

PRACTICE PAPER
ACCOUNTANCY
Class - XI

Time-3 hours

MM-90

General Instructions:-

1. This question paper is divided into two parts.
 2. All the questions are compulsory.
 3. Attempt all part of a question at one place.
 4. Marks are indicated against each question .
 5. Supplement journal entries with narration.
 6. Use of calculator is strictly prohibited.
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- 1) Name two external users of accounting information. (1)
 - 2) What do you mean by accounting standards? (1)
 - 3) What is owner's equity? Give an equation for owner's equity. (1)
 - 4) What is capital reserve? Give any two example of capital reserve. (1)
 - 5) What do you mean by Amortisation? (1)
 - 6) What do you mean by cost of goods sold? How is it calculated? (1)
 - 7) From the following balances prepare a trial balance. (3)

Cash in hand	10,000	salaries	15,000
Sales	90,000	capital	25,000
Bank overdraft	27,000	purchase return	9,000
Creditors	25,000	Machinery	39,000
Investment	10,000	carriage outward	5,000
Bad debts	3,000	building	1,09,000
 - 8) What do you mean by error of Principle? Give one example. (3)
 - 9) Calculate gross profit and cost of goods sold from the following information: (3)

Net Sales 1,00,000

Gross profit is 25% on cost.
 - 10) What is accounting ?Explain any three qualitative characteristics of accounting. (4)
 - 11) What do you mean by sub-division of journal? What are its advantages? (4)
 - 12) Journalise the following transactions: (4)
 - a) Goods worth Rs 4,000 were given as charity out of business.
 - b) Received Rs. 500 as bad debts written off last year.
 - c) Purchased goods for cash Rs 1,000 and credit Rs 500
 - d) Paid rent in advance Rs 1,000.
 - 13) Rectify the following errors. (4)
 - a) A credit item of Rs 83 has been debited to a personal account, as Rs 38.

- b) A sum of Rs 100 written off on fixtures as depreciation has not been posted to depreciation account.
- c) Rs 1,000 paid for furniture purchased had been charged to purchases account.
- d) A discount of Rs 100 allowed to a customer has been credited to him as Rs 101.
- 14) Explain the following terms:- (6)
- a) Historical cost principle.
- b) Money measurement concept.
- c) Accounting standards.
- 15) Prepare the bank reconciliation statement from the following particulars for the Period ending 31st march 2010. (6)
- a) The bank pass book showed an overdraft Rs 1,32,000 on october31st.
- b) Bank charges debited in the bank pass book amount to Rs 280.
- c) Cheques for Rs 10,500 deposited with the bank on oct 27 were credited by the Bank on 3rd Nov. 2010
- d) Rs 15,500 withdrawn from bank for office use were entered in the cash book as Rs 10,500.
- e) Premium on Life insurance policy Rs 1620 paid by bank on standing advice.
- f) Credit side of bank column of cash book cast short by Rs 100.
- g) Customer's cheque returned as per bank statement only Rs 1,500.
- 16) Kumar & co. Purchased a machinery on 1st January, 2009 for Rs 54,000 and spent Rs 6,000 on its installation. On 1st sep,2010 it purchased another machinery for Rs 30,000. On 31st march, 2011 the first machinery purchased on 1st Jan,2009 is sold for Rs 36,000 and on the same date it purchased a new machinery for Rs 80,000. On sep1, 2012 the second machine (purchased on sep1,2010) was also sold off for Rs 26,000. Depreciation was provided on machinery @ 10% p.a. on original cost method Annually on 31st Dec. Give machinery account from 2009 to 2012. (6)
- 17) On 1st Jan,2011, Ram drew and Shyam accepted a bill at 3 months for Rs 4,000. On 4th Jan,2011, Ram discounted the bill at his bank at 15% p.a. The bill was dishonoured on the due date and noting charge of Rs 500 paid by the bank. Shyam requested Ram to draw a new bill for the amount due, Ram agree to it and charge 6% p.a. interest and a new bill was drawn for the total amount due for the further period of 3 months .On the due date shyam become insolvent and only 55 paise in a rupee is recovered from his estate. Record the above transaction in Ram's journal. (8)

OR

What is a bills of exchange ? give its specimen. Explain briefly the difference between dishonour of a bills of exchange and renewal of a bills of exchange.

- 18) The following balances are taken from the books of Shri D.K.Jain. (8)

Name of accounts	Rs	Name of accounts	Rs
Capital	1,20,000	Drawings	21,000
Opening stock	45,000	Plant & Machinery	24,000
Furniture	1,500	Purchases	2,95,000

Sales	4,35,000	Insurance	1,500
Purchases return	4,000	Sales return	7,000
Rent	5,000	Trade expenses	2,000
Salaries	24,000	Wages	40,000
Bad debts	1,000	Investment	50,000
		(1-4-2012@6%p.a)	
Sundry debtor	40,000	Sundry creditors	19,000
Bad debts reserve	800	Cash	12,200
Establishment Exp.	6,000	Miscellaneous receipts	1,200
Patents	4,800		

After making the following adjustments, prepare Trading and Profit & Loss account for the year ended 31st Dec, 2012 and a balance sheet on that date:

- 1) Stock on 31ST DEC,2012 Rs 75,000.
- 2) Depreciate machinery by 10% and furniture by 20%.
- 3) Wages Rs 5,000 and salaries 1,200 are outstanding.
- 4) Write off 500 as bad debts and create a reserve for bad and doubtful debts at 5% .
- 5) No interest has been received on investment so far.

OR

Why is it necessary to create a provision for bad and doubtful debts ? How is it treated in financial statement? What are adjusting entries?

PART-B

- 19) Give two items each of capital receipts and revenue receipts. (1)
- 20) Write any two limitations of single entry system. (1)
- 21) Give any two advantages of computer. (1)
- 22) From the following details, calculate the amount of subscription for the Current year (3)

	1-1-2012	31-12-2012
Outstanding subscription	9,500	10,000
Subscription received in advance	6,200	8,700
Subscription received during the year	Rs 2,50,000.	

- 23) Explain few advantages of accounting packages. (3)
- 24) Kamini commenced business on January 1,2012 with a capital of Rs 12,000. She immediately bought furniture for Rs 2,000. On 30th june, 2012 she borrowed Rs 5,000 from her husband @ 9%p.a. (interest not yet paid) and introduced a further capital of her own amounting to Rs 3,000.She withdrew at the rate of Rs 500 per month at the end of each month for household expenses. On 31st Dec,2012 her position was as follows:

Cash in hand Rs 3,800 ; sundry debtors Rs 7,300; Stock Rs 6,800; B/R Rs 1,600; Sundry Creditors Rs 500; and owing for rent Rs 150.

Ascertain the profit or loss made by kamini during 2012. (4)

- 25) From the following Receipts and Payments account, prepare the Income and Expenditure account for 2011. (6)

Receipts	Amount	Payments	Amount
To Balance(1-1-2011)			
Cash	500	By Salaries	3,500
Bank	2,800	By Rent	1,200
To. Subscription including Rs 200		By Printing & Stationery	190
For 2010 and Rs 150 for 2012) 5,900		By Postage	130
To Investments	850	By Steel almirah	350
To Sale of Furniture	600	By Defence bond	1,000
To Sale of Old news paper	40	By Bank balance(31-12-2011)	2,500
To Entrance Fees	100	By Cash balance (31-12-2011)	2,970
To Life Membership fees	1,000		

- 26) What types of software are available for accounting purpose? (6)
