



St. Xavier's Sr. Sec. School

Delhi-54

Final Examination in **ACCOUNTANCY – Std. 11**
22-2-2016

M. Marks : 90
Time : 3 hrs.

Roll N

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Total printed pages :	03
Total printed questions :	24

General instructions:

- All questions are compulsory.
- Marks for questions are indicated against each.
- Short Answers should be brief and to the point.
- Attempt all parts of a particular question at one place.

FINANCIAL ACCOUNTING

- Define Accountancy. (1)
- What is meant by current assets? (1)
- List out any two disadvantages of accrual basis of accounting. (1)
- What is meant by owner's equity? (1)
- Why Suspense Account is prepared? (1)
- What are compensating errors? (1)
- Distinguish between double entry system and incomplete records. (3)
- Explain the following terms:
a) Legacy b) Honorarium c) Endowment Fund (3)
- Distinguish between customized softwares and tailor made softwares. (3)
- Going concern concept underlines the assumption that the enterprise has neither any intention nor any necessity to close the business. The chances to cease to operate the business are too remote. Identify any three values involves in this assumption of going concern. (3)
- Explain the following assumptions with its values:
a) Accrual Assumption b) Consistency Assumption. (3)
- How much amount will be shown in Income and Expenditure Account in the following case?
Amount paid for Stationery purchased during 2007-08 34,000
Creditors for Stationery on 1-4-2007 3,000
Creditors for Stationery on 31-3-2008 4,200
Stock of Stationery on 1-4-2007 2,500
Stock of Stationery on 31-3-2008 2,800 (3)
- In 2015, the subscriptions received by King Club of Delhi were Rs. 40,900 including Rs. 500 for 2014 and Rs 1,000 for 2016. At the end of 2015, subscriptions outstanding were Rs. 1,500. The subscriptions due but not received at the end of the previous year, i.e., 31st December, 2014 were Rs. 800, while subscriptions received in advance on the same due date were Rs. 1,800. Calculate the amount of subscriptions to be credited to the Income and Expenditure Account for the year ended 31st December, 2015. (4)



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14. Prepare a Bank Reconciliation Statement from the following particulars on 31st March 2014. Bank statement showed a favorable balance of Rs. 12,400.
- Cheque amounting to Rs. 45,000 was drawn on 27th March 2014 of which cheques of Rs. 33,000 were encashed on 2nd April 2014.
 - Cheques issued returned on technical grounds Rs. 4,000.
 - Bank recorded a cash deposit of Rs. 3,210 as Rs. 3,120.
 - Bill for collection not advised by the bank but credited to our account Rs. 8,000. (4)
15. Enter the following transactions in a cash book with cash and bank columns.
- | | | |
|------------|---|-------------------------|
| 2016 Jan 1 | Bank overdraft Rs. 2,000 | Cash in hand Rs. 2,300. |
| 7 | Cheque received from S. Arjun Rs. 4,000 and allowed him discount Rs. 200 and deposited with bank. | |
| 12 | Cheque paid to Radha Rs. 2,500 and discount received Rs. 50. | |
| 15 | Withdrawn from bank for domestic use Rs. 750. | |
| 20 | Money withdrawn for office use Rs. 800. | |
| 25 | Cheque received from Sunderaj of Rs. 4,500. | |
| 31 | Paid in to bank the entire balance after remaining Rs. 500. | (4) |
16. What is meant by AIS? Explain briefly any three main components of AIS. (4)
17. Rectify the following errors:
- Goods of the value of Rs. 2,000 returned by Mr. Gupta were entered in the sales day book and posted there from to the credit of his account.
 - Rs. 3,000 received from a customer as an advance against order was credited to Sales A/c.
 - Payment of Rs. 500 to Mohan and Rs. 600 to Sohan was made but Mohan was debited with Rs. 600 and Sohan with Rs. 500.
 - Sales to Nikita Rs. 500 were posted to Pritika's Account. (4)
18. Give journal entries for the following adjustments in final accounts:1
- Closing stock at market price as on 31st March 2014 Rs. 18,000, however, its cost was Rs. 16,500.
 - Outstanding wages Rs. 22,000.
 - Insurance premium amounted to Rs. 6,250 is paid in advance.
 - Rent received includes Rs. 6,000 pertaining to the next year.
 - Interest accrued but not received during the accounting year Rs. 2,800.
 - Goods values at Rs. 2,800 destroyed by fire and the insurance company admitted a claim for Rs. 1300. (6)
19. Mr. Manu started business with a capital of Rs. 4,00,000 on 1st October 2015. He borrowed from his friend a sum of Rs. 1,00,000 @10% per annum(interest paid) for business and bought a further amount of Rs. 75,000 as capital. On 31st March 2016 his position was: Cash Rs. 30,000; Stock Rs. 4,70,000; Debtors Rs. 3,50,000; Creditors Rs. 3,00,000. He withdrew Rs. 8,000 per month during this period. Prepare Closing Statement of Affairs and Statement of profit or loss. (6)



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20. A company had brought machinery for Rs. 2,00,000 including a boiler worth Rs. 20,000. The machinery account had been credited for Depreciation on the Reducing Installment System for the past four years @ of 10%. During the fifth year that is the present year, the boiler became useless on account of damage to some of its vital parts and the damaged boiler is sold for Rs. 4,000. Write up the Machinery Account. (6)
21. Prepare Accounting equation from the following:
 i) Commenced business with cash Rs. 20,000, goods Rs. 50,000 and furniture Rs. 30,000.
 ii) Purchased goods from Rajiv on credit Rs. 1,00,000.
 iii) Sold goods for cash Rs. 40,000 (costing Rs. 30,000). Goods costing Rs. 20,000 sold at a loss of 5%, out of which Rs. 12,000 received in cash.
 iv) Accrued interest Rs. 5,000.
 vi) Purchased typewriter for personal use of the proprietor Rs. 20,000. (6)
22. M/s Joseph & Sons who are dealers in furniture purchased the following:
 2015 Jan 1 Purchased from Vishwaroop Furnitures , Mumbai:-
 120 chairs @ Rs. 200 per piece.
 20 tables @ Rs. 800 per piece. Less: 10% Trade Discount
 Jan 3 Purchased from Balaji house Chennai:
 2 typewriters @ Rs. 2500 per piece.
 Jan 5 Purchased from Saini Furnitures, New Delhi for cash:
 5 almirahs @ Rs. 3,000 per piece.
 Jan 7 Purchased from Sangeeta & Sons, Mathura:
 20 sofa sets @ Rs. 4000 per piece
 25 steel cabinets @ Rs. 500 per piece.
 Prepare Purchase book. (6)
23. a) From the following balances of the year ended 31st December, 2015 and additional information, prepare the Trading and Profit and Loss Account and the Balance Sheet of M/s Joseph and Sons:
 Additional Information:
 a) Closing stock was valued at Rs. 20,000.
 b) Provide Straight line depreciation on buildings @ 5% and on furniture @ 10%.
 c) Outstanding salaries Rs. 1,000.
 d) Further bad debts Rs. 100.
 e) Make provision for bad debts @ 3%.
 f) Make a provision for discount on debtors and creditors @ 2%.

Capital	Rs. 80,000	Rent	Rs. 5,100
Purchases	Rs. 82,000	Insurance	Rs. 600
Sales	Rs. 1,10,000	Salaries	Rs. 12,500
Returns Outward	Rs. 1,000	Bad Debt	Rs. 200
Building	Rs. 45,000	Carriage on purchase	Rs. 200
Opening stock	Rs. 15,000	Commission (cr.)	Rs. 1,500
Debtors	Rs. 20,100	Cash in hand	Rs. 5,000
Creditors	Rs. 18,000	Cash at bank	Rs. 25,000
Furniture	Rs. 7,000	Sales Tax paid	Rs. 5,000
Wages	Rs. 1,800	Sales Tax Collected	Rs. 3,500



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(OR)

- b) From the following Receipts and payments Accounts of the Indian Club for the year ended 31st December 2015 and subjoined information prepare an Income and Expenditure Account for the year ended 31st December 2015 and the Balance Sheet on that date.

Receipts	Amount (Rs.)	Payment	Amount (Rs.)
To balance b/d	25,000	By salaries	12,000
To subscription for :		By entertainment expenses	6,500
2014 2,000		By general expenses	3,000
2015 45,000		By rates and taxes	1,500
2016 <u>2,000</u>	49,000	By investments	36,000
To donations (General)	13,000	By stationary and printing	2,600
To entertainment expenses	10,200	By 5% Fixed Deposit (31.12.2015)	5,000
		By balance c/d	30,600
Total	97,200	Total	97,200

Capital fund on 31st December 2014 was Rs. 2,39,000. The club has 500 members paying an annual subscription of Rs. 100 each. Rs. 500 is still in arrears for subscription for 2014. Donations received include a sum of Rs. 2,000 in respect of 2016. Carry forward Rs. 300 for rates paid in advance. Provide Rs. 2,000 for salaries outstanding. The club has land and building in the books at Rs. 2,00,000 and furniture standing at Rs. 12,000 on which depreciation at 2% and 10% respectively is to be written off. Interest for 3 months at 3% p.a. has accrued on investments. (8)

24. a) A book keeper prepared a trial balance on 31st March 2015 which showed a difference of Rs. 3715. The difference was placed to the suspense account. The under mentioned errors were subsequently discovered:-
- Rs. 710, the total of Sales Return book has been posted to the credit of the Purchase Return Account.
 - A Bills Receivable for Rs. 500 received from Gopal was passed through Bills Payable Book. However, the personal account was correctly credited.
 - An item of Rs. 626 was written off as a bad debt from Chadrakant has not been debited to Bad Debts Account.
 - Goods sold to X and Y for Rs. 1,600 and Rs. 1,200 respectively, but were recorded in the Sales Book as to X Rs. 1,200 and Y as Rs. 1,600.
 - Goods of Rs. 580 were returned to Bharadwaj. It was recorded in Purchase Book as Rs. 580.
 - An amount of Rs. 675 for a credit sale to Govind, although correctly entered in the Sales Book, has been wrongly posted as Rs. 756.
 - A sum of Rs. 375 owed by Ravi has been included in the list of Sundry Creditors.
 - An amount of Rs. 750 spent on the repairs of old machinery has been debited to Repairs Account.

Pass Journal entries to rectify the errors and prepare Suspense Account. (8)



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(OR)

b) On 1st Jan 2014 Raju sold goods to Manav for Rs. 37,500. Raju had drawn three bills of exchange for Rs. 10,000, Rs. 12,500 and Rs. 15,000 respectively. These bills were drawn for one month, two month and three month respectively. Manav accepted these bills and returned to Raju.

On 4th Jan 2014, Raju endorsed the first bill to Shanu in full settlement of his account of Rs. 10,300. This bill was met on maturity.

On 1st Feb 2014 the second bill was discounted from the bank for Rs. 12,125. On the due date the bill was dishonored and the bank had to pay Rs. 100 as noting charges. Manav requested Raju to draw another bill (fourth bill) on Manav for the amount due including interest of Rs. 500 for an extended period of two months.

Now the third bill was paid by Manav before one month of maturity under a rebate of 15% per annum. The fourth bill was sent to bank for collection on 3rd May 2014, this bill was met on maturity.

You are requested to pass journal entries in the books of Raju.

(8)

-X-X-X-X-X-X-