COUNCIL OF C.B.S.E. AFFILIATED SCHOOLS IN THE GULF
GULF SAHODAYA EXAMINATION (SAUDI CHAPTER)
FEBRUARY 2012

Class: XI
Subject: ACCOUNTANCY
Maximum Marks: 90
Time: 3 Hours

GENERAL INSTRUCTION:

- Marks are indicated against each question.
- At places, Alternate questions are provided.
- Draw proper and neat format wherever necessary.
- Write the correct question number against each answer.
- Use of calculator not allowed.

1. Which stakeholder group is interested in the environmental activities of the firm?

2. Give any two examples of revenues earned by a firm?

3. What are the methods of preparing trial balance?

4. What is a purchase return book?

5. Write an adjustment entry for “outstanding expenses”.

6. Compute cost of goods sold with the given information: Purchases ₹ 55,000, direct expenses ₹ 8,000, closing stock ₹ 15,000 and opening stock ₹ 10,000.

7. State any two features of a not for profit organization.

8. If opening capital is ₹ 60,000, drawings ₹ 5,000, capital introduced is ₹ 10,000 and closing capital is ₹ 90,000. Find profit earned during the year.

9. What is Hardware?

10. From the following information, draw up a trial balance in the books of S. Chand as on 31st March, 2011: Capital ₹ 71,000, Purchases ₹ 16,000, Discount received ₹ 1,200, Stock as on 31st March ₹ 20,500, Drawings ₹ 20,000, Sales ₹ 20,000, Plant & Machinery ₹ 35,000, Rent & Taxes ₹ 1,200, Creditors 30,000, Carriage Inwards ₹ 8,700, Sundry Debtors ₹ 20,300, Bank Overdraft ₹ 10,000, Investments ₹ 31,000.

11. On the basis of the following information. Calculate the amount of stationery to be debited to the income and expenditure account for the year ended 31/3/2010.
12. Why is it important to adopt a consistent basis for the preparation of financial statement? Explain

13. Explain any two of the following:
   a) Normalization
   b) Entity
   c) Attribute
   d) SQL

14. Define accounting and state its objectives

15. Journalise the following
   a) Raj becomes insolvent and a final composition of 40 paise in a rupee is received out of a loan of ₹ 2,000 from his official receiver.
   b) A cheque for ₹ 1,980 issued in favour of Elvin against full and final payment of a debt of ₹ 2,000:
   c) Furniture costing ₹ 500 was used in furnishing the office.
   d) Sold goods to Naresh of the list price of ₹ 1,000 and allowed him 10% trade discount.

16. From the following particulars prepare a cash book with suitable columns:

   2011
   March 1  Karim commences business with ₹ 30,000 in cash
   March 3  He pays ₹ 19,000 into bank current account
   March 12 Tripathi and Co. pays into his bank account ₹ 475.
   March 20 He pays by cheque for purchases ₹ 275
   March 30 He pays staff salaries by cheque ₹ 300
   March 31 He drew a cheque for office use ₹ 400
   March 31 He received commission ₹ 500 from Raghu and Co.

17. Explain the following concepts:
   a) Revenue Recognition
   b) Money Measurement

18. Mr. A started a business with a capital of ₹ 5,00,000, at the end of the year his position was:
   Cash in Hand ₹ 15,000
   Cash at Bank ₹ 70,000
   Sundry Debtors ₹ 1,20,000
   Stock ₹ 2,40,000
   Furniture ₹ 75,000
   Machinery ₹ 2,00,000
   Sundry creditors on this date were ₹ 80,000. During the year he introduced a
capital of ₹ 1,50,000 and withdrew ₹ 90,000 for household expenses. You are required to calculate profit or loss during the year.

19. On 31st December, 2009, the pass book of a merchant shows a credit balance of ₹ 33,570. On examining the cash book and the bank statement it was found that:

The cheques and drafts sent to the bank but not collected and credited, amounted to ₹ 7,900 and three cheques drawn for ₹ 3,000, ₹ 1,500 and ₹ 2,000 respectively were not presented for payment till 31st January next year.

The bank has paid a bill payable amounted to ₹ 10,000 but it has not been entered in the cash book and a bill receivable of ₹ 5,000 which was discounted with the bank was dishonored by the drawer on the due date.

The bank has charged ₹ 130 as its commission for collecting outstation cheques and has allowed an interest of ₹ 100 on the trader’s balance.

Prepare a bank Reconciliation Statement as on 31st December, 2009.

20. Following is the receipts and payments account of Excellent Recreation Club for the year ended March 31, 2010:

<table>
<thead>
<tr>
<th>Receipts</th>
<th>₹</th>
<th>Payments</th>
<th>₹</th>
</tr>
</thead>
<tbody>
<tr>
<td>To Cash in hand</td>
<td>500</td>
<td>By Salaries</td>
<td>24,000</td>
</tr>
<tr>
<td>To Cash in Bank</td>
<td>5,650</td>
<td>By Rent</td>
<td>7,200</td>
</tr>
<tr>
<td>To Subscriptions</td>
<td>45,500</td>
<td>By Postage</td>
<td>300</td>
</tr>
<tr>
<td>(including 1,000 for 2008-09 &amp; 1,500 for 2010-11)</td>
<td></td>
<td>By Electricity Charges</td>
<td>3,000</td>
</tr>
<tr>
<td>To Interest on investment</td>
<td>20,000</td>
<td>By Purchase of Library Books</td>
<td>10,000</td>
</tr>
<tr>
<td>To Bank Interest</td>
<td>250</td>
<td>By Investment in Bonds</td>
<td>10,000</td>
</tr>
<tr>
<td>To Sale of Furniture</td>
<td>3,000</td>
<td>By Cash in Hand</td>
<td>1,550</td>
</tr>
<tr>
<td></td>
<td></td>
<td>By Cash at Bank</td>
<td>14,800</td>
</tr>
<tr>
<td></td>
<td></td>
<td>By Printing &amp; Stationery</td>
<td>2,550</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>74,900</td>
<td></td>
<td>74,900</td>
</tr>
</tbody>
</table>

Following additional information is also supplied to you:

a) On 1st April 2009 the club had the following assets and liabilities---
   i.) Investments ₹ 4,00,000 ii.) Furniture ₹ 30,000 iii.) Library books ₹ 50,000.

b) On 31st March 2010, rent of ₹ 800 and salaries of ₹ 2,500 were arrears

c) The book value of furniture sold was ₹ 2,500

Prepare the income & Expenditure account of the club for the year ended 31st March, 2010 and ascertain the capital fund.
21. Trial balance of Ananth did not agree. He put the difference to suspense account. Subsequently the following errors were located:

a) Wages paid for installation of Machinery ₹ 600 was posted to wages account.

b) Repairs to machinery ₹ 400 debited to machinery account.

c) Furniture purchased for ₹ 5,000 was posted to purchases account as ₹ 500.

d) Own business material ₹ 8,000 and wages ₹ 2,000 were used for construction of building no adjustment was made in the books.

e) Old machinery sold to Karim at its book value of ₹ 2,000 was recorded through sales book.

f) Total of sales return book ₹ 3,000 was not posted to the ledger.

Rectify the above errors and prepare suspense account to ascertain the original difference in trial balance.

22. Define a computerized accounting system. Distinguish between a manual and computerized accounting system.

23. On April 2010, following balances appeared in the books of M/s Kanishka Traders. Furniture account ₹ 50,000. Provision for depreciation on furniture ₹ 22,000. On October 01, 2010 a part of furniture purchased for ₹ 20,000 on April 01, 2006 was sold as ₹ 5,000. On the same date the new furniture costing ₹ 25,000 was purchased. The depreciation was provided @ 10% p.a. on original cost of the asset and no depreciation was charged on the asset in the year of sale. Prepare furniture account, provision for depreciation account and furniture disposal account for the year ending March 31, 2011.

OR

A company purchased four machines on July 01, 2009 for ₹ 20,000. On October 01, 2011 one machine was found unsuitable and was sold for ₹ 18,400 and a new machine was purchased on the same date at ₹ 18,000. Prepare machine account upto 31 December, 2011.

You are required to write up the machinery account for 3 years if depreciation is written off at 10% on diminishing balance method.

24. Ankit owes Nikita a sum of ₹ 6,000. On April 01, 2009 Ankit gives a promissory note for the amount for 3 months to Nikita who gets it discounted with her bankers for ₹ 5,760. On the due date the bill is dishonored, the bank pays ₹ 15 as noting charges. Ankit the pays ₹ 2,000 in cash and accepts a bill of exchange drawn on him for the balance together with ₹ 100 as interest. This bill of exchange is for 2 months and on the due date the bill is again dishonored. Nikita pays ₹ 15 as noting charges. Draft the journal entries to be recorded in Nikita’s books.

OR

On May 01, 2010 Mohit sends his promissory note of ₹ 6,000 for 3 months to Rohit. Rohit gets it discounted with his bankers @ 18% p.a. on the May 04. On the due date the bill is dishonored, the bank pays ₹ 10 as noting charges. Rohit agrees to accept ₹ 2,130 in cash (including ₹ 130 for noting charges and
interest) and another promissory note for ₹ 4,000 at 2 months. On the due date, Mohit approaches Rohit and asks for renewal of the bill for further period of 3 months. Rohit agrees, provided Mohit pays him ₹ 200 as interest in cash. The new bill is paid on maturity. Draft Journal entries to be recorded in the books of Mohit.

25. From the following balances extracted from the books of Sharma, prepare the trading and profit and loss account for the year ended 31st March 2011 and the balance sheet as at that date after taking into consideration the adjustments given below:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Dr. (₹)</th>
<th>Cr. (₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drawings and Capital</td>
<td>7,500</td>
<td>50,000</td>
</tr>
<tr>
<td>Purchases and Sales</td>
<td>72,100</td>
<td>95,000</td>
</tr>
<tr>
<td>Returns</td>
<td>1,300</td>
<td>2,700</td>
</tr>
<tr>
<td>Sundry Debtors and Creditors</td>
<td>18,200</td>
<td>35,750</td>
</tr>
<tr>
<td>Stock (1st April 2010)</td>
<td>19,800</td>
<td></td>
</tr>
<tr>
<td>Bad Debts</td>
<td>3,000</td>
<td></td>
</tr>
<tr>
<td>Bill receivable and payable</td>
<td>12,000</td>
<td>23,000</td>
</tr>
<tr>
<td>Cash in hand</td>
<td></td>
<td>300</td>
</tr>
<tr>
<td>Office expenses</td>
<td>6,210</td>
<td></td>
</tr>
<tr>
<td>Sales van</td>
<td>15,000</td>
<td></td>
</tr>
<tr>
<td>Sales van expenses</td>
<td>1,400</td>
<td></td>
</tr>
<tr>
<td>Discount</td>
<td></td>
<td>2,910</td>
</tr>
<tr>
<td>Rent and Taxes</td>
<td>10,700</td>
<td></td>
</tr>
<tr>
<td>Telephone charges</td>
<td>1,050</td>
<td></td>
</tr>
<tr>
<td>Postage and Telegram</td>
<td>950</td>
<td></td>
</tr>
<tr>
<td>Furniture</td>
<td>5,000</td>
<td></td>
</tr>
<tr>
<td>Printing and Stationery</td>
<td>2,750</td>
<td></td>
</tr>
<tr>
<td>Commission</td>
<td>8,400</td>
<td></td>
</tr>
<tr>
<td>Carriage Inwards</td>
<td>3,200</td>
<td></td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>20,500</td>
<td></td>
</tr>
</tbody>
</table>

Adjustments:
1. Closing stock was valued at ₹ 61,700
2. Depreciate furniture at 10% per annum and sales van at 20% per annum.
3. Outstanding rent at ₹ 900
4. Bad debts ₹ 200
5. Make a provision for doubtful debts at 5% on debtors
6. Charge one-fourth of salaries and wages to the trading account.