

CBSE Class 11 Accountancy
Sample Paper 1 - Solutions
For CBSE Examination March 20XX

Time allowed: 3 hours

Maximum Marks: 90

General Instructions:

- i. This question paper contains two parts A & B. Both the parts are compulsory for all.
- ii. All parts of questions should be attempted at one place.
- iii. Part A contains 16 Questions of which. Question 1 to 4 carry 1 mark each. Question 5 to 9 carry 3 marks each. Question 10 and 13 carry 4 marks each. Question 14 to 15 carry 6 marks each. Question 16 carry 8 marks each.
- iv. Part B 17 to 24 question of which. Question 17 and 18 carry 1 mark each. Question 19 carry 3 marks each. Question 20 carry 4 marks each. Question 21 to 23 carry 6 marks each. Question 24 carry 8 marks each. All parts of a question should be attempted at one place

Answer 1: The characteristics of accounting are : *(Write any two)*

- a. **Identification** : It involves identification of those transactions and events which are financial.
- b. **Measurement** : In accounting, only those business transactions and events are considered which are measurable in monetary terms.
- c. **Recording** : It is the process of entering business transaction of financial character in the books of original entry in terms of money.
- d. **Classifying** : It can be defined as the process of grouping transaction of one nature at one place.
- e. **Summarising** : It involves presenting the classified data in a presentable manner which is useful for users of accounting statements.
- f. **Analysis and Interpretation** : It helps users to make meaningful judgement of the profitability of the business.
- g. **Communication** : It involves communicating the financial statements to the management or other internal and external users.

Answer 2: It is a **source document** or supporting voucher prepared to state cash received for the goods sold. It is a paid bill for cash sales.

Answer 3: Ledger Folio Column of the journal records the page number of the ledger book on which the relevant account appears.

Answer 4:The debit balance in passbook indicates **overdraft**.

Answer 5:The essential features of bills of exchange are : **(Write any three)**

- i. A bill of exchange must be in writing.
- ii. It is an order to make payment.
- iii. The order to make payment is unconditional.
- iv. The maker of the bill of exchange must sign it.
- v. The amount mentioned in the bill of exchange is payable either on demand or on the expiry of a fixed period of time.
- vi. The payment to be made must be certain.
- vii. The date on which payment is made must also be certain.
- viii. It must be stamped as per the requirement of law.
- ix. The bill of exchange must be payable to a certain person.

Answer 6: Depreciation for 1st year = Rs. 7,80,000 * 10 % = Rs. 78,000
WDV at the end of 1st year = Rs. 7,80,000 - Rs. 78,000 = Rs. 7,02,000
Depreciation for 2nd year = Rs. 7,02,000 * 10% = **Rs. 70,200**

Answer 7: i. Cash Basis of Accounting
= Rs. 13,00,000 - (8,20,000 - 80,000)
= **Rs. 5,60,000**
ii. Accrual Basis of Accounting
= Rs. (13,00,000 + 2,00,000) - 8,20,000
= **Rs. 6,80,000**

Answer 8: i. Debit
ii. Credit
iii. Debit
iv. Debit
v. Debit
vi. Credit

Answer 9:Yes, the sales book contains records of credit sales, the **purchaser's account (being debtors) is debited** following the rules applicable to asset accounts i.e. "increase in assets is debited". Since, sales is a revenue account and therefore **sales account is credited** as per the rule "increase in revenue is credited".

Answer 10:

Journal entries in the books of Ritwik

Date	Particulars	L.F	Debit	Credit
2019 March 1	Rehan A/c Dr. To Sales A/c (Being goods sold to Rehan on credit of Rs.14,800)		14,800	14,800
March 1	Bills Receivable A/c Dr. To Rehan A/c (Being the Bills receivable accepted by Rehan for 3 months)		14,800	14,800
April 25	Rahul A/c Dr. To Bills receivable A/c To Discount Received A/c (Being the Retwik endorse bill to his creditor in full and final settlement)		15,900	14,800 1,100

Answer 11:

Journal Entries in the books of Sumit & Sons

Date	Particulars	L.F	Debit	Credit
1	Drawing A/c Dr. To Cash A/c (Being the withdrawal of cash from the business for personal use)		17,000	17,000
2	Purchases A/c Dr. To Cash A/c To Creditors A/c (Being the goods bought on cash of Rs.70,000 and as well as on credit)		1,35,000	70,000 65,000
3	Wages A/c Dr. To Outstanding Wages A/c (Being the outstanding wages of Rs.14,400)		14,400	14,400
4	Bank A/c Dr. Discount A/c Dr. To Rohan A/c (Being the cheque received of Rs.20,500 form Rohan & Co. for final settlement and deposited same day into bank)		20,500 500	21,000

Answer 12:

**Bank Reconciliation statement
as on 30th November, 2019**

	Particulars	Amount
Add:	Balance as per cash book	32,000
	Cheque issued but not presented for payment	7,400
	Interest credited by the bank	800
		40,200
Less:	Cheque deposited but not yet cleared	8,200
	Insurance Premium paid by the bank	1,900
		33,900
	Balance as per the passbook	

Answer 13:

Purchase Book of M/s. Varun Bros.

Date	Particulars	Invoice No.	L.F	Details	Total (Rs.)
2018 August 04	Purchase on credit from M/s. Saanvi Infotech:				
	100 computers @ Rs.5,000 each			5,00,000	
	50 Pen drive @ Rs.400 each			<u>20,000</u>	5,20,000
August 12	Purchase on credit from Tech Yuva :				
	50 CPU @ Rs.4,000 each			2,00,000	
	120 RAM @ Rs.2,200 each			<u>2,64,000</u>	4,64,000
August 28	Purchase on credit from Arrow Tech:				
	175 RAM @ Rs.100 each			17,500	
	200 Video Card @ Rs.80 each			<u>16,000</u>	33,500
	Total				10,17,500

Answer 14:

Cash Book

Dr.					Cr.				
Date	Receipts	L.F	Cash (Rs.)	Bank (Rs.)	Date	Payments	L.F	Cash (Rs.)	Bank (Rs.)
2019									
April 1	To Balance b/d		10,000	18,800	April 2	By Computer & Printer		14,870	-----
April 2	To Sales		17,500	_____	April 13	By Furniture		_____	6,600
April 10	To Jyotica		7,850	_____	April 14	By Bank (c)		7,850	_____
April 14	To Cash (c)		_____	7,850	April 17	By Purchases		8,200	_____
April 19	To Sales		3,500	_____	April 23	By Insurance Premium		1,500	_____
April 29	To Bank (c)		250	_____	April 23	By Wages		_____	1,900
					April 29	By Cash (c)		_____	250
					April 29	By Drawing		_____	1,750
					April 30	By Balance c/d		6,680	16,150
			<u>39100</u>	<u>26,650</u>				<u>39,100</u>	<u>26,650</u>

- C- contra entry

Answer 15:

Particulars	Assets =	Liabilities + Capital
	Cash + Stock + Machinery	Creditors + Capital
1. Commenced Business	4,00,000 + 0 + 0	0+ 4,00,000
2. Purchased goods	(50,000) + 50,000 + 0	0 + 0
New equation	3,50,0000 + 50,000 + 0	0 + 4,00,000
3. Purchased machinery	0 + 0 + 1,75,000	1,75,000 + 0
New equation	3,50,000 + 50,000 + 1,75,0000	1,75,000 + 4,00,000
4. Purchased car	(90,000) + 0 + 0	0 + (90,000)
New equation	2,60,000 + 50,000 + 1,75,000	1,75,000 + 3,10,000
5. Goods sold	40,000 + (40,000) + 0	0 + 0

New equation	3,00,000 + 10,000 + 1,75,000	1,75,000 + 3,10,000
6. Cash withdrawn	(15,000) + 0 + 0	0 + (15,000)
Final equation	2,85,000 + 10,000 + 1,75,000	1,75,000 + 2,95,000

Answer 16:

Dr.		Asset A/c				Cr.	
Date	Particulars	J.F.	Amount	Date	Particulars	J.F.	Amount
2011 Apr 01	To Bank A/c		12,500	2012 Mar 31 Mar 31	By Depreciation A/c By Balance c/d		1,000 11,500
			<u>12,500</u>				<u>12,500</u>
2012 Apr 01	To Balance b/d		11,500	2013 Mar 31 Mar 31	By Depreciation A/c By Balance c/d		1,000 10,500
			<u>11,500</u>				<u>11,500</u>
2013 Apr 01	To Balance b/d		10,500	2014 Mar 31 Mar 31	By Depreciation A/c By Balance c/d		1,000 9,500
			<u>10,500</u>				<u>10,500</u>
2014 Apr 01	To Balance b/d		9,500	2015 Mar 31 Mar 31 Mar 31	By Depreciation A/c By Bank A/c By P&L A/c (Loss)		1,000 8,000 500
			<u>9,500</u>				<u>9,500</u>

- The depreciation expense for the year ended March 31, 2012 is Rs. 1,000
- The net book of the asset on March 31, 2014 is Rs. 9,500
- The gain or loss on the sale of the asset on March 31, 2015 is Rs. 500

Working Note:

$$\begin{aligned}
 1. \text{ Depreciation} &= \frac{\text{Cost of Asset} - \text{Scrap value}}{\text{Useful life of asset}} \\
 &= \frac{\text{Rs. 12,500} - \text{Rs. 500}}{10 \text{ Years}}
 \end{aligned}$$

= Rs. 1,000

Answer 17: A computerised accounting system is an accounting information system that processes the

Financial transactions and events as per Generally Accepted Accounting Principle (GAAP).

Answer 18:

Statement of profit and loss

Particulars	Amount
Closing Capital	90,000
Add: Drawings	8,000
Less: Capital introduced during the year	(15,000)
Less: Opening Capital	<u>(50,000)</u>
Profit	33,000

Answer 19:

Dr.		Trading A/c		Cr.	
Particulars	Amount	Particulars	Amount	Particulars	Amount
To Opening Stock A/c	15,000	By Sales A/c	2,00,000		
To Purchase A/c	1,50,000	By Closing Stock A/c	30,000		
To Freight and Packing charges A/c	10,000				
To Gross Profit (Bal. Fig.)	55,000				
	<u>2,30,000</u>				<u>2,30,000</u>

Note : Packing expense on sales is not a direct expense and hence it is not covered in Trading A/c.

Answer 20: Ready-to-use accounting softwares are the softwares that are developed not for any specific user but for the users in general e.g., Tally, Ex, Busy. It is suited for organisations running small/conventional business where the frequency or volume of accounting transactions is very Low. This is because the cost of installation is generally low and number of users is limited.

Ready-to-use software is relatively easier to learn and people adaptability is very high. This also implies that level of secrecy is relatively low and the software is prone to data frauds. The training needs are simple and sometimes the vendor offers the training on the software free. However, these software offer little scope of linking to other information.

Answer 21:

Dr.		Debtors A/c		Cr.	
Particulars	Amount	Particulars	Amount		
To Balance b/d	55,000	By Discount Allowed	5,000		
To Bill dishonoured	3,500	By Bad debts	5,200		
To Cheque dishonoured	7,700	By Bills received	12,000		
To Credit sales (bal. fig.)	3,07,300	By Cash	2,50,000		
		By Bank	25,000		
		By Sales return	9,300		
		By Balance c/d	67,000		
	3,73,500				3,73,500

Credit sales = Rs. 3,07,300

Cash sales = Rs. 80,000

Total sales = Rs. 3,87,300

Dr.		Trading A/c		Cr.	
Particulars	Amount	Particulars	Amount		
To Opening stock	35,000	By Sales	2,00,000		
To Purchases	3,30,000	By Purchase return	50,000		
To Sales return	13,000	By Closing Stock	1,75,000		
To Wages	10,000				
To Gross profit (Bal. Fig.)	37,000				
	4,25,000				4,25,000

Dr.		Profit and Loss A/c		Cr.	
Particulars	Amount	Particulars	Amount		
To Discount allowed	2,000	By Gross profit	37,000		
To Depreciation	10,000	By Interest received	15,000		
To Salary	25,000				
To Net profit (Bal. Fig.)	15,000				
	52,000				52,000

Balance Sheet as on March 31, 2019

Liabilities		Amount	Assets		Amount
Capital	2,00,000		Machinery	80,000	
Less : Drawings	(5,000)		Goodwill	50,000	
Add : Net profit	<u>(15,000)</u>	2,10,000	Debtors	78,000	
Bank overdraft		20,000	Cash	40,000	
Bank loan		1,00,000	Closing stock	1,75,000	
Creditors		93,000			
		4,23,000			4,23,000

Answer 23:

Dr. Trading A/c for the year ended 31st March, 2019 Cr.

Particulars	Amount	Particulars	Amount
To Opening Stock	24,000	By Sales	3,25,000
To Purchases	1,60,000	By Closing stock	88,000
To Carriage Inwards	16,000		
To Wages	22,000		
To Gross profit (Bal. Fig.)	1,91,000		
	4,13,000		4,13,000

Dr. Profit and Loss A/c for the year ended 31st March, 2019 Cr.

Particulars	Amount	Particulars	Amount
To Carriage outwards	20,000	By Gross profit	1,91,000
To Printing and Stationary	18,000	By Discount received	4,000
To Travelling expenses	15,000		
To Office expenses	25,500		
To Legal charges	5,000		
<u>To Depreciation:</u>			
Furniture and Fixture	6,000		
Plant and Machinery	7,800		
Tools	23,550		
<u>9,750</u>	87,950		
To Net profit (Bal. Fig.)	1,95,000		1,95,000

Balance Sheet as at March 31, 2019

Liabilities		Amount	Assets		Amount
Capital	2,92,500		Sundry debtors		80,000
Add : Net profit	<u>87,950</u>	3,80,450	Furniture and Fixtures	1,20,000	
Reserves		55,000	Less: Depreciation		1,12,000
Loan		20,000	<u>(6,000)</u>		30,000
Sundry creditors		1,08,000	Investments		1,00,000
			Freehold Premises		28,000
			Bills Receivable		
			Plant and Machinery	78,000	70,200
			Less: Depreciation	<u>(7,800)</u>	
			Tools		55,250
			65,000		88,000
			Less: Depreciation	<u>(9,750)</u>	
		<u>5,63,450</u>	Closing stock		<u>5,63,450</u>

Answer 24:

Dr. Trading A/c for the year ended 31st March, 2018		Cr.	
Particulars	Amount	Particulars	Amount
To Purchases	4,00,000	By Sales	5,00,000
Less: Drawings	<u>(12,000)</u>	By Closing Stock	1,60,000
To Gross Profit (Bal, fig.)	2,72,000		
	<u>6,60,000</u>		<u>6,60,000</u>

Dr. Profit and Loss A/c for the year ended 31st March, 2018		Cr.	
Particulars	Amount	Particulars	Amount
To Salary	48,000	By Gross Profit	2,72,000
To Trade Expenses	16,000		
To Bad Debts	4,000		
To Net Profit (Bal, fig.)	2,04,000		
	<u>2,72,000</u>		<u>2,72,000</u>

Balance Sheet as at March 31, 2018

Liabilities	Amount	Assets	Amount
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Capital	4,00,000		Cash in Hand		2,56,000
Less: Drawings	(52,000)		Debtors	1,40,000	
Add: Net Profit	<u>2,04,000</u>	5,52,000	Less: Bad Debts	<u>(4,000)</u>	1,36,000
Creditors		80,000	Furniture		80,000
			Closing Stock		1,60,000
		<u>6,32,000</u>			<u>6,32,000</u>

Dr.		Cash Account		Cr.	
Particulars	Amount	Particulars	Amount	Particulars	Amount
To Capital	4,00,000	By Creditors	2,00,000		
To Debtors	1,60,000	By Drawings	40,000		
To Sales	2,00,000	By Furniture	80,000		
		By Purchases	1,20,000		
		By Salary	48,000		
		By Trade expenses	16,000		
		By Bal. c/d (Bal. fig.)	2,56,000		
	<u>7,60,000</u>				<u>7,60,000</u>

Dr.		Debtors A/c		Cr.	
Particulars	Amount	Particulars	Amount	Particulars	Amount
To Sales	3,00,000	By Cash	1,60,000		
		By Bal. c/d (Bal. fig.)	1,40,000		
	<u>3,00,000</u>				<u>3,00,000</u>

Dr.		Creditors A/c		Cr.	
Particulars	Amount	Particulars	Amount	Particulars	Amount
To Cash	2,00,000	By Purchases	2,80,000		
To Bal. c/d (Bal. fig.)	80,000				
	<u>2,80,000</u>				<u>2,80,000</u>