

**INDIAN SCHOOL SALALAH  
ANNUAL EXAMINATION: 2018-19**

CLASS: XI

ACCOUNTANCY

MAX.MARKS:90

TIME: 3 Hrs.

**General Instructions:**

- (i) This question paper carries 5 printed pages and 24 questions.
- (ii) All the questions are compulsory
- (iii) Marks are indicated against each question.
- (iv) Required working notes should be shown clearly

01	Write and explain any one advantage of Accounting.	1
02	What does transfer voucher mean?	1
03	What do you mean by retirement of a bill?	1
04	Give two examples of Current Assets.	1
05	If the original cost of a Machine is ₹ 10,00,000 and its estimated useful life is 10 years and the depreciation charged on machine per annum is ₹ 90,000, find out its scrap value.	1
06	Why Single Entry System known as Incomplete Records?	1
07	State any three differences between Provision and Reserve.	3
08	By using equation, calculate the amount of closing stock based on the following; Total sales ₹ 5,00,000, Total purchases ₹ 3,00,000, Return outwards ₹ 25,000, Return Inwards ₹ 10,000, Opening Stock ₹ 30,000, Wages ₹ 50,000, Carriage Inwards ₹ 10,000, Factory Rent ₹ 12,000, Salary ₹ 75,000 and Gross Profit ₹ 1,50,000	3
09	Rectify the following errors by passing entries: i) Credit sale of old furniture to Mohan for ₹ 1,500 was posted as ₹ 5,100 in journal ii) Goods purchased from David ₹ 2,000 passed through sales book. iii) Sales Book has been totaled ₹ 2,000 short.	3
10	Write and explain any three objectives of Accounting Standards (AS).	3
11	On 1 <sup>st</sup> April, 2018, Mr. Raj sold goods worth ₹ 50,000 to Mr. Jay. Mr. Raj has drawn a bill for the same and Mr. Jay accepted it and returned to Mr. Raj. The bill had a maturity of 4 months. On 1 <sup>st</sup> June, 2018, Mr. Raj endorsed that bill with his creditor, Mr. Sam., Mr. Jay honoured the bill on maturity. Journalise the above in the books of Mr. Raj and Mr. Sam.	3
12	Identify and explain the Accounting concept based on the following; i) Stock is valued at book value or market value whichever is lower. ii) Expense paid in advance is to be deducted from concerned expense in the current year. iii) Money received as advance for selling goods in the coming year is not to be included in the total sales of the current year.	3

13	Prepare a single column cash book from the following; <table border="1" data-bbox="253 226 1344 573"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>Amount ( ₹ )</th> </tr> </thead> <tbody> <tr> <td>01/01/19</td> <td>Cash in hand</td> <td>17,000</td> </tr> <tr> <td>05/01/19</td> <td>Cash purchase</td> <td>10,000</td> </tr> <tr> <td>08/01/19</td> <td>Cash sales</td> <td>22,000</td> </tr> <tr> <td>12/01/19</td> <td>Purchased goods from Irfan</td> <td>12,000</td> </tr> <tr> <td>18/01/19</td> <td>Deposited cash in to bank</td> <td>5,000</td> </tr> <tr> <td>22/01/19</td> <td>Sold goods to Hussain</td> <td>8,000</td> </tr> <tr> <td>25/01/19</td> <td>Salary paid by cheque</td> <td>7,500</td> </tr> <tr> <td>30/01/19</td> <td>Rent paid in advance</td> <td>5,000</td> </tr> </tbody> </table>	Date	Particulars	Amount ( ₹ )	01/01/19	Cash in hand	17,000	05/01/19	Cash purchase	10,000	08/01/19	Cash sales	22,000	12/01/19	Purchased goods from Irfan	12,000	18/01/19	Deposited cash in to bank	5,000	22/01/19	Sold goods to Hussain	8,000	25/01/19	Salary paid by cheque	7,500	30/01/19	Rent paid in advance	5,000	4
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15	Show the effect of the following transactions on the Accounting equation; <ul style="list-style-type: none"> <li>i) Started business with Cash ₹ 1,00,000</li> <li>ii) Goods bought from Rajesh ₹ 25,000</li> <li>iii) Goods worth ₹ 10,000 sold to Midhun at ₹ 15,000</li> <li>iv) Rent due but not paid ₹ 5,000</li> <li>v) Salary prepaid ₹ 10,000</li> <li>vi) Goods distributed as free samples ₹ 5,000</li> <li>vii) Proprietor invested additional capital of ₹ 50,000</li> <li>viii) Commission accrued ₹ 3,000</li> </ul>	4																											

16	<p>Prepare Manu a/c from the following;</p> <ul style="list-style-type: none"> <li>i) Balance amount due from Manu ₹ 37,500</li> <li>ii) Sold goods worth ₹ 15,000 to Manu at ₹ 20,000 and received half of the amount immediately.</li> <li>iii) Goods returned by Manu ₹ 3,000</li> <li>iv) Cheque received from Manu ₹ 15,000</li> <li>v) Sold goods to Manu for cash ₹ 5,000</li> <li>vi) Manu's cheque returned dishonoured.</li> <li>vii) Manu accepted a bill of ₹ 10,000</li> <li>viii) Balance amount settled by Manu by paying cash at a discount of 20%.</li> </ul>	4																
17	<p>Prepare a Bank Reconciliation Statement of Mr. Dipu as on 31<sup>st</sup> March, 2018;</p> <ul style="list-style-type: none"> <li>i) Debit balance as per cashbook ₹ 50,000.</li> <li>ii) Cheque deposited in to bank but not collected ₹ 12,000</li> <li>iii) Cheque issued to one of the creditors but not encashed ₹ 10,000</li> <li>iv) Insurance premium of ₹ 5,000 paid by the bank on behalf of Mr. Dipu.</li> <li>v) Dividend of ₹ 3,000 collected and credited to the account by the bank.</li> <li>vi) Direct deposit of ₹ 10,000 made by one of the debtors to Dipu's bank a/c.</li> <li>vii) Bank interest credited by the bank ₹ 1,000</li> </ul>	4																
18	<p>Mr. Kamal started a business with a capital of ₹ 5,00,000 on 1<sup>st</sup> April, 2017. At the end of the year as on 31<sup>st</sup> March, 2018, his position was:</p> <table border="1" data-bbox="253 930 1065 1234"> <thead> <tr> <th>Items</th> <th>Amount( ₹ )</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>15,000</td> </tr> <tr> <td>Bank</td> <td>70,000</td> </tr> <tr> <td>Debtors</td> <td>1,20,000</td> </tr> <tr> <td>Stock</td> <td>2,40,000</td> </tr> <tr> <td>Furniture</td> <td>75,000</td> </tr> <tr> <td>Machinery</td> <td>2,00,000</td> </tr> <tr> <td>Creditors</td> <td>80,000</td> </tr> </tbody> </table> <p>During the year he introduced a further capital of ₹ 1,50,000 and withdrew ₹ 90,000 for his household expenses.</p> <p>Calculate profit or loss during the year by considering the following adjustments;</p> <ul style="list-style-type: none"> <li>i) Depreciation is to be charged on Machinery @ 10% p.a and on Furniture @ 5% p.a.</li> <li>ii) A bad debt of ₹ 5,000 incurred and provision of 5% is to be made for doubtful debts.</li> <li>iii) Out of the total salary paid during the year, ₹ 5,000 is paid for next year.</li> </ul>	Items	Amount( ₹ )	Cash	15,000	Bank	70,000	Debtors	1,20,000	Stock	2,40,000	Furniture	75,000	Machinery	2,00,000	Creditors	80,000	6
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19	<p>On 1<sup>st</sup> April, 2015, Mr. Das purchased a plant for ₹ 4,50,000 and paid ₹ 50,000 for its installation. On 1<sup>st</sup> October, 2015 he bought another plant for ₹ 3,00,000. As he found some defects in the second plant, he sold it for an amount of ₹ 1,50,000 on 1<sup>st</sup> April, 2016 and bought another plant for ₹ 2,00,000 on the same date. On 1<sup>st</sup> January, 2017 he sold his first plant for ₹ 2,50,000 and bought another plant for ₹ 2,50,000 on that day itself. Depreciation charged at 10% p.a. under Diminishing Balance Method.</p> <p>Prepare Plant account for the first 2 years if he closes his books on 31<sup>st</sup> March each year.</p>	6																

20	<p>Trial balance of M/s Jithin Stores is not tallying; its credit side has a deficit of ₹10,000. On checking the books of accounts, the following errors were found;</p> <ul style="list-style-type: none"> <li>i) Wages of ₹10,000 paid to Kiran has been debited to Arun a/c as ₹1,000</li> <li>ii) Sale book has been under casted for an amount of ₹12,000</li> <li>iii) Goods worth ₹5,000 withdrawn by the proprietor for his personal use, has been debited to drawings a/c and credited to Sales a/c.</li> <li>i) Machinery purchased on credit from Ram for ₹20,000 recorded through Purchase book as ₹2,000</li> <li>iv) Goods of ₹7,000 returned by Mr.Vikas was recorded through Purchase book.</li> <li>v) Cash sale of ₹10,000 recorded in the sales book as 12,000.</li> <li>vi) Purchase book has been overcastted for an amount of ₹7,000.</li> </ul> <p>Pass necessary journal entries to rectify the above and prepare Suspense A/c.</p>	6																																																
21	<p>Prepare a double column cash book from the following;</p> <table border="1" data-bbox="253 743 1349 1388"> <thead> <tr> <th>Date</th> <th>Particulars</th> <th>Amount( ₹)</th> </tr> </thead> <tbody> <tr> <td>01/04/18</td> <td>Cash in hand</td> <td>75,000</td> </tr> <tr> <td>01/04/18</td> <td>Bank Overdraft</td> <td>15,000</td> </tr> <tr> <td>05/04/18</td> <td>Bought goods for cash</td> <td>20,000</td> </tr> <tr> <td>10/04/18</td> <td>Sold goods to Ganesh and received cheque.</td> <td>25,000</td> </tr> <tr> <td>12/04/18</td> <td>Ganesh's cheque deposited in to bank</td> <td></td> </tr> <tr> <td>15/04/18</td> <td>Credit sales to Jose</td> <td>5,500</td> </tr> <tr> <td>17/04/18</td> <td>Ganesh's cheque returned dishonored</td> <td></td> </tr> <tr> <td>18/04/18</td> <td>Cash deposited with bank</td> <td>5,000</td> </tr> <tr> <td>22/04/18</td> <td>Received cheque from Rajesh</td> <td>7,500</td> </tr> <tr> <td>24/04/18</td> <td>Sold goods for cheque to Malavika</td> <td>25,000</td> </tr> <tr> <td>25/04/18</td> <td>Rent paid by cheque</td> <td>2,500</td> </tr> <tr> <td>26/04/18</td> <td>Rajesh's cheque endorsed with Vijesh</td> <td></td> </tr> <tr> <td>28/04/18</td> <td>Commission received in cash</td> <td>5,000</td> </tr> <tr> <td>30/04/18</td> <td>Salary due but not paid</td> <td>50,000</td> </tr> <tr> <td>30/04/18</td> <td>Withdrew from bank for personal use.</td> <td>5000</td> </tr> </tbody> </table>	Date	Particulars	Amount( ₹)	01/04/18	Cash in hand	75,000	01/04/18	Bank Overdraft	15,000	05/04/18	Bought goods for cash	20,000	10/04/18	Sold goods to Ganesh and received cheque.	25,000	12/04/18	Ganesh's cheque deposited in to bank		15/04/18	Credit sales to Jose	5,500	17/04/18	Ganesh's cheque returned dishonored		18/04/18	Cash deposited with bank	5,000	22/04/18	Received cheque from Rajesh	7,500	24/04/18	Sold goods for cheque to Malavika	25,000	25/04/18	Rent paid by cheque	2,500	26/04/18	Rajesh's cheque endorsed with Vijesh		28/04/18	Commission received in cash	5,000	30/04/18	Salary due but not paid	50,000	30/04/18	Withdrew from bank for personal use.	5000	6
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22	<p>On 1<sup>st</sup> January, 2018, Mr. Anto sold goods to Mrs.Veena for ₹50,000 and he drew four bills and got acceptance from Mrs. Veena. The following are the details of the bill;</p> <table border="1" data-bbox="253 1497 906 1688"> <thead> <tr> <th>Bill No.</th> <th>Amount ( ₹)</th> <th>Maturity</th> </tr> </thead> <tbody> <tr> <td>I</td> <td>10,000</td> <td>2 months</td> </tr> <tr> <td>II</td> <td>20,000</td> <td>4 months</td> </tr> <tr> <td>III</td> <td>5,000</td> <td>1 month</td> </tr> <tr> <td>IV</td> <td>15,000</td> <td>3 months</td> </tr> </tbody> </table> <p>On 1<sup>st</sup> February, 2018, Mr. Anto endorsed the first bill in favour of his creditor, Mathew, for the full settlement of a debt of ₹11,000. He discounted the second bill with his banker at a discount of 6% p.a. on 4<sup>th</sup> March, 2018 and he sent the fourth bill for collection on 30<sup>th</sup> March, 2018. All the bills were duly honoured by Mrs. Veena. Journalise the above in the books of Mr. Anto and Mrs. Veena.</p>	Bill No.	Amount ( ₹)	Maturity	I	10,000	2 months	II	20,000	4 months	III	5,000	1 month	IV	15,000	3 months	6																																	
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23	From the following Trial Balance extracted from the books of Manu, Prepare Trading and Profit & Loss A/c for the year ending 31 <sup>st</sup> March, 2018 and a Balance Sheet as on that date;	8																																																															
<table border="1"> <thead> <tr> <th data-bbox="256 300 898 336">Particulars</th> <th data-bbox="906 300 1101 336">Dr.( ₹ )</th> <th data-bbox="1109 300 1263 336">Cr. ( ₹ )</th> </tr> </thead> <tbody> <tr> <td data-bbox="256 342 898 373">Furniture</td> <td data-bbox="906 342 1101 373">6000</td> <td data-bbox="1109 342 1263 373"></td> </tr> <tr> <td data-bbox="256 380 898 411">Machine</td> <td data-bbox="906 380 1101 411">10,000</td> <td data-bbox="1109 380 1263 411"></td> </tr> <tr> <td data-bbox="256 417 898 449">Buildings</td> <td data-bbox="906 417 1101 449">75,000</td> <td data-bbox="1109 417 1263 449"></td> </tr> <tr> <td data-bbox="256 455 898 487">Capital</td> <td data-bbox="906 455 1101 487"></td> <td data-bbox="1109 455 1263 487">75,000</td> </tr> <tr> <td data-bbox="256 493 898 525">Bad debts</td> <td data-bbox="906 493 1101 525">500</td> <td data-bbox="1109 493 1263 525"></td> </tr> <tr> <td data-bbox="256 531 898 562">Provision for bad debts</td> <td data-bbox="906 531 1101 562"></td> <td data-bbox="1109 531 1263 562">1,000</td> </tr> <tr> <td data-bbox="256 569 898 600">Sundry Debtors &amp; Creditors</td> <td data-bbox="906 569 1101 600">5,000</td> <td data-bbox="1109 569 1263 600">7,500</td> </tr> <tr> <td data-bbox="256 606 898 638">Stock as on 1<sup>st</sup> April, 2017</td> <td data-bbox="906 606 1101 638">3,500</td> <td data-bbox="1109 606 1263 638"></td> </tr> <tr> <td data-bbox="256 644 898 676">Purchases and Sales</td> <td data-bbox="906 644 1101 676">13,050</td> <td data-bbox="1109 644 1263 676">33,000</td> </tr> <tr> <td data-bbox="256 682 898 714">Bank Overdraft</td> <td data-bbox="906 682 1101 714"></td> <td data-bbox="1109 682 1263 714">4,000</td> </tr> <tr> <td data-bbox="256 720 898 751">Returns</td> <td data-bbox="906 720 1101 751">2,000</td> <td data-bbox="1109 720 1263 751">2,000</td> </tr> <tr> <td data-bbox="256 758 898 789">Stationery</td> <td data-bbox="906 758 1101 789">1,000</td> <td data-bbox="1109 758 1263 789"></td> </tr> <tr> <td data-bbox="256 795 898 827">Interest</td> <td data-bbox="906 795 1101 827">200</td> <td data-bbox="1109 795 1263 827"></td> </tr> <tr> <td data-bbox="256 833 898 865">Commission</td> <td data-bbox="906 833 1101 865"></td> <td data-bbox="1109 833 1263 865">500</td> </tr> <tr> <td data-bbox="256 871 898 903">Cash</td> <td data-bbox="906 871 1101 903">1,250</td> <td data-bbox="1109 871 1263 903"></td> </tr> <tr> <td data-bbox="256 909 898 940">Taxes and Insurance</td> <td data-bbox="906 909 1101 940">1,500</td> <td data-bbox="1109 909 1263 940"></td> </tr> <tr> <td data-bbox="256 947 898 978">General Expenses</td> <td data-bbox="906 947 1101 978">1,000</td> <td data-bbox="1109 947 1263 978"></td> </tr> <tr> <td data-bbox="256 984 898 1016">Salaries</td> <td data-bbox="906 984 1101 1016">2,000</td> <td data-bbox="1109 984 1263 1016"></td> </tr> <tr> <td data-bbox="256 1022 898 1054">Wages</td> <td data-bbox="906 1022 1101 1054">1,000</td> <td data-bbox="1109 1022 1263 1054"></td> </tr> <tr> <td data-bbox="256 1060 898 1073"></td> <td data-bbox="906 1060 1101 1073">1,23,000</td> <td data-bbox="1109 1060 1263 1073">1,23,000</td> </tr> </tbody> </table>			Particulars	Dr.( ₹ )	Cr. ( ₹ )	Furniture	6000		Machine	10,000		Buildings	75,000		Capital		75,000	Bad debts	500		Provision for bad debts		1,000	Sundry Debtors & Creditors	5,000	7,500	Stock as on 1 <sup>st</sup> April, 2017	3,500		Purchases and Sales	13,050	33,000	Bank Overdraft		4,000	Returns	2,000	2,000	Stationery	1,000		Interest	200		Commission		500	Cash	1,250		Taxes and Insurance	1,500		General Expenses	1,000		Salaries	2,000		Wages	1,000			1,23,000	1,23,000
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	1,23,000	1,23,000																																																															
<p data-bbox="248 1077 560 1108">Additional Information;</p> <ol data-bbox="248 1115 1404 1367" style="list-style-type: none"> <li data-bbox="248 1115 1404 1146">i. Stock in hand on 31<sup>st</sup> March, 2018 was ₹ 6,500</li> <li data-bbox="248 1152 1404 1184">ii. Depreciate building @ 5% and Furniture @ 10% per annum.</li> <li data-bbox="248 1190 1404 1222">iii. Salaries of ₹ 300 and Wages of ₹ 100 are outstanding.</li> <li data-bbox="248 1228 1404 1291">iv. Goods worth ₹ 2,000 lost due to fire and insurance company accepted a claim of 75% of the loss.</li> <li data-bbox="248 1297 1404 1367">v. Write off further bad debts of ₹ 500 and provision for doubtful debts is to be made at 5% on debtors.</li> </ol>																																																																	
24	On 1 <sup>st</sup> April, 2015, Sanjay bought a Machine for ₹ 8,00,000 and spent ₹ 1,00,000 for its transportation and installation. On 1 <sup>st</sup> January, 2016 he bought the second machine for ₹ 6,00,000. On July 1 <sup>st</sup> , 2017, he sold his first machine for ₹ 6,00,000 and bought the third machine for ₹ 5,00,000 on the same day. Depreciation charged at 10% pa. under Straight Line method. You are required to prepare Machine A/c, Machine Disposal A/c and Depreciation Provision A/c if he closes his books on 31 <sup>st</sup> December every year.	8																																																															