

AMRITA VIDYALAYAM

ANNUAL EXAMINATION 2017 - '18

Class : XI

Marks : 90

Time : 3 hrs

ACCOUNTANCY

1. An accountant has debited the purchases account by the amount of furniture purchased for office use. Which error has been committed by the accountant? 1
2. What is Single Entry system of Accounting? 1
3. Rent received during the accounting period is ` 36,000 including ` 6,000 for the next accounting period. Write the adjusting entry for recording the above transaction. 1
4. What do you mean by Retiring a Bill of exchange? 1
5. The accountant feels that since sales book is maintained, there is no need to open sales account. Is he correct in his views? Explain. 1
6. Sunitha purchased some hand-embroidered sarees for her boutique from Yamuna for ` 20,000 in cash.
 - a) Pass necessary journal entry in the books of Sunitha.
 - b) What are the values highlighted? 3
7. What are the disadvantages of computerized accounting? 3
8. Define the following basic accounting terms. 3
 - a) Revenue
 - b) Drawings
 - c) Profit
9. State the accounting concept/ convention involved in each of the following situation and explain it. 3
 - a) The caliber or quality of the management team is not disclosed in the Balance Sheet.
 - b) Advance received from a customer is not taken as income or sales.
 - c) Financial statement of the firm are prepared every year on 31st March.
10. What is accrual basis of accounting? What are its advantages? 3
11. A commenced his cloth business on 1st April 2016 with a capital of ` 30,000. On 31st March 2017 his assets were ` 50,000 and liabilities were ` 10,000. Find out his closing capital and profits earned during the year. 3
12. Write the Journal entries for the following transactions. 4
 - a) Withdrawn goods for personal use (cost ` 500, sales price ` 700)
 - b) Machinery of book value of ` 10,000 destroyed by fire. Insurance company accepted and paid claim of ` 7,500.
13. From the following transaction prepare cash book with bank column of Yami. 4

2009

Sept 1	Cash in hand	7,500
	Bank over draft	3,500
Sept 2	Paid wages	200
Sept 5	Cash Sales	7,000
Sept 10	Cash deposited in Bank	4,000
Sept 15	Goods purchased and paid by cheque	2,000
Sept 20	Paid rent	500
Sept 25	Drawn from Bank for personal use	400
Sept 30	Salary paid	1,000
14. Rectify the following errors. 4
 - a) Sales book has been totalled ` 1,000 short.
 - b) Goods worth ` 1,500 returned by Green and Company have not been recorded anywhere.
 - c) Goods purchased of ` 2,500 have been posted to the debit of the supplier, Gupta and Company.
 - d) Furniture purchased from Gulab and Company of ` 10,000 has been entered in purchases book.
15. Net Sales for the year ended 31st March 2017 is ` 9,00,000. If Gross profit is 25% of cost, find

- gross profit and cost of goods sold. 4
16. Define a Trial Balance. Why is it prepared? 4
17. B owed to A ` 60,000 on 1st Jan, 2017. On same date, A drew upon B a bill for the amount at 2 months and B returned the bill duly accepted. A got the bill discounted at his bank @ 15 % p.a. Before the bill was due for payment, B told A that he was not able to pay the full amount and requested A to accept ` 20,000 immediately and drew upon him another bill for the remaining amount for 2 months together with interest @ 18% p.a. A agreed. The second bill was duly met. Give the journal entries in the books of both A and B. 8
18. On 31st March 2017, pass book of Shri Rajendra shows a debit of ` 10,000. From the following, prepare Bank Reconciliation statement. 6
- a) Cheques amounting to ` 8,000 drawn on 25th March, 2017 of which cheques of ` 5,000 were encashed on 2nd April 2017.
- b) Cheques paid into the bank for collection Of ` 5,000 but cheques of ` 2,200 could only be collected in March 2017.
- c) Bank charges ` 25 and dividend of ` 350 on investment collected by the bank could not be shown in the cash book.
- d) A bill of ` 10,000 was retired by the bank under rebate of ` 150 but the full amount was credited in the cash book.
19. From the following information relating to the business of Mr. X who keeps books on single entry system, ascertain the profit or loss for the year 2016-2017. 6

Particulars	1 st April 2016	31 st March 2017
Machinery	8,000	8,000
Furniture	2,000	2,000
Stock	7,000	5,000
Sundry Debtors	4,000	4,500
Bank Balance	200 (Cr)	1,800 (Dr)
Sundry creditors	5,000	3,500

Mr. X withdrew ` 4,100 during the year to meet his household expenses. He introduced ` 300 as fresh capital on 15th Jan 2017. Machinery and furniture are to be depreciated at 10% and 5 % p.a respectively.

20. Prove that the accounting equation is satisfied in all the following transactions of Suresh. 6
- a) Commenced business with cash ` 60,000.
- b) Paid rent in advance ` 500.
- c) Purchased goods for cash ` 30,000 and credit ` 20,000.
- d) Sold goods for cash ` 30,000 costing ` 20,000.
- e) Paid salary ` 500 and salary outstanding being ` 100.
- f) Bought motor cycle for personal use ` 5,000.
21. From the following information, prepare the necessary subsidiary books of M/s Hiralal 2006. 6

Feb 1 Goods sold to Sen 10,000

Feb 4 Purchases from Kamal 4,960

Feb 6 Sold to Manas 4,200

Feb 7 Sen returned goods 1,200

Feb 8 Returns to Kamal 560

Feb 10 Sold to Mohan 6,600

Feb 14 Purchased from Ram 10,400

Feb 17 Bought from Rakesh 8,120

Feb 20 Returns to Ram 400

Feb 22 Returns Inwards from Mohan 500

Feb 24 Purchased goods from Kirti 11,400

	Less 10% Trade discount	
Feb 25	Sold to Chand	13,200
	Less 5 % Trade discount	
Feb 26	Sold to Vinod	8,000
Feb 28	Return outward to Kirti	2,000
	Less 10 % Trade discount	
Feb 28	Return from Vinod	1,000

22. From the following Trial Balance of M/s Arjun and Sons as on 31st March 2017, prepare Trading and Profit and Loss A/c and Balance Sheet.

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Particulars	Debit	Credit
Drawings	1,80,000	
Capital		8,00,000
Purchases	8,26,000	
Sales		15,50,000
Opening Stock	4,20,000	
Return outward		16,000
Carriage inward	12,000	
Wages	40,000	
Power	60,000	
Machinery	5,00,000	
Furniture	1,40,000	
Rent	2,20,000	
Salary	1,50,000	
Insurance	36,000	
8% Bank Loan		2,50,000
Debtors	2,06,000	
Creditors		1,89,000
Cash in Hand	15,000	
Total	28,05,000	28,05,000

Adjustments.

- Closing stock ` 6,40,000.
- Wages outstanding ` 24,000,
- Bad debtors ` 6,000 and provision for bad and doubtful debts to 5 % on Debtors.
- Rent is paid for 11 months.
- Loan from bank was taken on 1st Oct 2016.
- Provide depreciation on Machinery @ 10 % p.a
- Provide managers commission at 10 % on net profit after charging such commission.