

PRACTICE MODEL PAPER-2018-19
SUBJECT-ACCOUNTANCY, CLASS-XI

TIME:- 3 HOURS

MAXIMUM MARKS:-90

General Instructions:

- (i) **This question paper contains Two Parts A and B, both the parts are compulsory for all.**
- (ii) **All parts of questions should be attempted at one place.**
- (iii) **Marks are indicated against each question.**
- (iv) **Show your workings clearly.**

PART A: FINANCIAL ACCOUNTING -I

- Q.1 What does a credit balance in a capital account signify? **(1)**
- Q.2 Explain the document on the basis of which the Purchases Return Book is prepared. **(1)**
- Q.3 What is meant by the term 'Noting'? **(1)**

OR

What do you mean by retiring Bill under rebate?

- Q.4 'Accounting information should be verifiable and free from personal Bias'. Name the qualitative characteristic of accounting information denoted by this statement. **(1)**

OR

What is meant by Generally Accepted Accounting Principles (GAAP)?

- Q.5 During the Financial year 2017-18, Ram earned total revenue of ₹ 4, 70,000 by selling the goods. Out of total sales there were credit sales of ₹ 1, 30,000. The total expenses for the year were ₹ 2,50,000, out of which ₹ 30,000 are still outstanding. Find out Ram's income for 2017-18 as per

- (i) Cash Basis of Accounting and
- (ii) Accrual Basis of Accounting. **(3)**

- Q.6 Name the term associated with the following:

- (a) The person to whom amount is owed on account of credit purchase of goods or services.
- (b) The amount which is spent or liability incurred for acquiring assets, goods and services.
- (c) The article in which a business deals. **(3)**

Q.7 Explain with example any three of the following accounting conventions :

- (i) Full Disclosure
- (ii) Consistency
- (iii) Materiality
- (iv) Conservatism

(3)

OR

- (i) Why is it necessary for accountants to assume that business entity will remain a going concern?
- (ii) Why do accounting principles emphasize the use of historical cost as a basis for measuring assets?

Q.8 Write any two objectives of Accounting Standard(AS) and Goods and Services Act.(GST).

(4)

OR

Vinay has the following transactions. Show accounting equation for the same:

- (i) Started business with cash ₹ 30,000; Stock ₹ 12,000; Machinery ₹ 20,000; Furniture ₹10,000.
- (ii) 1/3rd of the above goods sold at a profit of 10% on cost and half of the payment is received in cash.
- (iv) Cash withdrawn for personal use ₹ 2,000.
- (v) Interest on drawing charged @5%

Q.9 (a) What do you mean by provision? Give two examples.

(b) State two difference between provision and reserve.

(4)

Q.10 You are required to journalise the following transactions: Balances in the books of Ratan Lal, a computer dealer on 1st April, 2018:

- (i) Cash ₹500; Bank overdraft ₹1,000; Stock ₹7,000; Building ₹6,500; Computers ₹3,500.
- (ii) On the same day, he sold a computer, the book value of which was ₹2,000 was for ₹1,950.
- (iii) Purchased goods for ₹ 15,000 from Vijay at a trade discount of 10%. The purchase is subject to a levy of CGST and SGST @ 9% each. 40% of the amount is paid immediately made by cheque.
- (iv) Goods of the value of ₹ 2,000 are distributed from the stock as free samples. These goods had been purchased paying CGST and SGST @ 9% each.

(4)

Q.11 Pass necessary Journal Entries to rectify the following errors:

- (a) Sales return book overcast by ₹ 4000.
- (b) Installation charge on new machinery purchased ₹ 2,000 were debited to sundry expense account as ₹ 200.
- (c) Rent paid for owner's personal resident ₹ 15,000 was debited to rent A/c as ₹10,000.
- (d) Purchased furniture ₹ 10,000 recorded in purchases account. **(4)**

Q.12 Rakesh owed to Suresh Rs 25,000 on 1st April, 2018. On the same date, Suresh drew three bills of ₹ 7,000; ₹ 8,000 and ₹ 10,000 respectively with due date of 1 month, two month and three months. All Three Bills were accepted by Rakesh. On same date Suresh endorsed his first bill in favour of Dinesh his creditor and settled ₹ 7,180. On 4th May he discounted second bill with his bank on @ 15% p.a. and kept third bill by himself. On the due date, all bills were met except second bill which was dishonoured and noting charges ₹ 250 were paid by the bank. Rakesh agreed to pay ₹ 4,250 by cheque and accepted another bill for the remaining amount for 3 months together with interest @ 12% p.a. On the due date, the bill was duly met.

Pass the journal entries in the books of Suresh.

(6)

OR

On 1st May 2018 Mohan sends his promissory note of ₹ 6000 for 3 months to Rohan. Rohan gets it discounted with his bankers at 18 percent per annum on May 04. On the due date the bill is dishonoured, the bank paying ₹ 10 as noting charges. Rohan agrees to accept ₹ 2,130 in cash (including ₹ 130 for noting charges and interest) and another promissory note for ₹ 4,000 at 2 months. On the due date, Mohan approaches Rohan again and asks for renewal of the bill for a further period of 3 months. Rohan agrees to the request, provided Mohan pays ₹ 200 as interest in cash. This last bill is paid on maturity.

Draft journal entries in the books of Mohan

Q.13 On 31st January, 2018, Sekhawat's cash book showed a bank overdraft of ₹1,25,000. On comparing it with the pass book, the following differences were noted.

- (a) Cash and cheques amounting to ₹13,400 were sent to the bank on 27th January, but cheques worth ₹2,300 were credited on 2nd February and one cheque for ₹450 was returned by them as dishonoured on 4th February.
- (b) During the month of January, Sekhawat issued cheques worth ₹16,700 to his creditors. Out of these, cheques worth ₹13,700 were presented for payment on 5th February.
- (c) According to Sekhawat's standing orders, the bankers have made the following payments during the month of January:
 - (i) Life insurance premium ₹1,920.
 - (ii) Television license fee ₹1,200.
- (d) Sekhawat's bankers have collected ₹1,500 as dividend on his shares.
- (e) Interest charged by the bank ₹1,250.
- (f) A bill receivable of ₹1,000 discounted with the bank in December, 2017, was dishonoured on 31st January, 2018.

You are required to

Prepare a Bank Reconciliation Statement from the amended cash book as at 31 st January, 2018. **(6)**

Q.14 Enter the following transactions in the Double column cash book with Bank column of Shri Daya Ram

- 1.3. 2018 Cash at office ₹ 1230 and Bank balance (Cr) ₹ 25750.
- 7.3. 2018 Discounted a bill for ₹ 500 at 1% through bank.
- 12.3.2018 Deposited into bank ₹ 500.
- 15.3.2018 Mohan settle his account for ₹ 7500 by giving a cheque of ₹ 7300.
- 18.3.2018 Mohan's cheque deposited into bank.
- 25.3.2018 Mohan's cheque returned dishonoured .
- 31.3.2018 Paid salary by cheque ₹1000. **(6)**

Q.15 On April 01,2014, following balances appeared in the books of M/s Bansidhar Traders :

Machinery account- ₹ 50,000

Provision for depreciation on machinery- ₹ 22,000

On October 01,2014 a part of machinery purchased for ₹ 20,000 on April 01,2010 was sold for ₹ 5,000. On the same date a new machinery costing ₹ 25,000 was purchased. The depreciation was provided @12% p.a. on original cost of the assets.

Prepare machinery account and provision for depreciation account for the year ending March 31st 2015.

OR

On 1st April,2014 a firm purchased a machinery for ₹ 12,00,000. On 1st Oct, 2016 a part of the machinery purchased on 1st April 2014 for ₹ 80,000 was sold for ₹ 45,000 and a new machinery at the cost of ₹ 1,58,000 was purchased and installed on the same date . The firm charges depreciation on its machinery @10% p.a. on written down value method. The books are closed on 31st March of every year.

Prepare machinery account and provision for depreciation account for 4 years. **(8)**

PART B: FINANCIAL ACCOUNTING -II

Q.16 Give the adjusting entry and closing entry for interest due on a loan taken. **(1)**

OR

Can a limited company maintain its accounts under single entry system?

Q.17 Name the software which is developed for user in general ? **(1)**

Q.18 Calculate Gross Profit when total purchases during the year are ₹ 8,00,000; return outwards ₹ 20,000; Direct expenses ₹ 60,000 and $\frac{2}{3}$ rd of the goods sold for ₹ 6,10,000. **(3)**

Q.19 Differentiate between manual and computerized accounting system. **(3)**

Q.20 Operating profit earned by M/S Arora & Sachedeva in 2017-18 was ₹ 17,00,000. Its Non operating incomes were ₹ 1,50,000 and Non operating expenses were ₹ 3,75,000. Calculate the amount of Net profit earned by the firm. **(3)**

OR

Classify the following into Capital and Revenue [Profit / Loss / Expenditure]

- (a) Profit made on the sale of an asset.
- (b) Spent ₹6,000 as legal expenses for abuse of trade mark.
- (c) Loss incurred on the sale of a short-term investment.

Q.21 From the following information supplied by M/s. Sudhakar, calculate the amount of 'Net Sales'

	₹
Debtors on April 01, 2017	65,000
Debtors on March 31, 2018	50,000
Opening balance of bills receivable as on April 01, 2017	23,000
Closing balance of bills receivable as on March 03, 2018	29,000
Cash received from debtors	3,02,000
Discount allowed	8,000
Cash received against bills receivable	21,000
Bad debts	14,000
Bill receivables (dishonoured)	20,000
Cash sales	2,25,000
Sales return	17,000

Q.22 Asima keeps her accounts under single entry. Her position on 1st April, 2017, was as follows:

Particulars	1st April, 2017(₹)
Plant and Machinery	40,000
Stock	6,000
Cash in hand	600
Debtors	15,000
Loan from Hira @6 % per annum interest	1,000
Bank overdraft	1,100
Creditors	12,120

On 31st March,2018, she owed to her creditors ₹10,170, the cash and bank balance was ₹5,100 and stock was valued at ₹3,500. Her debtors owed her ₹23,000 out of which out of which she got to know that ₹1,900 would be bad.

On 1 st October, 2017 she paid to Hira ₹500 in lieu of her loan, but did not pay any interest. During the year, Asima:

- (i) Bought additional plant and machinery which cost ₹14,000
- (ii) Withdrew ₹8,000 for domestic purposes.
- (iii) Introduced further capital of ₹10,000.

From the above information, you are required to ascertain the profit made or loss incurred by Asima for the year ending 31st March,2018. **(6)**

Q.23 What is meant by MIS? Explain four advantages of ready to use software. **(6)**

Q.24 From the following balances as at 31st March, 2018, you are required to prepare:

- (i) A Trading and Profit & Loss Account.
- (ii) A Balance Sheet.

Trial Balance
As at 31st March, 2018

Particulars	L.F.	Debit Bal (₹)	Credit Bal (₹)
Furniture & Fittings		640	
Land & Building		13,750	
Capital			13,500
Bad Debts		125	
Provision for Doubtful Debts			200
S. Debtors & S. Creditors		3,800	5,350
Stock as on 1st April 2016		3,460	
Purchases and Sales		5,475	15,450
Sales & Purchases returns		200	125
Commission			375
Cash		918	
Taxes and Insurance		1,250	
Depreciation on Building		982	
Depreciation on Furniture		100	
Salaries		3,300	
Patents		2,000	
5% Loan			2,000
Input IGST		5000	
Output IGST			4000
Total		41,000	41,000

The following adjustments are to be made:

- ₹500 purchases returns included in sales.
- Stock in hand on 31st March, 2018 at cost price was ₹3,250 and at market price was ₹3,000.
- Insurance includes annual premium of ₹500 which will expire on 30th June, 2017.
- Increase bad debts to ₹225.
- Stock costing ₹1,000 was destroyed by fire. The insurance company admitted to a claim of 40% of the loss.

OR

The following balances were extracted from the books of M/s Durga Prasad Devi Dutt as on 31st March, 2018

Debit Balances	L.F	₹	Credit Balances	₹
Cash		5,000	Creditors	7,500
Debtors		8,260	Bank overdraft	5,250
Stock on 1-4-2017		22,600	Capital	25,000
Furniture		5,000	Sales	1,01,000
Drawings		575	Provision for Bad Debts	900
Motor cars		3,000	Bills payable	1,500
Purchases		72,800	Outstanding wages	2,185
Wages		7,500	Returns	430
Returns		350	Unearned rent	500
Salaries		1,600		
Stationery and Printing		465		
Bad debts		300		
Bill receivables		1,740		
Rent		1,800		
Loan at 3% to Subhash (on 1-12-2017)		5,000		
Investments		7,900		
Prepaid insurance		375		

Adjustments:

- (i) Depreciation on furniture is to be charged @10%
- (ii) Goods of the value of ₹800 destroyed by fire and insurance company admitted claim of ₹600.
- (iii) Sundry debtors included an item of ₹200 for goods withdrawn for personal use, and an item of ₹300 due from customer who was declared insolvent.
- (iv) Provision for doubtful debts is to be maintained at 5% on debtors
- (v) Outstanding salaries ₹400.
- (vi) Stock on 31st March, 2018 was ₹12,000.

From the above information, prepare trading and profit and loss account and balance sheet for the year ended 31st March, 2018.

(8)

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