

**KENDRIYA VIDYALAYA SANGATHAN
REGIONAL OFFICE VARANASI
SESSION ENDING EXAMINATION (2016-17)**

CLASS: XI**MAX. MARKS: 90****SUBJECT: ACCOUNTANCY****TIME: 3:00 Hrs**

General instructions:

- (i) This paper consists of two parts: A and B. It is compulsory to attempt both parts
- (ii) There are 24 questions in the paper
- (iii) Attempt all parts of a particular question at one place.
- (iv) The marks carried by each question are indicated against it.

PART A

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|----|---|---|
| 1. | The information must be available in time, must help in prediction and feedback, and must influence the decisions of the users. Which qualitative characteristic of accounting is being highlighted in the statement? | 1 |
| 2. | Name any two items which are written in minus column while starting with credit balance of pass book. | 1 |
| 3. | Asha drew a bill on Vipasa on July 13, 2016 for 30 days. Vipasa accepts the same and returns it to Asha. On the due date Vipasa met the acceptance. What will be the date of maturity of the bill? | 1 |
| 4. | What is meant by Accounting Standards? What are the two basic objectives of having accounting standards? | 3 |
| 5 | Identify the accounting concept / convention
(a) Closing stock is valued at cost price or market price whichever is less
(b) Proprietor of the business is treated as a creditor of the business
(c) Same accounting method should be used each year
(d) Contingent liability is shown in the balance sheet as footnote.
(e) Cost of small calculator is treated as an expense and not shown as an asset
(f) Qualitative transactions are not recorded in the books of accounts | 3 |
| 6 | State any three points of differences between Provisions and Reserves | 3 |
| 7 | Explain the following
(a) Convention of conservatism (b) Matching concept | 4 |

- 8 Explain any two of the following terms: 4
 (a) Current Assets
 (b) Vouchers
 (c) Expenditure
 (d) Trade Discount
- 9 Give Journal entries to rectify the following errors using suspense Account, where necessary. 4
 (a) The total of the purchase return book, ₹2,100 has not been posted.
 (b) A purchase from Vivek for ₹4,000 has been entered in the sales book. However, Vivek has been correctly credited with ₹4,000.
 (c) Old furniture sold on credit for ₹5,400 has been recorded in the sales book as ₹4,500.
 (d) Goods taken away by Mr. Jain, the proprietor for his personal use worth ₹750 has not been recorded in the books of account at all.
- 10 Enter the following transactions in the cash book with Cash and Bank Columns of Mr. Ram. 6
 2016
 ₹
 Jan 1. Cash in Hand
 2,200
 Cash at Bank
 5,000
 Jan 5. Received a Cheque from Kishan
 1,000
 Jan 8. Cheque received from Kishan endorsed to Pawan in full settlement of his account of ₹1,050
 Jan 10 Paid Life insurance premium of Mr. Ram
 100
 Jan 13. Received a Cheque from Yogesh in full settlement of his account of ₹750 6
 700
 Jan 16. Yogesh's cheque returned dishonored by Bank
 Jan 20. Deposited into Bank, balance of Cash in excess of ₹250.

From the following details complete the Journal entries relating to the bills of exchange.

In the books of Sonam
Journal entries

Date	Particulars	Lf	Dr. Amt	Cr. Amt
2016 Jan 1	..... Dr		40,000	40,000

	To..... (Being goods sold on credit to Nisha)			
.....	Bill Receivable Account Dr.		..... .....
Jan 1	To Nisha (Being Acceptance received for the bill drawn for 1 month for the goods sold)		.....
	Bank Dr		.....	40,000
..... ...	To .....		.....
	(Being bill discounted from bank @9% p.a.)		.....
	Nisha Dr		.....
	To			
	(Being bill dishonoured and noting charges ₹ 200 paid by the bank.)			
..... ...	Nisha Dr		..... .....
	To			
	(Being interest due from Nisha @12% p.a. on ₹ 40,200 for 1 month)			
12	Feb 4	Bill Receivable Account Dr	.....
	To Nisha (Being new acceptance received for 1 month)		.....	6
..... ...	Bank Account Dr		.....
	To Bill Receivable Account (Being bill met on maturity)		.....

Mr. Banshidhar (my accountant) was careless in his duty and due to less accounting knowledge he failed to record few of the important transactions which resulted in the differences in my cash book with the pass book.

On 31st October, 2016 my cash book showed a credit balance of ₹ 8,800. I had paid into bank three cheques amounting to ₹ 6,000 on 24th October of which I found ₹ 3,200 have been credit in the Pass Book under date 5th November, 2016. It was because they were deposited in the month of November by the accountant. I had issued cheques amounting to ₹ 8,000 before 31st October of which I found ₹ 2,500 have been debited in the pass book after 1st November, 2016. After enquiry it was found that my accountant handed over the cheque to the persons after 1st November. I find a debit of ₹ 50 in respect of Bank Charges in the Pass Book which I have adjusted in the Cash Book on 31st Oct. There is a credit of ₹ 360 for interest on securities in the pass book which remains to be adjusted. A cheque of ₹ 1,200 deposited into Bank has been dishonored.

(a) Identify two values which were ignored by Mr Banshidhar while performing his duty

(b) Prepare a Bank Reconciliation Statement on 31st October, 2016.

The books of Mumbai Chemicals Ltd. showed the following balances on January 1, 2016:

Machinery Account	₹10,00,000
Provision for Depreciation Account	₹ 4,05,000

On January 1, 2016, a machine which had a cost of ₹2,00,000 on 1st July 2013 was sold for ₹80,000. The firm writes off depreciation @10% p.a. under the reducing balance method and its accounts are made up on 31st December each year. You are required to prepare the Machinery A/c and Provision for Depreciation A/c for the year ending 31st December 2016

OR

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|-----|--|---|
| 14. | On 1 st May 2014, Bharat Toys Ltd purchased a Machinery for ₹12,00,000. The firm writes off depreciation at 10% p.a. on the diminishing balance and the books are closed on 31 st December each year. On 1 st April, 2016, a part of this machinery of which the original cost was ₹1,80,000 was sold for ₹1,00,000 and on the same date a new machinery was purchased for ₹4,00,000. Show the Machinery Account and Provision for Depreciation Account for three years ending 31 st December, 2016. | 1 |
| 15. | | |
| 16. | | 1 |

17.	<u>PART B</u>	1
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18.	State any two advantages of customised accounting software.	3
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19.	Write any two points of difference between Receipts and Payments A/c and Income and Expenditure A/c.	3
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How will you treat Legacy while preparing the final accounts of a not-for-profit organization?

Explain any three general considerations before sourcing an accounting software.

20.	Net sales during the year 2016 is ₹6,00,000. Gross Profit 25% on Cost. Find out Gross Profit and Cost of Goods Sold.	3
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From the following information calculate the amount of subscriptions outstanding as on 31st March, 2016:

A club has 200 members each paying an annual subscription of ₹1,000. The Receipts and Payments Account for the year showed a sum of ₹2,05,000 received as subscriptions. The following additional information is provided:

Subscription Outstanding on 31 st March 2015	₹30,000
Subscription Received in advance on 31 st March 2016	₹ 40,000
Subscriptions Received in advance on 31 st March 2015	₹ 14,000

Mr. X tells you that his capital on 31st December 2016 is ₹18,700 and his capital on 1st January 2016 was ₹19,200. He further informed you that during the year he gave

21 a loan of ₹3,500 to his brother on private account and withdrew ₹300 p.m. for personal purposes. He also used a flat for his personal purpose, the rent of which at the rate of ₹100 p.m. and electricity charges at an average of ₹10 per month were paid from the business account. During the year, he sold his 7% government bond for ₹2,000 at 2% premium and brought that money into the business. Besides this, there is no other information. 4

You are required to prepare a statement of profit or loss under accounts from incomplete records.

22. Show the following information in the Balance Sheet of the Cosmos Club as on 31st March, 2016

	Particulars	Debit (₹)	Credit (₹)	
23.	Tournament Fund		1,50,000	6
	Tournament Fund Investment	1,50,000		
	Income from Tournament Fund Investment		18,000	
	Tournament Expenses	12,000		6

Additional information:

Interest Accrued on Tournament Fund Investment ₹6,000.

Differentiate between computerized Accounting process and Manual Accounting Process on any four basis.

From the following Receipts and Payment Account of Leo Club of Utkarsh, prepare Income and Expenditure Account for the year ended 31st March 2016 and the Balance Sheet as at 31st March 2016.

**Receipts and Payments Account
for the year ended 31st March, 2016**

Dr.
Cr.

Receipts	₹	Payments	₹
Balance b/d		Expenses on Charity Show	900
Cash in hand	₹ 25,000	Investment	10,000
Cash at Bank	₹ 10,000	Insurance	2,000
Subscription		Fax Machine	2,600
2014-2015	₹ 500	(Purchased on 1.10.2015)	
2015-2016	₹ 700	Salaries	12,500
2016-2017	₹ 600	Balance c/d	
Realisations from charity show	1,800	Cash in hand	₹ 6,400
Donations	2,500	Cash at Bank	₹ 8,900
	4,000		15,300
	<u>43,300</u>		<u>43,300</u>

The following additional information is supplied to you:

- (i) On 31.3.2016, subscriptions of ₹2,500 (including ₹200 for 2014-2015) were in arrear and insurance charges of ₹300 were prepaid.

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- (ii) On 1.4.2015 the club had the following assets and liabilities:
- (a) Fax Machine ₹ 4,000
 - (b) Investments ₹ 2,500
 - (c) Salary Outstanding ₹ 1,500 and Insurance prepaid ₹ 500.
- (iii) Depreciation is to be charged on Fax Machine @ 10% p.a.
- (iv) Donations are to be capitalised.

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From the following balances taken from the Trial Balance of M/s Ishwar & Company, prepare

- (i) Trading and Profit and loss Account for the year ending 31st March, 2016
- (ii) Balance Sheet as at 31st March, 2016

Particulars	₹	Particulars	₹
Opening Stock	8,100	Freehold Land	9,70,00
Purchases	7,12,000	Capital	0
Sales	12,12,15	Freight Inward	2,33,80
Productive Expenses	0	Freight Outward	0
Interest on Loan	82,400	Value Added Tax Collected	1,200
Return Inward	33,750	Interest on Bank Deposit	2,200
Return Outward	6,600	Loan	40,000
Loose Tools	3,200	Sundry Debtors	2,400
Goodwill	8,400	Sundry Creditors	9,00,00
Commission (Cr.)	7,000	Bad Debts	0
Salaries	2,000	Law Charges	30,000
Investments	11,600	Rent	12,100
Cash in hand	2,00,000	Motor Car	1,900
	1,700		800
			18,000
			3,10,00
			0

The following further information was obtained

- (i) The value of closing stock was ₹ 24,400
- (ii) 60% of the rent paid was in respect of factory.
- (iii) Sundry debtors included a sum of ₹ 4,000 in respect of one debtor who has become insolvent and 75 paise in a rupee was realizable from him.
- (iv) Interest on Loan @ 8% p.a. is unpaid for 4 months.

- (v) Depreciation to be charged on Motor Car @10% p.a.
- (vi) Salaries outstanding ₹ 2,200.

OR

The following balances were extracted from the books of M/s Durga Prasad Devi Dutt as on 31st December, 2016

Debit Balances	₹	Credit Balances	₹
Cash	5,000	Creditors	7,500
Debtors	8,260	Bank overdraft	5,250
Stock on 1-1-2016	22,60	Capital	25,000
Furniture	0	Sales	1,01,00
Drawings	5,000	Provision for Bad Debts	0
Motor cars	575	Bills payable	900
Purchases	3,000	Outstanding wages	1,500
Wages	72,80	Returns	2,185
Returns	0	Unearned rent	430
Salaries	7,500		500
Stationery and Printing	350		
Bad debts	1,600		
Bill receivables	465		
Rent	300		
Loan at 3% to Subhash (on 1-9-2016)	1,740 1,800		
Investments	5,000		
Prepaid insurance			
	7,900		
	375		

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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 December, 2016 was ₹ 12,000.

From the above information, prepare trading and profit and loss account and balance sheet for the year ended 31st December, 2016.

