

INTERNATIONAL INDIAN SCHOOL, DAMMAM
SECOND TERMINAL EXAMINATION
NOVEMBER-2014

CLASS – XI
SUBJECT: ACCOUNTANCY

MAXIMUM MARKS: 90
TIME : 3 HRS

SET-A

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.

1. Name any two external users of accounting information? [1]
2. Calculate the due date of a bill of exchange if the bill is drawn on 12th of July and maturing in one month. [1]
3. Give one point of difference between Reserve and Provision? [1]
4. Explain the term Amortisation. [1]
5. "Closing stock is valued at cost or market price whichever is lower". Which concept of accounting is applied here? [1]
6. Explain Accrual Basis. [1]
7. Briefly explain the advantages of Accounting. [3]
8. Explain the objectives accounting. [3]
9. The following trial balance has been prepared by an inexperienced accountant. Redraft it in the correct form. [3]

Particulars	Dr. Balance ₹	Cr. Balance ₹
Capital	8,950	
Drawings		1,050
Opening Stock	3,725	
Purchases	23,100	
Sales		39,425
Wages	6,205	
Electricity	310	
Machinery	3,600	
Carriage Outwards		230
Returns Inwards	105	
Return Outwards		290
General Reserve	350	
Discount allowed	285	
Commission received		315
Rent	1,115	
Building	1,585	

Sundry Creditors	4,925	
Sundry Debtors		13,920
Bank Overdraft	975	
	55,230	55,230

10. On checking Ram's Cash Book with the bank statement for 31st March 2014, the following discrepancies were found: [4]

- i) Cash book showed an overdraft of ₹ 45,000.
- ii) The payment side of cash book has been undercast by ₹ 1,500.
- iii) Cheques amounting to ₹ 6,000 had been sent for collection but only a cheque of ₹ 2,500 cleared.
- iv) Dividends of ₹ 4,000 has been paid directly into the bank account.
- v) Cheques amounting to ₹ 7,000 drawn and entered in the cash book had not yet been presented.

11. Explain the method of codification. [4]

12. Mr. A started business with a capital of ₹ 2,50,000 on 1st April, 2011. He withdrew ₹ 40,000 for his personal use on 30th March, 2012. He sold his personal investment of ₹20,000 at 10% profit and invested the entire sum into the business. On 31st March 2012, his assets stood at ₹ 3,25,000 and creditors at ₹ 20,000. You are required to prepare statement of profit or Loss for the year ended 31st March 2012. [4]

13. From the following information calculate COGS and Closing stock [4]

	(₹)
Sales	80,000
Purchases	65,000
Return Outwards	5,000
Return Inwards	2,000
Wages	5,000
Fuel, Power & Electricity	3,000
Gross Profit	20,000
Opening Stock	7,000

14. i) Explain why computerised accounting has gained importance in today's scenario?

ii) Give the difference between Manual & Computerised Accounting. [3+3]

15. Journalise the following transactions: [6]

- i. Received ₹ 250 which was written off as bad debts in the previous year.
- ii. Rahul became insolvent, who owed ₹ 5000. A final dividend of 60 paisa in a rupee is received from his estate in full and final settlement.
- iii. Goods costing ₹ 20,000 sold to Manoj at 10% trade discount and 12% VAT

- iv. Insurance paid in advance ₹ 500/-
- v. Bharat returned defective goods worth ₹ 5000/-

16. Record the following transactions in the triple col. Cash book of Ghasidas: [6]

2014	Particulars
Sept. 01	Opening Balance of Cash ₹ 20,000.
Sept. 01	Opening Balance of Bank Overdraft ₹ 8000.
Sept. 03	He pays ₹ 18,000 into his bank A/c.
Sept 05	He receives a cheque of ₹ 4500 from Rishi, allows him a discount of ₹ 500 and deposits the cheque into bank on the same day.
Sept. 07	Withdraws ₹ 2,500 from bank for office use.
Sept. 10	He pays John & Co ₹ 3,750 in cash and is allowed discount ₹ 350
Sept. 12	He pays sundry expense in cash ₹ 600
Sept 15	He withdraws ₹ 1,000 for personal use.
Sept 18	He receives cash ₹ 750 and a cheque of ₹ 1,000 for cash sales.
Sept 20	He receives a cheque from Ram ₹ 2000.

17. The pass book of Mr. Randhir showed an overdraft of ₹ 40,950 on March 31, 2014. Prepare a bank reconciliation statement. [6]

- i) Bank credited ₹ 3,800 for interest but it was not entered in the cash book.
- ii) Out of cheques amounting to ₹ 8,000 drawn by Mr. Randhir on March 27, a cheque for ₹ 3,000 was encashed on April 03.
- iii) ₹ 10,900 were deposited in bank by cash and cheques on March 31, cheques amounting to ₹ 2,500 were collected on April 07.
- iv) Bills discounted ₹ dishonoured not recorded in the cash book ₹ 5,000.
- v) Bank charges entered twice in the cash book ₹ 50.
- vi) Insurance premium of ₹ 600 directly paid by bank under standing advice.
- vii) Cheque issued but not presented for payment ₹ 1000.

18. Explain the following concepts [6]

- i) Cost Concept.
- ii) Matching Concept.
- iii) Full Disclosure Concept.

19. Mr. Mittal is an accountant in a company. He passed a dummy entry without transaction proof in order to match the trial balance of the company. He did not tell this to his boss. Which are the values missing in his behavior also explain what he should have done instead?

On Aug 01, 2012, Siya sold goods worth ₹ 18,000 to Sohail. She drew upon him three bills of exchange of ₹ 5,000, ₹ 6,000 and ₹ 7,000 payable after two, three and four months respectively. He accepted the bills and returned them to Siya.

Siya discounts the first bill @ 6% with her banker. On 5th August, she endorsed the second bill to her creditor Mr. Raina in settlement of ₹ 6,200. On 25th November Siya

sends the third bill to the banker for collection. On the due date the bank deposits the money in Siya's account after deducting charges of ₹ 50.

Record necessary Journal entries in the books of Siya.

(2+6)

20. A company whose accounting year is the calendar year, purchases on 1st April 2010 machinery costing ₹ 3,00,000. It purchased further machinery on 1st Jan 2011 costing ₹ 2,00,000. On 1st October 2012 one third of the machinery installed on the 1st April 2010 became obsolete and was sold for ₹ 30,000. On the same day it purchased another machinery for ₹ 1,00,000. Show how **Machinery A/c, Provision for Depreciation A/c and Machinery Disposal A/c** would appear in the books of the company for the years 2010, 2011 and 2012. It being given that machinery was depreciated under **Fixed Installment Method at 10%**.

OR

On 1st April 2009 a machinery costing ₹ 2,00,000 was purchased. It further purchased a machinery on 1st October 2009 for ₹ 1,00,000 and on 1st July 2010 costing ₹ 50,000. On 1st April 2011 half of the machinery installed on 1st April 2009 became obsolete and was sold for ₹ 30,000. Show Machinery A/c for 2009, 2010 & 2011 if the company followed **Written down Value method**, year end is 31st December and depreciation is charged at 10%. (8)

21. The following is the trial balance of Mr. Rajeev Gautam on 31st March 2014 (13)

Particulars	Dr. Amt (₹)	Cr. Amt (₹)
Cash in hand	1,080	
Cash at Bank	5,260	
Purchases	81,350	
Sales		1,97,560
Return Inwards	1,360	
Return Outwards		1,000
Wages	20,960	
Fuel and power	9,460	
Carriage Outwards	6,400	
Carriage Inwards	1,080	
Stock (1 st April, 2013)	11,520	
Building	60,000	
Freehold Land	20,000	
Machinery	40,000	
Salaries	30,000	
Patents	1,50,000	
General Expenses	6,000	
Insurance	1,200	
Capital		1,42,000
Drawings	10,490	
Sundry Debtors	29,000	
Sundry Creditors		12,600
	3,53,160	3,53,160

Taking into account the following adjustments, prepare Trading and Profit & Loss Account and Balance sheet:

- a) Stock on hand on 31st March is ₹ 13,600.
- b) Machinery is to be depreciated @ 10% and patents @20%.
- c) Salary for the month of March, 2012 amounting to ₹ 30,000 were unpaid.
- d) Goods worth ₹ 5,000 were destroyed by fire and the Insurance Company accepted a claim of ₹ 3,500.
- e) Further bad debts are ₹ 1,000 and a provision for bad debts to be created to the extent of 5% on sundry debtors.
