

# FIRST TERMINAL EXAMINATION, 2016

## ACCOUNTANCY

Time : 3 hrs.

Class XI

M.M. : 90

Date : 21.09.2016

### General Instructions –

- Please check that this question paper contains 25 questions.
- All parts of a question should be attempted at one place.
- Marks are indicated against each question.
- Use of calculator is strictly prohibited.

- Q.1** If accounting information is based on facts and it is verifiable by documents it has the quality of – (1)  
a) Relevance      b) Reliability      c) Understandability      d) Comparability
- Q.2** Name any two external users of accounting information. (1)
- Q.3** State whether the following statements are true or false. (1)  
a) Accounts are prepared on the basis of historical costs.  
b) Accounting makes a record of qualitative aspects of business.
- Q.4** Huge loss occurred due to the strike of employees. Will it be recorded? Why or why not? (1)
- Q.5** What is a Voucher? (1)
- Q.6** The position of a businessman on 31<sup>st</sup> March 2010 was as follows : (1)  
Cash Rs. 5,000; Debtors Rs. 20,000; Machinery Rs. 60,000; Stock Rs. 25,000; Capital Rs. 75,000. Calculate his liabilities.
- Q.7** Rent is paid by cheque. Which account will be credited and why? (1)
- Q.8** What is Trial Balance? (1)
- Q.9** Explain the meaning of any three of the following terms : (3)  
i) Revenue      ii) Stock      iii) Debtors      iv) Assets
- Q.10** Raja Ltd. purchased securities for Rs. 50 lakh. At the end of the year, the market value of such securities was Rs. 40 lakh. While preparing the financial statement, the company valued the securities at cost i.e. Rs. 50 lakh. Is it a correct treatment? Highlight any three values ignored by Raja Ltd. (3)
- Q.11** What are Accounting Standards? Explain any two advantages of Accounting Standards. (3)
- Q.12** On which side of the Trial Balance, the following Ledger Balances will appear – (3)  
i) Purchases Return      ii) Bills Receivable  
iii) Returns Inward      iv) Discount allowed  
v) Bank Loan      vi) Furniture
- Q.13** Explain any two qualitative characteristics of Accounting Information. (2+2)
- Q.14** Define Accounting. Explain any three main objectives of Accounting. (1+3)
- Q.15** i) Explain the meaning of 'Money Measurement Principle'. (2+2)  
ii) 'Every transaction has debit and credit aspects'. Explain.
- Q.16** What are the two basis of accounting? Differentiate between the two basis of Accounting. (Any three). (1+3)
- Q.17** Prepare the Purchase Book of M/s Natraj Stationery from the following : (4)  
2015  
June 1      Purchased from Vijay Stationery Mart :

- i) 70 dozen pencils @ Rs. 25 per dozen
- ii) 10 dozen registers @ Rs. 15 per register

June 10 Purchased from Sindhu Furniture :

2 tables @ Rs. 1500 per table

June 13 Purchased 3 dozen ink pots @ Rs. 80 per dozen from Akash Paper Co. and received Cash Discount of Rs. 50.

June 18 Purchased from Rehman Bros. :

i) 5 reams of white paper @ Rs. 50 per ream.

ii) 120 pens @ Rs. 60 per dozen

Less : Trade discount of 10%

**Q.18** What is an opening entry? Pass an opening entry for the following information. (1+3)

Balance in the books of Kishley on 1<sup>st</sup> January, 2015.

Assets : Cash Rs. 8,000; Bank Rs. 20,000; Stock Rs. 54,000; Debtors Rs. 47,000; Machinery Rs. 60,000

Liabilities : Creditors Rs. 20,000; Capital Rs. 2,00,000

**Q.19** Show the Accounting Equation on the basis of the following transactions : (6)

i) Commenced business with cash Rs. 20,000; Goods Rs. 50,000 and Furniture Rs. 30,000

ii) Purchased goods from Hemant on credit Rs. 40,000.

iii) Goods costing Rs. 48,000 sold at a profit of  $33\frac{1}{3}\%$ ,  $\frac{3}{4}$  of the amount received in cash.

iv) Purchased a typewriter for cash Rs. 8,000 for personal use.

v) Sold goods to Ram on credit Rs. 6,500 (costing Rs. 5,000)

vi) Pay to Hemant in full settlement of his account Rs. 37,500

**Q.20** Post the following transactions into Ledger Account of Cash. (6)

i) Started business with cash 2,00,000

ii) Purchased goods for cash 20,000

iii) Sold goods to Hero Limited, less 10% Trade discount 30,000

iv) Withdrew from business for personal use 4,000

v) Purchased from Anshul Trading Co. , goods worth 25,000

vi) Returned goods to Anshul Trading Co. 5,000

vii) Paid cash to Anshul Trading Co. in full settlement of their account after deducting 5% cash discount.

viii) Received from Hero Ltd. 8,850

Discount allowed 150

ix) Goods costing Rs. 75,000 sold at a profit of  $33\frac{1}{3}\%$ . Half the payment is received in cash.

**Q.21** a) Pass compound entries for the following transactions : (3+3)

i) Paid cash to Kamlesh 9,600

Discount received from him 400

ii) Paid wages Rs. 2,000; Advertisement expense Rs. 2,500 and Salaries paid Rs. 9,000.

iii) Received interest Rs. 500 and Commission Rs. 2,000.

b) Give one example of each of the following transactions.

- i) Increase in an asset and a liability
- ii) Increase in an asset and capital
- iii) Decrease in an asset and a liability

**Q.22** Prepare a Trial balance from the following balances taken on 31<sup>st</sup> March, 2014. (6)

Capital	2,50,000	Bad Debts	7,300
Drawings	24,000	Bills payable	5,000
Debtors	57,000	Sales	3,80,000
Creditors	28,000	Purchases	2,21,200
Land	1,80,000	Loan from X	20,000
Interest on Investment	6,500	Shares in Y Ltd.	2,00,000

**Q.23** Prepare Returns Inward and Returns Outward Book from the following information : (6)  
2015

- Jan. 3      Returned to Khadim Shoe Co.  
50 pairs of Chappals being not upto the approved sample @ Rs. 42 per pair  
Less : Trade discount 20%
- Jan. 10     Guru Nanak and Co. returned to us –  
10 pairs of shoes for being defective @ Rs. 120 per pair  
Less : Trade discount 10%
- Jan. 15     Returned to Balya Shoe Co.  
20 pairs of ladies Chappals @ Rs. 36 per pair  
Less : Trade Discount 15%
- Jan. 22     Pradip Footwear Co. returned to us –  
50 pairs of shoes @ 150 per pair  
Less : Trade discount 5%
- Jan. 27     Manu Shoe Co. Model Town returned to us –  
20 pairs of sandals @ Rs. 85 per pair
- Jan. 31     Returned to Liberty Shoe Co. defective shoes worth Rs. 1200

**Q.24** Give Journal Entries for the following transactions in the books of Kapoor and Sons - (8)

- i) Started business with cash Rs. 75,000; Goods Rs. 30,000 and Furniture Rs. 5,000
- ii) Bought goods for cash of the list price of Rs. 80,000 at 10% trade discount and 2.5% cash discount.
- iii) Sold goods for cash of the list price of Rs. 50,000 at 20% trade discount.
- iv) Dinesh who owed Rs. 15,000 is declared insolvent and 65 paise in a rupee is received as final dividend from his estate.
- v) Received a cheque from Tanusha for Rs. 3,860 and discount allowed to her Rs. 140.
- vi) Provide depreciation on Furniture Rs. 500 and on Machinery Rs. 2,000.
- vii) Purchased a Machinery for Rs. 1,00,000 and spent Rs. 5000 on its installation. Payment was made by cheque.
- viii) Provide 9% interest on capital.

**OR**

- a) State the three fundamental steps in the accounting process.
- b) Answer the following :
  - i) Issued a cheque for Rs. 8,000 to pay rent. The account to be debited is \_\_\_\_\_.
  - ii) Purchased a new machine for Rs. 1,70,000 and spent Rs. 20,000 for registration, Rs. 6,000 as carriage and Rs. 10,000 for installation. In the journal entry machinery will be debited with \_\_\_\_\_ amount.
  - iii) Recording of transactions in the journal is called \_\_\_\_\_.
  - iv) What entry (debit or credit) would you make to (i) increase revenue (ii) decrease in expense
  - v) Differentiate between Liability and Capital.

**Q.25** Prepare a Double Column Cash Book with the help of following information for December 2016. (8)

01	Cash in hand	17,500
	Cash at bank	5,000
03	Purchased goods for cash	3,000
05	Received cheque from Jasmeet	10,000
08	Further capital introduced Rs. 50,000 out of which Rs. 40,000 is deposited into bank.	
09	Deposited into Bank	5,000
13	Received commission	6,000
14	Jasmeet's cheque returned dishonoured	-
18	Drew from bank for office use	2,000

**OR**

- a) Record the following transactions during the week ending Dec, 31, 2016 with a Weekly Imprest Rs. 500.

2016

24 Dec.	Stationery	100
25 Dec.	Bus fare	12
25 Dec.	Cartage	40
26 Dec.	Taxi fare	80

- b) Enter the following transactions in a single column cash book

2012

March 1	Commenced business with cash	20,000
March 2	Bought goods for cash	5,000
March 5	Sold goods for cash	4,000
March 10	Goods purchased from Ravi on credit.	10,000

