

# PT4/ANNUAL EXAMINATION, 2022-23

## ACCOUNTANCY

Time - 3 hrs.

Class – XI (SET-A)

M.M. – 80

Name of the student \_\_\_\_\_ Section \_\_\_\_\_ Date - 17.02.2023 (Friday)

### GENERAL INSTRUCTIONS :

- This question paper contains 34 questions.
- All questions are compulsory.
- It is divided into two parts, Part A and B.
- Question 1 to 16 and 26 to 29 carries 1 mark each.
- Questions 17 and 18, 30 and 31 carries 3 marks each.
- Questions from 19 to 22 and 32 & 33 carries 4 marks each.
- Questions from 23 to 25 and 34 carries 6 marks each
- There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

### PART A

- Q1 The person, firm, or institution who does not pay the price in cash for the goods purchased or the services received is called \_\_\_\_\_. (1)  
(a) Creditor (b) Proprietor (c) Debtor (d) None of these
- Q2. Cash, goods, or assets invested by the proprietor in the business for earning profit is called \_\_\_\_\_. (1)  
(a) Profit (b) Capital (c) Fixed assets (d) None of these

### **OR**

Amount received or Receivable against sale of goods is

- (a) Revenue Receipt (b) Capital Receipt (c) Both a and b (d) None of the above
- Q3. According to which Concept the same accounting methods should be used each year – (1)  
(a) Prudence (b) Full Disclosure (c) Materiality (d) Consistency
- Q4. The basic accounting postulates are denoted by \_\_\_\_\_. (1)  
(a) Concepts (b) Bookkeeping  
(c) Accounting standards (d) None of the above
- Q5. Which of the following is a documentary evidence that records the details of a transaction and is prepared in a specific format? (1)  
a) Journal (b) Ledger (c) Voucher (d) All of the above
- Q.6 Voucher is prepared for (1)  
a) Cash and credit purchase (b) Cash and credit Sales  
c) Cash received and paid (d) All of these
- Q7. \_\_\_\_\_ A/c is credited and \_\_\_\_\_ A/c is debited in case wages are paid for construction of business premises (1)  
(a) Cash, Wages (b) Cash, Premises (c) Premises, Cash (d) Wages, Cash

**OR**

**Assertion (A):** Repairs to second hand Machinery purchased is Capital Expenditure

**Reason (R):** All expenses incurred on Assets are Capital in nature.

- a) Both assertion and reason are true and the reason is the correct explanation of assertion.
- b) Both assertion and reason are true but the reason is not the correct explanation of the assertion.
- c) Assertion is true and the reason is false.
- d) Both the statements are false.

- Q8. Which one of the following transactions will not be recorded in the cashbook as a contra entry? (1)
- a) Cash is withdrawn from the bank for office use
  - b) Cash is deposited in a company's bank account
  - c) A cheque that was received earlier is deposited into the company's bank account after few days
  - d) All of the above
- Q9. The balance of Bank column of Cash book always shows a \_\_\_\_\_ balance. (1)
- a) Debit
  - b) Credit
  - c) Either Debit or Credit
  - d) Neither Debit nor Credit
- Q10. An account having debit balance is established when - (1)
- (a) The last entry of the accounting period was posted on the debit side
  - (b) The amount of debit exceeds the amount of the credits
  - (c) There are more entries on the debit side than on the credit side
  - (d) None of above
- Q11. Which of the following items will have a Credit Balance ? (1)
- (a) Discount received
  - (b) Machinery
  - (c) Rent Expenses
  - (d) Purchases

**OR**

Trial Balance is an

- (a) Account
- (b) Statement
- (c) Subsidiary Book
- (d) Ledger

- Q12. Which of the following items is not a reason for the difference between bank balance as per cash book and pass book? (1)
- (a) Dishonoured cheques
  - (b) Cheques deposited but not yet cleared
  - (c) Credit sales
  - (d) Cheques issued but not yet presented for payment

**OR**

Bank Balance as per Cash book is Rs 780. Debit side of the bank column of Cash Book is over added to the extent of Rs 1,000. Overdraft as per pass book will be

- (a) Rs220
  - (b) Rs 2200
  - (c) Rs120
  - (d) Rs 140
- Q13. In cash book, bank charges of Rs. 5,000 was not recorded. Name the correct cash book adjustment (1)
- A) It will be credited in cash book
  - B) It will be debited in cash book
  - C) No adjustment needed in the cash book
  - D) None of the above
- Q14. At the end of the year, the depreciation account is transferred to \_\_\_\_\_. (1)
- (a) Trading Account
  - (b) Profit and Loss Appropriation Account
  - (c) Profit and Loss Account
  - (d) Balance Sheet

- Q15. Which of the following methods of depreciation is not recognised by Income Tax Law? (1)
- (a) Straight-line method (b) Diminishing Balance method  
(c) Both Straight-line and Diminishing Balance methods (d) None of these

**OR**

**Assertion (A):** Creation of provision is a legal necessity, not voluntary

**Reason (R):** It is a charge against profit.

- a) Both Assertion and Reason are true and the Reason is the correct explanation of Assertion.  
b) Both Assertion and Reason are true but the Reason is not the correct explanation of the Assertion.  
c) Assertion is true and the Reason is false.  
d) Both the statements are false
- Q16. Which of the following errors will be rectified through a Suspense Account? (1)
- (a) Sales return book under cast by Rs. 10,000  
(b) Sales return by XYZ of Rs. 10,000 is not recorded  
(c) Sales return by XYZ of Rs. 10,000 is recorded as Rs. 1,000.  
(d) Sales return by XYZ of Rs. 10,000 recorded through purchase return book
- Q17. Enter the following transactions in the Journal of Marutinandan Stores (3)
- 2022
- Jan 10 Purchased goods from Ghanshyam of the list price of Rs. 50,000 at 15% trade discount.  
Jan 12 Returned goods to Ghanshyam of the list price of Rs. 2,000.  
Jan 15 Paid cash to Ghanshyam Rs. 40,000 in full settlement of his account.

**OR**

What is Journal? Explain the features of Journal.

- Q18. What are Compound Journal Entries? Give an example of the same. (3)
- Q19. Journalise the following transactions : (4)
- a) Bought goods for Cash of the list price of Rs 50,000 at 20% Trade Discount and 5% Cash Discount.  
b) Goods worth Rs 1, 00,000 were destroyed by fire. Insurance company admitted 60% of the claim.  
c) Rent outstanding Rs 10,000  
d) Goods costing Rs 80,000 sold to Mohan for Rs 1, 00,000.
- Q20. Enter the following transactions in Double Column Cash Book (4)
- 2017
- March 1 Commenced business with Rs 1, 00,000  
March 4 Cash Sales, Received a cheque Rs 4000  
March 6 Deposited the above cheque into bank  
March 8 Paid Rs 5000 for Furniture purchased  
March 10 Purchased goods for Rs 7,000 from Manoj and Co.  
March 12 Paid Salary by Cheque Rs 6,000  
March 13 An amount of Rs 4,200 due from Santosh written off as Bad debts in the previous year, now recovered  
March 15 Deposited into Bank Rs 15,000

**OR**

Mr Radha Mohan deals in Furniture. He entered into following transactions during the month of January.

- Jan 5 Sold to M/s Khanna, Delhi  
5 Tables @ Rs 50,000 each  
10 Almirahs @ Rs 20,000 each  
Less 10% Trade Discount
- Jan 15 M/s Khanna Furniture House Returned 1 Table
- Jan 18 Sold to M/s Gupta Stores  
40 Chairs @ Rs 4000 each  
10 Tables @ Rs 52,000 each  
Less Trade Discount @ 20 %
- Jan 20 Sold old printer to Ramesh Rs 2000

On the basis of the above particulars answer the following questions:

- a) Calculate the total of Sales book  
b) Total of Sales Book will be posted to Which Account?  
c) In which Book the transaction of Jan 20 will be recorded

- Q21. Prepare Accounting Equation from the following (4)  
(a) Started business with Cash Rs. 2,00,000.  
(b) Purchased goods for Cash Rs. 60,000 and on Credit Rs. 1, 50,000.  
(c) Sold goods for Cash costing Rs. 40,000 at a profit of 20% and on Credit costing Rs. 72,000 at a profit of 25%.
- Q22. Explain the following types of errors with examples (4)  
a) Error of Principle          b) Compensating Errors
- Q23. Rim Zim Ltd. maintains a current account with the State Bank of India. On 31st March, 2017, the bank column of its cash book showed a debit balance of Rs.1,54,300. However, the bank statement showed a different balance as on that date. The following were the reasons for the difference: (6)

	Rs.
(i) Cheques deposited, but not yet credited by the bank	75,450
(ii) Cheques issued, but not yet presented for payment	80,760
(iii) Bank charges not yet recorded in the cash book	1,135
(iv) Cheques received by the bank directly from Trade Debtors	1,35,200
(v) Insurance premium paid by the bank as per standing instructions, but not yet recorded in the cash book	15,400
(vi) Dividend collected by the bank, but not yet recorded in the cash book	1,000

Prepare Bank Reconciliation Statement as on 31<sup>st</sup> March, 2017.

- Q24. A Ltd. purchased a machine for Rs. 5, 00,000 on 1st April, 2012. Further addition were made on 1st October 2012 and on 1st July 2013 for Rs. 4, 00,000. On 1<sup>st</sup> January, 2015, 1st machine was sold for Rs. 2, 85,000 and a new machine was purchased for Rs. 6,00,000 on the same date.

Prepare Machine A/c for three years ending 31st March, 2015 if depreciation is to be charged @ 10% p.a. on Straight line basis. (6)

**OR**

A firm purchased on 1st April, 2009, a second-hand Machinery for Rs. 36,000 and spent Rs. 4,000 on its installation. On 1st Oct. in the same year another Machinery costing Rs. 20,000 was purchased. On 1st Oct., 2011, the Machinery bought on 1st April, 2009 was sold off for Rs. 12,000 and on the same date a fresh Machine was purchased for Rs. 64,000. Depreciation is provided annually on 31st March, @ 10% p.a. on the Written down Value Method. Show the Machine A/c from 1st April, 2009 to 31st March, 2012.

Q25. Rectify the following errors assuming that suspense account was opened. Prepare Suspense A/c. (6)

- a) Credit sales to Mohan Rs. 7,000 were recorded in Purchase Book. However, Mohan's account was correctly debited.
- b) Credit purchases from Rohan Rs. 9,000 were recorded in sales book. However, Rohan's account was correctly credited.
- c) Goods returned to Rakesh Rs. 4,000 were recorded in sales return book. However, Rakesh's account was correctly debited.
- d) Goods returned from Mahesh Rs. 1,000 were recorded through purchases return book. However, Mahesh's account was correctly credited.

**PART - B**

Q26. If prepaid wages is given inside the Trial Balance it is shown in: (1)

- a) Debit of Trading A/c
- b) Trading A/c and Balance Sheet
- c) Profit and Loss A/c
- d) Balance Sheet

**OR**

Income earned but not received is shown in:

- a) Liabilities
- b) Assets
- c) Footnotes
- d) None of these

Q27. Net profit of a firm is Rs 21,000 before charging Manager's Commission. If the manager is entitled to 5% commission after charging such commission, how much commission the manager will get? (1)

- a) Rs 1050
- b) Rs1,000
- c) Rs. 2100
- d) Rs 2,000

**OR**

Trial Balance contains the following information

15% Bank Loan Rs 40,000

Interest paid Rs 4,500

Interest debited to Profit and Loss A/c will be:

- a) Rs 6,000
- b) Rs 3,000
- c) Rs 4,500
- d) Rs 1,500

**Assertion-Reason-based questions.**

**Directions:** Each of the following questions contains an assertion followed by a reason. Read them carefully and answer the questions on the basis of the following options.

- a) Both Assertion and Reason are true and the Reason is the correct explanation of Assertion.
- b) Both Assertion and Reason are true but the Reason is not the correct explanation of the Assertion.
- c) Assertion is true and the Reason is false.
- d) Assertion is false and the Reason is true.

- Q28. Assertion (A): Balance sheet is a statement, not an account (1)  
Reason (R): It is prepared on a particular date and not for a particular period.
- Q29. Assertion (A): The assets which can be converted into cash are shown last in the order of Permanence. (1)  
Reason (R): The liquid assets cannot be converted quickly into Cash.
- Q30. A Trial Balance contains Debtors Rs 15,000, Bad debts Rs 400 and Provision for D/d Rs 600  
Additional Information –  
Further bad debts given in adjustment are Rs 400. Create a further provision on doubtful debts @5% on Debtors. Calculate the amount Profit and Loss A/c will be debited with? Show your calculations clearly. (3)
- Q31. A new firm commenced business on 1<sup>st</sup> April, 2019 and purchased goods costing Rs 90,000 during the year. A sum of Rs 6,000 was spent on freight inward. At the end of the year Closing Stock was Rs 15,000 (Realisable Value Rs 12,000). Sales during the year was Rs 1, 20,000. What is the gross profit earned by the firm? (3)
- Q32. Give Journal Entries for the following adjustments In the Final Accounts. (4)  
a) Salaries Rs 5,000 are outstanding  
b) Interest on Capital Rs 1,500  
c) Commission earned but not received Rs 3,500  
d) Prepaid Insurance Rs 7,000
- Q33. Calculate the Gross Profit and Cost of Goods Sold from the following information: (4)  
Net Sales Rs 9, 00,000  
Gross Profit is 20% on Cost
- Q34. From the following balances, prepare the Trading and Profit and Loss account and Balance sheet as on March 31, 2017 (6)

<b>Debit Balances</b>	<b>Amount</b>	<b>Credit Balances</b>	<b>Amount</b>
Drawings	6,300	Capital	1,50,000
Cash at Bank	13,870	Discount Received	2,980
Bill Receivable	1,860	Loan	15,000
Land and Building	42,580	Purchase Return	1,450
Furniture	5,130	Sales	2,81,500
Discount allowed	3,960	Reserve for B/D	4,650
Bank charges	100	Creditors	18,670
Salaries	6,420		
Purchases	1,99,080		
Opening Stock	60,220		
Sales Return	1,870		
Carriage	5,170		
Rent and Taxes	7,680		
General Expenses	3,630		
Plant and Machinery	31,640		
Debtors	82,740		
Bad Debts	1,250		
Insurance	750		

## Adjustments

1. Closing stock Rs 70,000
2. Create a reserve for bad and doubtful debts @ 10% on book debts
3. Insurance prepaid Rs 50
4. Rent outstanding Rs 150
5. Interest on loan is due @ 6% p.a.

OR

The following balances were extracted from the books of Shri R. Lal on March 31, 2017:

Particulars	Amount	Particulars	Amount
Capital	1,00,000	Rent Cr	2,100
Drawings	17,600	Carriage outwards	16,940
Purchases	80,000	Carriage inwards	2,310
Sales	1,40,370	Office Expenses	1,340
Purchase Return	2,820	Printing and Stationery	660
Opening Stock	11,460	Postage and Telegram	820
Bad Debts	1400	Debtors	62,070
Provision for D/D	3,240	Creditors	18,920
Rates and Insurance	1,300	Cash in Hand	2,210
Discount Cr	190	Cash at Bank	12,400
B/R	1,240	Furniture	3,500
Sales Return	4,240	Salaries	9,870
Wages	6,280	Addition to Building	7,000
Building	25,000		

Prepare Profit and Loss account and a Balance sheet as on March 31, 2017 after keeping in view the following adjustments:

- (i) Depreciate old building by Rs 625 and addition to building at 2% and office furniture at 5%.
- (ii) Rent receivable Rs 200 on March 31, 2017.
- (iii) Interest on capital at 5% to be charged.
- (iv) Unexpired insurance Rs240.
- (v) Stock was valued at Rs 14,290 on March 31, 2017.

