

**INTERNATIONAL INDIAN SCHOOL, DAMMAM**  
**MODEL EXAMINATION - 2013**

**CLASS – XI**  
**SUBJECT: ACCOUNTANCY**

**MAXIMUM MARKS: 90**  
**TIME : 3 HRS**

**SET-A**

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**GENERAL INSTRUCTIONS**

1. All Questions are compulsory.
2. Marks for each question are indicated against it.
3. Draw proper format wherever necessary.
4. Use of Calculator is not allowed.

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|------|--|-----|
| Q-1  | Define – Expenditure   | [1] |
| Q-2  | Give one point of difference between Current Assets and Fixed Assets.  | [1] |
| Q-3  | Which are the transactions not recorded in the Subsidiary books.   | [1] |
| Q-4  | Explain why is Suspense A/c prepared?  | [1] |
| Q-5  | Explain the meaning of Legacy.   | [1] |
| Q-6  | State any two limitations of maintaining incomplete records.   | [1] |
| Q-7  | Calculate Gross Profit from the following particulars:<br>Net Sales - Rs.6,000 Gross Profit - 20% on cost  | [1] |
| Q-8  | Write an Adjustment Entry for Prepaid Expenses   | [1] |
| Q-9  | Explain Refinement.  | [1] |
| Q-10 | Explain how the following external users will use accounting information:-<br>a) Lenders<br>b) Investors<br>c) Government.   | [3] |
| Q-11 | Define Accounting Standards and explain two advantages.  | [3] |
| Q-12 | How will you deal with the following items while preparing final accounts of a club for the year ended 31 <sup>st</sup> March 2008.<br>Prizes awarded Rs.1,50,000. Prize fund as on 31.3.2008 Rs.6,00,000. Donation for prizes received during the year 2007-08 Rs.50,000. 15% Prize Fund Investment as on 31.3.2008 Rs. 6,00,000. Interest received on Prize fund Investment Rs.75,000. | [3] |
| Q-13 | Differentiate between Manual Accounting and Computerised Accounting.   | [3] |
| Q-14 | From the following information draw up a Trial Balance:<br>Capital Rs.84,000 Machinery Rs. 20,000 Sales Rs. 2,00,000 Purchases 2,10,000 Sales Return Rs.20,000 Purchase Returns Rs.10,000 Interest received Rs 9,000 Discount Allowed Rs. 6,000 Bank Overdraft Rs. 22,000 Stock on April 01, 2005 Rs. 16,000 Goodwill Rs. 75,000 Creditors Rs.22,000 Stock on March31, 2006 Rs. 30,000.  |     |

**Q-15** Enter the following transactions in two columnar Cash Book and Balance it [4]

	Rs.
2012	
Oct 1 Cash in hand	2,100
Bank overdraft	5,600
Oct 3 purchased goods by cheque	1,860
Oct 8 paid into bank	2,000
Oct 10 cash sales at a discount of 2%	20,000
Oct 20 purchased a computer and paid by cheque	15,900
Oct 25 Received payment of loan Rs.5,000 and deposited Rs.3,000 of it in the bank.	

**Q-16.** Journalise the following transactions [4]

- 1) Sold goods to Wasim, List price Rs. 7000 subject to 10% trade discount and 5% cash discount.
- 2) Purchased goods from Imran Rs. 10,000 for cash and Rs. 5,000 on credit.
- 3) Wages paid for Installation of machine Rs.2,500.
- 4) Rs. 800 written off as bad debts last year have now been recovered.

**Q-17** Radha started her business on January 1,2010 with capital of Rs.1,10,000. On July 1,2010 she borrowed Rs. 80,000 from her friend on interest @ 12% p.a. (which is not yet paid). On December 31, 2010 her position was as under:

Cash in hand 18,000 Stock 86,000 Debtors 1,27,200 Creditors 13,500

During the year, Radha introduced Rs. 1,500 as additional capital, she sold her private scooter for Rs. 1,500 and brought this money into business. She withdrew Rs. 4,500 for domestic purposes. In addition she paid Rs. 1,000 her domestic loan and Rs. 500 to her daughter for collage fees. Ascertain her profit or loss for the year 2010. [4]

**Q-18** Explain any two of the following concepts [4]

- i) Prudence Concept
- ii) Materiality Concept
- iii) Matching Concept

**Q-19** (i) Explain ready to use and customised Software [3+3=6]  
(ii) Explain any three limitations of computerised accounting softwares.

**Q-20** From the following particulars, ascertain the bank balance as per pass book as on 30<sup>th</sup> June,2006: [6]  
Credit balance as per cash book on 30.6.06 Rs.3000

- a) Bank charges debited by bank Rs.65 were recorded twice in cash book
- b) Cheques of Rs.5000 deposited but cheques of Rs.3700 were credited by the bank upto 30.06.06
- c) Two cheques of Rs.1500 and Rs.3000 were issued but only one cheque of Rs.1500 was presented for payment
- d) Dividend on shares Rs.750 collected by bank, but no entry has been passed in the cash book
- e) Cheque issued but not recorded in the cash book Rs.1000
- f) Debit side of the cash book undercast by Rs.1000

**Q-21** Rectify the following errors: [6]

- (i) Rs. 350 paid in Cash for a typewriter was charged to Office Expenses A/c.
- (ii) Goods amounting to Rs.660 sold to W were correctly entered in the Sales Book but posted to W's Account as Rs. 760.
- (iii) Goods worth Rs. 130 returned by G, were entered in the Sales Book and posted there from to the credit of G's personal account as Rs.103.

- (iv) Goods sold for Rs. 1,240 and debited on 20<sup>th</sup> December to C, were returned by him on 23<sup>rd</sup> and taken into stock on 31<sup>st</sup> December, no entries being made in the books for return.
- (v) Return Outward book was overcast by Rs. 750.
- (vi) Depreciation on furniture has not been posted to Furniture A/c Rs.550.

**Q-22** The following is the receipts and payments account of Harekrishna Club for the year ending Dec.31, 2010 [6]

Receipts	Amount (Rs)	Payments	Amount (Rs)
To balance b/d	5,000	By Affiliation Fee	1,000
To Subscriptions		By Furniture(July 2010)	3,000
2009- 500		By Sports Expenses	15,200
2010- 15,000		By Salary	2,500
2011- 1,000	16,500	By Balance C/d	14,000
To Life Membership fee	12,000		
To Sale of Scrap	200		
To Interest on Sports Fund Investment	2,000		
	<b>35,700</b>		<b>35,700</b>

The club has 1600 members each paying annual subscription of Rs.10. Subscription of Rs. 450 are still in arrears for 2009.

On January 1,2010, the club's assets and liabilities included: Furniture Rs. 2000; Sports Fund and 10% Sports Fund Investment Rs.30,000 each. Depreciation on Furniture @20% p.a.

Prepare Income and Expenditure Account and Balance Sheet for the year ended on December 31,2010.

**Q-23** A company whose books are closed on 31<sup>st</sup> March each year, purchased on 1<sup>st</sup> April, 2005 a machine costing Rs. 60,000. It purchased another machine on 1<sup>st</sup> Oct, 2005 costing Rs. 40,000 and on 1<sup>st</sup> July, 2006 costing Rs. 20,000. On 1<sup>st</sup> Jan. 2008 one- third of the machinery which was installed on 1<sup>st</sup> April, 2005 was sold for Rs. 6,000. On the same day a new machinery for Rs.25,000 was purchased. Show how the Machinery Account would appear in the books of the company from April -2005 to March-2008, it being given that machinery was depreciated by diminishing balance method at 10% p.a. [8]

OR

On January 1<sup>st</sup> 2009 Sharma & Sons purchased a second hand plant costing Rs.2,50,000 and spent Rs.10,000 on its overhauling. It also spent Rs.5,000 on its transportation. On April 1<sup>st</sup> 2010 the company purchased another machine for Rs.2,00,000. It was decided to provide depreciation at the rate of 20% on SLM basis. The plant purchased on 1<sup>st</sup> January 2009 was destroyed by fire on Oct 31<sup>st</sup> 2011 and an insurance claim of Rs.50,000 was admitted by the insurance company. Prepare Plant account, Accumulated Depreciation Account and Plant Disposal Account for the years 2009, 2010 & 2011 assuming that the company closes its books on December 31<sup>st</sup>.

**Q-24** On 25.01.2005 Sushmita sold goods to Kareena for Rs.50,000 and drew three bills of exchanges on her . Kareena accepted the bills Rs. 30,000 for 3 months, Rs. 20,000 for 2 months and Rs.10,000 for one month. Sushmita discounted 1<sup>st</sup> bill immediately at 12% p.a. interest with her bank and endorsed the 3<sup>rd</sup> bill to Karishma on 30.01.05 to settle her account for Rs. 10,500. On the due dates all the bills were honoured except the 1<sup>st</sup> bill. Noting charges of Rs. 100 was spent by the bank. Kareena was able to pay Rs.20,000 immediately and accepted another bill for the

balance amount for another one month including interest @ 12% p.a. and noting charges. On the due date the bill was duly met. Pass necessary journal entries in the books of Sushmita. [8]

OR

On March 1<sup>st</sup> 2011, Veena drew upon Vasanti a bill of exchange for Rs. 25,000 payable after one month, which she later accepted. On the due date Vasanti dishonoured her acceptance. Pass necessary journal entries in the books of Veena in the following cases :

- When the bill was retained by Veena with her till maturity
- When the bill was discounted by Veena immediately with her banker @6% pa
- When the bill was endorsed to her creditor Saraswati
- When the bill was sent to his bank for collection a few days before maturity.

Q-25 The Trial Balance was extracted from the books of Mr. Kumar on 31<sup>st</sup> March, 2012:

Debit Balances	Rs.	Credit Balance	Rs.
Land and Building	3,000	Capital	21,000
Plant and Machinery	8,000	Sales	32,000
Office Furniture	1,000	Sundry Creditors	2,900
Purchases	18,000	Returns	500
Sundry Debtors	8,500	Bills Payable	3,000
Returns	300	Provision for Doubtful Debts	400
Rent Rates & Taxes	750		
Stock (1-4-2011)	3,200		
Postage & Telegrams	100		
Selling Expenses	900		
Wages & Salaries	2,800		
Telephone Charges	400		
Insurance	2,450		
Printing and Stationery	1,500		
Bad Debts	100		
Commission	1,000		
Cash in hand	2,000		
Motor Cycle	4,200		
Traveling Expenses	400		
Carriage Inwards	1,000		
Drawings	200		
	59,800		59,800

Prepare Trading and Profit and Loss Account and Balance Sheet as on 31<sup>st</sup> March, 2012. After taking the following adjustments into consideration:

1. The value of stock on 31<sup>st</sup> March, 2002 was Rs. 7,500.
2. Write off Rs.500 as bad debts and Provision at 5% on sundry debtors is to be maintained and provide for discount on debtors at 2%.
3. Wages worth Rs. 200 are outstanding for the month of March.
4. Plant and Machinery is to be depreciated at 10%. Motor cycle was valued at Rs. 4,000 on 31-3-2012.
5. An Insurance policy of Rs.350 was expiring on 30<sup>th</sup> Sept. 2012. [10]

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