

ATOMIC ENERGY CENTRAL SCHOOL NO. 3

RAWATBHATA

CLASS 11 - ACCOUNTANCY

Confidence Test-1

Time Allowed: 3 hours

Maximum Marks: 80

General Instructions:

1. All questions are compulsory.
2. Marks are given alongwith each question.
3. There is no overall choice, however internal choice is given in some questions.

Section A

1. Name the qualitative characteristic of accounting information which requires the use of common unit and common format of reporting. [1]
2. _____ users are the groups outside the business entity who uses the information to make decisions about the business entity [1]
 - a) Internal
 - b) Both
 - c) None of these
 - d) External
3. Book keeping is mainly concern with [1]
 - a) All of these
 - b) Recording financial data relating to business operations and classifying it.
 - c) Designing for system recording, classifying and summarizing
 - d) Interpreting data for internal and external users

4. Match the following: [1]

(a) Debentures.	(i) Prepaid expenses.
(b) Rebate allowed for timely payment.	(ii) Double entry system.
(c) Expenses paid in advance.	(iii) long-term liability.
(d) Trail balance prepared.	(iv) Cash discount.

5. Briefly explain tangible assets. [1]
6. Match the following: [1]

(a) Utility software	(i) Planning
(b) Application software	(ii) Recording of transaction
(c) Stage of automation	(iii) used to perform supporting operation in a computer
(d) Application of computers	(iv) Developed for performing certain task

7. What is the purpose of posting JF numbers that are entered in the journal at the time entries [1]

are posted to the accounts?

8. Which of the software is not an operative software [1]
- a) MS Word b) MS Dos
c) None d) Windows XP
9. On which side of the Balance sheet the prepaid expenses shows [1]
- a) Liabilities side b) Outside the balance sheet
c) Assets side d) None of these
10. Is it correct that individual accounts of customers is debited by the respective amount and the total of the sales book is posted to the credit side of the sales account in the general ledger? [1]
11. Name the components of a transaction processing system. [1]
12. The main purpose of accounting is to give a _____ view of accounting. [1]
- a) Biased b) True and Fair
c) Unfair d) Inadequate

13. Fill in the blanks: [1]
- Capital is _____ Liability.

14. Fill in the blanks: [1]
- According to Going Concern Concept, business is viewed as having an _____.

OR

Fill in the blanks:
Assets (except Securities) may be valued under Ind-Ad on _____.

15. Fill in the blanks: [1]
- Bank overdraft is _____ liability.

16. Mention two transactions which are recorded in journal proper. [1]

17. If cash is received against services rendered, indicate how accounting equation will be affected? [1]

OR

Calculate the total assets if

i. Capital is Rs 40,000.
ii. Creditors are Rs 25,000.
iii. Revenue during the period is Rs 50,000.
iv. Expenses during the period are Rs 40,000

18. The objective of financial accounting is to ascertain _____ for a particular period [1]
- a) Assets only b) Accounts
c) Profit/Loss d) Debt only

19. Match the following: [1]

(a) Component of TPS	(i) Debtors report
(b) Example of TPS	(ii) Data Edit
(c) Element of computer	(iii) ATM

20. Which of the following statement is correct [1]

- a) When assets decrease are debited b) When assets increase are debited
 c) When assets increase are debited and credited d) When assets increase are credited

OR

Payment to creditors in cash will affect

- a) Only liability side of the equation b) Only assets side of the equation
 c) Asset and Liability both d) Only capital side of the equation

Section B

21. Ascertain Gross Profit from the following : [3]

	Rs.
Opening Stock	2,00,000
Closing Stock	1,80,000
Purchases	8,50,000
Carriage on Purchases	23,000
Carriage on Sales	30,000
Office Rent	58,000
Sales	14,07,000

OR

What is meant by grouping and marshalling of assets and liabilities? Explain the ways in which a balance sheet may be marshalled?

22. Is accounting an art or a science? [3]

OR

International Accounting Standards Board (IASB) has a number of objectives to serve. Explain any three such objectives.

Section C

23. In spite of possessing so many capabilities, computers suffer from various limitations. Discuss any three. [4]

24. On 1st January, 2013 X drew a bill on Y for Rs. 15,000 payable after 3 months. Y accepted the bill and returned it to X. After 10 days, X endorsed the bill to his creditor, Z. On the due date, the bill was dishonoured and Z paid Rs. 300 as noting charges. Record the transactions in the journals of X, Y and Z. [4]

25. Give four points of difference between trading account and profit and loss account. [4]

26. Enter the following transactions in a single column cash book [4]

2013		Amt (Rs.)
Mar 1	Commenced business with cash	10,000

Mar 2	Bought goods for cash	2,500
Mar 5	Sold goods for cash	2,000
Mar 10	Goods purchased from Vinay on credit	5,000
Mar 13	Paid to Vinay	3,500
Mar 15	Cash sales	4,000
Mar 18	Purchased furniture for office	3,000
Mar 20	Paid wages	790
Mar 24	Paid rent	200
Mar 26	Received commission	300
Mar 28	Withdrew for personal expenses	500
Mar 31	Paid salary	450

27. Journalise the following transaction. [4]

- i. Paid Rs 2,500 in cash as wages on installation of a machinery.
- ii. Issued a cheque in favour of M/s Parmatma Singh and Sons on account of purchase of goods worth Rs 7,500.
- iii. Goods sold costing Rs 6,000 to M/s Kalu Sons at an invoice price 10% above cost less 5% trade discount.
- iv. Goods worth Rs 500 were used by the proprietor for domestic purposes.
- v. Goods uninsured worth Rs 3,000 were destroyed by fire.

Section D

28. Radheshyam does not keep proper records of his business. Following information is available from records kept by him [6]

Items	1st April 2012(Rs.)	31st March 2013(Rs.)
Cash	20000	18,000
Bank	30,000	33,000
Debtors	17,000	25,000
Stock	40,000	60,000
Fixed assets	29,000	29,000
Creditors	52,000	32,000
Loan	10,000	25,000

Radheshyam withdrew from the business Rs 3,000 per month upto 30th September, 2012 and thereafter Rs 4,000 per month as drawings Rs 50,000 realised by the proprietor as maturity value of national saving certificates was invested in the business.

Prepare a statement showing net profit (or net loss) for the year.

29. The following balances were extracted from the books of Siddarth [6]
31st December 2013.

--	--	--

Name of Account	Amt(Rs)	Name of Account	Amt(Rs)
Stock at the beginning	82,000	Purchases	4,40,000
Rent	19,200	Sales	5,60,000
Salary	40,000	Returns (debit)	12,000
Bad debts	800	Returns (credit)	4,000
Provision for doubtful debts	6,000	Carriage inward	7,000
Travelling expenses	2,800	Carriage outward	1,000
Insurance premium	3,600	Capital	3,50,000
Proprietor's withdrawals	8,000	Loan (credit)	40,000
Telephone charges	14,600	Sales tax collected	6,000
Printing and advertising	10,000	Debtors	80,000
Commission (Credit)	12,000	Creditors	48,000
Rent from sublet	9,600	Investment	10,000
Land and building	2,80,000	Interest on investments	1,200
Furniture	20,000		
Cash	5,800		

Prepare trading and profit and loss account for the year and a balance sheet as on 31st December 2013 after taking into account the following.

- i. The stock was valued at Rs 1,50,000 on 31st December 2013. You are informed that a fire occurred on 28th December 2013 in the godown and stock of the value of Rs 20,000 was destroyed. Insurance company admitted a claim of 75%.
- ii. One-third of the commission received is in respect of work to be done next year.
- iii. Create a provision of 5% for doubtful debts.
- iv. 50% of printing and advertising is to be carried forward as a charge in the following year.
- v. Rs 1,800 is due for interest on a loan.
- vi. Provide for managers commission at 10% on net profit before charging such commission.

OR

From the following balances extracted from the book of M/s Manju Chawla on 31st March, 2014. You are requested to prepare the trading and profit and a loss account and a balance sheet as on this date.

Name of Accounts	Debit Balance(Rs)	Credit balance(Rs)
Opening Stock	10,000	
Purchases and Sales	40,000	80,000
Returns	200	600
Wages	6,000	

Dock and Clearing Charges	4,000	
Lightning	500	
Miscellaneous income		6,000
Rent		2,000
Capital		40,000
Drawings	2,000	
Debtors and Creditors	6,000	7,000
Cash	3,000	
Investment	6,000	
Patent	4,000	
Land and Machinery	43,000	
Donations and Charity	600	
Sales tax collected		1,000
Furniture	11,300	
	1,36,600	1,36,600

Additional Information

Closing stock was Rs 2,000

- i. Interest on drawings @7% and interest on capital @ 5%.
- ii. Land and machinery is depreciated at 5%.
- iii. Interest on investment @ 6%.
- iv. Unexpired rent Rs 100.
- v. Charge 5% depreciation on furniture

30. On 31st March, 2013 the bank column of the cash book of Mr. Handsome disclosed an overdraft balance of Rs 20,750. On examining the cash book and bank statement, you find that:

[6]

- i. Cheques were deposited into bank for Rs 40,000 but of these cheques for Rs 11,500 were cleared and credited in April, 2013.
- ii. Cheques were issued for Rs 18,750 out of which cheques for Rs 15,000 had been presented for payment in March, 2013.
- iii. In March, Mr Handsome had discounted with bank a bill of exchange for Rs 25,000 and had entered this amount in the cash book but the proceeds credited, as shown by the pass book, amounted to Rs 24,000.
- iv. No entry is made in the cash book of an amount of Rs 15,250 directly deposited by a customer in the bank account.
- v. Bank column of the payment side of the cash book was under cast by Rs 2,500.
- vi. Payment of insurance premium of Rs 5,000 and receipt of insurance claim of Rs 20,000 appear in the pass book but not entered in the cash book.

- vii. A cheque for Rs 8,750 issued to Mr Fair was omitted to be recorded in the cash book.
- viii. A cheque for Rs 7,000 issued to Mr Brown 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 31st March, 2013.

OR

On 30th June, 2013, the cash book of Galaxy Ltd, showed a balance of Rs 400 at bank. They had sent cheques amounting to Rs 2,000 to the bank before 30th June but it appears from the pass book that cheques worth only Rs 800 had been credited before that date. Similarly, out of cheques of Rs 1,000 issued during the month of June, cheques for Rs 50 were presented and paid in July.

The passbook also showed the following payments

- i. Rs 64 as premium on the life policy according to standing instructions.
- ii. Rs 400 against a pro-note, as per instructions.

The pass book showed that the bank had collected Rs 120 as interest on government securities.

The bank had charged interest Rs 10 and bank charges Rs.4.

There was no entry in the cash book for the payments, interest, etc.

Prepare the bank reconciliation statement as on 30th June, 2013.

Section E

31. On going through the trial balance of Vardhman Ltd you find that the debit is in excess by Rs 150. This was credited to suspense account. On a close scrutiny of the books the following mistakes were noticed. **[8]**
- i. The total of debit side of 'expenses account' have been cast in excess by Rs 50.
 - ii. The 'sales account' has been totalled in short by Rs 100.
 - iii. One item of purchase of Rs 25 has been posted from the day book to ledger as Rs 250.
 - iv. The sale return of Rs 100 from a party has not been posted to that account though the party's account has been credited.
 - v. A cheque of Rs 500 issued to the suppliers' account (shown under sundry creditors) towards his dues has been wrongly debited to the purchases.
 - vi. A credit sale of Rs 50 has been credited to the sales and also to the sundry debtors account.
 - a. Pass necessary journal entries for correcting the above.
 - b. Prepare the 'suspense account' as it would appear in the ledger.

OR

The cash book of Sharma showed a balance of Rs 26,900 on 31st December, 2012 at the bank. The figure did not agree with the bank pass book. A comparison of the two revealed the following

- i. The bank has debited Sharma with Rs 4,800 the annual permium on his life policy according to his standing instructions and with Rs 150 bank charges.
- ii. The bank has credited Sharma by Rs 7,000 the proceeds of a bill.
- iii. Sharma paid in cheques totalling Rs 10,500 on 26th December, of which those for Rs 7,800 were collected in December and one for Rs 750 was returned as dishonoured, the information of which was received by Sharma on 2nd January, 2013. The rest were collected and credited in January, 2013.
- iv. The cash collection on 31st December, 2010 totalling Rs 3,050 entered in the cash book in the bank column on the same day but it was banked on the 2nd January, 2013.

v. In December, 2012 Sharma issued cheques totalling Rs 14,350 of which those of Rs 4,250 have not been presented by 31st December, 2012.

Show the corrections to be made in the cash book so as to ascertain the balance to be shown in the balance sheet and then prepare the bank reconciliation statement.

32. A firm purchased on 1st April 2015 certain machinery for Rs.5,82,000 and spent Rs.18,000 on its installation. On 1st October 2015, additional machinery costing Rs.2,00,000 was purchased. On 1st October 2017, the machinery purchased on 1st April 2015 was auctioned for Rs.2,86,000 plus CGST and SGST @ 6% each and new machinery for Rs.4,00,000, plus IGST @ 12% was purchased on the same date. Depreciation was provided annually on 31st March at the rate of 10% on the Written Down Value Method. Prepare the Machinery Account for the three years ended 31st March 2018. **[8]**

OR

On 14th February, 2015, Rashmi sold goods worth Rs. 7,500 to Alka. Alka paid Rs. 500 in cash and for the balance accepted a bill of exchange drawn upon her by Rashmi payable after 2 months. On 10th April, 2015, Alka approached Rashmi to cancel the bill since she was short of funds. She further requested Rashmi to accept Rs. 2,000 in cash and draw a new bill for the balance including interest Rs. 500. Rashmi accepted Alka's request and drew a new bill for the amount due payable after 2 months. The bill was accepted by Alka. The new bill was duly met by Alka on maturity. Record the necessary journal entries in the books of Rashmi and Alka and prepare Alka's account in the books of Rashmi's and Rashmi's account in the books of Alka.