

PRAGATI PUBLIC SCHOOL

Mid Term (2017-18)

Accountancy (Set -B)

Class: XI

Time: 3 hrs

M. M: 90

General Instructions:

1. All questions are compulsory
2. Marks for each question are indicated against it.
3. Attempt all parts of a question together.

1	Which basis of accounting is recognized under the Companies Act, 1956?	1
2	Mention two examples of Revenue Expenditure.	1
3	Distinguish between Cash Basis of Accounting and Accrual Basis of Accounting on the basis of 'reliability'.	1
4	Total of Sales Book is posted to the credit side of the Sales Account in the General Ledger while individual account of customers is debited by the amount of their respective purchases. Is the above statement correct? Give reasons.	1
5	What is meant by a 'Journal Proper'?	1
6	Proprietor of a firm has taken goods for his personal use. The accountant has accounted it as sale in the books of accounts. Is he correct in his accounting?	1
7	Explain any three objectives of Accounting.	3
8	(i) Mention any one difference between journal and ledger. (ii) Mohan & Co. sold goods amounting to Rs.50,000 at a trade discount of 5% to GSC Co. As per the terms, if GSC Co. made full payment to Mohan & Co. within 15 days it will get Cash discount of 2%. GSC Co. paid the full amount within the stipulated time. Determine the amount of Cash discount that GSC Co. may get. Also pass a journal entry to record this transaction in the books of Mohan & Co.	1+2
9	X started a business on 1 st April, 2012 with a capital of Rs. 50,000 and a loan of Rs. 25,000 borrowed from Y. During 2012 - 13, he had introduced additional capital of Rs. 25,000 and had withdrawn Rs. 15,000 for personal use. On 31 st March, 2013 his assets were Rs. 1,50,000. Calculate his closing capital as on 31 st March, 2013 and profit made or loss incurred during the year 2012 -13.	3
10	If the accounting information is not clearly presented, which of the qualitative characteristic of the accounting information is violated? Name and explain it. Also explain any other two qualitative characteristics of the accounting information.	3
11	Due to a major loss in the current year, the accountant of the firm has not charged depreciation on fixed tangible assets. Whether his decision not to charge depreciation is correct? What will be the impact of the decision on financial statements?	3
12	a. Give an example for a transaction which results in : Increase in one liability, decrease in another liability. b. Pass journal entries for the following: Goods destroyed by fire Rs.70,000; Insurance Co. admitted and paid claim for 40% amount.	1 + 2
13	(i) Why are the rules of debit and credit same for liability and capital? (ii) Classify the following as per Modern or Traditional classification of accounts: a. Patents b. Bank Overdraft c. Prepaid Insurance d. Purchases e. Freight f. Premises	1+3
14	A firm has voluminous transactions and, therefore, it records its transactions in Cash Book, Journal and other subsidiary books. The firm follows financial year for its accounts. It prepares its financial statements by April 15 every year. What does this	4

	indicate? Mention any two values depicted here. b. Cash book is both a subsidiary book and a principal book. Explain.							
15	(i) Distinguish between Loss and Expense. (ii) Distinguish b/w non-current assets and current assets by giving two examples of each.	2+2						
16	Prepare a trial balance from the following information: <u>Heads of accounts</u> Opening Stock 20,000 Cash A/c 61,000 Capital A/c 99,620 Purchases A/c 85,000 Sales A/c 1,60,000 Rent A/c 6,900 Discount allowed 710 Sales Returns A/c 6,200 Plant & Machinery A/c 68,000 Debtors A/c 36,000 Creditors A/c 12,750 Commission received 1,440	4						
17	Explain the following Source Documents: (i) Invoice (ii) Pay-in-slip	4						
18	Prove the accounting equation in the following transactions:- (i) Started business with cash Rs. 1,00,000, goods Rs.12,000 and a computer Rs. 30,000. (ii) 1/3 rd of the above goods sold at a profit of 10% on cost. (iii) Purchased goods on credit Rs.16,000. (iv) Paid to creditor in full settlement Rs. 15,250. (v) Wages outstanding Rs.2,600.	6						
19	Pass journal entries: (i) Wood used for making office furniture Rs. 3,000. (ii) Rs.8,000 recovered for a bad debt written off last year. (iii) An old machine with the book value of Rs.80,000 is exchanged for a new machine of Rs.2,40,000. The balance payment to be made to the supplier, Machine Tools Ltd. is Rs.1,60,000. (iv) Paid landlord Rs.1,500 for rent. One-third of the premises is occupied by the proprietor for his own residence. (v) Goods distributed as free samples Rs.5,000 (Sales price Rs.6,000). (vi) Ram became insolvent. A first and final compensation of 75 p in a rupee received from his official receiver. He owed us a debt of Rs.25,000.	6						
20	A Machinery was purchased on 1 st Jan, 2009 for Rs.36,000 & Rs.4,000 was spent on its installation. On 1 st July, 2009, it purchased another machinery for Rs.20,000. On 1 st July, 2011, it sold off the first machine purchased on 1 st Jan, 2009 for Rs.12,000 and on the same date purchased a new machinery for Rs.64,000. Depreciation is provided at 10% p.a. on the Written Down Value Method. Accounts are closed each year on 31st December. Show the machinery account from 2009 to 2011.	6						
21	From the following transactions prepare a triple column cash book : <table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 15%;">Apr 2012</th> <th style="width: 85%;">Particulars</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Cash in hand Rs.6,500, and bank balance (Cr.) Rs.22,000</td> </tr> <tr> <td>2</td> <td>Sold old furniture for cash Rs.3,500</td> </tr> </tbody> </table>	Apr 2012	Particulars	1	Cash in hand Rs.6,500, and bank balance (Cr.) Rs.22,000	2	Sold old furniture for cash Rs.3,500	6
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