

PT4/ANNUAL EXAMINATION, 2023-24

ACCOUNTANCY

Time – 3 hrs.

Class – XI

M.M. – 80

Name of the student _____ Section _____ Date - 12.02.2024 (Monday)

GENERAL INSTRUCTIONS -

- 1) This question paper contains 34 questions. All the questions are compulsory.
- 2) Question no's 1 to 14 and 25 to 30 carries 1 mark each.
- 3) Question no's 15 to 18 and 31 & 32 carries 3 marks each.
- 4) Question no's 19, 20 and 33 carry 4 marks each.
- 5) Question no's 21 to 24 and 34 carry 6 marks each.
- 6) There is no overall choice. However internal choices are provided in 7 questions of 1 mark, 2 questions of 3 marks, 1 question of 4 marks and in 2 questions of 6 marks.

PART A FINANCIAL ACCOUNTING -I

- Q.1 The process of recording, classifying, and summarising all business transactions in order to know the financial result is called _____. 1

(a) Bookkeeping (b) Accounting (c) Journalising (d) None of these

OR

Which qualitative characteristics of accounting information are reflected when accounting information is clearly presented?

(a) Comparability (b) Understandability (c) Relevance (d) Reliability

- Q.2 Which of the following is not a business transaction? 1

- (a) Bought furniture of Rs. 10,000 for business
- (b) Paid for salaries of employees Rs. 5,000
- (c) Paid son's fees from her personal bank account Rs. 20,000
- (d) Paid son's fees from the business Rs. 2,000

OR

Trading and P&L A/c is prepared as per which attribute of accounting?

(a) Summarizing (b) Recording (c) Classifying (d) Analysis and interpretation

- Q.3 Stock-in-trade is to be recorded at cost price or market price whichever is less, it is based on..... 1

(a) prudence (b) historical cost (c) verifiability (d) business entity

OR

Which of the following transactions would be recorded in the accounting system based on the money measurement concept?

- (a) The value of plant and machinery of a company
- (b) The health of the Chief Executive Officer of an organisation
- (c) The quality of a company's product or service
- (d) None of the above

- Q.4 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

- Q.5 Which of the following statements is true about the accounting equation? **1**
- (a) The accounting equation represents that the sources in a business are not equal to the resources of that business
- (b) The accounting equation represents that the sources in a business are equal to the resources of that business
- (c) The accounting equation represents that the resources are allocated to the business at cost price
- (d) None of the above
- Q.6 Which of the following concepts means that the identity of a business is separate from its owner? **1**
- (a) Going concern concept (b) Business entity concept
- (c) Realisation concept (d) None of the above
- OR**
- During a lifetime of an entity, accounting produces financial statements in accordance with which basic accounting concept?
- (a) Conservation (b) Matching (c) Accounting period (d) None of these
- Q.7 Which of the following accounts will be affected by a transaction where the company receives money from a debtor? **1**
- (a) Owner's equity and cash (b) Owner's equity and debtors
- (c) Cash and Debtors (d) None of the above
- Q.8 With the help of the following information determine the effect on cash and capital in accounting equation. **1**
- (i) Started business with cash ₹ 1,00,000 and Goods ₹ 20,000.
- (ii) Sold goods worth ₹ 10,000 for cash ₹ 12,000.
- (iii) Purchased furniture on credit for ₹ 30,000.
- (a) Rs 1,12,000; Rs. 122,000 (b) Rs. 1,32,000; 1,24,000
- (c) Rs 1,10,000; Rs. 102,000 (d) Rs 1,12,000; Rs. 1,20,000
- Q.9 In the books of the firm, 'the goods return by the customer' will be debited to which of the following accounts? **1**
- (a) The Return Inward A/c (b) The Return Outward A/c
- (c) The Account of the Purchases (d) The Customer A/c
- Q.10 In case of a double column cashbook, which of these will not be considered as a contra entry? **1**
- (a) Cash is withdrawn from the bank for personal use (b) Cash deposited to bank
- (c) Cash is withdrawn from the bank (d) All of the above
- Q.11 Which of these is not recorded in the cashbook? **1**
- (a) Bad debts (b) Credit purchases (c) Trade discount (d) All of these
- OR**
- If a business is already maintaining a cashbook, it does not have to maintain _____
- (a) Sales Book (b) Journal Proper
- (c) Cash and bank accounts in the ledger (d) Purchase book
- Q.12 Purchase of fixed assets on credit is originally recorded in : **1**
- (a) Purchases book (b) Ledger (c) Cash book (d) Journal proper
- Q.13 If wages paid for the installation of new machinery is debited to the wages account, it is ___. **1**
- (a) An error of commission (b) An error of principle
- (c) A compensating error (d) An error of omission

OR

Which of the following is not an error of principle?

- (a) Purchase of furniture debited to purchase account
- (b) Repairs on the overhauling of second-hand machinery purchased debited to repairs account
- (c) Cash received from XYZ posted to ABC
- (d) Sale of old car credited to Sales Account

Q.14 Cheque of Rs.1, 000 received from Ram was dishonoured. The cheque return entry is posted to the debit of sales return account. Rectifying journal entry will be: **1**

- (a) Sales Return A/c Dr. 1000
To Ram A/c 1,000
- (b) Ram A/c Dr. 1000
To Sales Return A/c 1,000
- (c) Sales Return A/c Dr. 1,000
To Suspense A/c 1,000
- (d) None of the above.

OR

An old furniture was sold for Rs.500 in cash and entered in cash book, crediting sales Account as Rs. 600. What will be the rectification entry?

- (a) Sales A/c Dr. 500
To Furniture A/c 500
- (b) Sales A/c Dr. 600
To Cash A/c 600
- (c) Sales A/c Dr. 600
To Furniture A/c 500
To Cash A/c 100
- (d) None of the above

Q.15 Giving examples, explain each of the following accounting terms: **3**

- (i) Capital (ii) Revenue (iii) Profit

Q.16 Why is it necessary for the accountants to assume that the business entity will remain a going concern? **3**

Q.17 Show the effect of the following transactions on the Accounting Equation: **3**

- (i) Started business with cash ₹ 50,000.
- (ii) Wages Outstanding ₹ 200.
- (iii) Rent paid in advance ₹ 150.

OR

Show the effect of the following transactions on the Accounting Equation:

- (i) Machinery of ₹ 1,50,000 invested by the owner in the business.
- (ii) Purchase goods from Varun for ₹ 60,000.
- (iii) Depreciation charged on machinery ₹ 15,000.

Q.18 State briefly the need of 'providing for depreciation'. **3**

OR

Differentiate between straight line and written down value method of Depreciation.

- Q.19 On March 2017, Fayol, started a wholeselling business. 4
 Following transactions were as follows:
 8. Bought goods from Bond and Friends Rs. 1,000 and by cash from XYZ Co. Rs 2,000.
 13. Sold goods to Robinhood & sons Rs. 1,500 and sale by cash Rs. 5,000.
 21. Paid Bond and Friends cash Rs. 975; discount received Rs. 25.
 28. Received cash from Robinhood & Sons Rs. 1,450; allowed him discount of Rs. 50.
 Pass journal entries.
- Q.20 Prepare Trial Balance as on 31.03.2012 from the following balances of Ms. Maliha Afzal: 4

Drawings Rs. 74,800	Purchases Rs. 2,95,700	Stock (1.04.2011) Rs. 30,000
Bills receivable Rs. 52,500	Capital Rs. 2,50,000	Furniture Rs. 33,000
Discount allowed Rs. 950	Sales Rs. 3,35,350	Rent Rs. 72,500
Freight Rs. 3,500	Printing charges Rs. 1,500	Sundry creditors 75,000
Insurance Rs. 2,700	Sundry expenses Rs. 21,000	Discount received Rs. 1,000
Bank loan Rs. 1,20,000	Stock (31.03.2012) Rs. 17,000	Income tax Rs. 9,500
Machinery Rs. 2,15,400	Bills payable Rs. 31,700	
- Q.21 Enter the following transaction in a double column cash book of M/s Mohit Traders for January 2010. 6
 1. Cash in Hand 35,000
 2. Bank Overdraft 2,300
 3. Goods purchased for cash 1,200
 5. Paid wages 200
 10. Cash Sales 8,000
 15. Deposited into Bank 6,000
 22. Sold goods for cheque which was deposited into bank same day 2,000
 25. Paid rent by cheque 1,200
 28. Drew from bank for personal use 1,000
 31. Bought goods by cheque 1,000
- Q.22 Edison & Co. has a difference in balance as per cash book and bank statement as on 31st March 2021. 6
 1. Balance as per the cash book is Rs. 1,650.
 2. Cheques of Rs.2,000 and Rs. 1000 issued as on 30th March 2021, but not yet cleared.
 3. Insurance paid by the bank is Rs. 200. It is not yet recorded in the cash book.
 4. An outgoing cheque of Rs. 1000 was recorded twice in the cash book. It is accurately recorded in the bank passbook.
 5. Dividends received Rs.600 recorded only in the bank statement and not in the cash book.
 6. A cheque of Rs. 500 was deposited on 29th March 2021, but it is not collected so far.
 7. Payment of Rs. 5,000 by cheque is recorded twice in the passbook.

OR

James & Co, has a balance of Rs.20,000 as per passbook as on 31st December, 2021.

1. Three cheques of Rs. 1,000, Rs. 1,500, Rs. 1,750 were deposited in the bank on 30th December, 2021 but were recorded in the bank statement on January 2022.

2. A cheque of Rs. 1,000 was issued on 31st December, 2021, was not processed.
3. A dividend of Rs. 500 was credited to the bank, but not recorded in the cash book.
4. A direct deposit of Rs. 600 was made in a bank account by a customer, which was not recorded in the cash book.
5. Bank charges of Rs.60 were entered only in the bank passbook.

Q.23 On 1st July, 2008 a company purchased a machine for Rs 3,90,000 and spent Rs 10,000 on its installation. It decided to provide depreciation @ 15% per annum, using written down value method. On 30th November, 2011 the machine was sold for Rs 1,00,000. 6

On 1st December, 2011 the company acquired and put into operation a new machine at a total cost of Rs 7,60,000. Depreciation was provided on the new machine on the same basis as had been used in the case of the earlier machine. The company closes its books of account every year on 31st March. Prepare Machine Account for 4 years.

OR

The company purchased a plant on July 01, 2015, at the cost of ₹ 3 00,000; it spent an additional ₹ 50,000 on the installation.

The depreciation is charged at 15% p.a. based on the straight line method. The plant was then sold for ₹ 1,50,000 on October 01 2017. A new plant was purchased and installed on the same date amounting to ₹ 4,00,000. The accounts for the business are closed on December 31st yearly.

You are required to show the machinery account for three years.

Q.24 Rectify the following errors assuming that a suspense account was opened. 6

- (a) Credit sales to Mohan ₹ 7,000 were posted to the credit of his account.
- (b) Credit purchases from Rohan ₹ 9,000 were posted to the debit of his account as ₹ 6,000.
- (c) Depreciation provided on machinery ₹ 4,000 was not posted.
- (d) A cheque of Rs. 200 received from Kanav had been dishonoured and was passed to the debit of 'allowances account'.
- (e) Discount allowed to a debtor ₹ 100 on receiving cash from him was not posted to discount account.
- (f) Goods distributed as free sample Rs. 5,000 were not recorded in the books.

PART B-FINANCIAL ACCOUNTING-II

Q.25 Which report gives a review on the profitability of a business? 1

- (a) Statement of changes in equity
- (b) Cash flow statement
- (c) Balance sheet
- (d) Income statement

Q.26 If the rent of one month is still to be paid, the adjustment entry will be _____. 1

- (a) Debit Outstanding Rent Account and Credit Rent Account
- (b) Debit Profit and Loss Account and Credit Rent Account
- (c) Debit Rent Account and Credit Profit and Loss Account
- (d) Debit Rent Account and Credit Outstanding Rent Account

Q.27 **Trial Balance** 1

Insurance premium	14,000		
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Prepaid insurance Rs. 3400. The amount of insurance premium shown in the profit and loss account will be -

- (a) Rs. 3,400
- (b) Rs. 10,600
- (c) Rs. 14,000
- (d) None of these

- Q.28 Calculate closing stock from the following information: 1
- | | | | |
|---------------|--------------|--|--|
| Opening stock | Rs. 40,000 | | |
| Cash Sales | Rs. 1,20,000 | | |
| Credit Sales | Rs. 80,000 | | |
| Purchases | Rs. 1,40,000 | | |
- Rate of Gross profit on Cost $33\frac{1}{3}\%$
- (a) Rs.30,000 (b) Rs.50,000 (c) Rs.35,000 (d) Rs.70,000
- Q.29 Assertion:- When accounting records are not strictly maintained according to double entry system, these records are called incomplete accounting records. 1
- Reason:- In incomplete accounting records, cash account and the personal accounts of customers and creditors are maintained fully and other accounts are maintained based on necessity.
- (a) (A) and (R) both are correct and (R) is the correct reason for (A).
 (b) (A) and (R) both are correct but (R) is not the correct reason for (A).
 (c) (A) is correct but (R) is wrong
 (d) (A) is wrong but (R) is correct.
- Q.30 If the opening capital is Rs. 60,000, drawings Rs. 5,000, capital introduced during the period Rs. 10,000, closing capital Rs. 90,000. The value of profit earned during the period will be _____. 1
- (a) Rs. 20,000 (b) Rs. 25,000 (c) Rs. 30,000 (d) Rs. 40,000

CASE STUDY

Read the following information carefully and answer Q.no 31

Cash Purchases Rs.1,50,000, Credit Purchases Rs. 9,00,000, Returns Inward Rs. 20,000, Cash Sales Rs.1,60,000, Credit Sales Rs. 11,00,000, Returns Outward Rs. 10,000, Freight Inward Rs. 3,000, Carriage inward Rs.3,000, Wages and Salaries Rs.4,000, Opening Stock Rs. 1,50,000, Closing Stock Rs.88,000 (Market value is Rs. 84,000).

- Q.31 Prepare Trading Account. (from the above information) 3
- Q.32 The following is the extract from a Trial Balance: 3

Trial Balance

Particulars	Rs.	Rs.
Sundry Debtors	10,00,000	
Bad Debts	20,000	

Additional Information

Write off Rs. 10,000 as further Bad Debts.

Show the effect of the above in final accounts.

- Q.33 Manya started her business on April 01, 2016 with a capital of ₹ 4,50,000. On March 31, 2017 her position was as under: 4

	₹
Cash	99,000
Bills Receivable	75,000
Plant	48,000
Land and Building	1,80,000
Furniture	50,000

She owed ₹ 45,000 from her friend Susan on that date. She withdrew ₹ 8,000 per month for her household purposes. Ascertain her profit or loss for this year ended March 31, 2017.

OR

Differentiate between Single Entry System and Double Entry System. (**any four**)

Q.34 From the following Trial Balance of Mr. Mudit, prepare Trading and Profit & Loss Account for the year ended 31st March, 2019 and a Balance Sheet as at that date :

6

Dr. Balances	Amt.(Rs)	Cr. Balances	Amt. (R)
Opening Stock	30,000	Sales	3,00,000
Purchases	90,000	Purchases Returns	6,000
Sales Return	5,000	Discount	7,000
Carriage Inwards	4,500	Sundry Creditors	35,000
Carriage Outwards	500	Bills Payable	3,500
Wages	52,000	Capital	52,000
Salaries	28,000		
Plant & Machinery	80,000		
Furniture	7,000		
Sundry Debtors	50,000		
Bills Receivable	2,000		
Cash in Hand	7,500		
Travelling Expenses	3,100		
Lighting (Factory)	1,900		
Rent and Taxes	6,000		
General Expenses	15,000		
Insurance	1,000		
Drawings	20,000		
	4,03,500		4,03,500

Adjustments:

- (1) Stock on 31st March, 2019 was valued at Rs. 35,000 (Market Value Rs. 40,000).
- (2) Wages outstanding for March, 2019 amounted to Rs. 4,000.
- (3) Salaries outstanding for March, 2019 amounted to Rs. 2,000.
- (4) Prepaid insurance amounted to Rs. 720.
- (5) Provide depreciation on Plant and Machinery at 5% p.a. and on Furniture at 20% p.a.

