

**INTERNATIONAL INDIAN SCHOOL DAMMAM
MODEL EXAMINATION 2016
SET A**

**CLASS: XI
SUBJECT: ACCOUNTANCY**

**MAX TIME: 3 HOURS
MAX MARKS: 90**

GENERAL INSTRUCTIONS:

- A. Attempt all questions**
- B. Marks for each question are indicated against it.**
- C. Draw proper format wherever necessary.**

**PART – A
FINANCIAL ACCOUNTING - I**

1. Mention any two internal users of accounting information. 1
2. “Closing stock is valued at cost or market price whichever is lower”.
Which concept of accounting is applied here? 1
3. Explain any three advantages of accounting? 3
4. Explain the following terms: 3
a) Debtor b) Vouchers c) Capital
5. Define accounting standards. 3
Explain any two objectives of accounting standards.
6. Pass journal entries for the following: 3
a) Goods distributed as free samples Rs. 300.
b) Depreciation on building Rs. 2,100.
c) Interest on capital Rs. 325.
7. Prepare accounting equation based on the following: 3
a) Anwar started business with cash Rs. 1, 00,000.
b) Purchased goods on credit Rs. 4,000.
c) Salary paid Rs. 900.
8. Explain the following: 4
a) Business entity concept.
b) Full disclosure concept.

9. Prepare triple column cash book from the following transactions:

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- 2015 Jan. 1 Commenced business with cash Rs. 60,000.
- Jan. 2 Deposited in to Bank Rs. 40,000.
- Jan. 3 Bought building by cheque Rs. 25,000.
- Jan. 5 Paid to Mohan by cheque Rs.1, 900 in full settlement of his account Rs. 2,000.
- Jan. 6 Withdrew from bank for office use Rs.1,000.
- Jan. 15 Received a cheque from Rohan Rs. 2,450. Allowed him discount Rs. 50.

10. Prepare a bank reconciliation statement of Harish on 31st December 2006 with the following:

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- a) Cash book showed an overdraft of Rs. 3,170 on 31-12-2006.
- b) Cheques issued but not cashed amounted to Rs. 584.
- c) Cheques paid in to bank but not cleared were Rs. 1,085.
- d) Bank charges for the above period debited in pass book Rs 15.
- e) Interest on overdraft Rs. 80 recorded in pass book.
- f) Interest on investment collected and credited by the bank Rs. 600.

11. Rectify the following errors.

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- a) Furniture purchased for Rs. 4,000 debited to purchases account.
- b) Sales book was overcast by Rs. 850.
- c) Wages paid Rs. 500 for installation of machinery was debited to wages account.
- d) Goods purchased for Rs. 1,500 for proprietor's use was debited to purchases account.
- e) Credit sales to Arjun Rs. 1,300 were not recorded.
- f) Interest received from Rajan was credited to Rajan's account with Rs. 700.

12. Arjun sold goods to Rajeev for Rs. 10,000 on January 15, 2013 and drew a bill payable after 2 months. Rajeev accepted it and returned to Arjun. On the due date Arjun sent someone to realize the payment but Rajeev refused to honor the bill.

- a) Identify the value missing in the above case.
- b) What should Arjun do to realize the payment?

Sathish sold goods to Harish for Rs. 20,000 and drew a bill for three months. Harish accepted the bill and returned it to Sathish who discounted it with bank for a discount of Rs. 200. On the due date Harish failed to honor his acceptance. He requested Sathish to draw upon him a new bill for three months for the original amount plus interest @ 10% p.a. Sathish agreed and drew the fresh bill, which Harish accepted and duly paid on maturity. Pass necessary journal entries in the books of Sathish.

2+4= 6

13. Green Ltd. Purchased machinery on 1st January 2009 for Rs. 40,000. On 1st July in the same year, another machinery costing Rs.20, 000 was purchased. On 1st July 2011, machinery bought on 1st January 2009 was sold for Rs. 12000 and a new machine purchased for Rs. 70,000 on the same date. Depreciation is provided annually on 31st December @ 10% p.a. on the written down value method. Show the Machinery Account from 2009 to 2011.

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OR

ABC Ltd. Purchased machinery on 1st April 2011 for Rs. 1, 00,000. On 1st October 2011 an additional machinery was purchased costing Rs. 50,000. On 1st October 2012, the machinery purchased on 1st April 2011 having become obsolete, was sold for Rs. 40,000. Depreciation is provided @ 10% p.a on straight line method on 31st March every year. Show the Machinery A/c, Machinery Disposal A/c and Provision for Depreciation Account for two years.

PART – B
FINANCIAL ACCOUNTING – II

14. On the basis of the following information calculate the amount of stationary for the year ended 31st March 2012.

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Payments during the year Rs. 90,800

Additional information:

Details	April 1, 2011 (Rs.)	March 31, 2012 (Rs.)
Stock of stationary	23,000	1,500
Creditors for stationary	2,000	13,000

15. Calculate the amount of subscription received during the year 31st December 2014.

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For 2013	1,600
For 2014	44,400
For 2015	3,200
	49,200

There were 450 members each paying an annual subscription of Rs. 100. Rs.1800 was in arrears for 2013 at the beginning of 2014.

16. Explain the factors to be considered before sourcing an accounting software.

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17. Mahesh commenced business on Jan.1, 2008 with a capital of Rs. 1, 10,000.

On 1st July, 2008 he borrowed Rs. 80,000 from his friend on interest @ 12% p.a (which is not yet paid).

On 31st December 2008 his position was as follows:

Cash in hand Rs. 20,000.

Stock Rs. 83,000.

Debtors Rs. 1, 30, 000.

Creditors Rs. 14, 000.

He withdrew Rs. 36, 000 for his domestic use during the year.

Ascertain his profit or loss at the end of the year.

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18. a) Discuss the limitations of computerized accounting system.

b) Distinguish between a ready- to- use and tailored accounting software

3+3=6

19. From the following Receipts and Payment account, prepare income and expenditure account and balance sheet as on 31st December, 2006.

Receipt and Payment Account for the year ended 31st December 2006.

Receipts	Amount Rs.	Payments	Amount Rs.
To Balance bld	19,550	By general expense	3,200
To Subscriptions		By Newspaper	1,850
2005 1,200		By Electricity	3,000
2006 26,500		By Fixed deposit On 31.6.06 @ 10%	18,000
2007 500	28,200	By books	7,000
To sale of old newspapers	1,250	By salary	3,600
To Government grant	12,000	By Rent	6,500
To sale of old furniture (Book value 5000)	3,700	By postage charges	300
To interest received on Fixed deposit	450	By Furniture	10,500
		By Balance old	11,200

Additional information:

1) Subscription outstanding as on 31-12-05 Rs. 2000 and on 31-12-06 Rs. 1500.

2) On 31-12-06 salary outstanding Rs. 600 and prepaid rent Rs. 500.

3) At the beginning the club owned Furniture Rs. 12, 000 and Books Rs. 5000.

4) Capital Fund in the beginning of the year was Rs. 38, 550.°

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20. The following balance were extracted from the books of Shri Brijesh Chandra on 30th June 2014:

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Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Bad debts	550	Capital	24,500
Purchases	47,000	Loan	7,880
Scooter	2,000		
General expenses	2,500	Sales	65,360
Buildings	11,000		
Machinery	9,340		
Stock	16,200	Bad debts, provision	900
Scooter Expenses	1,800	Commission	1,320
Power	2,240		
Taxes and Insurance	1,315		
Wages	7,200	Bills Payable	3,850
Debtors	6,280		
Cash	80		
Drawings	2,000	Bank Overdraft	3,300
Charity	105	Creditors	2,500

Prepare final accounts for the year ended 30th June, 2014 after giving effect to the following adjustments:

- Stock on 30th June, 2014 was valued at Rs. 23,500.
- Write off Rs. 160 as further bad debts and maintain provision for bad debts at 5% on debtors.
- Depreciate machinery at 10% and scooter at 12%.
- Provide Rs. 750 for outstanding interest on overdraft.