

**ARMY PUBLIC SCHOOL SHILLONG**  
**ANNUAL EXAMINATION 2022-23**  
**CLASS XI COMMERCE**  
**ACCOUNTANCY**

**Time Allowed -3 Hour**

**Maximum Marks-80**

**General instructions :**

- 1 This question paper contains 34 questions.**
- 2. Marks are indicated against each question.**
- 3. Attempt all parts of the questions together.**

1. If the transaction is properly analysed and recorded: 1
  - a) Only two accounts will be used to record the transaction
  - b) One account will be used to record transaction
  - c) One account balance will increase and another will decrease
  - d) Total amount debited will be equal to total amount credited
  
2. The bad debt and Provision for Provision for doubtful debts appears in the trial balance as Rs 600 and Rs 5000 respectively. During the year ended on 31<sup>st</sup> of March 2022 the further bad debt was determined at Rs 1400. The accountant wants to maintain the new provision at Rs 8600. The amount to be debited or credited to the profit and loss Account will be: 1
  - a) Credit Rs 8600
  - b) Debit Rs 5600
  - c) Credit Rs 5600
  - d) None of the above
  
3. Which of following errors will be rectified through suspense account: 1
  - a) Sales return book under cast by Rs 1,000.
  - b) Sales return by Madhu Rs 1,000 not recorded.
  - c) Sales return by Madhu Rs 1,000. recorded as Rs 100.
  - d) Sales return by Madhu Rs 1,000 recorded through purchases returns book
  
4. Statement 1: Depreciation on Fixed asset is an expense and is debited to Profit & Loss a/c . 1  
Statement 2 : Depreciation cannot be provided in case of loss in a Financial year.  
Which of the following options is correct?
  - a) Only statement 1 is true and 2 is false
  - b) Only statement 2 is true and 1 is false
  - c) Both statement 1 and 2 are true
  - d) Both statement 1 and 2 are false
  
5. Transaction (Error): Sale of goods on credit to Shilpa for Rs 620 was recorded in Sales book but not posted to Ledger 1  
Classify the following error into:
  - a) Error of omission
  - b) Error of commission
  - c) Compensating error
  - d) Error of Principle
  
6. Choose the correct sequence of accounting process: 1

- a) Vouchers - Ledger - Recording - Identification - Trial balance and Financial statements.
- b) Trial balance and Financial statements - Ledger - Recording - Voucher - Identification .
- c) Identification - Voucher - Recording - Ledger - Trial balance and Financial statements .
- d) Identification - Voucher - Ledger - Recording - Trial balance and Financial statements.
7. Namita has returned goods worth Rs 25,900 to Namrita. Which 'Source document' will be prepared by Namrita? 1
- a) Invoice
- b) Debit note
- c) Credit note
- d) Cash Memo
8. Debit balance as per pass book of a trader shows Rs 11000. A customer deposited Rs 2500 directly to the bank was entered in the cash book as Rs 5200. After reconciliation credit balance as per cash book will be 1
- a) Rs 13500
- b) Rs 8300
- c) Rs 13700
- d) None of the above
9. A cheque of Rs 2400 returned dishonoured by bank was not intimated to the trader. Further bank charges of Rs 300 was entered twice on the cash book by mistake . On reconciling the cash book balance of Rs 12000, the pass book will show balance of 1
- a) Rs 14600
- b) Rs 9900
- c) Rs 14100
- d) Rs 7200
10. Which if the following is not a current liability: 1
- a) Creditors
- b) Bank overdraft
- c) Debenture
- d) Rent received in Advance
11. Suchi, the accountant of the organisation compares the Income statement of 2 years to decide how much investment is to be made outside the business. Identify the qualitative feature of Accounting information from the given statement. 1
12. Ram is running a cloth business in Delhi. He purchased a machinery on credit for Rs 1,00,000. Identify the 'Subsidiary Book' where it is to be recorded/shown. 1
13. B limited spent Rs 1800 on freight of a newly purchased machinery and Rs 20,000 towards additions to the machinery. Identify the expenditure/expenditures and also calculate the amount for the identified expenditure/expenditures 1
14. Sunila gets a definite sum every month from the organisation for meeting small expenses. It's 1

balance is found at the end of each month to restart for next month. The amount to be paid to Sunila at the beginning of every month is known as \_\_\_\_\_ amount .

15. What is a suspense account? 1
16. Differentiate between Provision and Reserve on the basis of source of its creation. 1
17. Goods costing Rs 40000 was destroyed by fire and insurance claim of Rs 33000 was settled. How this adjustment is going to affect the preparation of financial statements. 1
18. Mr Sujit wants to show the expenditure on Advertisements of Rs 600000 spend during the year ended 31/03/2021 in 3 years. What will be the best way to treat the expenditure. 1
19. Net profit of a business is Rs 340000 and its Cost of goods sold and indirect expenses amounted to Rs 178000 and Rs 90000 respectively. Calculate the Gross profit. 1
20. Name any two Specific Reserves. 1
21. Compute 'Operating Profit' from the following information 3
  - ✓ Gross profit Rs 1,00,000
  - ✓ Salaries Rs 5,000
  - ✓ Audit fees Rs 2,000
  - ✓ Lighting Rs 2,500
  - ✓ Gain on sale of machinery Rs 7,700
  - ✓ Insurance premium Rs 3,400
  - ✓ Donations Rs 4,200
  - ✓ Loss on sale of furniture Rs 10,800
  - ✓ Advertisement Rs 8,200
  - ✓ Bad debts Rs 4,800
  - ✓ Interest on loan Rs 3,600
22. Identify and explain the Accounting Principles/Concepts/Conventions followed or violated in the following situations: 3
  - I. 'Puri and Sons' is following the policy of valuing the closing stock at cost price irrespective of the fact that its market price is significantly lower than the cost price
  - II. 'Jain and Sons' is in Garments business. Their accountant prepared a single set of Financial statements for the time period from 1/4/2019 to 31/3/21
23. A part of Machinery costing Rs 80000 as on 1<sup>st</sup> April 2018 to be sold on 1<sup>st</sup> July 2021 for Rs 68200. Depreciation is charged @10 % p.a on the Original cost every year on 31<sup>st</sup> March. Prepare Machinery Disposal Account. 3
24. Discuss the use of Accounting information to the internal users in business. 3

OR

Explain the meaning of gain and profit. Distinguish between these two terms.
25. Show the effect of the following transaction on assets, liabilities and capital using the Accounting equation 4

- i) Started business with Cash Rs 60,000.  
 ii) Purchase goods Rs 30,000.  
 iii) 1/3 of above goods sold at a profit of 10% on cost and half of the payment is received in cash.  
 iv) Accrued interest Rs 500.
26. Record the following transactions in the double column Cash Book of 'Vertika'. 4  
 1/1/22 Cash in hand Rs 2,500 and at bank Rs 25,000  
 2/1/22 Received a cheque of Rs 10,000 from Jeetansh  
 3/1/22 Paid Salaries by cheque Rs 5,000 and cash Rs 2000  
 4/1/22 Dividend collected by bank Rs 2,500  
 5/1/22 Cheque received from Jeetansh deposited in bank  
 6/1/22 Withdrew Rs 2,500 from bank for office use
27. Journalise the following transactions in the book of M/S Hiralal and prepare Ledger accounts of Harshit and Purchase 4  
 i) Sold goods to Harshit of list price Rs 30,000 and to Harshita of list price Rs 50,000 at a trade discount of 10% on 1st April, 2022. 10% cash discount may be availed if they make the payment on or before 15th April, 2022. Harshit gave a cash to clear his dues on 14th April, 2022 and Harshita paid for her dues by cheque on 28th April, 2022  
 ii) Mohan Lal and Sons sold goods to us of list price Rs 90,000 @20% trade discount. He accepted 1/3rd of the payment through a draft and they allowed a cash discount of 7.5% on 28th April
28. Prepare Sales book and Sales Return Book of M/s Akash of Rajasthan from the following transactions : 4  
Aug. 07, 2022  
 Sold to M/s Rahul Bros., Delhi (Invoice No. 3620)  
 25 shirts @ Rs 300 per shirt  
 20 pants @ Rs 700 per pant  
 Trade Discount @ 8%
- Aug. 10, 2022,  
 Returned 05 Shirts to M/s Rahul Bros., Delhi (Credit Note No. 612)
- Aug. 18, 2022,  
 Sold to M/s Kishan Traders, Jaipur (Invoice No.-3621)  
 10 jackets @ Rs 900 each.  
 05 plain shirts @ Rs 400 per shirt  
 Trade Discount @ 8%
29. Mr Hriday's Cash book show a credit bank balance on 31st Dec 2022 as Rs 40500 but Pass book shows a difference due to following reasons: 4  
 i) A post dated cheque for Rs 900 has been debited in the bank column of cash Book but could not have been presented.  
 ii) Cheques totaling Rs 10200 deposited with the bank have not yet been collected and a cheque for Rs 4000 has been dishonored.

- iii) Insurance premium amounting Rs 500 paid by bank has not been entered in cash book.
- iv) A bill for Rs 10,000 was retired by the bank under a rebate of 150 but the full amount credit in the bank column of cash book.
- v) A cheque for Rs 5000 drawn in favour of Jitender has not yet presented for payment.

Prepare bank reconciliation statement.

- 30 How the following will be treated in the Profit and Loss Account and balance sheet of a business firm: 4

Extract of trail balance as at 31-03-22

Debtors	82000	
Bad debt	5600	
Provision for doubtful debt		16000
Discount Recieved		2100

Additional information :

There was a further bad debt of Rs 2000 and provision for bad and doubtful debt to be maintained at 5% of debtors. Discount on debtors to be allowed at 2% .

- 31 On 1st August 2019, Shizuka Ltd. purchased a machinery for Rs.3,00,000. On 1st November, 2020 another machinery was purchased for Rs.1,80,000. On 1st July 2021, the machine purchased on 1st August, 2019 was sold for Rs. 1,68,000 and on the same date a fresh machinery was purchased for Rs.2,00,000. Depreciation was provided @ 10% p.a. on the Original cost Method. Books are closed on 31st March every year. You are required to prepare Machinery Account and Provision for Depreciation Account for three years ending 31st March, 2022. 6

OR

On October 01, 2011 Juneja Transport Company purchased 2 Trucks for Rs 10,00,000 each. On July 01, 2013, One Truck was involved in an accident and was completely destroyed and Rs 6,00,000 were received from the insurance company in full settlement. On December 31, 2013 another truck was involved in an accident and destroyed partially, which was not insured. It was sold off for Rs 1,50,000. On January 31, 2014 company purchased a fresh truck for Rs 12,00,000. Depreciation is to be provided at 10% p.a. on the written down value every year. The books are closed every year on March 31. Prepare the truck account from 2011 to 2014.

- 32 Journalise the following transactions in the books of Mohan assuming CGST and SGST @6% each 6
- i) Purchased goods from Chetan of list price Rs 50,000 less 10% trade discount
  - ii) Sold goods to Pankaj of list price Rs 20,000 less 5% trade discount
  - iii) Purchased machinery costing Rs 1,25,000
  - iv) Pankaj returned goods of list price Rs 3,000
  - v) Mohan withdraws Rs 5,000 from bank and goods of purchase price Rs 5,000 for personal use
  - vi) Provide 10% depreciation on machinery

- 33 Trial balance of Raju showed an excess debit of Rs 10,000. He put the difference to suspense account and discovered the following errors : 6

- a) Depreciation written-off the furniture Rs 6,000 was not posted to Furniture account.
  - b) Credit sales to Rupam Rs 10,000 were recorded as Rs 7,000.
  - c) Purchases book under cast by Rs 2,000.
  - d) Cash sales to Rana Rs 5,000 were not posted.
  - e) Old Machinery sold for Rs 7,000 was credited to sales account.
  - f) Discount received Rs 800 from Kanan on playing cash to him was not posted.
- Rectify the errors and prepare suspense account.

OR

Trial balance of Madan did not agree and he put the difference to suspense account. He discovered the following errors:

- (a) Sales return book overcast by Rs 800.
- (b) Purchases return to Sahu Rs 2,000 were not posted.
- (c) Goods purchased on credit from Narula Rs 4,000 though taken into stock, but no entry was passed in the books.
- (d) Installation charges on new machinery purchased Rs 1500 were debited to sundry expenses account as Rs 150.
- (e) Rent paid for residential accommodation of madam (the proprietor) ` 1,400 was debited to Rent account as Rs 1,000.

Rectify the errors and prepare suspense account to ascertain the difference in trial balance.

- 34 The under mentioned Trial Balance was extracted from the books of M/s Deva traders on 31<sup>st</sup> March, 2018: 6

Debit Balances	Rs.	Credit Balance	Rs.
Land and Building	6,600	Capital	21,000
Plant and Machinery	8,000	Sales	32,000
Office Furniture	1,000	Sundry Creditors	2,900
Purchases	18,000	Returns	500
Sundry Debtors	8,500	Bills Payable	3,000
Returns	300	10% Bank loan	4000
Rent Rates & Taxes	750		
Stock (1-4-2017)	3,200		
Postage	100		
Selling Expenses	900		
Wages & Salaries	2,800		
Telephone Charges	400		
Establishment Expenses	2,450		
Printing and Stationery	1,500		
Bad Debts	100		
Commission	1,000		
Cash in hand	2,000		
Motor Cycle	4,200		
Travelling Expenses	400		
Carriage Inwards	1,000		
Drawings	200		
	63400		63400

Prepare Trading and Profit and Loss Account and Balance Sheet as on 31<sup>st</sup> March, 2018. After taking the following adjustments into consideration:

1. The value of stock on 31<sup>st</sup> March, 2018 was Rs. 7,500 and stock of stationery in hand was Rs. 500.
2. Wages worth Rs. 200 are outstanding for the month of March.
3. Interest on Capital is to be provided for at 5% p.a.
4. Plant and Machinery is to be depreciated at 10%. Motor cycle was valued at Rs. 4,000 on 31-3-2018.
5. Wages and salary includes Rs 1000 for extension of building made on 1<sup>st</sup> April 2017.