

SECOND TERMINAL EXAMINATION, 2017

ACCOUNTANCY

Time - 3 hrs.

Class XI

M.M. - 90

Date – 28.02.2017 (Tuesday)

Name of the student _____ Section _____

General Instructions –

- All the questions are compulsory.
- This question paper contains two parts A and B.
- All parts of questions should be attempted at one place.
- Marks are indicated against each question.
- Supplement journal entries with proper narrations.
- Use of calculator is strictly prohibited.
- Please check that this question paper contains 06 printed pages.

PART - A

- Q.1** Which of the following is the most relevant accounting information for taxation authorities ? (1)
- a) Cash balance of the firm b) Book value of the fixed assets
c) Credit sales of the year d) Profit generated during the year
- Q.2** Due to a labour strike in a factory, the production had to stop for a week. The accountant estimated the loss of production and likely loss of profit and recorded it in the books of accounts. Is the accountant correct? Give reason in support of your answer. (1)
- Q.3** State the meaning of a trial balance. (1)
- Q.4** What do you understand by imprest amount in petty cash book ? (1)
- Q.5** A bill of Rs. 12,000 was discounted by X with the banker for Rs. 11,880. At maturity, the bill returned disonoured, nothing charges Rs. 20. How much amount will the bank deduct from X's bank balance at the time of such dishonour? (1)
- Q.6** Explain each of the following terms : (3)
- i) Voucher ii) Goodwill iii) Stock
- Q.7** Briefly explain the following – (3)
- i) Dual aspect concept ii) Objectivity concept
- Q.8** From the following ledger balances, prepare Trial Balance – (3)

Name of Accounts	Amount	Name of Accounts	Amount
Capital	2,00,000	Stock	70,000
Goodwill	1,80,000	Live stock	3,00,000
Rent Outstanding	1,00,000	Bank Loan	1,50,000
Interest on investment	3,00,000	Purchases	2,00,000

- Q.9** Name the term associated with the following – (3)
- The articles in which a business deals.
 - The amount invested by the owner in the business.
 - The person who owes amount to the business on account of credit sales of goods or services.
- Q.10** Differentiate between Cash Basis of Accounting and Accrual Basis of Accounting. (4)
- Q.11** A firm purchased on 1st January, 2010 a second hand machinery for Rs. 36,000 and spent Rs. 4,000 on its installation. (6)
- On 1st July in the same year, another machinery costing Rs. 20,000 was purchased. On 1st July, 2012 machinery bought on 1st January, 2010 was sold for Rs. 12,000 and a new machine was purchased for Rs. 64,000 on the same date. Depreciation is provided annually on 31st December @ 10% per annum on the written down value method. Show the machinery account from 2010 to 2012.
- Q.12** Vishal sold goods for Rs. 7,000 to Manju on 5th January, 2015 and drew upon her a bill of exchange payable after 2 months. Manju accepted Vishal's draft and handed over the same to Vishal after acceptance. Vishal immediately discounted the bill with his bank @ 12% per annum. On the due date, Manju met her acceptance. (6)
- Journalise the above transaction in the books of Vishal and Manju.
- Q.13** Journalise the following transactions in the book of Vishesh. (6)
- 2013
- July 4 Opened bank account with PNB Rs. 10,000.
- July 9 Purchased furniture worth Rs. 20,000 and tools worth Rs. 4,000.
- July 10 Cash withdrawn from bank Rs. 50,000.
- July 12 Bought shares in 'Birla Ltd' for Rs. 5,000 and brokerage paid @ 2%. The payment is made by cheque.
- July 15 Paid to Nishant out of business funds for repair of Vishesh's house Rs. 8,000.
- July 19 Supplied goods costing Rs. 12,000 to Peter, issued invoice at 10% above cost, less 5% trade discount.
- Q.14** Prepare a Cash Book with Cash and Bank columns from the following information (8)
- for the month of December, 2011 in the Books of Neel.
- 2011
- Dec. 1 Cash in hand Rs. 2,780; Bank overdraft Rs. 3,125.
- Dec. 2 Cheque worth Rs. 400 issued to petty cashier.
- Dec. 5 Rs. 350 was paid to Hari & Sons for the supply of stationery on this day.
- Dec. 7 Received a cheque worth Rs. 600 from Pramod against sale of goods.
- Dec. 10 Received Rs. 1,200 from sale of goods.
- Dec. 11 The cheque which was received from Pramod on 7th December, 2011 was endorsed in favour of Martin together with Rs. 1,400 in cash.
- Dec. 26 Bought goods worth Rs. 1,700 from Rustom and paid by cheque after receiving a discount of Rs. 170.
- Dec. 30 Interest on overdraft Rs. 50 was charged by the bank.

OR

Prepare Returns inward and Returns outward books from the following.

2012

- Jan. 3 Returned to Bata Shoe Co.
 50 pairs of footwear being not up to the approved sample @ Rs. 42 per pair
 Less : Trade Discount 20%
- Jan. 10 Guru Nanak & Co. Fatehpuri returned to us.
 10 pairs of shoes, for being defective @ Rs. 120 per pair
 Less : Trade Discount 10%
- Jan. 15 Returned to Baluja Shoe Co.
 20 pairs of ladies footwear @ Rs. 36 per pair
 Less : Trade Discount 15%
- Jan. 22 Pratap Footwear Co. Gandhi Nagar returned to us
 50 pairs of shoes @ Rs. 150 per pair
 Less : Trade Discount 5%
- Jan. 26 Depreciation was charged on furniture worth Rs. 1,00,000 @ 10% per annum for 1 year
- Jan. 27 Manoj Shoe Co., Model Town returned to us –
 20 pairs of sandals @ Rs. 85 per pair
- Jan. 30 Returned to Liberty Furniture Mart,
 Defective furniture worth Rs. 1,200.
- Jan. 30 Sold goods to Surya Narayan, Delhi
 60 pairs of shoes @ Rs. 200 per pair
 20 pairs of socks @ Rs. 35 per pair

Q.15 Rectify the following errors -

(8)

- i) Depreciation written off on furniture Rs. 6,000 was not posted to furniture account.
- ii) Credit sales to Rupam Rs. 10,000 were recorded as Rs. 7,000
- iii) Purchases book was undercast by Rs. 2,000.
- iv) Credit purchases from Nanak Rs. 7,000 were recorded in the sales book. However, Nanak's account was correctly credited.
- v) Old machinery was sold for Rs. 7,000 was credited to sales account.
- vi) Installation charges of Rs. 500, on new machinery purchased were debited to sundry expenses account as Rs. 50.
- vii) Goods returned from Mahesh Rs. 1,000 were posted to the debit of his account as Rs. 2,000.
- viii) Rs. 200 paid for rent debited to landlord's account.

OR

Give journal entries to rectify the following errors assuming that suspense account had been opened.

- i) Goods distributed as free sample Rs. 5,000 were not recorded in the books.
- ii) Bills receivable received from a debtor Rs. 6,000 was not posted to his account.
- iii) Total of return inwards book Rs. 1,200 was posted to return outwards book.
- iv) Discount allowed to Reema Rs. 700 on receiving cash from her was recorded in the books as Rs. 70.
- v) A credit sale of goods worth Rs. 1,200 to Ramesh has been wrongly passed through the purchase book.
- vi) Cash sales of Rs. 2,000 were posted to debit of sales account as Rs. 5,000.
- vii) An amount of Rs. 2,000 due from Mahesh Chand, which had been written off as bad debt in previous year was unexpectedly recovered, has been posted to the personal account of Mahesh Chand.
- viii) Furniture purchased for Rs. 10,000 wrongly debited to purchase account as Rs. 4,000.

PART – B

- Q.16** Show the treatment of closing stock in final accounts if it is given as an adjustment. (1)
- Q.17** State one major feature of Not-for-Profit Organizations. (1)
- Q.18** Calculate closing stock from the following information : (3)
- Opening stock Rs. 5,000; Sales Rs. 16,000; Carriage inwards Rs. 1,000; Sales return Rs. 1,000; Gross profit Rs. 6,000; Purchases Rs. 10,000; Purchase return Rs. 900.
- Q.19** From the information given below, prepare the Statement of Profit or Loss. (4)
- | | |
|--------------------------------------|--------------|
| Capital at the end of the year | Rs. 5,00,000 |
| Capital at the beginning of the year | Rs. 7,50,000 |
| Drawings made during the period | Rs. 3,75,000 |
| Additional capital introduced | Rs. 50,000 |
- Q.20** Explain the statement “Receipts and payment account is a summarized version of cash book.” (4)
- Q.21** i) Identify the value, violated by the employee of the company, who uses office computer for chatting on social networking sites? (2+2)
- ii) Radha went to an internet café and used one PC for some work but instantly she saw that the previous person’s email-id (who worked on the same computer) was open. She didn’t see the mails and logged it out. Which value is being observed by Radha by doing so?
- Q.22** Extract of Trial Balance (as at 31st march, 2013) (6)

Name of account	Debit (Rs.) Balance	Credit (Rs.) Balance
Bad debt	10,800	-
Provision for Bad and Doubtful debts (1 st April, 2013)	-	22,500
Sundry Debtors	6,00,000	-

Additional Information:

- i) Write off further bad debts Rs. 6,000.
- ii) Provision for doubtful debts to be maintained at 5% on sundry debtors. Show the treatment of bad and doubtful debts in Final Accounts.

Q.23 From the following ledger balances of Mr. Charan Singh, prepare the Trading and Profit and Loss Account for the year ended 31st March, 2013 and the Balance Sheet as at that date after making the necessary adjustments. (6)

Particulars	Amount	Particulars	Amount
Trade expenses	800	Purchases	82,000
Freight and duty	2,000	Stock (1 st April, 2012)	15,000
Carriage outwards	500	Plant and Machinery (1 st April, 2012)	20,000
Sundry debtors	20,600	Plant and machinery (additions on	
Furniture & Fixtures	5,000	1 st October, 2012)	5,000
Return inwards	2,000	Drawings	6,000
Printing and Stationery	400	Capital	80,000
Rent, rates and taxes	4,600	Provision for doubtful debts	800
Sundry creditors	10,000	Rent from Premises sublet	1,600
Sales	1,20,000	Insurance charges	700
Return outwards	1,000	Salaries and wages	21,300
Postage and telegraphs	800	Cash in hand	6,200
		Cash at bank	20,500

Additional Information :

- a) Stock on 31st March, 2013 was Rs. 14,000.
- b) Write off Rs. 600 as bad debts.
- c) Provision for doubtful debts is to be maintained @ 5%.
- d) Provision for depreciation on furniture and fixtures at 5% per annum and on plant and machinery at 20% per annum.
- e) Insurance prepaid was Rs. 100.
- f) A fire occurred in the godown and stock of the value of Rs. 5,000 was destroyed. It was insured and the insurance company admitted full claim.

Q.24 From the following Receipts and Payments Account of Jan Kalyan Club, prepare Income and Expenditure Account for the year ending 31st March, 2015. (6)

Receipts and Payments Account
for the year ending 31st March, 2015

Receipts	Amt (Rs.)	Payments	Amt (Rs.)
To Cash-in-hand as at 1 st April 2014	6,800	By Salaries	24,000
To Subscriptions	60,200	By Travelling exp.	6,000
To Donation	3,000	By Stationery	2,300
To Sale of furniture (Book value Rs. 6,000)	4,000	By Rent	16,000
To Entrance fee	800	Br Repair	700
To Life membership fee	7,000	By Books purchased	6,000
To Interest on investment (@ 5% for full year)	5,000	By Building purchased	30,000
		By Cash in hand as at 31 st March, 2015	1,800
	86,800		86,800

Additional Information -

	Items	As on 1 st April, 2014	As on 31 st March, 2015
i)	Subscription received in advance	1,000	3,200
ii)	Outstanding subscriptions	2,000	3,700
iii)	Stock of stationery	1,200	800
iv)	Books	13,500	16,500
v)	Furniture	16,000	8,000
vi)	Outstanding rent	1,000	2,000

