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INDIAN SCHOOL SALALAH

FINAL EXAMINATION, FEBRUARY 2026 (AY 2025-26)



Class: XI
Time: 3 Hrs

ACCOUNTANCY (055)

Date: 08.02.2026
Maximum Marks: 80

General Instructions:

1. This question paper contains 34 questions in 7 pages. All questions are compulsory.
2. This question paper is divided into two parts – Part A and Part – B.
3. Part- A: Financial Accounting – I and Part- B: Financial Accounting –II.
4. Attempt all parts of a question together and show your working clearly.
5. Question No. 1 to 16 and 26 to 29, carries 1 mark each.
6. Question No. 17 to 20 and 30 to 31, carries 3 mark each.
7. Question No. 21 and Question No. 32 to 33 carries 4 marks each.
8. Question No. 22 to 25 and Question No. 34 carries 6 mark each.

Sl.	Question	M
1	On April 1, 2022, a company received ₹ 12,000 in advance for services to be rendered over the next 6 months. As of April 30, 2022, how much revenue should be recognized under the Accrual Basis of Accounting? a) ₹ 12,000 b) ₹ 2,000 c) ₹ 6,000 d) ₹ 5,000	1
2	Assertion (A): Single Entry System of accounting is not suitable for large businesses. Reason (R): Single Entry System does not provide a complete record of all financial transactions. Which of the following options is correct? a) Both (A) and (R) are true and (R) is the correct explanation of (A). b) Both (A) and (R) are true and (R) is not the correct explanation of (A). c) (A) is true, but (R) is false. d) (A) is false, but (R) is true.	1
3	Which of the following statements correctly describes the Business Entity Principle? a) The business and its owner(s) are considered as one entity for accounting purposes. b) The business and its owner(s) are considered as separate entities for accounting purposes. c) The business is considered as a separate entity only for tax purposes. d) The business is considered as a separate entity only for financial reporting purposes.	1
4	Your cash book shows an overdraft of ₹20,000. Cheques issued but not presented amount to ₹2,700, and cheques deposited but not credited are ₹3,200. What is the overdraft as per passbook? a) ₹19,500 b) ₹20,500 c) ₹21,500 d) ₹17,300	1

5	X Ltd. purchased goods worth ₹ 50,000 from Y Ltd. on credit. In this transaction, Y Ltd. is a: a) Debtor b) Creditor c) Supplier d) Both b and c	1
6	Which of the following limitations of accounting states that accounts may be manipulated to conceal vital facts: a) Accounting is not fully exact. b) Accounting may lead to window dressing. c) Accounting ignores price level changes. d) Accounting ignores qualitative elements.	1
7	Assertion (A) : Accounting Standards are mandatory for Sole Proprietorship Firms, Partnership Firms and Companies. Reason (R) : They ensure uniformity in the preparation and presentation of financial statements. (a) Both (A) and (R) are true and (R) is not the correct explanation of (A). (b) Both (A) and (R) are true and (R) is the correct explanation of (A) (c) (A) is false, but (R) is true. (d) (A) is true, but (R) is false.	1
8	On intra - state purchase of goods, which of the following GST is levied? a) IGST b) SGST c) CGST & SGST d) SGST & IGST	1
9	Due to the following transactions, the total of accounting equation will be : i) Commenced business with cash ₹ 4,00,000. ii) Purchased goods on credit ₹ 75,000. iii) Goods costing ₹ 1,00,000 sold at a profit of 20% for cash. iv) Rent paid ₹5,000. a) ₹ 4,90,000 b) ₹ 5,90,000 c) ₹ 4,40,000 d) ₹ 3,40,000	1
10	The owner of the firm records his medical expenses in firms' income statement. Indicate the principle that is violated: a) Cost Concept b) Prudence c) Full Disclosure d) Business entity	1
11	Debit balance of pass book means: (a) Positive i.e.Favourable Balance (b) Negative i.e.Unfavourable Balance (c) Either Positive or Negative Balance (d) None of the above	1
12	A machine is purchased for ₹ 10,000 which was wrongly recorded in purchase account. Due to this error a) Trial Balance will show difference of ₹ 10,000. b) Trial Balance will not show any difference. 2 c) Trial Balance will show the difference of ₹ 20,000. d) Trial balance will show a difference of ₹ 5,000.	1

13	If the amount of any known liability cannot be determined with accuracy: a) A liability should be provided b) A provision should be made c) A reserve should be set aside d) None of these	1
14	The term amortization is used to write off: a) Fixed Assets b) Intangible Assets c) Tangible Assets d) Wasting Assets	1
15	Balance as per Bank Pass Book is ₹ 31,000 (Debit). If a direct deposit of ₹ 20,000 and bank charges of ₹ 1,000 are not recorded in Cash Book, balance as per Cash Book will be ₹ 50,000 (credit). TRUE/FALSE	1
16	Original cost of an asset is ₹ 1, 26,000; Salvage value is ₹ 6,000; Useful life is 6 years. The rate of depreciation under Straight Line Method will be: a) 15.87% b) 16.67% c) 15.80% d) 16.56%	1
17	Journalis the following transactions in the books of Raja Ram: a) Goods costing ₹500 given as charity. b) Paid Life Insurance Premium ₹ 5,000 by cheque. c) Out of the rent paid this year, ₹ 2,000 relates to the next year.	3
18	From the following information Prepare the account of Hero Ltd which is showing a balance of ₹ 15,000. Purchased goods worth ₹ 10,000 from Hero Ltd. Returned goods of ₹ 5000 to Hero Ltd. Purchased goods for cash ₹ 50,000 from Hero Ltd. Paid cash to Hero Ltd. in full settlement of their account,after deducting 5% cash discount.	3
19	Distinguish between Reserves and Provisions on the basis of : i. Nature. ii. Purpose. iii. Investment	3

	<table border="1"> <tbody> <tr> <td>Sep.17</td> <td>Purchased goods from Mridula in cash.</td> <td>17,400</td> </tr> <tr> <td>Sep. 20</td> <td>Purchased stationery by cheque</td> <td>1,100</td> </tr> <tr> <td>Sep. 24</td> <td>Cheque given to Rohit</td> <td>1,500</td> </tr> <tr> <td>Sep.27</td> <td>Cash withdrawn frm bank</td> <td>10,000</td> </tr> <tr> <td>Sep.30</td> <td>Rent paid by cheque</td> <td>2,500</td> </tr> <tr> <td>Sep.30</td> <td>Paid salary</td> <td>3,500</td> </tr> </tbody> </table>	Sep.17	Purchased goods from Mridula in cash.	17,400	Sep. 20	Purchased stationery by cheque	1,100	Sep. 24	Cheque given to Rohit	1,500	Sep.27	Cash withdrawn frm bank	10,000	Sep.30	Rent paid by cheque	2,500	Sep.30	Paid salary	3,500	
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24	<p>Rectify the following errors by passing Journal entries:</p> <p>i) ₹10,800 received from Mohan was posted to the debit of his account.</p> <p>ii) ₹ 2,000 being purchase return was posted to the debit of Purchase Account.</p> <p>iii) Discount received ₹400 was posted to the debit of Discount Allowed Account.</p> <p>iv) ₹ 11,480 paid for repairs of motor car were debited to Motor Car Account as ₹ 1,480.</p> <p>v) A sale of ₹ 23,500 to Raman was entered in the Sales Book as ₹ 25,300.</p> <p>vi) While carrying forward the balance on one page in Pawan's Account, the amount of ₹ 2,500 was written on the credit side instead of the debit side.</p>	6																		
25	<p>Raja Traders purchased on 1st April, 2021, a second-hand machinery for Rs. 1,80,000. Further expenses of Rs. 20,000 was incurred to improve its technical reliability. Useful life of the machinery is estimated to be 10 years.</p> <p>On 1st July, 2022, additional machinery costing Rs. 1,00,000 was purchased. On 1st April, 2023, the machinery purchased on 1st April, 2021 having become obsolete was sold for Rs. 1,10,000 and on 1st October, 2022, new machinery was purchased at a cost of Rs. 1,50,000. Depreciation is charged @ 10% p.a. following Straight Line Method (SLM).</p> <p>Prepare the Machinery Account for three years ending on 31st March, 2024.</p>	6																		
	PART – B FINANCIAL ACCOUNTING–II																			
26	<p>Cost of goods sold ₹ 1,50,000; Closing Stock ₹ 40,000; Opening Stock ₹ 60,000; Amount of purchase will be:</p> <p>a) ₹ 1,30,000</p> <p>b) ₹ 1,70,000</p> <p>c) ₹ 50,000</p> <p>d) None of these.</p>	1																		
27	<p>Capital as per Trial Balance is ₹60,000, Capital at the end is ₹80,000, drawings ₹10,000. Find the net profit for the year.</p> <p>a) ₹30,000</p> <p>b) ₹35,000</p> <p>c) ₹15,000</p> <p>d) ₹20,000</p>	1																		
28	<p>Outstanding Salaries at year-end will be:</p> <p>a) Added to Salaries in Profit & Loss A/c and as current liability in Balance Sheet</p> <p>b) Ignored</p> <p>c) Added to Drawings</p> <p>d) Included in Capital</p>	1																		

29	Closing stock is shown in Financial Statements at : a) Cost Price b) Realisable Value c) Cost price or Realisable Value whichever is greater d) Cost price or Realisable Value whichever is less	1																																													
30	Gross Profit is 30% on Sales. Sales: ₹1,60,000. Calculate Gross Profit and Cost of Goods Sold.	3																																													
31	Following information was taken from an Income statement :- opening stock 5000 sales 16,000 carriage inwards 1000 sales return 1000 gross profit 6000 purchase 10,000 and purchase returns 900. Calculate closing stock and cost of goods sold.	3																																													
32	Following is the extract from the Trial Balance of a firm as at 31 st March, 2023: TRIAL BALANCE as at 31 st March, 2023 <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Heads of Accounts</th> <th style="width: 30%;">Dr. (₹)</th> <th style="width: 30%;">Cr. (₹)</th> </tr> </thead> <tbody> <tr> <td>Sundry Debtors</td> <td style="text-align: center;">4,10,000</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Provision for Doubtful Debts</td> <td style="text-align: center;">-</td> <td style="text-align: center;">20,000</td> </tr> <tr> <td>Bad Debts</td> <td style="text-align: center;">6,000</td> <td style="text-align: center;">-</td> </tr> </tbody> </table> <p>Additional Information: i) Additional bad debts ₹ 10,000. ii) Maintain the Provision for Doubtful Debts@ 10% on sundry debtors. Show the treatment of the above adjustments in Profit & Loss Account and in Balance sheet as on 31st March 2023.</p>	Heads of Accounts	Dr. (₹)	Cr. (₹)	Sundry Debtors	4,10,000	-	Provision for Doubtful Debts	-	20,000	Bad Debts	6,000	-	4																																	
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33	Write the meaning and differences between capital expenditure and revenue expenditure with two examples of each.	4																																													
34	Prepare Trading and Profit & Loss Account for the year ending 31 st March, 2025 after making all adjustments: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Name of Account</th> <th style="width: 30%;">Dr. (₹)</th> <th style="width: 30%;">Cr. (₹)</th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td style="text-align: center;">---</td> <td style="text-align: center;">1,50,000</td> </tr> <tr> <td>Drawings</td> <td style="text-align: center;">4,000</td> <td style="text-align: center;">---</td> </tr> <tr> <td>Plant and Machinery</td> <td style="text-align: center;">70,000</td> <td style="text-align: center;">---</td> </tr> <tr> <td>Vehicle</td> <td style="text-align: center;">16,000</td> <td style="text-align: center;">---</td> </tr> <tr> <td>Sundry Debtors</td> <td style="text-align: center;">30,000</td> <td style="text-align: center;">---</td> </tr> <tr> <td>Sundry Creditors</td> <td style="text-align: center;">---</td> <td style="text-align: center;">17,000</td> </tr> <tr> <td>Purchases</td> <td style="text-align: center;">25,000</td> <td style="text-align: center;">---</td> </tr> <tr> <td>Sales</td> <td style="text-align: center;">---</td> <td style="text-align: center;">50,000</td> </tr> <tr> <td>Wages</td> <td style="text-align: center;">5,000</td> <td style="text-align: center;">---</td> </tr> <tr> <td>Cash at Bank</td> <td style="text-align: center;">10,000</td> <td style="text-align: center;">---</td> </tr> <tr> <td>Salaries</td> <td style="text-align: center;">17,000</td> <td style="text-align: center;">---</td> </tr> <tr> <td>Repairs</td> <td style="text-align: center;">2,000</td> <td style="text-align: center;">---</td> </tr> <tr> <td>Opening stock</td> <td style="text-align: center;">9,000</td> <td style="text-align: center;">---</td> </tr> <tr> <td>Rent</td> <td style="text-align: center;">5,000</td> <td style="text-align: center;">---</td> </tr> </tbody> </table>	Name of Account	Dr. (₹)	Cr. (₹)	Capital	---	1,50,000	Drawings	4,000	---	Plant and Machinery	70,000	---	Vehicle	16,000	---	Sundry Debtors	30,000	---	Sundry Creditors	---	17,000	Purchases	25,000	---	Sales	---	50,000	Wages	5,000	---	Cash at Bank	10,000	---	Salaries	17,000	---	Repairs	2,000	---	Opening stock	9,000	---	Rent	5,000	---	6
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Carriage Inwards	1,000	---
Carriage Outwards	2,000	---
Bad debts	4,000	---
Commission	---	3,000
Freehold Premises	20,000	---
Total	2,20,000	2,20,000
<p>Adjustments: -</p> <ol style="list-style-type: none"> 1. Closing Stock was valued at ₹ 10,000 2. Outstanding Salaries ₹ 3,000. 3. Prepaid Rent ₹1,000. 4. Depreciate Plant and Machinery by 10%. 		
