

PRACTICE QUESTIONS

SUBJECT - ACCOUNTANCY

CLASS – XI

- 1) Mention any one cause responsible for the difference between current and fixed assets.
- 2) What do you understand by Imprest amount in cash book?
- 3) Name the column of cash book which always has debit balance.
- 4) If Bank Reconciliation Statement is prepared with the balance of pass book, which book's balance we shall get at the end?
- 5) Mention the formula for calculation of depreciation by straight line method.
- 6) Mention whether noting charges is gain or loss or neither gain nor loss for the drawer.
- 7) Explain the following with examples-
 - a) Money measurement concept.
 - b) Principle of full disclosure.
 - c) Principle of consistency.
- 8) Use accounting equation to show the effect of following transactions on assets, liabilities and capital:

a) Started business with cash	Rs 70,000
b) Purchased goods on credit	Rs 18,000
c) Purchased machinery	Rs 20,000
d) Payment made to creditors in full settlement	Rs 17,500.
e) Depreciation on machinery	Rs 2,000
- 9) Prepare a double column cash book from the following transactions of Yogita:
 - 1.1.2012 Opening balance: cash-Rs150
 Overdraft at bank:Rs1,000
 - 2.1.2012 Cash received from sale of goods Rs 3,000
 and deposited the same into the bank on 4.1.2012.

6.1.2012 Cash withdrawn from bank Rs 500 for office use.

10.1.2012 Withdrew from bank for personal use Rs100.

15.1.2015 Paid office rent by cheque Rs 200.

10) Enter the following transactions in the sales returns book:

2013

Jan 9 Returned by Rajesh&Co.(Credit Note No308)

20 bags Coffee@Rs300 per bag

10 Chests Tea@Rs400 per chest

Jan17 Returned by Ashok Bros.(Credit Note No.412)

15 tins Ghee@500 per tin

Q.11 Prepare Bank Reconciliation Statement from the following particulars on 31st July,2013:

(i) Balance as per pass book Rs500.

(ii) Three cheques for Rs 60,Rs 39.37 and Rs 15.25 issued in July ,2013 were presented for payment to the bank in August 2013.

(iii)Two cheques of Rs 50 and Rs 65 sent to the bank for collection were not entered in the pass book by July 31,2013.

(iv)The bank charged Rs 46 for its commission and allowed interest Rs10 which were not entered in his bank account.

Q.12 A bill for Rs 5,000 payable for three months after date is drawn by Kusum on Suman and accepted by the later.Show entries that would be passed in the journal of Kusum,in each of the following cases:

(a) If she keeps the bill till maturity and then receives payment of it on the due date.

(b)If she discounts it at their bank for Rs 4,950.

(c) If she endorses it to her creditor Pushpa.

(d) If she sends it to her bankers for collection and the bill is collected.

Q.13 Calculate closing stock from the following information:

Name of Account	Rs
Sales	20,000
Purchases	12,300

Returns inward	500
Carriage inward	400
Returns Outward	1,000
Gross Profit	8,000

Q.14 There was an error in records on 31-3-2015 and the difference in books was carried to a Suspense Account. On going through the books you find that:

- (i) Rs 5,400 received from Mr A was posted to the debit of his account.
- (ii) Rs 1,000 being purchases return were posted to the debit of Purchases Account.
- (iii) Discount received Rs2,000 was posted to the debit of Discount Account.
- (iv) Rs 2,740 paid for repairs to Motor Car was debited to Motor Car Account as Rs1,740.
- (v) Rs 4,000 paid to B was debited to A's Account.

Give journal entries to rectify the above error and ascertain the amount transferred to Suspense Account on 31st March, 2012, assuming that the Suspense Account is balanced after the above corrections.

Q.15 From the following Trial Balance of Shri Ram & Sons, prepare the Trading and profit and loss account for the year ended 31st March, 2013.

TRIAL BALANCE

(as on 31st March, 2013)

NAME OF ACCOUNT	Debit	Credit
Ram's Capital		29,000
Ram's Drawings	760	
Purchases and Sales	8,900	
Sales and Purchases Return	280	
Stock(1-4-2012)	1,200	
Wages	800	
Building	22,000	
Freight and Carriage	2,000	

Trade Expenses	200	
Advertisement	240	
Interest		350
Taxes and Insurance	130	
Debtors and Creditors	6,500	1,200
Bills Receivable and payable	1,500	700
Cash at bank	1,200	
Cash in hand	190	
Salaries	800	
	46,700	46,700

Adjustments:(i) Stock on 31st March,2013 was valued at Rs1,500.

Q.16 A company whose accounting year is the calendar year purchased a machinery costing Rs 30,000. It further purchased machinery ,on 1st October,2008 costing Rs20,000 and on July,2009 costing Rs10,000.

On 1st January,2010 one-third of the machinery which was installed on 1st April,2008 became obsolete and was sold for Rs 3,000.

Show how the machinery account would appear in the books of the company.The depreciation is charged at 10% p.a on Written Down Value Method.

Q.17 Mr Ashok does not keep his books properly.

Following information is available from his books

Particulars	Jan.01,2005	Dec.31,2005
Sundry creditors	45,000	93,000
Loan from wife	66,000	57,000
Sundry debtors	22,500	-
Land & building	89,600	90,000
Cash in hand	7,500	8,700
Bank overdraft	25,000	-

Furniture	1,300	1,300
Stock	34,000	25,000

During the year Mr Ashok sold his private car for Rs 50,000 and invested this amount into the business. He withdrew from the business Rs 1,500 per month upto July 31,2005 and thereafter Rs 4,500 per month as drawings. You are required to prepare the statement of profit or loss and statement of affairs as on December 31, 2005.

Q.18 Calculate the amount of expenses to be debited to Income and Expenditure A/c and show its effect on Balance Sheet as on 31st March, 2014.

Salaries paid by a club during 2014 amounted to Rs 16,000. Information about prepaid and unpaid is given below:

	Rs	Rs
	31 st Mar'13	31 st Mar'14
Prepaid Salary	1,200	2,000
Unpaid Salary	2,500	1,500

Q.19 Prepare the Income & Expenditure Account from the provided Receipt & Payment Account.

RECEIPTS	AMOUNT	PAYMENT	AMOUNT
To Balance b/d	3,000	By Furniture	4,000
To Interest	1,900	By Salaries	13,800
To Donations	21,000	By Expenses	300
To Subscriptions	30,000	By Telephone	
		Charges	14,500
To Rent received	13,500	By Fax machine	6,500
To Sale of papers	600	By Investments	16,000
		By Stationery	300
		By Balance c/d	14,600
	70,000		70,000

ADDITIONAL INFORMATION-Subscriptions received include Rs 750 for 2015. The amount of subscriptions Outstanding on 31st Mar'14 was Rs 600; Salaries during 2014 unpaid were Rs

1,200 and Rent receivable was Rs 350.70% of the Donations were to be capitalized. Capital Fund as at 31st March, 2013 was Rs 12,400 and club also had investments of Rs 10,000.

- Q.20 (a) Mr Suresh is an accountant of ABC firm. He found an error in the accounting entry in the books of accounts. However, he did not disclose it to the management of the firm fearing that it will risk his job. Which values are not followed by Mr Suresh?
- (b) Mr Farooq is owner of ABC Firm. He made a will of his property where he gave 50% each to his son & daughter. Which value he followed here?
- Q.21 Define accounting. Explain its objectives and functions.
- Q.22 “Every transaction in Double Entry Book-Keeping must have a double entry.” Explain this statement. Give the rules of journalizing with regard to the different classes of accounts.
- Q.23 Explain the following terms:
- a) Revenues b) Discount c) Deferred revenue expenditure d) Assets
- e) Receivables f) Bad debts g) Event h) Creditors
- Q.24 Explain the following principles:
- a) Full disclosure concept b) Accounting period concept c) Consistency principle
- Q.25 Explain the principles of accounting on which these comments are based:
- a) Caliber or quality of management team is not directly disclosed in the Balance sheet.
- b) Advance received from a supplier is not taken as income or sales.
- c) Unrealized appreciation in the value of fixed assets cannot be used for the payment of dividend.
- Q.26 How does accrual basis of accounting differ from cash basis of accounting?
- Q.27 “Accounting Standards ensure the consistency and comparability of Financial Statements.” Explain.
- Q.28 Give one example of each of the following transactions:
- a) Increase in an asset and a liability.
- b) Decrease in an asset and a liability.
- c) Increase in assets and capital.
- d) Decrease in asset and capital.
- Q.29 Journalizing the following transactions:
- a) Bought goods from Kumar for Rs. 40,000 less 15% trade discount and 2% cash discount. Kumar paid 60% by cheque.
- b) Withdrew Rs. 10,000 for personal use out of which he purchased furniture for office for Rs. 3,000.
- c) Cash Rs. 2,000 and goods Rs. 3,000 were stolen by an employee.

- d) Allow interest on capital Rs. 3,000.
- e) Goods costing Rs. 4,000 (sale price Rs. 5,000) destroyed by fire. Insurance company admitted the claim in full.
- f) Insurance premium is prepaid Rs. 500.
- g) Salary paid Rs. 4,000 but it is still unpaid Rs. 1,000.
- h) Bought a shop for Rs. 60,000 by issuing cheque, however brokerage 2% and registration charges Rs. 4,000 were paid in cash.

Q.30 Prepare cash book with cash and bank columns from the following information:

Feb. 2010

- 1 Balance of cash Rs. 4,000, Bank overdraft Rs. 9,400.
- 3 Sold goods to Ram of list price of Rs. 10,000 less 10% trade discount and 2% cash discount. Ram paid 60% amount by cheque.
- 8 Bought goods from Ashok Rs. 5,400 and Mohan Rs. 3,000.
- 11 Bought machinery for Rs. 2,900 and paid carriage Rs. 100.
- 13 Endorsed Ram's cheque to Ashok in full settlement of his account.
- 14 Paid Mohan by cheque Rs. 2,000 and rest by cash.
- 18 Received cheque from Sohan Rs. 5,400 and allowed him discount Rs. 100. It was banked.
- 20 Sold goods for cash Rs. 5,000 of which Rs. 3,000 deposited in bank.
- 21 Advised bank to issue draft to Rakesh for Rs. 2,500, bank charges were Rs. 50.
- 23 Sohan's cheque returned from bank as dishonoured. Bank charges Rs. 100.
- 25 Sohan gave another cheque which lodged with bank.
- 27 Bank charged Rs. 500.
- 28 A bill of exchange got from Rohan for Rs. 3,000 was discounted from bank @ 1%.

Q.31 Record the following transactions in proper Subsidiary Books of Indian Furniture Mart, Delhi:
2010

- Jan 3 Bought from Welcome Furnitures, Delhi
 - 2 Dinning Table @ Rs. 1,500 each.
 - 20 Chairs @ Rs. 300 each.
 - Trade discount 10%
- Jan 8 Sold to Laxmi Furnitures, Delhi
 - 3 Almirahs @ Rs. 2,000 each
 - 10 Centre Tables @ Rs. 400 each
 - Less: 15% Trade discount
- Jan 11 Rama Furniture, Delhi sold us:
 - 20 Chairs @ Rs. 300 each
 - 3 Sofa sets @ Rs. 2,000 each

Trade discount 15%

Jan21 Bhagwati Furniture bought from us:

3 Dinning Tables @ Rs. 2,000 each

4 Tables @ Rs. 1,000 each

20 Chairs @ Rs. 250 each

Q.32 Prepare Trial Balance from the following information of Mohan Lal & Sons as on 31-12- 2010. Capital of the firm is the balancing figure:

	Rs.		Rs.
Stock(Opening)	16,800	Sales	70,200
Cash	8,000	Printing & Stationery	4,000
Bank Overdraft	9,000	Return Inward	4,000
Purchases	50,000	Drawings	6,500
Return Outward	1,000	Salary	8,000
Furniture	20,000	Advertisement	5,000
Bad Debts	3,000	Discount Allowed	2,000
Discount Received	1,500	Debtors	24,500
Bills Payable	8,000	Creditors	22,000
Bills Receivable	8,500	Prov. For doubtful debts	2,000

Q.33 X Ltd. bought 4 machines for Rs. 60,000 each on 1st April, 2007. On 1st April, 2009, it sold one machine at a profit of Rs. 2,000 and it sold another machine on 1st July, 2010 at a loss of Rs. 5,000. Another machine was bought for Rs. 80,000 on 1st July, 2010.

Depreciation was charged at 15% on original cost method and account were closed on 31st December each year. Prepare Machinery Account from 2007 to 2010.

Q.34 A company whose accounting year is a calendar year purchased on 1st April 2008 machinery costing Rs. 30,000. It purchased further machinery on 1st Oct. 2008 costing Rs. 20,000 and on 1st July 2009 costing Rs. 10,000. On 1st Jan, 2010, one third of the machinery installed on 1st April, 2008 become obsolete and was sold for Rs. 3,000.

Show machinery account as it would appear in the books of the company from 2008 to 2011. If machinery was depreciated by diminishing balance method @ 10% p.a.

Q.35 On 1st Feb, 2006, Mohan sold goods worth Rs. 25,000 to Naresh and drew upon him a bill payable after 90 days. Naresh accepted the bill and Mohan endorsed the bill immediately in favour of his creditor Raja in full settlement of his account of Rs. 25,300. One week before the maturity of the bill Naresh requested Mohan to cancel the bill and drew upon him a new bill including interest of Rs. 400. Mohan agreed to it. Mohan immediately took the bill from Raja by making the payment to him and then drew upon Naresh a new bill for 30 days which was duly met by Naresh on due date. Pass necessary entries in the books of all parties.

Q.36 Calculate gross profit when:

Total Purchases during the year are Rs. 8,00,000

Return Outward Rs. 20,000

Direct Expenses Rs. 60,000

2/3 of the goods are sold for Rs. 6,10,000

Q.37 Calculate closing stock from the following details:

	Rs.
Opening Stock	20,000
Cash Sales	60,000
Credit Sales	40,000
Purchases	70,000

Rate of gross profit on cost 33.33%

Q.38 Prepare Trading and Profit & Loss Account and Balance Sheet as on 31st March,2012, from the following balances:

	Rs.		Rs.
Capital	5,00,000	Stock on 1/4/2011	67,000
Drawings	36,000	Salaries & wages	24,000
Bills Receivable	5,800	Outstanding Salaries& wages	2,000
Plant & Machinery	3,80,000	Insurance(including premium of Rs.	
Sundry Debtors	58,000	1,000 p.a. paid upto 30/09/12)	2,600
Loan A/C (Cr.) at 12% p.a.	20,000	Cash	46,000
Manufacturing wages	40,000	Bank Overdraft	15,000
Return Inward	3,000	Repairs and Renewals	1,600
Purchases	1,20,000	Interest & Discount	4,400
Sales	2,60,000	Bad-Debts	4,000
Rent	28,000	Sundry Creditors	30,000
Commission received	6,000	Fixtures & fittings	12,000

Adjustments:

1. Stock on hand on 31st March, 2012 was Rs. 80,000.
2. Further Bad debts written off Rs. 2,000 and create a provision of 5% on Sundry Debtors.
3. Rent have been paid upto 31st may 2012.
4. Manufacturing wages include Rs. 10,000 of a new Machinery purchased on 1st October,2011.
5. Depreciate Plant and Machinery by 10% p.a. and Fixtures and fittings by 20% p.a.
6. Commission earned but not received Rs. 1,000
7. Interest on loan for the last 2 months was not paid.

8. Goods worth Rs. 4,000 were distributed as free sample. Provide for Manager's commission at 10% on Net profit after charging such commission..

Q.39 Subscription received during the year ended March 31, 2006 by Royal Club were as under:

	Rs.
2004-2005	3,000
2005-2006	93,000
2006-2007	2,000

The club has 500 members each paying @ Rs. 200 as annual subscription. Subscription outstanding as on March 31, 2005 were Rs. 8,000. Calculate the amount of subscription to be shown as income in the Income and Expenditure Account for the year ended March 31, 2006 and show the relevant data in the Balance sheet on 31st March 2005 and 2006.

Q.40 On the basis of the information given below calculate the amount of Stationery to be debited to the 'Income and Expenditure Account' of Good Health Sports Club for the year ended 31st March 2007:

	April1, 2006	March31, 2007
Stock of Stationery	8,000	6,000
Creditors for Stationery	9,000	11,000

Stationery purchased during the year ended 31-3-2007 was Rs. 47,000.

Q.41 From the following Receipt and Payments Account of a club for the year ended 31st December,2010 and from the information supplied, prepare Income and Expenditure Account for the year ended 31st December, 2010 and the Balance Sheet as on that date:

Receipts	Amount	Payments	Amount
To Balance b/d	1,50,000	By Salaries	1,50,000
To Subscription:		By Entertainment Expenses	60,000
2009	10,000	By Electric Charges	20,000
2010	2,00,000	By General Expenses	30,000
2011	20,000	By Investments	1,00,000
To Entertainment Receipts	1,00,000	By Printing & Stationery	20,000
To Sale of old furniture(costing Rs. 10,000)	6,000	By Newspapers	30,000
To Sale of News paper	4,000	By Furniture	30,000
		By Miscellaneous Expenses	20,000
		By Balance c/d	30,000
	4,90,000		4,90,000

The club has 250 members, each paying an annual subscription of Rs. 1,000. Rs. 5,000 are still in arrears for subscriptions of 2009. In 2009, ten members had paid their subscriptions for 2010 as well. Salaries paid include Rs. 10,000 for 2009 and Rs. 15,000 for 2011. Outstanding salaries for 2010 amounted to Rs. 20,000. On 1/1/2010 the club owned Land and Building valued at Rs. 10,00,000 and furniture valued at Rs. 1,10,000. Interest for 3 months at 6% p.a. has accrued on investment.

Q.42 X keeps incomplete records. Following information is available from his books:

	01-04-2006	31-3-2007
Sundry Debtors	30,000	62,000
Stock	64,000	38,000
Loan from wife	15,000	15,000
Sundry Creditors	22,600	16,800
Office Equipments	15,000	12,500
Buildings	60,000	60,000
Cash Balance	2,100	4,500
Bank Overdraft	13,500	25,000

During the year X received Rs. 1,000 per month as pension, of which he invested Rs. 7,500 into the business. He also sold his private house for Rs. 25,000 and invested this amount into the business.

X withdrew from the business Rs. 1,000 per month upto 31st August, 2006 and thereafter Rs. 2,000 per month as drawings. In addition, he withdrew from the business Rs. 4,200 for paying Income tax and Rs. 3,000 to pay the legal expenses in a private suit.

Prepare a statement to ascertain the profit or loss.
