

ST. XAVIER'S SENIOR SECONDARY SCHOOL, DELHI – 110054

Final Examination in ACCOUNTANCY – Std. 11 M. Marks : 90 18-2-2015 Time : 3 hrs.

| Roll No: | | Total printed pages : Total printed questions | 03 : 24 |
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General Instructions: -

- i) All questions are compulsory.
- ii) All parts of question should be attempted at one place.
- iii) Show clearly working notes wherever necessary.
- 1. What is meant by the term "Business Transaction"? [1 mark]
- 2. What are non-current liabilities? [1 mark]
- 3. Prepaid Insurance is an asset. Do you agree? Give reason. [1 mark]
- 4. A Receipt and Payment Account has a debit and credit side as in cash book.

Is it correct? Give reason. [1 mark]

- 5. What do you understand by the term 'Database'? [1 mark]
- 6. Define Subscriptions. [1 mark]
- 7. Prepare a Double Column Cash Book from the following transactions of Parker for the month of April, 2014. He maintains a park in the area of operation. Indicate the values highlighted in this case.

| Date | Particulars | Amount (Rs.) |
|--------|---|--------------|
| 2014 | | |
| Apr 1 | Commenced business by depositing funds in bank | 50,000.00 |
| Apr 8 | Purchased goods on credit from Raman | 12,000.00 |
| Apr 10 | Withdrawn from bank for business expenses | 5,000.00 |
| Apr 12 | Sold Goods and deposited the funds in Bank | 10,000.00 |
| Apr 15 | Withdraw for Personal use | 1,000.00 |
| Apr 20 | Paid Raman through cheque and discount received | 500.00 |

8. State which Accounting Principles are violated in these cases and give the reason:

2011

Sept. 1 Harsh Traders create annual provisions for discount on creditors

Sept. 2 In the books of V M & Sons it is seen that fixed assets are appearing

at the market value.

Sept. 3 Mohan Bros. records the revenue at the time of receiving

the order for goods. [3 marks]

9. During the year ended March 31, 2011.

An amount of Rs. 22,000/- paid as a wages for the erection of the machine were debited wrongly to wages account during the year. Wages account appears at Rs. 50,000/- in Trial Balance and machine appears at trial balance at Rs. 2,48,000/-.

Give necessary journal entries and show how it will appear in final accounts? [3 marks]

10. Explain any three limitation of accounting.

[3 marks]

[3marks]

[3 marks]

11. Mr. Jose is keeping his accounts according to Single Entry System. The following information is drawn from his books for the year ended Dec 31st, 2011.

Capital as on Jan 1, 2011 - Rs. 2,10,000/-.

Capital as on Dec 31, 2011 - Rs. 6,25,000/-.

Drawings during the year for personal use – Rs 1,20,000/-.

He Sold his personal investments for Rs. 50,000/- at a premium of 5% and introduced the money into his business.

Mr. Jose also donates every year a sum of Rs. 10,000/- to an orphanage and Old age home. Find out his profit from business and identify Business Values? [3marks]

12. Explain any two advantages of Computerized Accounting over Manual Accounting.

What is meant by Accounting Information System (A.I.S)?

13. Show the effect of following transactions on the accounting equation of Sohan:

Started business with

Salaries paid

Salaries Outstanding

Prepaid Rent

Borrowed from Bank

Interest Due on Loan

Rs. 5,00,000/
Rs. 40,000/
Rs. 5,000/
Rs. 80,000/
Rs. 4,000/-

Bought goods on Credit Rs. 70,000/- [4 marks]

- 14. Prepare Bank Reconciliation Statement of M/s Ruby Ltd. as on 31st March 2012 from the following information:
 - a) Balance as per Passbook Rs. 31,500/-
 - b) Cheques drawn but not presented Rs. 2,800/-
 - c) Interest on loan charged by Bank Rs 175/-
 - d) Cheques of Rs. 15,000/- paid into bank but not yet cleared. [4 marks]
- 15. a) Find out the value of closing stock from the following information:
 - i) Opening Stock Rs. 55,000/ii) Purchase during the year Rs. 3,20,000/-
 - iii) Freight & Carriage on purchases Rs. 10,000/-
 - iv) Sales Rs. 4,20,000/-
 - v) Goods are sold at a profit of 20% on cost.b) What is meant by Gouping and Marshalling of Balance Sheet?
- 16. What are Accounting Softwares? Explain customized and tailor made softwares in brief. [4 Marks]
- 17. a) In residential areas, the government has ordered to remove mobile tower. Which value is the government keeping in mind?
 - b) A Businessman has decided to create provisions for unknown contingencies. The accountant does not agree. What is wrong with this decision? Evaluate their decision. [4 marks]
- 18. a) Record journal entries for the following:
 - i) Bought from Ritu Kapoor goods worth Rs. 60,000/- at 10% trade discount and 5% cash discount and paid half the amount in cash immediately.
 - ii) Received Rs. 1,890/- from Sohan in full settlement of his account for Rs. 2,000/-.
 - b) Explain the following in brief with examples:
 - i) Credit Vouchers
 - ii) Transfer Vouchers

[6 marks]

[4 marks]

- 19. A company purchased a plant for Rs. 40,000/- on January 1, 2009. It purchased another plant on April 1, 2010 for Rs. 24,000/-. On September 1, 2011 the plant purchased on January 1, 2009 was sold for Rs. 30,000/-. A new plant was purchased for Rs. 27,000/- on the same date. The company charged Depreciation at 10% on Diminishing Balance Method. Prepare Plant Account upto December 31, 2011. [6 marks]
- 20. Bhagat owned Rs. 15,000/- to Saran on January 1, 2011. Both are very honest and dedicated businessmen. They always keep their word. Saran draws a bill on Bhagat for this amount for two months. Bhagat accepts it and returns it to Saran. Saran discounts it at 6% p.a. Before the due date of the bill, Bhagat approached Saran and told him that he is not in a position to pay the full amount on due date. He requested Saran to accept a part payment of Rs. 5,000/- and to draw another bill upon him for the balance for further period of one month along with interest @ 12% p.a Saran agreed to his request. The Second bill was duly met on maturity. Give entries in the book of Saran and highlight the business values.
- 21. The Trial Balance of M/S Gupta & Sons shows a difference of Rs. 52,200/-. The difference is placed on debit side of suspense account. Afterward the following errors were disclosed:
 - a) The purchase books was undercasted by Rs. 20,000/-.
 - b) A cheque received from Vasudev for Rs 7,800/- and had been debited in cash book, but not posted in his personal account.
 - c) The returns outwards book had been overcast by Rs. 10,000/-.
 - d) Goods returned by Yashpal worth Rs. 15,000/- have been entered in returns outward book. However , Yashpal's account is correctly posted.

Pass the necessary entries to rectify them and show the Suspense Account.

[6 marks]

22. Saurav started a firm on 1st January, 2013 with a capital of Rs. 10,000/-. On 1st April, 2013 he borrowed from his wife a sum of Rs. 4,000/- @ 9% p.a. (Interest not yet paid) for business and introduces further capital of Rs. 1,500/-. On 31st December 2013, his position was: Bank Rs. 600/-; stock Rs. 9,400/-; Bills receivables Rs. 7,000/-; and Bills Payables Rs. 6,000/-. Ascertain his profit or loss taking into account Rs. 4,000/- for his drawings during the year.

[6 Marks]

23. From the following trial balance of Mr. T. R. Shukla, prepare his Trading & Profit and loss account for the year ended March 31, 2011 and his Balance Sheet as on that date.

| Particulars | Amount | Particulars | Amount |
|-----------------------|--------------|-----------------|--------------|
| Debit Balance: | | Credit Balance: | |
| Bad Debts | 2,000.00 | Capital | 2,10,000.00 |
| Carriage Inwards | 4,000.00 | Creditors | 65,400.00 |
| purchases | 5,60,000.00 | Sales | 6,80,000.00 |
| Returns Inward | 15,000.00 | Loan | 60,000.00 |
| Furniture | 18,000.00 | Discount | 600.00 |
| wages | 55,000.00 | Purchase Return | 21,000.00 |
| Debtors | 70,000.00 | Bills Payables | 32,000.00 |
| Rent | 25,000.00 | | |
| Drawings | 15,000.00 | | |
| Interest on Loan | 2,000.00 | | |
| General Expenses | 4,000.00 | | |
| Salaries | 5,000.00 | | |
| Cash in hand | 10,000.00 | | |
| Land & Building | 2,40,000.00 | | |
| Advertising | 12,000.00 | | |
| Salesman's Commission | 7,000.00 | | |
| Opening Stock | 25,000.00 | | |
| | 10,69,000.00 | | 10,69,000.00 |

Adjustments:

- i) There were further bad debts of Rs. 3,200/- which could not be recorded earlier.
- ii) Rent is paid at the rate of Rs. 2,000/- per month.
- iii) Create a provision for doubtful debt @ 5% of net debtors.
- iv) Closing stock as on March 31, 2011 is valued at Rs. 36,000/-.
- v) A purchase of furniture for Rs. 12,000/- was included in purchases by mistake. [8 marks]

24. a) Prepare income and expenditure account from the following Receipts and Payments account for the year ended December 31, 2010 for Delhi Club.

RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2010

| RECEITS & FATHERTS ACCOUNT ON THE TEAK ENDED DECEMBER ST, 2010 | | | | | | | |
|--|-------------|------------------------|-------------|--|--|--|--|
| Receipts | Amounts | Payments | Amount | | | | |
| To balance b/d | | By Salaries | 50,000.00 | | | | |
| Cash 5,000 | | By Repairs | 7,000.00 | | | | |
| Bank <u>1,35,000</u> | 1,40,000.00 | By Stationary | 2,000.00 | | | | |
| To Subscription Received | 1,80,000.00 | By Table Tennis Table | 50,000.00 | | | | |
| To Entrance Fees | 20,000.00 | By LIC Bond | 60,000.00 | | | | |
| To Donations | 60,000.00 | By General Expenses | 6,000.00 | | | | |
| To Interest on investment | 2,000.00 | By Furniture Purchased | 80,000.00 | | | | |
| To Sale of old newspapers | | By Insurance | 3,000.00 | | | | |
| and magazines | 1,200.00 | By Balance b/d | | | | | |
| | | Cash 12,000 | | | | | |
| | | Bank <u>1,33,200</u> | 1,45,200.00 | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | 4,03,200.00 | | 4,03,200.00 | | | | |

During the year the club spent on educating the people about the risks of 'Smoking and Drinking'.

Additional Information:

- i) Subscription due for the year 2010 was Rs. 5,000/- and subscription received in advance for 2011 was Rs. 3,200/-.
- ii) Insurance is prepaid for Rs. 800/-.
- iii) Salaries Outstanding for 2010 were Rs. 12,000/-.
- iv) Half of donations are to be capitalized.
- b) How would you treat the following items in case of a net profit organization:
 - i) Prize Fund Rs. 25,000/ii) Interest on Prize Fund Investment Rs. 500/-
 - iii) Prize Paid Rs. 1,000/-

iv) Prize Fund Investments Rs. 4,000/- [6+2 Marks]