

GULF SAHODAYA (SAUDI CHAPTER) EXAMINATION -2016

SET A

SUBJECT: ACCOUNTANCY
CLASS: XI

MAX MARKS: 90
TIME: 3 HOURS
TOTAL PAGES:6

General instructions

1. Answer all the questions
 2. Marks are indicated against each question
 3. Use of calculator not allowed
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PART A- FINANCIAL ACCOUNTING -I

- | | | |
|---|---|---|
| 1 | What do you mean by Business Entity Concept? | 1 |
| 2 | What are the two bases of accounting? | 1 |
| 3 | State one advantage of preparing Trial Balance. | 1 |
| 4 | Explain with one example (a) Trade payables (b) Outstanding expenses | 3 |
| 5 | Prepare Accounting Equation from the following:
(a) Started business with cash `10,000
(b) Purchased goods for cash 5000 and credit `20000
(c) Sold goods for cash `8000 (costing `4000)
(d) Paid salary in cash `450 and salary outstanding `500 | 3 |
| 6 | Give journal entries to rectify the following errors:
(a) `20000 paid as wages for erection of machinery was wrongly debited to wages account.
(b) The total of Purchase Book was under cast by `5000
(c) Goods (cost `2500 Sales price `5000) taken by owner for personal use were not recorded. | 3 |
| 7 | Mr Ram is running a sole proprietary business. The closing stock as per the inventory records for the year ended 31 December 2015 was `150,000. The market value of closing stock was `50,000. The closing stock was recorded at `150,000 in the financial statement. The financials were submitted to the bank and overdraft was sanctioned by bank based on the stock and Receivables. Identify and explain the concept not followed by Mr.Ram. Also state any two values violated by Mr.Ram. | 4 |
| 8 | Record the following transactions into proper subsidiary books: | 4 |

2015

Jan 1 Purchased goods from M& M Enterprises of the list price of `70000, less 10% Trade discount

Jan 5 Sold goods to Ahmed Bros for `10000

Jan 6 Returned goods to M& M Enterprises of list price ` 5,000

Jan 8 Sold goods to Hari for ` 8,000

Jan 9 Purchased Machinery from Akash & Co `25,000

9 Prepare a double column cash book from the following transaction:

4

Date	Particulars	Amount (')
2015		
Dec 01	Cash in Hand	50,000
	Bank overdraft	10,000
Dec 02	Cash deposited into Bank	20,000
Dec 03	Paid wages	15,000
Dec 14	Cash sales	70,000
Dec 25	Drew from bank for office use	10,000
Dec 26	Purchases made and paid through cheque	2,000
Dec 30	Paid rent	3,000

10 What do you mean by accounting? Explain any four objectives of accounting.

6

11 On 31 March 2015, Bank Pass Book of Naresh & co showed an overdraft of `5,350. From the following prepare a bank reconciliation statement.

6

(a) Cheques issued before 31st March but presented for payment after that date amounted to `450.

(b) Cheques paid into the bank but not collected and credited until 31 March amounted to `1,100

(c) Interest on overdraft amounting to `600 did not appear in cash book

(d) `400 in respect of insurance payment directly made by bank but not entered in cash book.

(e) Direct deposit made by a customer in the bank amounted to `3,500

12 Shyam sold goods amounting to `9700 on credit on 30th June 2015.

6

On July 1st, Prakash accepted two bills each of `4,850 of three months duration drawn

On the same date he discounted the other bill with his bank and received net proceeds of ₹4675. Prakash failed to meet both the bills on the due date. On 4th October, the bank debited the account of Srinivas with the value of second bill plus their charges of ₹20.

Prakash is declared insolvent and his estate paid 60 paise in a rupee on 1st Nov. Show journal entries for the above in the books of Shyam.

- 13 On April 1 2012, X Ltd purchased a machinery for ₹12, 00,000. 8
On October 1 2013, a part of machinery purchased on April 1 2012 for ₹80,000 was sold for ₹45,000 and new machinery at a cost of ₹158,000 was purchased and installed on the same date.
Depreciation is provided at 10% p.a. on straight line method. Show the Machinery and Provision for depreciation account for the year ended 31 March 2013 and 31 March 2014 and Asset disposal a/c.

(OR)

Alpha Limited purchased on 1st April 2011 a small plant for ₹10,000.

On 1st October in the same year, an additional plant was purchased costing ₹5,000. On 1st Jan 2014, the plant purchased on 1st April 2011 became obsolete, and was sold off for ₹6,750.

Depreciation is provided at 10% p.a. on straight line method. Prepare Machinery account for the years ended 31 March 2012, 2013 and 31 March 2014 and Asset disposal a/c.

PART B FINANCIAL ACCOUNTING-II

- 14 Where is general donation received shown in the final accounts of a Not for Profit Organization. 1
- 15 What do you mean by readymade software? 1
- 16 Show the accounting treatment in final accounts if commission received in advance is given inside the Trial Balance. 1
- 17 Explain briefly any three disadvantages of computerized accounting. 3

18 Ahmed started a business with capital `50,000 on 1st January 2013. During the year he withdrew `40,000 for personal use and introduced `7000 as additional capital. The balances as on 31 December 2013 is as follows; Cash in hand `10,000
Stock in hand ` 25,000
Debtors `100,000 and Creditors `35,000
You are required to prepare statement of profit or loss for the year ended 31 December 2013

19 The Net profits of a firm for the year ended 31 March 2015 are `10,500 before charging commission. The manager of a firm is entitled to a commission of 5% net profit after charging commission. Calculate the commission payable to the manager. Also show its treatment in Final Accounts for the year ended 31 March 2015.

20 Record the following transactions in the final accounts of Good Fortune Charitable Society for the year ending 31 March 2015.
Expenditure on Construction of a Building `3,00,000 (Estimated cost of construction `450000) The construction work is in progress and has not yet completed.
Opening Building Fund ` 4,00,000 and Opening Capital Fund ` 9,00,000

21 How are the following items dealt while preparing Income and Expenditure Account of Students Sports Club for the year ended 31 March 2015?

Particulars	1 April 2014 (`)	31 March 2015 (`)
Outstanding subscriptions	4,600	6,300
Advance subscriptions	3,000	4,000

Subscriptions Received during the year ended 31 March 2015 was 32,000

22 From the following Receipts and Payments Account of Wellness Club prepare the Income and Expenditure Account for the year ended 31 December 2015 and Balance sheet as on 1 January 2014.

Receipts and Payments Account for the Year ended 31 Dec 2015

Receipts	Amount (`)	Payments	Amount (`)
To Balance B/d	250	By salaries	1,200
To Subscription		By Sundry expenses	950
2014	250	By Books	100

To Sale of old furniture(costing 100`)	60	By Balance c/d	5,500
To Rent received	740		
To Profit from Entertainment	400		
To sale of Newspapers	100		
To Entrance Fees	100		
To Donation	1,000		
To Match Fund	500		
To Building Fund	5,000		
	9,600		9,600

- (a) The club has 50 members, each paying annual subscription of `25. Subscription amounting to `50 is still outstanding for the year 2014.
- (b) On 31 Dec 2015, salaries outstanding amounted to `100; salaries paid included `100 for the year 2014.
- (c) On 1.1.2015 the club owned Land and Building valued at `10,000, Furniture `600 and Books `500.

23 Explain the following:

6

- (a) Hardware (b) Software (c) Human ware

24 From the following Trial Balance of Mohan Trading, prepare Trading and Profit and Loss account for the year ending 31st March 2015 and a Balance Sheet as on that date

8

Particulars	Dr(`)	Cr(`)
Capital and Drawings	3,000	18,000
Debtors and Creditors	12,000	6,000
Loan		5,700
Interest on loan	180	
Cash	1,200	
Provision for doubtful debts		720
Opening stock	4,080	
Bank	2,100	
Land & Buildings	13,200	
Bad debts	300	
Purchases and sales	39,600	66,000

Returns	4,800	900
Carriage outwards	1,500	
Carriage Inwards	1,800	
Salary	5,400	
Advertising	3,900	
General expenses	2,040	
Bills Receivable and Bills Payable	3,600	1,200
Rent received		180
TOTAL	98,700	98,700

Adjustments

(1) Stock on 31st December 2012 is `4200

(2) Salary outstanding `120

(3) Depreciate Land & Building @10%

(4) Provision for doubtful debts should be maintained at 5% on sundry debtors.

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PART A- FINANCIAL ACCOUNTING -I

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| 1 | What do you mean by Matching Concept? | 1 |
| 2 | Name any two fundamental accounting assumptions. | 1 |
| 3 | State one advantage of preparing Journal. | 1 |
| 4 | Explain with one example (a) Trade Receivables (b) Prepaid expenses | 3 |
| 5 | Prepare Accounting Equation from the following:
(a) Started business with cash `10,000
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2016	200	By Match Expenses	1,600
To Sale of old furniture/contingencies	60	By Balance b/d	5,500

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