



ST. XAVIER'S SENIOR SECONDARY SCHOOL, DELHI - 110 054
Annual Examination in **ACCOUNTANCY**

Std. 11
3-3-2018

Time : 3 hrs.
Max. Marks : 90

1. Why should a business follow the consistency principle? 1
2. "Profit & Loss Account shows the financial position of the enterprise". Do you agree? Give Reasons. 1
3. State the basis of Accounting on which Income & Expenditure Account is prepared by a Not for Profit Organization. 1
4. Goods costing Rs. 30,000 supplied to Mohan at a profit of 25% of sales price less Trade Discount 5% will be credited to Sales A/c with what amount? 1
5. What is the reason for agreement of a Trial Balance? 1
6. Why is statement of affairs prepared under Single Entry System not called a Balance Sheet? 1
7. Should depreciation be provided even if there is a loss in a financial year? Why? Why not? 1
8. Alex commenced business on 1st April, 2011 with a Capital of Rs. 5,00,000 and a Loan of Rs. 1,00,000 borrowed from Citi Bank. On 31st March, 2012, his assets were Rs. 8,00,000. He introduced fresh Capital of Rs. 40,000 and withdrew Rs. 10,000 for personal purposes. Calculate his profits. 3
9. Subscriptions received during the year ended March 31st, 2016 by Rotary Club were as under:

Year	Rs.
2014-15	3000
2015-16	93,000
2016-17	<u>2,000</u>
	<u>98,000</u>

The club has 500 members each paying Rs. 200 as annual Subscription. Subscription outstanding as on March 31, 2015 were Rs. 8,000. Calculate the amount of subscription to be shown in Income & Expenditure A/c for the year ended March 31, 2016. 3
10. Fill in the missing figures in the following: 3

Trading A/C of M/S R.K. Ltd for the
Year ending 31st March 2015

Particulars	Amount	Particulars	Amount
To opening stock	26,725	By Sales	2,52,400
To purchases 1,62,505		By Closing Stock	-----
Less: Loss by fire <u>1,500</u>	-----		
To wages 21,137			
Add: outstanding <u>2,000</u>	-----		
To Power & Fuel	1,350		
To Gross Profit c/d	-----		
			2,64,950

11. Explain the following terms: 4
 - a) Bills Payable
 - b) Insolvent
 - c) Cash Discount
 - d) Cash Memo
12. Explain in brief Customized Softwares and Tailor made Softwares. 4

13. Journalise the following transactions: 4
- Bought goods from Arun for Rs. 2,00,000 at a trade discount of 15% and Cash discount of 2%. Paid 80% amount immediately.
 - Cash withdrawn from Bank Rs. 5,000 for personal use and Rs. 25,000 for office use.
 - Sohan who owed us Rs. 25,000 was declared insolvent and 40 paise in a rupee is received from him in full settlement.
 - Out of insurance paid this year, Rs. 3,000 is related to next year.
14. Explain any two in brief: 4
- Prudence Concept
 - Accrual Concept
 - Principle of Materiality
15. Enter the following transactions into ledger: 4
- 2012 Jan 6 Sold Goods to Shankar Lal on credit for Rs. 15,000 at 12% discount
 Jan 12 Arun Birla purchased goods from us for Rs. 8,500 on credit
 Jan 16 Sold goods for cash to Hari Ram for Rs. 5000.
 Jan 27 Sold goods to Navdip of list price Rs. 20,000 at a trade discount of 10%.
16. a) What will be the effect of overstatement of closing stock on Gross Profit?
 b) Mr. Prakash is the owner of a theatre. He Spent Rs. 5,00,000 for increasing the seating capacity of the theatre. Where will it be shown in financial statements and why? 4
17. A company purchased a second-hand machine on 1st April, 2003, for Rs. 30,000 and immediately spent Rs. 4,000 on its repair and Rs. 1,000 on its installation. On Oct 1, 2005, the machine was sold for Rs. 25,000. Prepare Machine Account for 3 years after charging depreciation @ 10% p.a. by diminishing balance method, assuming that the books are closed on 31st March every year. 4
18. Shruti maintains her books of accounts from Incomplete Records. Her books provide the following information:

	1-4-2005 (Rs.)	31-3-2006 (Rs.)
Cash	1,200	1,600
B/R	-	2,400
Debtors	16,800	27,200
Stock	22,400	24,400
Investment	-	8,000
Furniture	7,500	8,000
Creditors	14,000	15,200

She withdrew Rs. 300 per month for personal expenses. She sold her investments of Rs. 16,000 at 2% premium and introduced that amount into business. You are required to prepare a statement of profit or loss for the year ending March 31, 2006. 6

19. Enter the following transactions in a Two Column Cash Book: 6

2012		Rs.
March 1	Commenced business with Rs. 1,00,000 of which Rs. 20,000 were borrowed from Mr. Ratan	
2	Opened current account with Punjab National Bank	75,000
4	Bought goods by cheque	60,000
5	Purchased a typewriter for Rs. 4,000 & spent Rs. 500 on its repairs	
8	Paid petty cash expenses	200
10	Transferred from Current account to Fixed Deposit Account in the Bank	5,000
12	Sold goods for Cash Rs. 25,000 & Cheque Rs. 15,000	
13	Deposited the above cheque into bank	
15	Purchased goods from Ram Singh on Credit	25,000

18	Settled Ram Singh's Account by Cheque	24,750
20	Sent a cheque in payment of the fees of Proprietor's son	500
25	Cash sales, received a cheque	4,000
28	Deposited the above cheque into bank, collection charges	25
31	Repaid the loan taken from Mr. Ratan including interest @ 18% p.a.	

20. X sold goods to Y for Rs. 10,000 on 15th March, 2012. On the same day, Y accepted a bill drawn upon him by X at four months for Rs. 10,000. X discounted the bill on 15th April, 2012 at 18% p.a. at his bank and Y met the bill on maturity. Make journal entry in the books of both the parties. 6
21. Prepare a Bank Reconciliation Statement of Ruchika Ltd. as on 31st March, 2009 from the following information: 6
- Credit Balance (Overdraft) as per Cash Book Rs. 25,000
 - Cheques paid into Bank for collection Rs. 60,000 but cheques of Rs. 24,000 could only be collected in March, 2009.
 - A cheque of Rs. 3500 issued to a creditor, was entered by mistake in the cash column.
 - A cheque of Rs. 10,000 issued on 22nd March was not presented for payment whereas it was recorded twice in the Cash Book.
 - A bill receivable for Rs. 8000 previously discounted with the Bank had been 1 dishonored and Bank charges debited in the Pass Book amount to Rs. 125.
 - In the Cash Book, a Bank charge of Rs. 150 was recorded twice while another Bank charge of Rs. 40 was not recorded at all.
22. Trial Balance of Kohli did not agree and showed an excess debit of Rs. 16,300. He put the difference to a Suspense Account & discovered the following errors: 6
- Cash received from Rajat Rs. 5,000 & posted to the debit of Kamal as Rs. 6,000.
 - Salaries paid to an employee Rs. 2,000 were debited to his personal account as Rs. 1,200.
 - Goods withdrawn by proprietor for personal use Rs. 1,000 were credited to Sales Account as Rs. 1,600.
 - Depreciation provided on machinery Rs. 3,000 was posted to Machinery Account as Rs.300.
 - Sale of old car for Rs. 10,000 was credited to sales account as Rs. 6,000. Rectify the errors & prepare Suspense Account.
23. a) Followings is the receipts and payments account of Modern Club, New Delhi for the year ending 31st March, 2014:

Receipt	Payment	Receipt	Payment
To balance b/d on 1-4-2013	2,300	By Match Expenses	6,800
To Subscription	56,400	By Rent	9,600
To Interest	300	By Salaries	24,000
To Donation	6,000	By Sundry Expenses	3,600
To Donations for Building Fund	50,000	By Investment Purchases	30,000
To Match Fund	10,000	By Newspapers	750
To Miscellaneous receipts	430	By Sports Equipments	32,000
To Sales of Grass	100	By Balance c/d on 31-03-2014	18,780
	1,25,530		1,25,530

Subscriptions outstanding on 31st March, 2013 were Rs. 4,000 and on 31st March, 2014 were Rs. 6,000. Salaries outstanding on 31st March, 2013 and on 31st March, 2014 were Rs. 2,000 and Rs. 2,500 respectively. On 31st March, 2013, the club had investments worth Rs. 12,000; Furniture Rs. 10,000 and sports equipments valued at Rs. 20,000. Prepare Income & Expenditure A/c for the year ended 31st March, 2014 after depreciating furniture by 20% and sports equipments by 25%.

- b) Distinguish between receipts and payment account and Income & Expenditure Account on the basis of nature of item recorded therein.
- c) Give two examples of Capital receipts. 8

24. From the following Trial Balance of M/s Arjun & Sons as at 31st Dec. 2007, prepare Trading & Profit & Loss account and Balance Sheet. 8

Name of Accounts	Dr.	Cr.
Drawing & Capital	18,000	80,000
Purchases & Sales	82,600	1,55,000
Stock (1.1.2007)	42,000	
Return Outward		1,600
Carriage Inward	1,200	
Wages	4,000	
Power	6,000	
Machinery	50,000	
Furniture	14,000	
Rent	22,000	
Salary	15,000	
Insurance	3,600	
8% Bank Loan		25,000
Debtors	20,600	
Creditors		18,900
Cash in hand	1,500	
	2,80,500	2,80,500

Adjustments:

- a) Closing Stock Rs. 64,000.
- b) Wages outstanding Rs. 2,400.
- c) Bad debts Rs. 600 and provision for bad and doubtful debts to be 5% on debtors.
- d) Rent is paid for 11 months.
- e) Loan from the bank was taken on 1st July 2007.
- f) Provide depreciation on machinery @ 10% p.a.
- g) Provide Manager's commission at 10% on net profit after charging such commission.