



# INDIAN SCHOOL MUSCAT ANNUAL EXAMINATION ACCOUNTANCY

CLASS: XI

Sub. Code: 055

Time Allotted: 3 Hrs.

09.02.2020

Max. Marks: 80

**General Instructions:**

- This paper consists of two parts A and B.
- Please write question number before attempting a question.
- Attempt all parts of a question at one place.
- Use of calculators or any other calculating device not allowed.
- Show clearly working notes wherever necessary.

1. Name two external users directly concerned with accounting information. 1
2. Which qualitative characteristic of accounting information is reflected when accounting information is clearly presented? 1  
(a) Reliability                      (b) Relevance                      (c) Comparability                      (d) Understandability
3. The \_\_\_\_\_ concept requires that the same accounting method should be used from one accounting period to next. (Fill in the blanks) 1
4. According to Going Concern Concept, a business is viewed as having 1  
(a) A limited life                      (b) A very long life                      (c) An infinite life                      (d) None of these
5. Explain Historical Cost Concept. 1
6. A person who owes money to the firm against goods sold is a debtor. (State True or False) 1
7. Which of the following is not a long-term liability? 1  
(a) Creditors                      (b) Term Loans                      (c) Debentures                      (d) Bank Loan
8. What are the two bases of Accounting? 1
9. Mention the Subsidiary Books in which the following transactions are recorded: 1  
(a) Purchase of furniture on credit for use in shop.  
(b) Sale of goods on credit.
10. Is the balance of Petty Cash Book an asset or income? 1
11. Contra entries are not posted into Ledger Accounts. (State True or False) 1

12. Withdrawal column of the Pass Book showed a wrong entry of ₹ 1,200. When the balance as Cash Book is the starting point 1  
 (a) ₹ 1,200 to be added (b) ₹ 1,200 to be subtracted  
 (c) No adjustment is required (d) None of these
13. What does 'Credit' balance as per Bank Pass Book mean? 1
14. Name the errors for rectification of which Suspense Account is used. 1
15. Goods were sold to Jogi for ₹ 4,000 and to Yogi for ₹ 3,000. The transactions were recorded properly in the Sales Book, but ₹ 3,000 was posted to Jogi, while ₹ 4,000 was posted to Yogi. Identify the type of Error. 1
16. What do you understand by Days of Grace? 1
17. A Bill of Exchange has \_\_\_\_\_ parties. (Fill in the blanks) 1
18. How can credit sales be determined from incomplete records? 1
19. Accrued income, if given outside the Trial Balance is shown in 1  
 (a) Trading Account, as addition to the income  
 (b) Profit and Loss Account, as addition to the income  
 (c) Profit and Loss Account, as addition to the income and in the Balance Sheet, as an asset  
 (d) Balance Sheet as an asset
20. Accounting Information System processes the data and transforms it into \_\_\_\_\_. (Fill in the blanks) 1
21. Prove that the Accounting Equation is satisfied in all the following transactions of Suresh. 3  
 (i) Commenced business with cash ₹ 60,000.  
 (ii) Paid rent in advance ₹ 500.  
 (iii) Purchased goods for cash ₹ 30,000 and credit ₹ 20,000.  
 (iv) Sold goods for cash ₹ 30,000 costing ₹ 20,000.  
 (v) Paid salary ₹ 500 and salary outstanding being ₹ 100.  
 (vi) Bought furniture for personal use ₹ 5,000
22. Explain the three major elements of a Computer System, 3
23. Discuss briefly the objectives of Accounting. 4
24. Record the following transactions in the Sales Book of Ganesh Electronics, Kolkata (West Bengal) assuming CGST and SGST @ 9% each. 4  
 2018  
 Jan3 Sold to Ruchika Electronics, Kolkata  
 5 Colour T.V. Sets @ ₹ 20,000 each.  
 Less: Trade Discount 20%  
 Jan10 Sold to Garima Electronics, Patna (Bihar)  
 10 Washing Machines @ ₹ 8,000 each  
 Less: Trade Discount 25%  
 Jan12 Sold to Raghav & Sons, Kolkata for cash

6 Colour T.V. Sets @ ₹ 18,000 each Less Trade Discount 15%  
 Jan16 Sold to Nitin Trading Company, Ranchi (Jharkhand)  
 8 Music Systems @ ₹ 15,000 each.  
 10 Colour T.V. Sets @ ₹ 22,000 each  
 Less: Trade Discount 20%

- 25 Prepare two column Cash Book of Bimal, Lucknow from the following transactions. 4
- | Date   | Transactions  | ₹      |
|--------|---|--------|
| 2019   |   |        |
| June1  | Cash Balance  | 5,000  |
|        | Bank Balance  | 17,500 |
| June5  | Cash received from sale of personal asset deposited in firm's account.          | 5,000  |
| June6  | Cheque received as advance against sale, paid into bank.                        | 50,000 |
| June7  | Paid S. Bose by cheque. Discount received.                                      | 12,500 |
| June9  | Paid wages in cash.   | 200    |
| June20 | Received a cheque from A. Mukherjee and sent it to bank.                        | 3,000  |
| June21 | Drawn from bank.  | 6,000  |
| June29 | Paid office salaries in cash.   | 5,000  |
| June30 | Sold goods in cash for ₹ 8,000 plus CGST and SGST @6% each and banked the same. | 4,000  |
| June30 | Paid rent by cheque including CGST and SGST @ 6% each.                          | 1,120  |
| June30 | Paid into bank.   | 7,500  |
- 26 Opening Stock ₹ 15,000; Sales ₹ 48,000; Carriage Inwards ₹ 3,000; Sales Return ₹ 3,000; Gross Profit ₹ 18,000; Purchases ₹ 30,000; Purchases Return ₹ 2,700. Calculate Closing Stock and Cost of Goods Sold. 4
- 27 'Computerised Accounting is much better than Manual Accounting'. Justify this statement by giving comparison of Manual Accounting and Computerised Accounting. 4
- OR**
- A Computerized Accounting System has many advantages. Discuss any six points.
- 28 Trial Balance of Anuj did not agree. It showed an excess credit of ₹ 6,000. He put the difference in Suspense Account. He discovered the following errors. 6
- Cash received from Ravish ₹ 8,000 posted to his account as ₹ 6,000.
  - Returns Inwards book overcast by ₹ 1,000.
  - Total of Sales Book ₹ 10,000 was not posted to Sales Account.
  - Credit purchases from Nanak ₹ 7,000 were recorded in Sales Book. However, Nanak's Account was correctly credited.
  - Machinery purchased for ₹ 10,000 was posted to Purchase Account as ₹ 5,000.
- Rectify the errors and prepare Suspense Account.
- 29 The following balances appear in the books of X Ltd. as on 1<sup>st</sup> April 2014. 6
- |                                    | ₹        |
|------------------------------------|----------|
| Machinery Account                  | 5,00,000 |
| Provision for Depreciation Account | 2,25,000 |
- The machinery was depreciated @ 10% p.a. on Fixed Instalment Method, the accounting year being April- March.
- On 1<sup>st</sup> October 2014, a machinery which was purchased on 1<sup>st</sup> July 2011 for ₹ 1,00,000 was sold for ₹ 42,000 and on the same date a fresh machinery was purchased for ₹ 2,00,000.
- Prepare the Machinery Account, Provision for Depreciation Account and Machine Disposal

Account for the year 2014-15.

**OR**

On 31<sup>st</sup> March 2015, the bank column of the Cash Book of Mr. Sanjeev disclosed an overdraft balance of ₹ 8,300. On examining the Cash Book and Bank Statement you find that:

- (i) Cheques were deposited into bank for ₹ 16,000, but of these cheques for ₹ 4,600 were cleared and credited in April, 2015
- (ii) Cheques were issued for ₹ 7,500, out of which cheques for ₹ 6,000 had been presented for payment in March 2015.
- (iii) In March Mr. Sanjeev had discounted with bank a bill of exchange for ₹ 10,000 and had entered this amount in the Cash Book, but the proceeds credited, as shown by the Pass Book, amounted to ₹ 9,600
- (iv) No entry is made in the Cash Book of an amount of ₹ 6,100 directly deposited by a customer in the bank account.
- (v) Bank column of the payment side of Cash Book was under-cast by ₹ 1,000.
- (vi) Payment of insurance premium of ₹ 2,000 and receipt of insurance claim of 8,000 appear in the Pass Book but not entered in the Cash Book.
- (vii) A cheque of ₹ 3,500 issued to Mr. X was omitted to be recorded in the Cash Book.
- (viii) A cheque of ₹ 2,800 issued to Mr. Y was entered in the cash column of the Cash Book.

Make the appropriate adjustments in the Cash Book and prepare a Bank Reconciliation Statement with the Amended Cash Book balance as on 31<sup>st</sup> March 2015.

- 30 Panwar commenced business on 1<sup>st</sup> April 2014 with a capital of ₹ 1,00,000, which he paid into bank account opened for that purpose. On the same date he bought furniture which cost ₹ 20,000 and made purchase of goods worth ₹ 65,000. He kept his books on Single Entry basis. 6

On 31<sup>st</sup> March 2015 stock was valued at ₹ 83,000. There were book debts amounting to ₹ 34,000 of which ₹ 2,000 represented debts which were irrecoverable. Creditors amounted to ₹ 36,000 and bank pass book showed a balance of ₹ 14,500.

Panwar withdrew three times from the business for his private expenses, each time he withdrew ₹ 6,000 and in addition he used ₹ 5,000 worth of goods from his shop. He took ₹ 10,000 as loan from his wife on 1<sup>st</sup> October 2014 @ 15% p.a. but had paid no interest. He gave ₹ 2,000 to his son from business, which he omitted to enter. You are required to prepare a statement showing profit or loss in the business for the year ending 31<sup>st</sup> March 2015 from the above information.

- 31 On 15<sup>th</sup> January 2016 Saurav sold goods for ₹ 60,000 to Nehra and drew upon latter a bill for the same amount payable after 3 months. The bill was accepted by Nehra. The bill was discounted by Saurav from his bank for ₹ 58,500 on 31<sup>st</sup> January 2016. On maturity the bill was dishonoured. He further agreed to pay ₹ 21,000 in cash including ₹ 1,000 interest and accept a new bill for two months for the remaining ₹ 40,000. The new bill was endorsed by Saurav in favour of his creditor Kailash for debt of ₹ 40,000. The new bill was duly met by Nehra on maturity. Give the Journal Entries in the books of Saurav. 8

**OR**

On 1<sup>st</sup> January 2012, Raman drew on Mohan, who is his debtor for ₹ 15,000 three bills of exchange: First for ₹ 4,000 at one month, Second for ₹ 5,000 at two months and Third for ₹ 6,000 at three months. Mohan accepted all the three bills.

On 10<sup>th</sup> January 2012, Raman endorsed the first bill to his creditor Sohan in full settlement of his account of ₹ 4,120. This bill was duly met on maturity.

On 20<sup>th</sup> January 2012, the second bill was discounted from the bank for ₹ 4,850. This bill was dishonoured on the due date and the bank paid ₹ 40 as noting charges. On Mohan's request Raman drew a fourth bill on Mohan for two months for the amount due plus ₹ 200 as interest.

Third bill was paid under a rebate of 15% p.a. one month before maturity. The fourth bill was sent to the bank for collection on 4<sup>th</sup> May 2012 and was duly met on maturity.

- 32 From the following Trial Balance of M/s Arjun and Sons as at 31<sup>st</sup> December 2016 prepare Trading and Profit and Loss Account. 8

Names of Accounts	Dr. ₹	Cr. ₹
Drawing and Capital	18,000	80,000
Purchases and Sales	82,600	1,55,000
Stock (01.01.2016)	42,000	
Returns 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

Adjustment :

- Closing Stock ₹ 64,000
- Wages Outstanding ₹ 2,400
- Bad Debts ₹ 600 and provision for bad and doubtful debts to be 5% on debtors.
- Rent is paid for 11 months.
- Loan from the Bank was taken on 1<sup>st</sup> July 2016.
- Provide depreciation on machinery @ 10% p.a.
- Provide Manager's Commission at 10% on Net Profit after charging such commission.

**OR**

From the following balances, prepare Profit and Loss Account and a Balance Sheet as at 31<sup>st</sup> March 2018.

Particulars	₹	Particulars	₹
Capital	82,000	Sundry Creditors	9,000
Life Insurance Premium	2,800	Sales	1,24,000
Plant and Machinery	5,000	Returns Outward	1,000
Stock in the beginning	15,000	Special Rebates (Dr.)	800
Purchases	87,200	Special Rebates (Cr.)	1,200
Returns Inwards	6,000	Rent for Premises Sublet	1,000
Sundry Debtors	29,000	Lighting	400
Furniture	9,100	Motor Car Expenses	6,300
Motor Car	40,000	Bank Balance	15,200
Freight	2,000	Loan from Suresh at 12% p.a.	10,000
Carriage Inwards	800	Interest on Loan from Suresh (Dr.)	900
Carriage Outwards	300	Output CGST	10,000
Trade Expenses	15,400	Output SGST	10,000
		Input CGST	6,000
		Input SGST	6,000

Adjustments :

- (a) Stock on 31<sup>st</sup> March 2018 was valued at 25,000 (Realisable Value ₹ 32,000).
- (b) Goods worth ₹ 2,000 were distributed as free samples and goods worth ₹ 1,500 were used for personal purposes by the proprietor. These goods were purchased paying CGST and SGST @ 9% each.
- (c) Depreciate Motor Car by 15%.
- (d) Included in Trade Expenses is Insurance Premium of ₹ 2,400 paid for the year ending 30<sup>th</sup> June 2018.
- (e) Gross Profit for the year is ₹ 42,500.

**End of the Question Paper**

<b>Roll Number</b>		
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**SET B**



# **INDIAN SCHOOL MUSCAT** **ANNUAL EXAMINATION** **ACCOUNTANCY**

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Sub. Code: 055

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09.02.2020

Max. Marks: 80

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5. According to Going Concern Concept, a business is viewed as having 1  
 (a) A limited life                      (b) A very long life  
 (c) An infinite life                      (d) None of these
6. Explain Historical Cost Concept. 1
7. Which of the following is not a fixed asset? 1  
 (a) Building                      (b) Plant and Machinery  
 (c) Balance with Bank                      (d) Goodwill
8. Is the balance of Petty Cash Book an asset or income? 1
9. What are the two bases of Accounting? 1
10. Mention the Subsidiary Books in which the following transactions are recorded: 1  
 (i) Purchase of furniture on credit for use in shop.  
 (ii) Sale of goods on credit.
11. What does 'Credit' balance as per Bank Pass Book mean? 1

12. Contra entries are not posted into Ledger Accounts. (State True or False) 1
13. Withdrawal column of the Pass Book showed a wrong entry of ₹ 1,200. When the balance as Cash Book is the starting point 1  
 (a) ₹ 1,200 to be added (b) ₹ 1,200 to be subtracted  
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17. The party which is ordered to pay the amount of the bill is known as \_\_\_\_\_. (Fill in the blanks) 1
18. Accounting Information System processes the data and transforms it into \_\_\_\_\_. (Fill in the blanks) 1
19. How can credit sales be determined from incomplete records? 1
20. Accrued income, if given outside the Trial Balance is shown in 1  
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 (c) Profit and Loss Account, as addition to the income and in the Balance Sheet, as an asset  
 (d) Balance Sheet as an asset
21. Prove that the Accounting Equation is satisfied in all the following transactions of Suresh. 3  
 (i) Commenced business with cash ₹ 60,000.  
 (ii) Paid rent in advance ₹ 500.  
 (iii) Purchased goods for cash ₹ 30,000 and credit ₹ 20,000.  
 (iv) Sold goods for cash ₹ 30,000 costing ₹ 20,000.  
 (v) Paid salary ₹ 500 and salary outstanding being ₹ 100.  
 (vi) Bought furniture for personal use ₹ 5,000
22. Explain three capabilities of a Computer System in comparison with human beings. 3
23. Discuss briefly the limitations of Accounting. 4
24. Opening Stock ₹ 30,000; Sales ₹ 96,000; Carriage Inwards ₹ 6,000; Sales Return ₹ 6,000; Gross Profit ₹ 54,000; Purchases ₹ 60,000; Purchases Return ₹ 5,400. Calculate Closing Stock and Cost of Goods Sold. 4
25. Record the following transactions in the Sales Book of Ganesh Electronics, Kolkata (West Bengal) assuming CGST and SGST @ 9% each. 4  
 2018  
 Jan3 Sold to Ruchika Electronics, Kolkata  
 5 Colour T.V. Sets @ ₹ 20,000 each.  
 Less: Trade Discount 20%



- Jan10 Sold to Garima Electronics, Patna (Bihar)  
10 Washing Machines @ ₹ 8,000 each  
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- Jan12 Sold to Raghav & Sons, Kolkata for cash  
6 Colour T.V. Sets @ ₹ 18,000 each Less Trade Discount 15%
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8 Music Systems @ ₹ 15,000 each.  
10 Colour T.V. Sets @ ₹ 22,000 each  
Less: Trade Discount 20%

- 26 Prepare two column Cash Book of Bimal, Lucknow from the following transactions. 4

Date	Transactions	₹
2019		
June1	Cash Balance	5,000
	Bank Balance	17,500
June5	Cash received from sale of personal asset deposited in firm's account.	5,000
June6	Cheque received as advance against sale, paid into bank.	50,000
June7	Paid S. Bose by cheque. Discount received.	12,500
June9	Paid wages in cash.	200
June20	Received a cheque from A. Mukherjee and sent it to bank.	3,000
June21	Drawn from bank.	6,000
June29	Paid office salaries in cash.	5,000
June30	Sold goods in cash for ₹ 8,000 plus CGST and SGST @6% each and banked the same.	4,000
June30	Paid rent by cheque including CGST and SGST @ 6% each.	1,120
June30	Paid into bank.	7,500

- 27 'Computerised Accounting is much better than Manual Accounting'. Justify this statement by giving comparison of Manual Accounting and Computerised Accounting. 4

**OR**

A Computerized Accounting System has many advantages. Discuss any six points.

- 28 Panwar commenced business on 1<sup>st</sup> April 2014 with a capital of ₹ 1,00,000, which he paid into bank account opened for that purpose. On the same date he bought furniture which cost ₹ 20,000 and made purchase of goods worth ₹ 65,000. He kept his books on Single Entry basis. On 31<sup>st</sup> March 2015 stock was valued at ₹ 83,000. There were book debts amounting to ₹ 34,000 of which ₹ 2,000 represented debts which were irrecoverable. Creditors amounted to ₹ 36,000 and bank pass book showed a balance of ₹ 14,500. Panwar withdrew three times from the business for his private expenses, each time he withdrew ₹ 6,000 and in addition he used ₹ 5,000 worth of goods from his shop. He took ₹ 10,000 as loan from his wife on 1<sup>st</sup> October 2014 @ 15% p.a. but had paid no interest. He gave ₹ 2,000 to his son from business, which he omitted to enter. You are required to prepare a statement showing profit or loss in the business for the year ending 31<sup>st</sup> March 2015 from the above information. 6
- 29 Trial Balance of Anuj did not agree. It showed an excess credit of ₹ 6,000. He put the difference in Suspense Account. He discovered the following errors. 6
- Cash received from Ravish ₹ 8,000 posted to his account as ₹ 6,000.
  - Returns Inwards book overcast by ₹ 1,000.
  - Total of Sales Book ₹ 10,000 was not posted to Sales Account.
  - Credit purchases from Nanak ₹ 7,000 were recorded in Sales Book. However, Nanak's Account was correctly credited.

(e) Machinery purchased for ₹ 10,000 was posted to Purchase Account as ₹ 5,000.  
Rectify the errors and prepare Suspense Account.

30 The following balances appear in the books of X Ltd. as on 1<sup>st</sup> April, 2014.

6

	₹
Machinery Account	5,00,000
Provision for Depreciation Account	2,25,000

The machinery was depreciated @ 10% p.a. on Fixed Instalment Method, the accounting year being April- March.

On 1<sup>st</sup> October 2014, a machinery which was purchased on 1<sup>st</sup> July 2011 for ₹ 1,00,000 was sold for ₹ 42,000 and on the same date a fresh machinery was purchased for ₹ 2,00,000.

Prepare the Machinery Account, Provision for Depreciation Account and Machine Disposal Account for the year 2014-15.

**OR**

On 31<sup>st</sup> March, 2015, the bank column of the Cash Book of Mr. Sanjeev disclosed an overdraft balance of ₹ 8,300. On examining the Cash Book and Bank Statement you find that:

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- In March Mr. Sanjeev had discounted with bank a bill of exchange for ₹ 10,000 and had entered this amount in the Cash Book, but the proceeds credited, as shown by the Pass Book, amounted to ₹ 9,600
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- A cheque of ₹ 3,500 issued to Mr. X was omitted to be recorded in the Cash Book.
- A cheque of ₹ 2,800 issued to Mr. Y was entered in the cash column of the Cash Book.

Make the appropriate adjustments in the Cash Book and prepare a Bank Reconciliation Statement with the Amended Cash Book balance as on 31<sup>st</sup> March 2015.

31 From the following Trial Balance of M/s Arjun and Sons as at 31<sup>st</sup> December 2016 prepare Trading and Profit and Loss Account.

8

Names of Accounts	Dr. ₹	Cr. ₹
Drawing and Capital	18,000	80,000
Purchases and Sales	82,600	1,55,000
Stock (01.01.2016)	42,000	
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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

Adjustment :

- Closing Stock ₹ 64,000
- Wages Outstanding ₹ 2,400
- Bad Debts ₹ 600 and provision for bad and doubtful debts to be 5% on debtors.
- Rent is paid for 11 months.
- Loan from the Bank was taken on 1<sup>st</sup> July 2016.
- Provide depreciation on machinery @ 10% p.a.
- Provide Manager's Commission at 10% on Net Profit after charging such commission.

**OR**

From the following balances, prepare Profit and Loss Account and a Balance Sheet as at 31<sup>st</sup> March 2018.

Particulars	₹	Particulars	₹
Capital	82,000	Sundry Creditors	9,000
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Plant and Machinery	5,000	Returns Outward	1,000
Stock in the beginning	15,000	Special Rebates (Dr.)	800
Purchases	87,200	Special Rebates (Cr.)	1,200
Returns Inwards	6,000	Rent for Premises Sublet	1,000
Sundry Debtors	29,000	Lighting	400
Furniture	9,100	Motor Car Expenses	6,300
Motor Car	40,000	Bank Balance	15,200
Freight	2,000	Loan from Suresh at 12% p.a.	10,000
Carriage Inwards	800	Interest on Loan from Suresh (Dr.)	900
Carriage Outwards	300	Output CGST	10,000
Trade Expenses	15,400	Output SGST	10,000
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Adjustments :

- Stock on 31<sup>st</sup> March 2018 was valued at 25,000 (Realisable Value ₹ 32,000).
- Goods worth ₹ 2,000 were distributed as free samples and goods worth ₹ 1,500 were used for personal purposes by the proprietor. These goods were purchased paying CGST and SGST @ 9% each.
- Depreciate Motor Car by 15%.
- Included in Trade Expenses is Insurance Premium of ₹ 2,400 paid for the year ending 30<sup>th</sup> June 2018.
- Gross Profit for the year is ₹ 42,500.

- 32 On 15<sup>th</sup> January 2016 Saurav sold goods for ₹ 60,000 to Nehra and drew upon latter a bill for the same amount payable after 3 months. The bill was accepted by Nehra. The bill was discounted by Saurav from his bank for ₹ 58,500 on 31<sup>st</sup> January 2016. On maturity the bill was dishonoured. He further agreed to pay ₹ 21,000 in cash including ₹ 1,000 interest and accept a new bill for two months for the remaining ₹ 40,000. The new bill was endorsed by Saurav in favour of his creditor Kailash for debt of ₹ 40,000. The new bill was duly met by Nehra on maturity. Give the Journal Entries in the books of Saurav.

8

**OR**

On 1<sup>st</sup> January 2012, Raman drew on Mohan, who is his debtor for ₹ 15,000 three bills of exchange: First for ₹ 4,000 at one month, Second for ₹ 5,000 at two months and Third for ₹ 6,000 at three months. Mohan accepted all the three bills.

On 10<sup>th</sup> January 2012, Raman endorsed the first bill to his creditor Sohan in full settlement of his account of ₹ 4,120. This bill was duly met on maturity.

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Third bill was paid under a rebate of 15% p.a. one month before maturity. The fourth bill was sent to the bank for collection on 4<sup>th</sup> May 2012 and was duly met on maturity.

Pass Journal Entries in the Books of Raman.

**End of the Question Paper**

Roll Number		
-------------	--	--

SET C



## INDIAN SCHOOL MUSCAT ANNUAL EXAMINATION ACCOUNTANCY

CLASS: XI

Sub. Code: 055

Time Allotted: 3 Hrs.

09.02.2020

Max. Marks: 80

### General Instructions:

- This paper consists of two parts A and B.
- Please write question number before attempting a question.
- Attempt all parts of a question at one place.
- Use of calculators or any other calculating device not allowed.
- Show clearly working notes wherever necessary.

1. Which qualitative characteristic of accounting information is reflected when accounting information is clearly presented? 1  
(a) Reliability (b) Relevance (c) Comparability (d) Understandability
2. The \_\_\_\_\_ concept requires that the same accounting method should be used from one accounting period to next. (Fill in the blanks) 1
3. Name two external users directly concerned with accounting information. 1
4. Explain Historical Cost Concept. 1
5. A person who owes money to the firm against goods sold is a debtor. (State True or False) 1
6. According to Going Concern Concept, a business is viewed as having 1  
(a) A limited life (b) A very long life  
(c) An infinite life (d) None of these
7. Prepaid expense is expense 1  
(a) Paid in advance (b) Still to be paid  
(c) Both (a) and (b) (d) None of these
8. Mention the Subsidiary Books in which the following transactions are recorded: 1  
(i) Purchase of furniture on credit for use in shop.  
(ii) Sale of goods on credit.
9. Is the balance of Petty Cash Book an asset or income? 1
10. What are the two bases of Accounting? 1
11. Withdrawal column of the Pass Book showed a wrong entry of ₹ 1,200. When the balance as Cash Book is the starting point 1

- (a) ₹ 1,200 to be added  
(c) No adjustment is required

- (b) ₹ 1,200 to be subtracted  
(d) None of these

12. What does 'Credit' balance as per Bank Pass Book mean? 1
13. Contra entries are not posted into Ledger Accounts. (State True or False) 1
14. Goods were sold to Jogi for ₹ 4,000 and to Yogi for ₹ 3,000. The transactions were recorded properly in the Sales Book, but ₹ 3,000 was posted to Jogi, while ₹ 4,000 was posted to Yogi. Identify the type of Error. 1
15. What do you understand by Days of Grace? 1
16. Name the errors for rectification of which Suspense Account is used. 1
17. Maker of the bill is known as \_\_\_\_\_. (Fill in the blanks) 1
18. Accrued income, if given outside the Trial Balance is shown in 1  
 (a) Trading Account, as addition to the income  
 (b) Profit and Loss Account, as addition to the income  
 (c) Profit and Loss Account, as addition to the income and in the Balance Sheet, as an asset  
 (d) Balance Sheet as an asset
19. Accounting Information System processes the data and transforms it into \_\_\_\_\_. (Fill in the blanks) 1
20. How can credit sales be determined from incomplete records? 1
21. Prove that the Accounting Equation is satisfied in all the following transactions of Suresh. 3  
 (i) Commenced business with cash ₹ 60,000.  
 (ii) Paid rent in advance ₹ 500.  
 (iii) Purchased goods for cash ₹ 30,000 and credit ₹ 20,000.  
 (iv) Sold goods for cash ₹ 30,000 costing ₹ 20,000.  
 (v) Paid salary ₹ 500 and salary outstanding being ₹ 100.  
 (vi) Bought furniture for personal use ₹ 5,000
22. Explain any three limitations of a Computer Accounting System. 3
23. Discuss briefly the advantages of Accounting. 4
24. Prepare two column Cash Book of Bimal, Lucknow from the following transactions. 4
- | Date    | Transactions   | ₹      |
|---------|--|--------|
| 2019    |  |        |
| June 1  | Cash Balance   | 5,000  |
|         | Bank Balance   | 17,500 |
| June 5  | Cash received from sale of personal asset deposited in firm's account. | 5,000  |
| June 6  | Cheque received as advance against sale, paid into bank.               | 50,000 |
| June 7  | Paid S. Bose by cheque. Discount received.                             | 12,500 |
| June 9  | Paid wages in cash.  | 200    |
| June 20 | Received a cheque from A. Mukherjee and sent it to bank.               | 3,000  |

June21	Drawn from bank.	6,000
June29	Paid office salaries in cash.	5,000
June30	Sold goods in cash for ₹ 8,000 plus CGST and SGST @6% each and banked the same.	4,000
June30	Paid rent by cheque including CGST and SGST @ 6% each.	1,120
June30	Paid into bank.	7,500

- 25 Opening Stock ₹ 7,500; Sales ₹ 24,000; Carriage Inwards ₹ 1,500; Sales Return ₹ 1,500; Gross Profit ₹ 9,000; Purchases ₹ 15,000; Purchases Return ₹ 1,350. Calculate Closing Stock and Cost of Goods Sold. 4

- 26 Record the following transactions in the Sales Book of Ganesh Electronics, Kolkata (West Bengal) assuming CGST and SGST @ 9% each. 4

2018

- Jan3 Sold to Ruchika Electronics, Kolkata  
5 Colour T.V. Sets @ ₹ 20,000 each.  
Less: Trade Discount 20%
- Jan10 Sold to Garima Electronics, Patna (Bihar)  
10 Washing Machines @ ₹ 8,000 each  
Less: Trade Discount 25%
- Jan12 Sold to Raghav & Sons, Kolkata for cash  
6 Colour T.V. Sets @ ₹ 18,000 each Less Trade Discount 15%
- Jan16 Sold to Nitin Trading Company, Ranchi (Jharkhand)  
8 Music Systems @ ₹ 15,000 each.  
10 Colour T.V. Sets @ ₹ 22,000 each  
Less: Trade Discount 20%

- 27 'Computerised Accounting is much better than Manual Accounting'. Justify this statement by giving comparison of Manual Accounting and Computerised Accounting. 4

**OR**

A Computerized Accounting System has many advantages. Discuss any six points.

- 28 The following balances appear in the books of X Ltd. as on 1<sup>st</sup> April, 2014. 6

	₹
Machinery Account	5,00,000
Provision for Depreciation Account	2,25,000

The machinery was depreciated @ 10% p.a. on Fixed Instalment Method, the accounting year being April- March.

On 1<sup>st</sup> October, 2014, a machinery which was purchased on 1<sup>st</sup> July, 2011 for ₹ 1,00,000 was sold for ₹ 42,000 and on the same date a fresh machinery was purchased for ₹ 2,00,000.

Prepare the Machinery Account, Provision for Depreciation Account and Machine Disposal Account for the year 2014-15.

**OR**

On 31<sup>st</sup> March, 2015, the bank column of the Cash Book of Mr. Sanjeev disclosed an overdraft balance of ₹ 8,300. On examining the Cash Book and Bank Statement you find that:

- Cheques were deposited into bank for ₹ 16,000, but of these cheques for ₹ 4,600 were cleared and credited in April, 2015
- Cheques were issued for ₹ 7,500, out of which cheques for ₹ 6,000 had been presented for payment in March, 2015.
- In March Mr. Sanjeev had discounted with bank a bill of exchange for ₹ 10,000 and had entered this amount in the Cash Book, but the proceeds credited, as shown by the Pass

Book, amounted to ₹ 9,600

- (iv) No entry is made in the Cash Book of an amount of ₹ 6,100 directly deposited by a customer in the bank account.
- (v) Bank column of the payment side of Cash Book was under-cast by ₹ 1,000.
- (vi) Payment of insurance premium of ₹ 2,000 and receipt of insurance claim of 8,000 appear in the Pass Book but not entered in the Cash Book.
- (vii) A cheque of ₹ 3,500 issued to Mr. X was omitted to be recorded in the Cash Book.
- (viii) A cheque of ₹ 2,800 issued to Mr. Y was entered in the cash column of the Cash Book.

Make the appropriate adjustments in the Cash Book and prepare a Bank Reconciliation Statement with the Amended Cash Book balance as on 31<sup>st</sup> March, 2015.

- 29 Panwar commenced business on 1<sup>st</sup> April, 2014 with a capital of ₹ 1,00,000, which he paid into bank account opened for that purpose. On the same date he bought furniture which cost ₹ 20,000 and made purchase of goods worth ₹ 65,000. He kept his books on Single Entry basis. On 31<sup>st</sup> March, 2015 stock was valued at ₹ 83,000. There were book debts amounting to ₹ 34,000 of which ₹ 2,000 represented debts which were irrecoverable. Creditors amounted to ₹ 36,000 and bank pass book showed a balance of ₹ 14,500. Panwar withdrew three times from the business for his private expenses, each time he withdrew ₹ 6,000 and in addition he used ₹ 5,000 worth of goods from his shop. He took ₹ 10,000 as loan from his wife on 1<sup>st</sup> October, 2014 @ 15% p.a. but had paid no interest. He gave ₹ 2,000 to his son from business, which he omitted to enter. You are required to prepare a statement showing profit or loss in the business for the year ending 31<sup>st</sup> March, 2015 from the above information. 6
- 30 Trial Balance of Anuj did not agree. It showed an excess credit of ₹ 6,000. He put the difference in Suspense Account. He discovered the following errors. 6
- (a) Cash received from Ravish ₹ 8,000 posted to his account as ₹ 6,000.
  - (b) Returns Inwards book overcast by ₹ 1,000.
  - (c) Total of Sales Book ₹ 10,000 was not posted to Sales Account.
  - (d) Credit purchases from Nanak ₹ 7,000 were recorded in Sales Book. However, Nanak's Account was correctly credited.
  - (e) Machinery purchased for ₹ 10,000 was posted to Purchase Account as ₹ 5,000.
- Rectify the errors and prepare Suspense Account.
- 31 On 15<sup>th</sup> January, 2016 Saurav sold goods for ₹ 60,000 to Nehra and drew upon latter a bill for the same amount payable after 3 months. The bill was accepted by Nehra. The bill was discounted by Saurav from his bank for ₹ 58,500 on 31<sup>st</sup> January, 2016. On maturity the bill was dishonoured. He further agreed to pay ₹ 21,000 in cash including ₹ 1,000 interest and accept a new bill for two months for the remaining ₹ 40,000. The new bill was endorsed by Saurav in favour of his creditor Kailash for debt of ₹ 40,000. The new bill was duly met by Nehra on maturity. Give the Journal Entries in the books of Saurav. 8

**OR**

On 1<sup>st</sup> January, 2012, Raman drew on Mohan, who is his debtor for ₹ 15,000 three bills of exchange: First for ₹ 4,000 at one month, Second for ₹ 5,000 at two months and Third for ₹ 6,000 at three months. Mohan accepted all the three bills.

On 10<sup>th</sup> January, 2012, Raman endorsed the first bill to his creditor Sohan in full settlement of his account of ₹ 4,120. This bill was duly met on maturity.

On 20<sup>th</sup> January, 2012, the second bill was discounted from the bank for ₹ 4,850. This bill was dishonoured on the due date and the bank paid ₹ 40 as noting charges. On Mohan's request Raman drew a fourth bill on Mohan for two months for the amount due plus ₹ 200 as interest.

Third bill was paid under a rebate of 15% p.a. one month before maturity. The fourth bill was sent



to the bank for collection on 4<sup>th</sup> May 2012 and was duly met on maturity.  
Pass Journal Entries in the Books of Raman.

- 32 From the following Trial Balance of M/s Arjun and Sons as at 31<sup>st</sup> December 2016 prepare Trading and Profit and Loss Account. 8

Names of Accounts	Dr. ₹	Cr. ₹
Drawing and Capital	18,000	80,000
Purchases and Sales	82,600	1,55,000
Stock (01.01.2016)	42,000	
Returns 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

Adjustment :

- Closing Stock ₹ 64,000
- Wages Outstanding ₹ 2,400
- Bad Debts ₹ 600 and provision for bad and doubtful debts to be 5% on debtors.
- Rent is paid for 11 months.
- Loan from the Bank was taken on 1<sup>st</sup> July 2016.
- Provide depreciation on machinery @ 10% p.a.
- Provide Manager's Commission at 10% on Net Profit after charging such commission.

OR

From the following balances, prepare Profit and Loss Account and a Balance Sheet as at 31<sup>st</sup> March 2018.

Particulars	₹	Particulars	₹
Capital	82,000	Sundry Creditors	9,000
Life Insurance Premium	2,800	Sales	1,24,000
Plant and Machinery	5,000	Returns Outward	1,000
Stock in the beginning	15,000	Special Rebates (Dr.)	800
Purchases	87,200	Special Rebates (Cr.)	1,200
Returns Inwards	6,000	Rent for Premises Sublet	1,000
Sundry Debtors	29,000	Lighting	400
Furniture	9,100	Motor Car Expenses	6,300
Motor Car	40,000	Bank Balance	15,200
Freight	2,000	Loan from Suresh at 12% p.a.	10,000

Carriage Inwards	800	Interest on Loan from Suresh (Dr.)	900
Carriage Outwards	300	Output CGST	10,000
Trade Expenses	15,400	Output SGST	10,000
		Input CGST	6,000
		Input SGST	6,000

Adjustments :

- (a) Stock on 31<sup>st</sup> March 2018 was valued at 25,000 (Realisable Value ₹ 32,000).  
(b) Goods worth ₹ 2,000 were distributed as free samples and goods worth ₹ 1,500 were used for personal purposes by the proprietor. These goods were purchased paying CGST and SGST @ 9% each.  
(c) Depreciate Motor Car by 15%.  
(d) Included in Trade Expenses is Insurance Premium of ₹ 2,400 paid for the year ending 30<sup>th</sup> June 2018.  
(e) Gross Profit for the year is ₹ 42,500.

**End of the Question Paper**