

Compartment Paper (11 March 2016)

Subject – ACCOUNTANCY

Class XI (Comm/Hum)

(SET-A)

Time: 3 hrs.

M.M.100

- 1) *All questions are compulsory.*
- 2) *Marks are indicated against each question.*
- 3) *Use of calculator is not allowed.*

- Q1.** Is the balance of Receipts and Payments Account an income for that period? (1)
- Q2.** A Profit & Loss Account is a point statement whereas a Balance Sheet is a periodic statement. Comment whether correct or not. (1)
- Q3.** Name the error committed by violating the rule of Accounting. (1)
- Q4.** Given the same rate percent, assets depreciate faster by the method as compared to the method. (1)
- Q5.** State one importance of Trial Balance. (1)
- Q6.** To which side of the Ledger Account are the transactions on the receipts side of the Cash Book posted? (1)
- Q7.** Explain: (2)
- a) Error of Complete Omission
 - b) Error of Partial Omission
- Q8.** If Depreciation reduces profits and value of fixed assets and thus, the capital of the owner, why do businesses provide for Depreciation? (2)
- Q9.** Goods worth Rs. 10,000 returned by Keshwari were taken into stock but the transaction was not recorded by Mr. Shaad (accountant) in the books of account as he was doing some of his personal work and left the company after office hours not caring for the transaction to be entered in the books of accounts. (2)
- a) Identify the value missing in the above case.
 - b) Rectify the error.
- Q10.** Why is it necessary to assume that a business entity will remain a going concern? (2)
- Q11.** The following are the extracts from the Trial Balance of Ram as on 31.3.2012 (3)

**Trial Balance
As on 31.3.2012 (Extract)**

Name of Accounts	Dr. (Rs.)	Cr.(Rs.)
Salaries	20,000	--
Interest on loan	7,000	--
Insurance	15,000	--

Additional Information:

- 1) Salaries @ Rs. 2,000 per month for two months were outstanding.
 - 2) Interest on loan of Rs. 1,00,000 @ 6% p.a. was outstanding for two months.
 - 3) Insurance premium Rs. 2,500 has been paid in advance for the next year.
- You are required to pass the necessary adjustment entries and closing entries for the above items in the books of Ram.

Q12. Journalise the following in the books of Hari. (3)

Sohan informs Hari that Mohan's acceptance for Rs. 13,000, endorsed in favour of Sohan by Hari, has been dishonoured, noting charges Rs. 200. Sohan agrees to accept Rs. 3,000 in cash and an acceptance at 3 months together with interest @ 12% p.a.

- Q13. (3)**
- Differentiate between Reserve and Provision on the basis of their nature.
 - If the amount of a known liability can be ascertained with accuracy, state whether it should be treated as a liability or a provision.
 - Differentiate between Revenue Reserve and Capital Reserve on the basis of source.

Q14. State with reason whether the following statements are True or False. (4)

- Sales Book is a part of the ledger.
- Sales Return Book records return of goods sold.
- In Purchases Book, the record is in respect of cash purchases of goods.
- Total of the sales book is posted to the credit of the sales account.

Q15. Prepare an Accounting Equation from the following transactions: (4)

- Mr. Peter started business with cash Rs. 40,000, cheque for Rs. 60,000 and machinery valued at Rs. 5,00,000.
- Purchased goods amounting to Rs. 2,00,000 out of which goods of Rs. 1,80,000 were purchased on credit from D. Lal.
- Sold goods on credit to Ramesh Rs. 1,60,000.
- Received cheque for Rs. 1,56,000 from Ramesh in full settlement of his account.
- Paid Rs. 1,78,000 to D. Lal in full settlement of Rs. 1,80,000 due to him by cheque.
- An old machine with the book value of Rs. 80,000 is exchanged for a new machine of Rs. 2,40,000. The old machine is valued at Rs. 50,000 for exchange purposes by Machine Tools Ltd.
- Paid income tax Rs. 5,000.
- A cheque from a customer amounted to Rs. 5,000 deposited in the bank was returned dishonoured.

Q16. Prabhat Electric Co. purchased from Crompton Ltd. 100 ceiling fans @ Rs, 1,000 each less 15% Trade Discount. Out of these 20 fans were returned being damaged. Record the necessary transaction in the appropriate subsidiary book and post them into ledger in the books of Prabhat Electric Co. (5)

Q17. Mr. Prem commenced business of trading in electronic goods with an initial capital of Rs. 15,00,000. Out of the said Rs. 15,00,000, he paid Rs. 10,00,000 towards purchase of electronic goods. He further spent Rs. 2,00,000 on furnishing the shop and Rs. 35,000 for purchase of computer and printer. Rs. 10,000 is yet to be paid to supplier of computer. (5)

He sold goods costing Rs. 5,00,000 for Rs. 7,00,000 in cash and goods costing Rs. 2,50,000 for Rs. 3,10,000 on credit. Goods sold on credit for Rs. 25,000 were returned being defective. These goods (costing Rs. 20,000) were returned to the supplier. Looking into the response, he decided to trade in home appliances also and further invested Rs. 5,00,000.

He purchased electronic goods and home appliances for Rs. 8,00,000 out of which purchase of Rs. 2,00,000 were on credit.

Due to an earthquake, 2 LCD Television costing Rs. 50,000 were completely destroyed. Mr. Prem received an insurance claim of Rs. 30,000.

A customer purchased goods costing Rs. 2,25,000 for Rs. 3,00,000 and was allowed discount of Rs. 15,000. He was further allowed discount of Rs. 5,000 for payment within agreed time. He paid salary to Shyam of Rs. 55,000; Rs. 5,000 were yet to be paid. He insured the goods and paid insurance premium of Rs. 10,000. Out of this, Rs. 5,000 are for the next year. Mr. Prem withdrew Rs. 30,000 during the year for his personal use.

You are required to answer the following questions on the basis of the above:

- i) What is the amount invested by Mr. Prem in fixed assets?
- ii) What is the amount of purchases?
- iii) What is the amount of Trade Discount allowed?
- iv) What is the amount of Purchase Return?
- v) What is the amount due from debtors?

Q18. ABC Ltd. Purchased on 1st April, 2011, a plant for Rs. 1,00,000. On 1st October, 2011 an additional plant was purchased costing Rs. 50,000. On 1st October, 2012 the plant purchased on 1st April, 2011 having become obsolete, was sold for Rs. 40,000. Depreciation is provided @ 10% p.a. on the diminishing value method on 31st March every year. Show the Machinery A/c, Machinery disposal and Provision for Depreciation Account for the year ending 2012-13. (6)

Q19. Complete the missing information:

(6)

Date	Particulars	L/F	Dr.	Cr.
			Amount(Rs.)	Amount(Rs.)
2001	_____ A/c Dr.		4,000	
April 3	To _____ A/c (Being goods destroyed by fire)			4,000
April 5	_____ A/c Dr. _____ A/c Dr. To _____ A/c (Being goods purchased for Rs. 25,000 and carriage paid Rs. 200)		25,000 200	25,200
April 10	Cash A/c Dr. To _____ A/c To _____ A/c (Being sale of old chairs for Rs. 1,200 and old newspapers for Rs. 200)		1,400	1,200 200
April 16	_____ A/c Dr. To _____ A/c (Being amount received from Rakesh, which were written off as bad-debts last year)		3,500	3,500

April 19	_____ A/c	Dr.		2,000	
	To _____				2,000
(Being goods costing Rs. 2,000 given away as charity)					
April 25	_____ A/c	Dr.		5,000	
	_____ A/c	Dr.		7,000	
	To cash A/c				12,000
(Being income tax and central sales tax paid)					

Q20. Rectify the following errors found in the books of Mr. Sunil. The Trial Balance showed Rs. 250 as debit excess. To difference has been posted to the suspense Account. (7)

- i) Total of debit side of Expenses Account has been cast in excess of Rs. 150.
- ii) Sales account has been totalled short by Rs. 200.
- iii) One item of purchase of Rs. 25 has been posted from the Purchase Book to the ledger as Rs. 350.
- iv) Sales Return of Rs. 200 from a party has not been posted to that account, though the party's account has been credited.
- v) A cheque of Rs. 600 issued to the supplier's account (shown under sundry creditors) towards his dues had been wrongly debited to the Purchases Account.
- vi) Credit sale of Rs. 100 has been credited to the sales and also to the sundry Debtors' Account.

Pass necessary journal entries to rectify the above errors and prepare a suspense account as it would appear in the ledger.

Q21. From the following information supplied by Wasim, prepare his Bank Reconciliation statement as on 31-03-2012. (10)

- a) Bank overdraft as per bank statement Rs. 1,48,500.
- b) Cheques issued but not presented for payment Rs. 78,750.
- c) Cheques deposited with the bank but not collected Rs. 94,500.
- d) Cheques recorded in bank column of cash book but not sent to bank for collection Rs. 18,000.
- e) Payments received from customers direct by the bank Rs. 31,500.
- f) Bank charges debited in the statement Rs. 180.
- g) A bill for Rs. 45,000 (discounted with the bank in February at Rs. 44,670) dishonoured on 31st March and noting charges paid by the bank Rs. 90.
- h) Premium on life insurance policy of Wasim paid by the bank on standing advice Rs. 1,620
- i) Credit balance in cash book on 25-03-2012 Rs. 72,000 carried over as debit balance on the next day.

Q22. The Treasurer of Royal Tennis Club presented following Receipts and Payments Account for the year ended 31st March, 2012

Receipts & Payment Account for the year ended March 31, 2012

Dr.

Cr.

Receipts	Rs.	Payment	Rs.
Cash at Bank (opening)	10,200	Purchases of Balls	4,000
Subscriptions	24,000	Creditors for Tennis Equipments	22,000
Sale of Tennis Equipments	30,500		
Court Hire	2,700	Marking & Repairing of Tennis Courts	3,800
Sale of balls	3,700	Construction of New court	25,000
		Sundry Expenses	3,100
		Cash at Bank (Closing)	13,200
	71,100		71,100

He also provides the following additional information:

- a) The club's Tennis Courts were valued at Rs. 1,00,000 on 1st April, 2011

	April 1, 2011 (Rs.)	March 31, 2012 (Rs.)
Tennis Balls in hand (at cost)	400	900
Creditors for Tennis Equipments	4,000	3,000
Subscription outstanding	2,000	3,500

Prepare Income & Expenditure Account for the year ended March 31, 2012 and Balance sheet (15) as on that date.

Q23. Trial Balance of Mr. Gopal Das as on March 31, 2014 was as follows:

Name of Accounts	Dr. (Rs.)	Cr (Rs.)
Purchases/sales	8,12,525	12,62,000
Provision for Doubtful debts		26,000
Sundry Debtors/ Sundry Creditors	2,51,000	1,52,630
Bills Payable		19,750
Opening Stock	1,33,625	
Wages	1,15,685	
Salaries	27,875	
Furniture	36,250	
Postage	21,130	
Power and Fuel	6,750	

Trade Expenses	29,155	
Bad Debts	2,625	
Loan to Ram @ 10% (1.12.13)	15,000	
Cash in hand and at bank	50,000	
Trade Expenses accrued but not paid		3,500
Drawings A/c / Capital A/c	22,260	50,000
Outstanding Wages		10,000
	15,23,880	15,23,880

Prepare Trading and Profit & Loss Account for the year ended March 31, 2014 and a Balance Sheet as on that date after taking into consideration the following information: **(15)**

- a) Stock on 31st March, 2014 was Rs. 62,750.
- b) Depreciation on furniture is to be charged @ 10%.
- c) Provision for Doubtful debts is to be maintained @ 5% on Sundry Debtors.
- d) Sundry Debtors include an item of Rs. 2,500 due from a customer who has become insolvent.
- e) Goods of the value of Rs. 7,500 have been destroyed by fire and insurance company admitted a claim for Rs. 5,000.
- f) Received Rs. 6,000 worth of goods on 27 March, 2014 but the invoice of purchases was not recorded in Purchases Book.