,50,000
	88,50,000		88,50,000

Donations are to be capitalised.

Additional Information:

	1st April, 2012 Amt (Rs)	31st March, 2013 Amt (Rs)
Subscription due	50,000	1,00,000
Subscription received in advance	1,00,000	50,000
Stock in medicines	10,00,000	15,00,000
Amount due to medicine suppliers	8,00,000	12,00,000
Value of equipments	21,00,000	30,00,000
Value of building	40,00,000	38,00,000

You are required to prepare the income and expenditure account for the year ended 31st March, 2010.

(ii) Income and expenditure account is the profit and loss account of a non-trading concern. Explain briefly.

Or

Following is the receipt and payment account of Symphony Club for the year ended 31st March, 2015

Receipt	Amt (Rs)	Payments	Amt (Rs)
To balance b/d	39,100	By salary	6,000
To subscriptions		By newspaper	4,100
2013-14		By electricity bill	2,000

2014-15		By fixed deposit	
2015-16	56,400	(on 1st July, 2014 @ 9% per annum)	40,000
To sale of old newspapers	2,500	By books	21,200
To government grants	20,000	By rent	13,600
To sale of old furniture (Book value Rs 14,000)	11,400	By furniture	21,000
To interest on fixed deposits	900	By balance c/d	22,400
	1,30,300		1,30,300

Additional Information:

(i) Subscriptions outstanding as on 31st March, 2014 were Rs 4,000 and on 31st March, 2015 Rs 5,000.

(ii) On 31st March, 2015 salary outstanding was Rs 1,200 and rent outstanding was Rs 2,400.

(iii) The Club owned furniture Rs 30,000 and books Rs 14,000 on 1st April, 2014.

Prepare income and expenditure account of the club for the year ended 31st March, 2015 and ascertain capital fund on 31st March, 2014. Also prepare a balance sheet as on 31st March 2015.

24. From the following trial balance of Tina, prepare a trading and profit and loss account for the year ended on 31st March, 2013 and a balance sheet as on that date.

Name of Accounts	Debit Balance (Rs)	Name of Accounts	Debit Balance (Rs)
Material consumed	15,00,000	Tina's capital A/c	18,00,000
Carriage	82,000	Sales	24,00,000
Wages	3,61,000	Loan from Ram @ 12% (taken on 1 st July, 2012)	1,00,000
Power and fuel	54,000	Bank	82,000
Trade expenses	1,45,000	Outstanding wages	34,000
Bad debts	18,000	Trade expenses accrued but not paid	20,000
Returns	50,000	Discount	6,000

Fire insurance	30,000	Creditors	1,24,000
Rates and taxes	52,000	Apprentice premium	45,000
Cash in hand	16,000	Bills payable	37,000
Stock on 31st March, 2013	4,65,000	Provision for doubtful debts	76,000
Plant and machinery	8,00,000		
Furniture	1,80,000		
Loose tools	1,60,000		
Interest on Ram's loan	6,000		
Debtors	5,40,000		
Salaries	2,00,000		
Bank charges	3,000		
Coal, gas and water	22,000		
Bills receivable	40,000		
	47,24,000		47,24,000

Adjustments:

(i) Carry forward the following unexpired amounts

Fire insurance Rs 5,000

Rates and taxes Rs 12,000

Apprentice premium Rs 15,000

(ii) Wages include Rs 50,000 spent on installation of a new machine on 1st April, 2012.

(iii) Depreciation is to be charged on plant and machinery @ 10% and furniture @ 20%.

Loose tools are revalued @ Rs 1,20,000.

(iv) Make a provision of Rs 40,000 for doubtful debts on debtors.

(v) Accrued income Rs 23,000

Or

Ramesh started business on 1st April, 2014 with a capital of Rs 60,000. The following trial balance was drawn up from his books at the end of the year.

Name of Accounts	Amt (Rs)	Name of Accounts	Amt (Rs)
Drawings	9,000	Capital	80,000
Plant fixtures	16,000	Sales	3,20,000
Purchases	2,32,000	Creditors	24,000
Carriage inward	4,000	Bills payable	18,000
Wages	16,000		
Return inward	8,000		
Salaries	20,000		
Printing	1,600		
Advertisement	2,400		
Trade charges	1,200		
Rent	2,800		
Debtors	50,000		
Bill receivable	10,000		
Investment	30,000		
Discount	1,000		
Cash at bank	32,000		
Cash in hand	6,000		
	4,42,000		4,42,000

The value of stock as at 31st March, 2015 was Rs 52,000. You are required to prepare his trading and profit and loss account for the year ended 31st March, 2015 and a balance sheet as on the date after taking the following facts into account.

- (i)** Interest on capital is to be provided at 6% per annum.
- (ii)** An additional capital of Rs 20,000 was introduced by Vishnu on 1st October, 2014.
- (iii)** Plant and fixtures are to be depreciated by 10% per annum.
- (iv)** Salaries outstanding on 31st March, 2015 amounted to Rs 100.
- (v)** Accrued interest on investment amounted to Rs 1,500.
- (vi)** Rs 1,000 are bad debts and provision for doubtful debts is to be created at 5% on the balance of debtors.