

INDIAN SCHOOL SALALAH
ANNUAL EXAMINATION - FEBRUARY 2018
CLASS XI
ACCOUNTANCY

Max.Marks:90
Time : 3 Hours

General Instructions:

- 1) *This question paper consists of 24 questions on 5 printed pages.*
- 2) *All questions are compulsory.*
- 3) *Write down the serial number of the question before attempting it.*
- 4) *Draw proper accounting format wherever required.*
- 5) *Attempt all parts of a question at one place.*
- 6) *Show working notes wherever necessary.*

1	Explain IFRS	1
2	What is a source document?	1
3	Write any two objectives of preparing trial balance.	1
4	<i>There is an item appearing in the trial balance of a business as “business gift”. On audit of the accounts it was found that the item reflects the bribe given to a government official shown as business gift. Do you think that the company is following the right value in the conduct of its business? What are the values affected here? (any 2)</i>	1
5	Write any two advantages of single entry system.	1
6	Write any two features of Receipts and Payments account	1
7	Explain the following a. Amortization b. Secret Reserves c. Estimated Working Life	3
8	Prepare purchase returns book from the following transactions: <u>2017 March 4-</u> Returned to Roy & Co. Kolkata: (Debit Note No.225) 2 Collapsible Chairs @ ₹ 200 each. <u>March 8-</u> Returned to Mohan Furniture Ludhiana (Debit Note No. 245) 4 Chairs @ ₹ 150 each Less : 10% Trade Discount <u>March 15-</u> Returned to Rao Ltd. Mumbai (Debit Note No.315) 1 Steel Almirah of ₹ 4000.	3

9	<p>Calculate the amount of Stationery taken to Income and Expenditure account for the year ended 31 March 2017.</p> <table border="1" data-bbox="266 239 1344 527"> <thead> <tr> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Amount paid for Stationery during the year 2017</td> <td>₹ 24,000</td> </tr> <tr> <td>Stock of stationery as on 1 April 2016</td> <td>₹ 4,000</td> </tr> <tr> <td>Creditors for Stationery as on 1 April 2016</td> <td>₹ 9,800</td> </tr> <tr> <td>Stock of stationery as on 31 March 2017</td> <td>₹ 7210</td> </tr> <tr> <td>Creditors for Stationery as on 31 March 2017</td> <td>₹ 3600</td> </tr> <tr> <td>Advance stationery bills paid in 2017 for 2018</td> <td>₹ 800</td> </tr> </tbody> </table>	Particulars	Amount	Amount paid for Stationery during the year 2017	₹ 24,000	Stock of stationery as on 1 April 2016	₹ 4,000	Creditors for Stationery as on 1 April 2016	₹ 9,800	Stock of stationery as on 31 March 2017	₹ 7210	Creditors for Stationery as on 31 March 2017	₹ 3600	Advance stationery bills paid in 2017 for 2018	₹ 800	3
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10	<p>Prove that the accounting equation is satisfied in all the following transactions of Sita Ram enterprises.</p> <p>a) Commenced business with cash ₹ 80,000 and Fixed assets ₹ 30,000. b) Deposited ₹ 12,000 into bank. c) Goods amounting to ₹ 45,000 sold for ₹ 48,000. d) Cash withdrawn by the proprietor for his personal use ₹ 4,500. e) Insurance premium paid ₹ 1,500.</p>	3														
11	Distinguish between Cash basis and Accrual basis of accounting	3														
12	What are the objectives of Accounting?	3														
13	<p>On 31 March 2016 Megha had a Capital balance of ₹ 6,20,000 On 31 March 2017 her position is as follows.</p> <table border="1" data-bbox="266 1087 1344 1354"> <tbody> <tr> <td>Cash in hand</td> <td>₹ 1,32,000</td> </tr> <tr> <td>Stock in trade</td> <td>₹ 14,200</td> </tr> <tr> <td>Equipment</td> <td>₹ 1,11,000</td> </tr> <tr> <td>Business Premises</td> <td>₹ 2,36,000</td> </tr> <tr> <td>Bank Overdraft</td> <td>₹ 43,000</td> </tr> <tr> <td>Bills Payable</td> <td>₹ 26,000</td> </tr> <tr> <td>Debtors</td> <td>₹ 90,000</td> </tr> </tbody> </table> <p>During the year she brought additional capital of ₹ 50,000. She withdrew ₹ 600 per month for her personal use from the business. Provide depreciation @5% p.a on equipment and 10% on Business Premises. Provide 5% on debtors for bad and doubtful debts. Ascertain the profit/loss for the year ended 31 March 2017 under statement of affairs method.</p>	Cash in hand	₹ 1,32,000	Stock in trade	₹ 14,200	Equipment	₹ 1,11,000	Business Premises	₹ 2,36,000	Bank Overdraft	₹ 43,000	Bills Payable	₹ 26,000	Debtors	₹ 90,000	4
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14	<p>Calculate Gross Profit from the following. (amounts in ₹)</p> <p>Cash sales –29,000 Credit sales- 32,500 Opening stock-54,000 Cash purchases- 12,000 Credit purchases- 9,200 Wages- 4000 Closing stock – 44,000 Sales returns-1,500 Purchase returns – 1,200</p>	4														

15	<p>Prepare Suma's account from the following.</p> <table border="1" data-bbox="267 241 1398 655"> <thead> <tr> <th>Date</th> <th>Particulars</th> </tr> </thead> <tbody> <tr> <td>1 Aug 2017</td> <td>Amount due to Suma ₹ 20,000</td> </tr> <tr> <td>5 Aug 2017</td> <td>Goods purchased from Suma ₹ 4,000</td> </tr> <tr> <td>14Aug2017</td> <td>Goods returned to Suma ₹ 400</td> </tr> <tr> <td>20Aug2017</td> <td>Purchased furniture from Suma for cash ₹ 8,000.</td> </tr> <tr> <td>22Aug2017</td> <td>Cash paid to Suma on account ₹ 3,500 and received a discount ₹ 150.</td> </tr> <tr> <td>26Aug2017</td> <td>Purchased goods from Suma for cash ₹ 15,500 at a trade discount of ₹ 500.</td> </tr> <tr> <td>30Aug2017</td> <td>Settled Suma's account by paying cash and received a cash discount at 5% on the total amount due.</td> </tr> </tbody> </table>	Date	Particulars	1 Aug 2017	Amount due to Suma ₹ 20,000	5 Aug 2017	Goods purchased from Suma ₹ 4,000	14Aug2017	Goods returned to Suma ₹ 400	20Aug2017	Purchased furniture from Suma for cash ₹ 8,000.	22Aug2017	Cash paid to Suma on account ₹ 3,500 and received a discount ₹ 150.	26Aug2017	Purchased goods from Suma for cash ₹ 15,500 at a trade discount of ₹ 500.	30Aug2017	Settled Suma's account by paying cash and received a cash discount at 5% on the total amount due.	4
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16	<p>State the accounting concept/principle involved in the following.</p> <ol style="list-style-type: none"> 1. Appending notes to the financial statements. 2. The assets are classified as current assets and fixed assets. 3."Do not anticipate profits but provide for all losses". 4. All transactions of the business are recorded in the books from the point of view of business. 	4																
17	<p>Explain the uses of accounting information to internal and external users.(2 points from each).</p>	4																
18	<p>Prepare Double Column Cash Book from the following. 2017 July</p> <ol style="list-style-type: none"> 1 Cash in hand ₹ 14,500 Cash at bank ₹ 21,000 3 Cheque received from Naresh ₹ 5,600. 8 Cheque received from Naresh was deposited into bank. 11 Naresh's cheque dishonoured. 18 Cash withdrawn from bank for office use ₹ 7,200 20 Cheque received from Harish ₹ 5,650 and endorsed it to Shivam on the same date. 23 Given a cheque worth ₹ 15,600 to Amber for cash purchase of furniture for office use. 24 Paid into bank ₹ 14,300. 27 Cheque received for sales of ₹ 10,000 and was immediately deposited into bank. 28 Paid commission ₹ 250 and rent ₹ 1,000 by cheque. 30 Received bank interest ₹ 100 Paid bank charges ₹ 50. 31 Deposited into bank the entire balance after retaining Rs. 500 at office. 	6																
19	<p>Prepare Bank Reconciliation Statement of Dheeraja as on 31st March 2016 from the following information:-</p> <ol style="list-style-type: none"> a. Balance as per Pass Book (Debit) ₹ 25,500 b. Bank collected a cheque of ₹ 2,500 on behalf of Dheeraj but he did not get any information from the bank as on 31st March 2016. c. Credit side of cash book was under cast by ₹ 100. d. Cheque of ₹ 3,575 deposited into bank was not collected by the bank. 	6																

	<p>e. A cheque of ₹ 3,500 issued to Megha was not submitted to bank for encashment.</p> <p>f. Interest on bank loan ₹ 2,800 was paid by ht bankas per standing instructions.</p> <p>g. A cheque of ₹ 5,200 issued to a supplier was recorded as ₹ 5,500 in the cash book.</p>																																																																									
20	<p>On 1st January 2015, Sharma Associates purchased four machines for ₹ 45,000 each. On 1st January 2016, one machine out of the four purchased was sold for ₹ 28,900.</p> <p>A new machine at a cost of ₹ 60,000 was purchased on 1st July 2016. On 1st January 2017 one more machine was purchased for ₹ 30,000.</p> <p>Depreciation @10% p.a on Original cost of the machines has been charged under Provision for Depreciation method.</p> <p>The business closes their books of accounts on 31st December every year.</p> <p>You are required to show Machinery A/C, Provision for Depreciation A/c and Machine Disposal Account.</p>	6																																																																								
21	<p>Trial balance of satish did not agree. It shows an excess debit of ₹ 20,800. He puts the difference to Suspense Account. Subsequently the following errors were located.</p> <p>a. Cash received from Umesh ₹ 20,000 was posted to Rajesh as ₹ 2,000.</p> <p>b. Goods returned by Hari ₹ 5,000 were taken into stock but was not recorded in the books of accounts.</p> <p>c. Wages paid for the installation of machinery ₹ 1,200 was debited to wages account.</p> <p>d. Purchase book under cast by ₹ 3,500</p> <p>e. Total of sales returns book was not posted to the ledger ₹ 2,700.</p> <p>Pass necessary Journal entries to rectify the errors and prepare suspense account.</p>	6																																																																								
22	<p>Prepare Income and Expenditure a/c from the following particulars of Best Care Hospital for the year ended 31 December 2017.</p> <p style="text-align: center;">Receipts and Payments Account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Receipts</th> <th style="text-align: center;">₹</th> <th style="text-align: left;">Payments</th> <th style="text-align: center;">₹</th> </tr> </thead> <tbody> <tr> <td>To balance b/d</td> <td></td> <td>By Salaries</td> <td style="text-align: right;">71,000</td> </tr> <tr> <td> Cash</td> <td style="text-align: right;">30,000</td> <td></td> <td></td> </tr> <tr> <td> Bank</td> <td style="text-align: right;">35,000</td> <td></td> <td></td> </tr> <tr> <td>To Subscriptions;</td> <td></td> <td>By Cleaning Charges</td> <td style="text-align: right;">3,000</td> </tr> <tr> <td> 2016- 3,000</td> <td></td> <td></td> <td></td> </tr> <tr> <td> 2017- 2,10,000</td> <td></td> <td></td> <td></td> </tr> <tr> <td> 2018- 3000</td> <td style="text-align: right;">2,16,000</td> <td></td> <td></td> </tr> <tr> <td>To Donations</td> <td style="text-align: right;">1,80,000</td> <td>By Printing & Stationery</td> <td style="text-align: right;">16,000</td> </tr> <tr> <td>To Admission Fees</td> <td style="text-align: right;">7,800</td> <td>By Rent</td> <td style="text-align: right;">12,000</td> </tr> <tr> <td>To Sale of old newspapers</td> <td style="text-align: right;">1,200</td> <td>By Medicines</td> <td style="text-align: right;">32,000</td> </tr> <tr> <td></td> <td></td> <td>By Misc.Expense</td> <td style="text-align: right;">5,200</td> </tr> <tr> <td></td> <td></td> <td>By Equipments (1/10/2017)</td> <td style="text-align: right;">60,000</td> </tr> <tr> <td></td> <td></td> <td>By 10% Investments</td> <td style="text-align: right;">1,20,000</td> </tr> <tr> <td></td> <td></td> <td>By Balance c/d</td> <td></td> </tr> <tr> <td></td> <td></td> <td> Cash</td> <td style="text-align: right;">50,800</td> </tr> <tr> <td></td> <td></td> <td> Bank</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>4,70,000</u></td> <td></td> <td style="text-align: right;"><u>4,70,000</u></td> </tr> </tbody> </table>	Receipts	₹	Payments	₹	To balance b/d		By Salaries	71,000	Cash	30,000			Bank	35,000			To Subscriptions;		By Cleaning Charges	3,000	2016- 3,000				2017- 2,10,000				2018- 3000	2,16,000			To Donations	1,80,000	By Printing & Stationery	16,000	To Admission Fees	7,800	By Rent	12,000	To Sale of old newspapers	1,200	By Medicines	32,000			By Misc.Expense	5,200			By Equipments (1/10/2017)	60,000			By 10% Investments	1,20,000			By Balance c/d				Cash	50,800			Bank	1,00,000		<u>4,70,000</u>		<u>4,70,000</u>	6
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	<p>Additional Information:</p> <ol style="list-style-type: none"> 1. There are 600 members each paying an annual Subscription of ₹ 700. 2. ₹ 8,000 is still in arrears for the year 2016 for Subscription. 3. Value of Medicines at the beginning and at the end of the Year was ₹ 6,000 and ₹ 9,000 respectively. 4. Depreciation to be provided @ 10% p.a on Equipments. 																																																										
23	<p>Rahul accepted a bill for ₹ 70,000 drawn on him by Jayan on 1st May, 2017 for 3 months. This was for the amount Rahul owed Jayan. Jayan got the bill discounted at his bank at 10 % discount. Just before the due date, Rahul approached Jayan for renewal of the bill. Jayan agreed on the condition that ₹ 30,000 is paid immediately together with interest on the remaining amount at 12% per annum for 3 months and that for the remaining balance Rahul should accept a new bill for 3 months. Jayan paid full amount due to his bank on the maturity These arrangements were carried through. On the maturity of the new bill it has been dishonoured and Jayan paid noting charges of 200.</p> <p>Pass journal entries in the books of Jayan & Rahul for the above transactions.</p>	8																																																									
24	<p>From the following Trial Balance of Daksh as on 31 March 2017 prepare Trading, Profit & Loss A/c and Balance Sheet.</p> <p style="text-align: center;">Trial Balance as on 31 March 2017</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Debit ₹</th> <th style="text-align: right;">Credit ₹</th> </tr> </thead> <tbody> <tr> <td>Drawings and Capital</td> <td style="text-align: right;">10,000</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td>Plant & Machinery</td> <td style="text-align: right;">50,000</td> <td></td> </tr> <tr> <td>Stock</td> <td style="text-align: right;">25,000</td> <td></td> </tr> <tr> <td>Purchases and Sales</td> <td style="text-align: right;">90,000</td> <td style="text-align: right;">1,28,000</td> </tr> <tr> <td>Returns</td> <td style="text-align: right;">2,000</td> <td style="text-align: right;">1,000</td> </tr> <tr> <td>Furniture and Fixtures</td> <td style="text-align: right;">10,000</td> <td></td> </tr> <tr> <td>Freight</td> <td style="text-align: right;">2,000</td> <td></td> </tr> <tr> <td>Rent Rates & Taxes (for 10 Months)</td> <td style="text-align: right;">5,000</td> <td></td> </tr> <tr> <td>Printing and Stationery</td> <td style="text-align: right;">1,000</td> <td></td> </tr> <tr> <td>Trade Expenses</td> <td style="text-align: right;">1,200</td> <td></td> </tr> <tr> <td>Bad Debts</td> <td style="text-align: right;">1,500</td> <td></td> </tr> <tr> <td>Provision for Bad debts</td> <td></td> <td style="text-align: right;">2,000</td> </tr> <tr> <td>Debtors and Creditors</td> <td style="text-align: right;">20,000</td> <td style="text-align: right;">30,000</td> </tr> <tr> <td>Bills Receivable and Bills Payable</td> <td style="text-align: right;">27,000</td> <td style="text-align: right;">7,700</td> </tr> <tr> <td>Discount</td> <td style="text-align: right;">1,000</td> <td></td> </tr> <tr> <td>Wages and Salaries</td> <td style="text-align: right;">5,000</td> <td></td> </tr> <tr> <td>Cash in Hand and at Bank</td> <td style="text-align: right;">18,000</td> <td></td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;">2,68,700</td> <td style="text-align: right;">2,68,700</td> </tr> </tbody> </table> <p>Additional Information:</p> <ol style="list-style-type: none"> 1) The closing Stock as on 31/03/2017 is ₹ 40,000. 2) Provision for doubtful debts is to be maintained at 5% on Debtors. 3) Provide Depreciation on furniture and fixtures and Plant and Machinery @ 10% p.a. 4) Salaries paid in advance ₹ 1,200. 5) A fire occurred on 31 March 2017 and stock of the value of ₹ 7,000 was destroyed. It was fully insured but insurance company admitted a claim of ₹ 5,000 only. 	Particulars	Debit ₹	Credit ₹	Drawings and Capital	10,000	1,00,000	Plant & Machinery	50,000		Stock	25,000		Purchases and Sales	90,000	1,28,000	Returns	2,000	1,000	Furniture and Fixtures	10,000		Freight	2,000		Rent Rates & Taxes (for 10 Months)	5,000		Printing and Stationery	1,000		Trade Expenses	1,200		Bad Debts	1,500		Provision for Bad debts		2,000	Debtors and Creditors	20,000	30,000	Bills Receivable and Bills Payable	27,000	7,700	Discount	1,000		Wages and Salaries	5,000		Cash in Hand and at Bank	18,000		Total	2,68,700	2,68,700	8
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