



INDIAN SCHOOL MUSCAT
DEPARTMENT OF COMMERCE & HUMANITIES
CLASS :11
ACCOUNTANCY

Worksheet No: 4

Chapter Name: Accounting Equation

Issued on : -----

Date of submission:-----

Name of the student:

Roll No:.....

Section:.....

- | Qno. | Question | |
|------|--|---|
| 1 | Give one transaction for each of the following that will:
1. Increase an asset and Increase in liability
2. Decrease in asset and decrease in liability
3. Decrease an asset and decrease capital | 3 |
| 2 | How will you deal with the following items in Accounting Equation:
1. Interest on Capital
2. Interest on Drawings
3. Accrued Income
4. Unearned Income
5. Prepaid Expenses
6. Outstanding Expenses | 6 |
| 3 | Calculate total assets if Capital is ₹ 40,000, Creditors ₹ 30,000, Revenue earned during the period ₹ 75,000, Expenses incurred during the period ₹ 20,000. Value of Stock unsold ₹ 20,000. | 3 |
| 4 | Peter has the following assets and liabilities as on 31st December 2010. Ascertain his capital: Cash ₹ 2,500; Bank ₹ 4,750; Debtors ₹ 1,800; Creditors ₹ 2,200; Plant and Machinery ₹ 8,000; Building ₹ 20,000; Furniture ₹ 2,400; Bills receivable ₹ 5,650; Bills Payable ₹ 2,350. | 3 |
| 5 | Prepare an Accounting Equation from the following:
1. Started business with Cash ₹ 50,000.
2. Paid Salary ₹ 5,000.
3. Rent Outstanding ₹ 1,000.
4. Accrued Interest ₹ 1,500
5. Interest on Capital ₹ 2,500.
6. Bought goods for cash ₹ 30,000 and on Credit for ₹ 50,000.
7. Goods costing ₹ 10,000 sold at a profit of 25%, out of which ₹ 7,000 received in cash. 8. Purchased a Television for personal use ₹ 2,500. | 6 |
| 6 | Prepare Accounting Equation from the following:
1. Nitin started business with cash ₹ 75,000; goods ₹ 30,000; Machinery ₹ 50,000 and Furniture ₹ 25,000.
2. 1/3rd of the above goods sold at a profit of 10% on cost and half of the payment is received In cash. | 6 |

3. Depreciation on Machinery provided at 10%.
4. Cash withdrawn for personal use ₹ 10,000.
5. Interest on drawing charged @ 5%.
6. Goods sold to Jacob for ₹ 5,000 and received a Bill Receivable for the same amount for three Months.
7. Received ₹ 5,000 from Jacob against the Bill Receivable on its maturity.
- 7 Show the accounting equation on the basis of the following transactions & also show the Balance Sheet. 8
1. Started the business with Cash ₹ 80,000; Goods ₹ 30,000; Furniture ₹ 40,000.
 2. Purchased goods on credit from Nidi, ₹ 15,000 and on cash from Mera ₹ 10,000.
 3. Bought a refrigerator for personal use ₹ 5,000.
 4. Goods costing ₹ 6,000 sold at the loss of 10% out of which ₹ 2,000 received in cash.
 5. Received cash from debtors ₹ 3,200 in full settlement .
 6. Sold goods for cash ₹ 5,000.
 7. Introduced fresh capital ₹ 1,00,000.
 8. Rent outstanding ₹ 5,000.
 9. Accrued interest ₹ 10,000.
- 8 Prepare an Accounting Equation from the following: 8
1. Started the business with Cash ₹ 1,00,000; goods ₹ 50,000 and loan ₹ 15,000.
 2. Goods costing ₹ 24,000 sold at a profit of $33\frac{1}{3}\%$ and $\frac{3}{4}$ th payment received in Cash.
 3. Paid three months rent in advance for office ₹ 6,000.
 4. Goods withdrawn for personal use ₹ 10,000.
 5. Interest on drawings at the rate of 5%.
 6. Goods given as charity ₹ 1,000.
 7. Loss of Cash by theft ₹ 1,000.
 8. Loan taken was repaid with interest ₹ 150.
 9. Purchased Securities Rs10,000.
 10. Sold Securities costing ₹ 3000 for ₹ 3,500.
- 9 Prepare an Accounting Equation from the following information: 8
- Jacob Started business with ₹ 15,00,000.
1. Opened a bank account in State Bank Of India with ₹ 4,80,000.
 2. Bought Furniture for ₹ 60,000 and a cheque was issued on the same day.
 3. Bought Plant and Machinery for business for ₹ 1,25,000 and advance of ₹ 10,000 in cash is paid to M/s Ramjee Lal.
 4. Goods purchased from M/s Sunil Traders for ₹ 55,000.
 5. Goods costing ₹ 25,000 sold to Rajani Enterprises for ₹ 35,000.
 6. Paid Salary ₹ 2,500 and Salary outstanding ₹ 1,000.
 7. Depreciation on Plant and Machinery ₹ 1,200.
- 10 Prepare an Accounting Equation from the following information: 8
- 1-4-2009 Business started with Cash ₹ 1,50,000.

- 1-4-2009 Goods purchased from Manisha ₹ 36,000.
 1-4-2009 Stationery purchased for cash ₹ 2,200.
 2-4-2009 Opened a bank account with SBI for ₹ 32,000.
 3-4-2009 Goods sold to Priya for ₹ 16,000.
 5-4-2009 Purchased goods from Namita for ₹ 20,000.
 10-4-2009 Insurance paid by cheque ₹ 2,250.
 11-4-2009 Cash withdrawn for household purpose ₹ 5,000.
 13-4-2009 Interest received ₹ 250 in cash.
 14-4-2009 Rent paid in advance ₹ 550.
- 11 Calculate the capital as on 1-1-2010 in each of the following cases 3
 1. On 31-12-2010 the total assets and external liabilities were ₹ 30,000 and ₹ 900 respectively. During the year the proprietor earned ₹ 3,000.
 2. If in the preceding case the proprietor had introduced additional capital ₹ 3,000 and had withdrawn ₹ 1,800 for personal use.
- 12 Calculate total equity and owners equity if: 3
 1. Owner's equity in the beginning ₹ 36,000.
 2. Equity of Creditors at the end ₹ 30,000.
 3. Revenue during the period is ₹ 42,000.
 4. Expenses during the same period are ₹ 39,000.
- 13 Show the effect of the following transactions on Accounting Equation and also prepare a Balance Sheet. 6
 1. Started business with cash amounting to ₹ 35,000 and goods ₹ 15,000.
 2. Salaries paid ₹ 2,000.
 3. Wages Outstanding ₹ 200.
 4. Prepaid Insurance ₹ 700.
 5. Interest due but not paid ₹ 100.
 6. Rent paid in advance ₹ 150.
- 14 Show the accounting equation on the basis of the following transactions 4
 1. Started business with Cash ₹ 60,000.
 2. Rent received ₹ 2,000.
 3. Accrued Interest ₹ 500.
 4. Commission received in advance ₹ 1,000.
- 15 Mr. Pai started a business with a cash investment of ₹ 21,00,000. The following business transactions have been recorded: 8
 1. Paid three months advance rent for office accommodation ₹ 2,520.
 2. Bought Car for Office ₹ 12,00,000.
 3. Purchased furniture ₹ 42,250.
 4. Bought Computer from Computer Visions ₹ 25,000.
 5. Sold furniture at cost to Peter for ₹ 21,000.
 6. Peter paid ₹ 15,000 in Cash and accepted a bill at three months for the balance.
 7. Paid telephone bill ₹ 2,500 and electricity bill of ₹ 4,500.
 8. Peter paid the amount of the bill due on maturity.

9. Collected ₹ 3,500 as Commission and Commission received in advance ₹ 2,500.
10. Purchased goods for ₹ 11,250 at a trade discount of 10%.
- 16 Amit had the following transactions. Use accounting equation to show the effect on his assets liabilities and Capital. 8
1. Commenced business with Cash ₹ 12,50,000.
 2. Purchased securities for ₹ 15,000 in cash.
 3. Purchased goods for 1,00,000 at a trade discount of 10% and cash discount of 5% from Mahek. Paid the cash on the same day and availed the cash discount.
 4. Sold goods costing ₹ 1000 for 1,200.
 5. Received dividend on securities ₹ 250.
 6. Goods lost by fire ₹ 1000.
 7. Purchased goods for cash ₹ 12,000 and on credit ₹ 15,000.
 8. Mr.White sold goods to us ₹ 23,500.
 9. Settled White's account by paying ₹ 23,000.
 10. Mr.Black purchased goods from us ₹10,000 and accepted a bill of exchange.
 11. Settled the Creditors account by paying 14,500.
- 17 Show the Accounting equation on the basis of the following transactions and prepare a Balance Sheet. 8
1. Shyam commenced business with cash ₹ 35,00,000; Goods ₹ 80,000; Furniture ₹ 2,00,000.
 2. Sold goods costing ₹ 24,000 for cash to Ramesh ₹ 26,500.
 3. Commission received in advance ₹ 2,500.
 4. Depreciation on furniture ₹ 4050.
 5. Deposited in the bank ₹ 2,50,000.
 6. Purchased household goods for ₹ 15,000 giving ₹ 5,000 in cash and balance through a loan.
 7. Paid ₹ 7500 for loan and ₹ 250 as interest.
 8. Accrued interest ₹ 250.
 9. Goods destroyed by fire (Cost ₹ 500, Sale price ₹ 600)
 10. Withdrew ₹ 550 for personal use.
- 18 Show the accounting equation on the basis of the following transactions: 8
- 1) Shri Ganesh commenced business with cash ₹ 35,000, goods ₹ 8,000 and furniture ₹ 7,000.
 - 2) Bought furniture from M/s Mohan Furnitures on credit for ₹ 3,000.
 - 3) Purchased goods from Sohan for cash ₹ 35,000.
 - 4) Sold goods to Shyam for cash ₹ 40,000(costing ₹ 30,000).
 - 5) Bought goods from Ramesh ₹ 30,000.
 - 6) Sold goods to Shyam costing ₹ 30,000 for ₹ 50,000.
 - 7) Received ₹ 49,500 from Shyam in full settlement.
 - 8) Paid ₹ 29,700 to Ramesh in full settlement.

- 9) Paid half the amount owed to M/s Mohan.
 10) Withdrew ₹ 1,000 for personal use.
 11) Withdrew goods for personal use(cost ₹ 500, sale price ₹ 600).
 12) Purchased household goods for ₹ 15,000 giving ₹ 5,000 in cash and the balance through a loan.
 13) Paid cash ₹ 500 for loan and ₹ 300 for interest.
 14) Goods destroyed by fire (cost ₹ 500, sale price ₹ 600)
 15) Paid salary ₹ 500 and salary outstanding ₹ 100.
 16) Paid rent in advance ₹ 2,000.
 17) Accrued interest Rs 500.
 18) Commission received in advance Rs 1,000.
 19) Charged depreciation of Rs 400 on furniture.
- 19 **Give an example for each of the following types of transactions:** **8**
- Increase in one asset, decrease in another asset.
 - Increase in asset, increase in liability.
 - Increase in asset, increase in owner's capital.
 - Decrease in asset, decrease in liability.
 - Decrease in asset, decrease in owner's capital.
 - Increase in one liability, decrease in another liability.
 - Increase in liability, decrease in owner's capital.
 - Decrease in liability, increase in owner's capital.
- 20 Mr. X commenced his business on 1st April, 2008 by introducing capital of ₹50,000. During the year, following transactions had taken place **8**
- | | Amount |
|--|----------|
| (a) Bought Machine for cash. | ₹ 20,000 |
| (b) Purchased goods for | 24,000 |
| (c) Sold goods (costing ₹9,500) to Om for cash. | 20,000 |
| (d) Purchased goods from Azhar. | 14,000 |
| (e) Introduced additional capital. | 16,000 |
| (f) Commission received in advance. | 2,000 |
| (g) Paid to Creditors ₹10,500 in full settlement. | |
| (h) Bought Computer for his personal use. | 10,000 |
| (i) Rent paid for the year. | 10,000 |
| (j) Payment for stationery | 400 |
| (k) Sold goods (costing Rs 12,000) for ₹ 16,000. Out of which ₹2,000 received in cash. | |
- Show the above transactions in accounting equations.
