

CBSE Class 11 Accountancy
Sample Paper 2 - 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 are carrying 1 mark each. Question 5 to 9 are carry 3 marks each. Question 10 and 13 are carry 4 marks each. Question 14 to 15 are carry 6 marks each. Question 16 are carry 8 marks each.
- iv. Part B 17 to 24 question of which. Question 17 and 18 are carry 1 mark each. Question 19 are carry 3 marks each. Question 20 are carry 4 marks each. Question 21 to 23 are carry 6 marks each. Question 24 are carry 8 marks each. All parts of a question should be attempted at one place.

Answer 1. The cost incurred by a business in the process of earning revenue are known as expense.

Example: Salary payment to employees

Answer 2. Interest = $1,80,000 * (10/100) * (2/12) = \text{Rs. } 3,000$

Answer 3. Posting is the process of transferring the debit and credit items from a journal to their respective accounts in the ledger.

Answer 4. Under the diminishing balance method, the value of an asset can never be extinguished entirely.

Answer 5. The reasons when the cash book balance will be higher than the passbook balance are :

- i. Deposited cheques dishonoured.
- ii. Bill discounted dishonoured.
- iii. Direct payment made by the bank on behalf of the customers.
- iv. Cheques paid into the bank but not yet collected
- v. Direct debits made by the bank on behalf of the customers.

Answer 6.

- i. Consistency principle
- ii. Going concern principle
- iii. Principle of conservatism

Answer 7.

- i. Journal Proper because purchase of fixed asset is recorded in journal proper.

- ii. Cash Book because cash transactions are recorded in the cash book.
- iii. Purchase Book because it records credit purchase of goods.
- iv. Journal Proper because it is an adjustment entry and adjustment entries are recorded in journal proper.
- v. Purchase Return Book because it records goods returned by the firm to its suppliers.
- vi. Petty Cash Book because it records petty expenses (i.e. expenses of small amounts).

Answer 8.

Date	Particulars	L.F.	Debit	Credit
i.	Salaries A/c Dr. To Employee A/c (Being salary paid to employee Rs.15,000, wrongly debited to employee's personal account)		15,000	15,000
ii.	Sales A/c Dr. Purchase A/c Dr. To Jatin A/c (Being goods purchased from Jatin on credit were recorded in sales book, now rectified)		9,000 9,000	18,000
iii.	Depreciation A/c Dr. To Machinery A/c (Being depreciation charged on machinery Rs. 14,000, wrongly posted as Rs.1,400 now rectified)		12,600	12,600
iv.	Drawings A/c Dr. To Rent A/c (Being rectification of payment of rent of proprietor's residence treated as payment of office rent.)		11,200	11,200

Answer 9. Some common source documents are :

- i. Cash Memo
- ii. Cheque
- iii. Debit Note
- iv. Credit Note
- v. Invoice or Bill
- vi. Pay-in-slip

Answer 10.

Cash Book

Dr.

Cr.

Date	Receipts	L.F	Amount (Rs.)	Date	Payments	L.F	Amount (Rs.)
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2019						
April 1	To Balance b/d		75,000	April 3	By Bank A/c	3,00,000
April 2	To Sales A/c		5,30,000	April 28	By Electricity Expenses A/c	15,000
April 13	To Manisha		1,800	April 30	By Wages	70,000
				April 30	By Abid	14,500
				April 30	By Balance c/d	2,07,300
			<u>6,06,800</u>			<u>6,06,800</u>

Answer 11.

Bank Reconciliation Statement

	Particulars	(+) Amount	(-) Amount
1.	Balance as per passbook	37,000	
2.	Cheques deposited but not collected by the bank (Rs. 17,530+ Rs.350)	17,880	
3.	Cheque dishonoured recorded only in passbook	17,500	
4.	Cheques issued but not presented for payment		15,720
5.	Balance as per cash book		56,660
	Total	72,380	72,380

Answer 12.

In the Books of Vaidehi

Date	Particulars	L.F.	Debit	Credit
Mar. 25	Manisha A/c To Sales A/c (Being goods sold to Manisha on credit)	Dr.	13,000	13,000
Mar. 25	Bills Receivable A/c To Manisha A/c (Being bills received from Manisha)	Dr.	9,000	18,000
April. 25.	Ritika A/c To Bills Receivable A/c To Discount Received A/c (Being a bill of Rs.13,000 endorsed to Ritika in full settlement of Rs.13,180)	Dr.	13,180	13,000 180

Answer 13.**Journal Entries**

Date	Particulars	L.F.	Debit	Credit
a.	Loss by Fire A/c To Purchases A/c (Being goods destroyed by fire)	Dr.	1,800	1,800
b.	Machinery A/c To Bank/Cash A/c (Being machinery installed)	Dr.	23,000	23,000
c.	Purchases A/c To Bank A/c (Being goods purchased by cheque)	Dr.	8,200	8,200
d.	Rent A/c To Bank A/c (Being the rent paid)	Dr.	10,000	10,000

Answer 14.

Name of Accounts	L.F.	Debit Balance (Rs.)	Credit Balance (Rs.)
Stock on 1st April, 2018		20,000	
Purchases		3,25,000	
Sales			3,81,970
Insurance		320	
Stationery		150	
Debtors		32,000	
Creditors			15,000
Wages		3,500	

Equipment		15,000	
Depreciation		1,500	
Bills Payable			850
Bills Receivable		350	
Total		3,97,820	3,97,820

Answer 15.

Journal

Date	Particulars	L.F.	Debit	Credit
(i)	Purchase A/c Dr. To Suspense A/c (Being purchase of goods worth Rs. 15,000 were omitted to be recorded now rectified)		15,000	15,000
(ii)	Furniture A/c Dr. To Purchase A/c (Being purchase of furniture was recorded in purchase book, now rectified)		50,000	50,000
(iii)	Rent A/c Dr. To Landlord's A/c (Being office rent of Rs. 8,000 was debited to landlord's personal account, now rectified)		8,000	8,000
(iv)	Sales A/c Dr. To Machinery A/c (Being sale of machinery costing Rs. 7,000 was credited to sales account, now rectified)		7,000	7,000
(v)	Suspense A/c Dr. To Sales A/c (Being sales book balance carried forward was short by Rs. 500, now rectified)		500	500
(vi)	Suspense A/c Dr. To Purchase A/c (Being purchase book balance was overcast by Rs. 10,000, now rectified)		10,000	10,000

Answer 16.

Books of A. Co. Ltd.
Machinery A/c

Dr.

Cr.

Date	Particulars	L.F.	Amount	Date	Particulars	L.F.	Amount
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2011 July 01	To Bank A/c Machinery I (40,000 + 6000)		46,000	2012 Mar 31	By Depreciation A/c Machinery I (9 months) 3,450		4,050
2012 Jan 01	To Bank A/c Machinery II		24,000	Mar 31	Machinery II (3 months) <u>600</u>		
			<u>70,000</u>		By Balance c/d		65,950
					Machinery I	42,550	
					Machinery II	<u>23,400</u>	<u>70,000</u>
2012 Apr 01	To Balance b/d Machinery I	42,550		2013 Mar 31	By Depreciation A/c Machinery I	4,600	
	Machinery II	<u>23,400</u>	65,950	Mar 31	Machinery II	<u>2,400</u>	
					By Balance c/d		7,000
				Mar 31	Machinery I		
			<u>65,950</u>		Machinery II		
					<u>21,000</u>		<u>58,950</u>
							<u>65,950</u>
2013 Apr 01	To Balance b/d Machinery I	37,950		2013 June 30	By Bank A/c Machinery II		16,000
	Machinery II	<u>21,000</u>	58,950	June 30	By Depreciation A/c(3 months)		600
2013 July 01	To Bank A/c Machinery III		30,000	June 30	By Profit & Loss A/c (Loss)		4,400
				2014 Mar 31	By Depreciation A/c Machinery I	4,600	
				Mar 31	Machinery III (9 Months) <u>2,250</u>		6,850
					By Balance c/d		
					Machinery I	33,350	
					Machinery III	<u>27,750</u>	61,100
			<u>88,950</u>				<u>88,950</u>

Working notes :

1. Calculation of depreciation:

Machine I = 46,000 X 10% = 46,00 p.a.

Machine II = 24,000 X 10% = 24,00 p.a.

Machine III = 30,000 X 10% = 3,000 p.a.

2. Calculation of profit and loss on sale of machinery II:

Particulars	Amount
Book value of Machine (II) on April 01, 2013	21,000
Less: Depreciation for 3 months (Apr - June)	(600)
	<u> </u>

Book value on June 30	20,400
Less: Sales value	(16,000)
Loss on sale	<u>4,400</u>

Answer 17. A set(s) of programmes, which is used to work with such hardware is called its software.

There are six types of software as follows:

- Operating system
- Utility programmes
- Application softwares
- Language processors
- System software
- Connectivity software

Answer 18. Closing entry for opening stock account, purchases account, wages account, carriage inwards account and direct expenses account is as follows:

Trading and Profit and Loss A/c Dr.
 To Opening stock A/c
 To Purchases A/c
 To Wages A/
 To Carriage Inwards A/c
 To Direct expenses A/c

Answer 19.

Statement of Affairs for the year

Liabilities	Amount	Assets	Amount
Sundry creditors	22,800	Stock	50,000
Capital (Bal. Fig.)	1,02,700	Machinery	1,00,000
		Sundry debtors	25,500
	<u>1,25,500</u>		<u>1,25,500</u>

Statement of profit and loss

Particulars	Amount
Capital at the end of the year	1,02,700
Add: Drawings made during the year	<u>22,800</u>
	1,25,500
Less: Additional capital introduced during the year	<u>(30,000)</u>
Adjusted capital the end of the year	95,500
Less: Capital at the beginning of the year	<u>(80,000)</u>
Profit	15,500

Answer 20. A computer system possesses some characteristics, which, in comparison to human beings, turn out to be its capabilities. These are as follows:

- Speed - It refers to the amount of time computers takes in accomplishing a task or completes an operation. Computers require far less time than human being in performing a task.
- Accuracy - It refers to the degree of exactness with which computations are made and operations are performed. The computers rarely commit errors and perform all types of complex operations accurately.
- Reliability - It refers to the ability with which the computers remain functional to serve the user. Computer systems are well-adapted to performing repetitive operations. They are immune to tiredness, boredom and fatigue. Therefore, they are more reliable than human beings.
- Versatility - It refers to the ability of computers to perform a variety of tasks: simple as well as complex. Computers are usually versatile unless designed for a specific purpose.
- Storage - It refers to the amount of data a computer system can store and access. The computer system, besides having instant access to data, have huge capacity to store such data in a very small physical space.

Answer 21.

Dr.		Trading A/c for the year		Cr.	
Particulars	Amount	Particulars	Amount		
To Opening stock	8,000	By Sales	45,000		
To Purchases	24,000	By Closing stock	4,500		
To Purchases expense	1,000				
To Wages	2,500				
To Gross profit (Bal. fig.)	14,000				
	49,500		49,500		

Dr.		Profit and Loss A/c for the year		Cr.	
Particulars	Amount	Particulars	Amount		
To Salaries	5,000	By Gross profit	14,000		
To Advertisement	3,000				
To Rent	1,200				
To Bad debts	1,400				
To Discount allowed	600				
To Commission paid	1,700				
To Sales expenses	600				
To Repairs	400				
To Net profit	100				
	14,000		14,000		

Answer 22.

Statement of affairs as on March 31, 2018

Liabilities	Amount	Assets	Amount
Sundry creditors	15,000	Cash	1,000
Bills Payables	NIL	Sundry debtors	39,000
Capital (Bal.Fig.)	1,19,000	Stock	34,000
		Plant and Machinery	60,000
	<u>1,34,000</u>		<u>1,34,000</u>

Statement of affairs as on March 31, 2019

Liabilities	Amount	Assets	Amount
Sundry creditors	14,900	Cash	900
Bills Payables	5,000	Sundry debtors	45,000
Capital (Bal.Fig.)	1,38,000	Stock	32,000
		Plant and Machinery	80,000
	<u>1,57,900</u>		<u>1,57,900</u>

Statement showing profit and loss for the year 2018-19

Particulars	Amount
Capital at the end of the year on March 31, 2019	1,38,000
Add: Drawings during the year	<u>36,000</u>
	1,74,000
Less: Additional capital introduced during the year	<u>(10,000)</u>
Adjusted capital at the end of the year on March 31, 2019	1,64,000
Less: Capital at the beginning of the year on March 31, 2018	<u>(1,19,000)</u>
Profit for the year 2018-19	45,000

Answer 24.

Dr.

Trading A/c For the year ended 31st March, 2018

Cr.

Particulars	Amount	Particulars	Amount
To Opening Stock	68,000	By sales	11,00,000
To Purchases	6,60,000	Less: Returns	<u>(80,000)</u>
Less: Returns	<u>(15,000)</u>	By Closing stock	70,000
To Carriage Inwards	30,000		
To Gross profit (Bal. Fig.)	3,47,000		
	<u>10,90,000</u>		<u>10,90,000</u>

Dr.

Profit & Loss A/c For the year ended 31st March, 2018

Cr.

Particulars	Amount	Particulars	Amount
To Advertising	35,000	By Gross Profit	3,47,000
To Bad Debts	5,000	By Bad-Debts Recovered	6,000
To Carriage Outwards	25,000	By Discount Received	5,000
To Depreciation	20,000	By Provision for Doubtful Debts	7,000
To General Expense	34,000	By Rent Received	3,000
To Interest on Loan	3,000		
To Stationery	2,000		
To Salaries	90,000		
To Rent & Insurance	30,000		
To Travelling Expenses	5,000		
To Net Profit	1,19,000		
	<u>3,68,000</u>		<u>3,68,000</u>

Balance Sheet as on 31st March, 2018

Liabilities	Amount	Assets	Amount
Capital	3,00,000	Cash at Bank (35,000 - 10,000)	25,000
Less: Drawing	(48,000)	Cash in Hand	20,000
Add: Net Profit	<u>1,19,000</u>	Motor Vehicles	1,00,000
Creditors	(1,00,000 - 6,000)	Less: Depreciation	<u>(20,000)</u>
Loan	95,000	Debtors	2,00,000
Bills Payable	20,000	Less: Travelling Expenses	(5,000)
		Add: Dishonour	<u>10,000</u>
		Closing Stock	70,000
		Land & Building	1,20,000
		Bills Receivable	60,000
	<u>5,80,000</u>		<u>5,80,000</u>