

SAMPLE
QUESTION
PAPER
(QUESTION-ANSWER)
ACCOUNTANCY

A Highly Simulated Practice Question Paper for CBSE Class XI Examination 1

Time : 3 hrs

M.M.: 80

« This question paper contains two parts A and B.

« All question in both the parts are compulsory.

- All parts of questions should be attempted at one place.
- Marks for questions are indicated against each question.
- Answers should be brief and to the point.

Part A

OBJECTIVE TYPE QUESTIONS (1 Mark)

Answer the following (Q. no. 1 to 3)

1. Name any two qualitative features of accounting information.

Ans. The two qualitative features of accounting information are

- (i) Reliability
- (ii) Comparability

2. In case of errors of partial omission, will the trial balance agree? Why?

Ans. No, the trial balance will not agree. A trial balance agree only if both aspects of a transaction are posted into ledger accounts with correct amount.

3. Mention two objectives of preparing trial balance.

Ans. The two objectives of preparing trial balance are

- (i) To check the arithmetical accuracy of ledger accounts.
- (ii) It helps in identifying errors.

Multiple choice questions (Q. no. 4 to 7)

There are four options for each question, out of these, only one is correct. You have to identify the correct option.

4. Which of the following is/are the limitation(s) of accounting?

- (a) It relates to the past transactions
- (b) It is quantitative and financial in nature
- (c) Both (a) and (b)
- (d) It does not act as an evidence

Ans. (c) Both (a) and (b)

5. Financial transactions in the books of accounts are recorded on the basis of

- (a) voucher
- (b) cash memo

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(c) debit note (d) None of these

Ans. (a) voucher

6. What adjustment entry is passed at the end of the year for outstanding expenses?

(a) Expenses A/c Dr

To Outstanding Expenses A/c

(b) Outstanding Expenses A/c Dr

To Expenses A/c

(c) Outstanding Expenses A/c Dr

To Cash A/c

(d) Expenses A/c Dr

To Cash A/c

Ans. (a) Expenses A/c Dr

To Outstanding Expenses A/c

Hint Outstanding expenses are those expenses that relate to the current year but have not been paid till the end of the year. As per the modern approach, an outstanding expense is a liability created on the organisation and thereby, such expense is to be credited to related expense account.

7. While doing balancing of accounts, personal and real accounts are balanced and nominal accounts are

(a) taken to profit and loss account.

(b) closed by transferring to trading and profit and loss account.

(c) left with balancing figure.

(d) two-sided entry is passed.

Ans. (b) closed by transferring to trading and profit and loss account.

Fill in the blanks (Q. no. 8 to 9)

Here, each sentence is incomplete due to one missing word. You are required to fill that missing word correctly.

8. The disagreement of trial balance indicates that an has been committed.

Ans. error

9. Liability for a discounted bill is a liability.

Ans. contingent

10. Wages paid for installation of machinery ` 5,000. Pass journal entry.

Ans. JOURNAL

Date	Particulars	LF	Amt (Dr)	Amt (Cr)
	Machinery A/c Dr		5,000	
	To Cash A/c			5,000
	(Being wages paid for installation of new machinery)			

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11. Goods purchased are always recorded in purchases book. Is it true or false?

Ans. False. Goods purchased in cash are recorded in cash book and credit purchase of goods is recorded in purchases book.

12. With regard to bills of exchange, match the following.

Column 1	Column II
A. Bills of Exchange	(i) Includes two parties-Promisor and Payee.
B. Endorsement of Bill	(ii) Includes three parters-Drawer and Payee.
C. Promissory Note	(iii) Includes tow parties-Endorser and Endorsee.

Ans. A - (ii), B - (iii), C - (i)

13. Why cash column of the cash book always have a debit balance?

Ans. Cash column of the cash book always have a debit balance because actual cash payments cannot be more than the actual cash in hand.

SHORT ANSWER TYPE I QUESTION (3 Marks)

14. Define briefly management accounting, social responsibility accounting and human resource accounting.

Or

Goods & Services Tax (GST) can be classified under these given categories.

- (i) CGST
- (ii) SGST
- (iii) UTGST
- (iv) IGST

Explain any two.

Ans. (i) Management Accounting It is the use of accounting techniques for providing information to help all levels of management in planning and controlling the activities of business to enable decision-making. The purpose of management accounting is to assist the management in taking rational policy decisions and to evaluate the impact of its decisions and actions.

Management accounting not only includes cost accounting but also covers other areas such as capital expenditure decisions, capital structure decisions, dividend decisions, etc.

(ii) Social Responsibility Accounting It is the process of identifying, measuring and communicating the social effects of business decisions to various users to enable judgements and decision-making by them. It is accounting for social costs and social benefits. Accounting for environment and ecology is a part of social responsibility accounting.

(iii) Human Resource Accounting It is the process of identifying, measuring and communicating the value of investments made in human resources of an enterprise.

Or

(i) Central GST (CGST) Central GST is levied by the Central Government in the course of intra-state sales, i.e. sales within the state. For example, sale made from Lucknow in U.P to Bareilly in U.R

(ii) State GST (SGST) State GST is levied by the State Governments in the course of intra-state sales.

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(iii) Union Territory GST (UTGST) Union territories such as Chandigarh, Puducherry etc levy union territory GST in the course of sales made within the union territory.

Students should keep in mind that Central GST and State/Union Territory GST are charged at half the prescribed rate of GST. So, if the prescribed rate is 18%, then 9% GST will be levied by the Centre and 9% GST will be levied by the State/Union Territory.

(iv) Integrated GST (IGST) Integrated GST is levied in the course of inter-state supply of goods and services. So, if goods are sold from Delhi to Mumbai, then this will attract the levy of Integrated GST. Also, it should be remembered that IGST would be levied and collected by the centre on inter-state supply of goods and services and import of goods and services into India.

SHORT ANSWER TYPE II QUESTIONS (4 Marks)

15. Prepare a bank reconciliation statement from the following particulars.

On the 31st December, 2018, I had an overdraft of ₹ 7,500 as shown by my pass book.

(i) I have issued cheques amounting to ₹ 2,500 of which cheques worth ₹ 2,000 only seem to have been presented for payment.

(ii) Cheques amounting to ₹ 1,000 have been paid in by me on 30th December but out of those, only ₹ 750 were credited in the pass book.

(iii) I also find that a cheque for ₹ 100 which I had debited to bank account in my books has been omitted to be banked.

(iv) There is debit in my pass book of ₹ 250 for interest.

(v) An entry of ₹ 300 of a payment by a customer directly into the bank appears in the pass book.

(vi) My pass book also shows a credit of ₹ 600 to my account being interest on my investments collected directly by my bankers.

Ans. Bank Reconciliation Statement

as at 31st December, 2018

Particulars	Plus (₹)	Minus (₹)
Overdraft as per Pass Book	—	7,500
(+) Cheques paid into bank but not yet credited (1,000- 750)	250	—
Cheque entered in cash book but not yet sent to bank	100	—
Interest on overdraft	250	—
(-) Amount deposited by customer directly into bank	—	300
Interest on investments collected by bank	—	600
Cheques issued but not yet presented (2,500 - 2,000)	—	500
Overdraft as per Cash Book	8,300	—

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8,900	8,900
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16. A firm bought plant for ₹ 14,80,000 on 1st April, 2019 and ₹ 20,000 is spent on its installation. Its useful life is estimated to be of 5 years. Its estimated realisable value at the end of the period was estimated at ₹ 1,00,000.

Find out the amount of annual depreciation and rate of depreciation.

Ans. Cost of Plant = Acquisition Cost + Installation Cost = ₹ 14,80,000 + 20,000 = ₹ 15,00,000

Annual Depreciation = Cost-Scrap Value/Useful Life = 15,00,000-1,00,000/5 = 14,00,000/5 = ₹ 2,80,000

Annual Depreciation = Annual Depreciation/Cost of Asset x 100 = 2,80,000/15,00,000 x 100 = 18.67%

17. From the following information, draw up a trial balance in the books of Shri Manmohan as on 31st March, 2019

Capital ₹ 1,12,000; purchases ₹ 28,800; discount allowed ₹ 960; carriage inwards ₹ 6,960; carriage outwards ₹ 1,840; sales ₹ 48,000; return inwards ₹ 240; return outwards ₹ 560; rent and taxes ₹ 960; plant and machinery ₹ 64,560; stock on 1st April, 2018 ₹ 12,400; sundry debtors ₹ 16,160; sundry creditors ₹ 9,600; investments ₹ 2,880; commission received ₹ 1,440; cash in hand ₹ 80; cash at bank ₹ 8,080; motor cycle ₹ 27,680 and stock on 31st March, 2019 (not adjusted) ₹ 16,400. *Ans.* In the Books of Shri Manmohan

Trial Balance as on 31st March, 2019

Name of Accounts	LF	Debit Balance (₹)	Credit Balance (₹)
Capital		—	1,12,000
Purchases		28,800	—
Discount Allowed		960	
Carriage Inwards		6,960	—
Carriage Outwards		1,840	—
Sales		—	48,000
Return Inwards		240	
Return Outwards		—	560
<hr/>			
Name of Accounts	LF	Debit Balance (₹)	Credit Balance (₹)
Rent and Taxes		960	—
Plant and Machinery		64,560	

Stock on 1st April, 2018	12,400	
Sundry Debtors	16,160	
Sundry Creditors	—	9,600
Investments	2,880	
Commission Received	—	1,440
Cash in Hand	80	
Cash at Bank	8,080	
Motor Cycle	27,680	—
Total	1,71,600	1,71,600

Note Closing stock will not be taken in the trial balance because it represents a part of the goods purchased but not yet sold. As the total purchases have been included in the trial balance, there is no need of including closing stock again. If closing stock is adjusted against purchases, then only closing stock is shown in the trial balance.

18. Enter the following transactions in a simple cash book for December 2018.

Date	Particulars	Amt (₹)
Dec 1	Cash in hand	48,000
Dec 4	Cash received from Ram	16,000
Dec 8	Rent paid	8,000
Dec 11	Purchased goods for cash	24,000
Dec 17	Cash sales	36,000
Dec 20	Stationery purchased	1,200
Dec 23	Cash paid to Ramesh	8,000
Dec 27	Paid salary	4,000
Dec 29	Paid wages	2,000

Or Trial balance of Anita did not agree and she put the difference to suspense account. She discovered the following errors

- (i) Sales return book overcast by ₹ 8,175.
- (ii) Purchase return to Arpit ₹ 3,125 was not posted to his account.
- (iii) Installation charges on new machinery purchased ₹ 1,750 were debited to sundry expenses account

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as ` 175.

(iv) Rent paid for residential accommodation of Anita (the proprietor) ` 5,200 was debited to rent account as ` 5,000.

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

Ans.

Dr				Cash Book				Cr			
Date	Particulars	JF	Amt (`)	Date	Particulars	JF	Amt (`)				
2018				2018							
Dec 1	To Balance b/d		48,000	Dec 8	By Rent A/c		8,000				
Dec 4	To Ram		16,000	Dec 11	By Purchases A/c		24,000				
Dec 17	To Sales A/c		36,000	Dec 20	By Stationery A/c		1,200				
				Dec 23	By Ramesh		8,000				
				Dec 27	By Salary A/c		4,000				
				Dec 29	By Wages A/c		2,000				
				Dec 31	By Balance c/d		52,800				
			1,00,000				1,00,000				
2019											
Jan 1	To Balance b/d		52,800								

Or

JOURNAL

Date	Particulars	LF	Amt (Dr)	Amt (Cr)
(i)	Suspense A/c Dr		8,175	
	To Sales Return A/c			8,175
	(Being sales return book overcast by ` 8,175, now rectified)			
(ii)	Arpit Dr		3,125	
	To Suspense A/c			3,125
	(Being purchase return to Arpit was not recorded in his personal account, now rectified)			

(iii)	Machinery A/c	Dr	1,750	
	To Sundry Expenses A/c i			175
	To Suspense A/c			1,575
	(Being installation charges on machinery ` 1,750 wrongly debited to machinery account ` 175, now rectified)			
(iv)	Drawings A/c	Dr	5,200	
	To Rent A/c			5,000
	To Suspense A/c			200
	(Being rent paid for proprietor's residence ` 5,200, recorded as rent expenses for ` 5,000 now rectified)			

Dr		Suspense Account						Cr
Date	Particulars	JF	Amt (₹)	Date	Particulars	JF	Amt (₹)	
	To Sales Return A/c		8,175		By Arpit		3,125	
					By Machinery A/c		1,575	
					By Drawings A/c		200	
					By Balance b/d		3,275	
			8,175				8,175	

LONG ANSWER TYPE I QUESTIONS (6 Marks)

19. Explain full disclosure principle.

Ans. According to this principle, there should be reporting of all the significant information relating to the economic affairs of the business and it should be complete and understandable. The information disclosed should be material and significant which in turn results in better understanding.

Since, one of the objectives of accounting information is to communicate accounting information to various users, it is important to provide complete information to them, so that they can take right decisions at the right time on the basis of the financial statements of the business.

Whether information should be disclosed or not depends upon, whether such information will affect the decision-making of the users of accounting information or not. e.g. footnote, such as

(i) Contingent liabilities in respect to a claim of a very big amount against the business are pending in a court of law.

(ii) Change in the method of providing depreciation.

(iii) Market value of investment.

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The Companies Act, 2013 provides disclosures, yet there may be many material information which if disclosed, will make the financial statements more meaningful.

20. Journalise the following transactions in the books of Rajeev.

(i) Goods purchased from Ramesh ` 1,60,000; plus CGST 6% and SGST 6%.

(ii) Ramdas, who owed ` 20,000 was declared insolvent. A final compensation of 60 paise in a rupee received from him.

(iii) Sold goods of ` 1,00,000 to Sita; plus CGST 6% and SGST 6%.

(iv) Provide interest on capital of ` 10,00,000 @ 10% p.a. for 6 months.

(v) Salary of ` 10,000 due but not paid.

(vi) Cash received ` 29,800 from Sanjeev, in full settlement of his account ` 30,000.

Or

On 1st January, Rajeev who owes ` 30,000 to Renu accepts a 3 months bill for the amount. On the date of maturity, Rajeev, not being able to meet the bill, offers Renu ` 12,000 and asks her to draw another bill for 3 months for the balance plus interest at 12% p.a. Renu agrees to this proposal. Pass the necessary journal entries in the books of Renu and Rajeev.

Ans. In the Books of Rajeev

JOURNAL

Date	Particulars	LF	Amt (Dr)	Amt (Cr)
(i)	Purchases A/c Dr Input CGST A/c (6%) Dr Input SGST A/c (6%) Dr To Ramesh (Being goods purchased from Ramesh on credit, plus CGST and SGST of 6% each)		1,60,000 9,600 9,600	1,79,200
(ii)	Cash A/c Dr Bad Debts A/c Dr To Ramdas (Being final payment of 60 paise received from Ramdas)		12,000 8,000	20,000
(iii)	Sita Dr To Sales A/c		1,12,000	1,00,000

	To Output CGST A/c (6%)			6,000
	To Output SGST A/c (6%)			6,000
	(Being goods sold to Sita on credit, plus CGST and SGST of 6% each)			
(iv)	Interest on Capital A/c	Dr	50,000	
	To Capital A/c			50,000
	(Being 10% interest due on capital)	(10,00,000 x 10/100 x 6/12)		
(v)	Salary A/c	Dr	10,000	
	To Outstanding Salary A/c			10,000
	(Being salary due but not paid)			
(vi)	Cash A/c	Dr	29,800	
	Discount Allowed A/c	Dr	200	
	To Sanjeev			30,000
	(Being cash received from Sanjeev in full settlement)			

Or

In the Books of Renu JOURNAL

Date	Particulars	LF	Amt (Dr)	Amt (Cr)
Jan 1	Bills Receivable A/c	Dr	30,000	
	To Rajeev			30,000
	(Being the acceptance of the bill received)			
Apr 4	Rajeev	Dr	30,000	
	To Bills Receivable A/c			30,000
	(Being the original bill cancelled)			
Apr 4	Cash A/c	Dr	12,000	
	To Rajeev			12,000

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	(Being the cash received on account)			
Apr 4	Rajeev Dr	540		
	To Interest A/c			540
	(Being the interest due @ 12% p.a. on ` 18,000 for 3 months)			
Apr 4	Bills Receivable A/c Dr	18,540		
	To Rajeev			18,540
	(Being the acceptance of the fresh bills received to Rajeev)			

In the Books of Rajeev JOURNAL

Date	Particulars	LF	Amt (Dr)	Amt (Cr)
Jan 1	Renu Dr		30,000	
	To Bills Payable A/c			30,000
	(Being the acceptance of the bill given to Renu)			
Apr 4	Bills Payable A/c Dr		30,000	
	To Renu			30,000
	(Being the original bill cancelled)			
Apr 4	Renu Dr		12,000	
	To Cash A/c			12,000
	(Being the cash paid to Renu)			
Apr 4	Interest A/c Dr		540	
	To Renu			540
	(Being the interest due @ 12% p.a. on ` 18,000 for 3 months)			
Apr 4	Renu Dr		18,540	
	To Bills Payable A/c			18,540
	(Being the acceptance of the fresh bill given to Renu)			

Working Note

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Calculation of Interest = $18,000 \times \frac{12}{100} \times \frac{3}{12} = ₹ 540$

LONG ANSWER TYPE II QUESTION (8 Marks)

21. On 1st January, 2016, Satkar Transport Ltd purchased 3 buses for ₹ 10,00,000 each. On 1st July, 2018, one bus was involved in an accident and was completely destroyed and ₹ 7,00,000 were received from the insurance company in full settlement. Depreciation is written-off @ 15% p.a. on diminishing balance method. Prepare bus account from 2016 to 2019. Books are closed on 31st December, every year.

Or

Mr Dravid draws two bills of exchange on 1st January for ₹ 60,000 and ₹ 1,00,000. The bills of exchange for ₹ 60,000 is for two months, while the bill of exchange for ₹ 1,00,000 is for three months. These bills are accepted by Mr Tirath. On 4th March, Mr Tirath requests Mr Dravid to renew the first bill with interest at 18% p.a. for a period of two months. Mr Dravid agrees to this proposal. On 20th March, Mr Tirath retires the acceptance for ₹ 1,00,000, the interest rebate, i.e. discount being ₹ 1,000. Before the due date of the renewed bill, Mr Tirath becomes insolvent and only 50 paise in a rupee could be recovered from the estate. You are to required to give the journal entries in the books of Mr Dravid.

Ans.

Dr		Bus Account				Cr	
Date	Particulars	JF	Amt (₹)	Date	Particulars	JF	Amt (₹)
2016				2016			
Jan 1	To Bank A/c (10,00,000 x 3)		30,00,000	Dec 31	By Depreciation A/c		4,50,000
				Dec 31	By Balance c/d		25,50,000
			30,00,000				30,00,000
2017				2017			
Jan 1	To Balance b/d		25,50,000	Dec 31	By Depreciation A/c (@15% on ₹ 25,50,000)		3,82,500
				Dec 31	By Balance c/d		21,67,500
			25,50,000				25,50,000
2018				2018			
Jan 1	To Balance b/d		21,67,500	Jul 1	By Depreciation A/c (6 months)		54,188
Jul 1	To Profit and Loss A/c (Profit)		31,688	Jul 1	By Bank A/c		7,00,000

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				(Insurance claim)	
			Dec 31	By Depreciation A/c	2,16,750
			Dec 31	By Balance c/d	12,28,250
		21,99,188			21,99,188
2019			2019		
Jan 1	To Balance b/d	12,28,250	Dec 31	By Depreciation A/c	1,84,237
			Dec 31	By Balance c/d	10,44,013
		12,28,250			12,28,250

Working Note

Cost of Accidental Bus on 1 st January, 2018 = ` 7,22,500

Depreciation on Accidental Bus on 1 st July, 2018 = 7,22,500 @ 15% for 6 Months = ` 54,188 Value of Bus as on 1st July, 2018 = 7,22,500-54,188=` 6,68,312 Profit on Accidental Bus = 7,00,000-6,68,312=` 31,688

Cost of the Remaining 2 Buses = 21,67,500-` 7,22,500=` 14,45,000 Depreciation on these Buses = ` 14,45,000(5) 15%=` 2,16,750

Or

In the Books of Mr Dravid JOURNAL

Date	Particulars	LF	Amt (Dr)	Amt (Cr)
Jan 1	Bills Receivable (No. 1) A/c	Dr	60,000	
	Bills Receivable (No. 2) A/c	Dr	1,00,000	
	To Mr Tirath			1,60,000
	(Being bills due on 4th March and 4th April, respectively accepted by Mr Tirath)			
Mar 4	Mr Tirath	Dr	60,000	
	To Bills Receivable (No. 1) A/c (Being cancellation of bills receivable no. 1 upon renewal)			60,000
Mar 4	Mr Tirath	Dr	1,800	
	To Interest A/c			1,800
	(Being the interest due on ` 60,000 @ 18% p.a. for 2 months on renewal of bill)			

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imaginary part of the computer which is used with hardware to perform computer applications.

Answer the following (Q. no. 25 to 26)

25. Give the full form of MIS.

Ans. Management Information System

26. Give any one advantage of using computers in accounting.

Ans. Computer can process the data at high speed.

Give reason (Q. no. 27 to 28)

Here, we have given a statement or situation. You have to give the proper reason for all.

27. We prepare trading account for a sole proprietorship business.

Ans. Trading account is prepared in sole-proprietorship business with the objective of calculating gross profit or gross loss of the business.

28. The CPU is counted in hardware.

Ans. CPU is counted in hardware items of computer because it have a physical value of existence. It means that it can be seen and touched.

SHORT ANSWER TYPE I QUESTION (3 Marks)

29. Calculate credit sales and net sales from the following information

Particulars	Amt (₹)
Debtors on 1st January, 2018	96,000
Debtors on 31st December, 2018	88,400
Cash received from debtors	3,24,000
Sales return	48,000
Cash sales	40,000
Discount allowed	6,000
Bill dishonoured	4,800
Bad debts	4,000

Or

Amitoj maintains her account on single entry system. Calculate her profit on 31st March, 2019 from the following information.

Liabilities and Assets	1st April, 2018 Amt (₹)	31st March, 2019 Amt (₹)
Cash in hand	30,000	10,000
Bank balance	90,000	70,000

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Furniture	40,000	40,000
Stock	20,000	60,000
Creditors	80,000	60,000
Debtors	60,000	80,000

During the year, her drawings were ₹ 20,000 and additional capital invested ₹ 40,000.

Ans. Dr Sundry Debtors Account Cr

Particulars	Amt (₹)	Particulars	Amt (₹)
To Balance b/d	96,000	By Sales Return	48,000
To Credit Sales	3,79,200	By Discount Allowed	6,000
(Balancing figure)		By Bill Dishonoured	4,800
		By Bad Debts	4,000
		By Cash Received from Debtors	3,24,000
		By Balance c/d	88,400
	4,75,200		4,75,200

Net Sales = Cash Sales + Credit Sales - Sales Return
= 40,000 + 3,79,200 - 48,000 = 4,19,200 - 48,000 = ₹ 3,71,200

Or

Statement of Affairs
as at 1st April, 2018

Liabilities	Amt (₹)	Assets	Amt (₹)
Creditors	80,000	Cash in Hand	30,000
Capital (Balancing figure)	1,60,000	Bank Balance	90,000
		Furniture	40,000
		Stock	20,000
		Debtors	60,000
	2,40,000		2,40,000

Statement of Affairs
as at 31st March, 2019

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Liabilities	Amt (₹)	Assets	Amt (₹)
Creditors	60,000	Cash in Hand	10,000
Capital (Balancing figure)	2,00,000	Bank Balance	70,000
		Furniture	40,000
		Stock	60,000
		Debtors	80,000
	2,60,000		2,60,000

Statement of Profit or Loss
for the year ending 31st March, 2019

Particulars	Amt (₹)
Capital at the End	2,00,000
(+) Drawings	20,000
	2,20,000
(-) Additional Capital Invested	(40,000)
Adjusted Capital on 31st March, 2019	1,80,000
(-) Opening Capital	(1,60,000)
Profit for the Year	20,000

SHORT ANSWER TYPE II QUESTION (4 Marks)

30. With the help of a diagram, show the relationship of the accounting system with the other functional management information system.

Or

Briefly explain any four components of a computer hardware.

Ans. Every accounting system is essentially a part of the Accounting Information System (AIS) which in turn is a part of the broader system viz. the organisation's management information system.

In spite of the accounting information system, other functional management information systems are manufacturing information system, human resource information system and marketing information system.

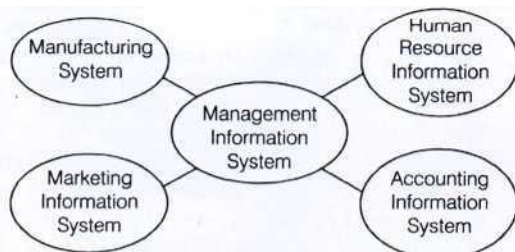
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The diagram shown above entails the four widely recognised functional areas of management. An organisation operates in a given environment surrounded by the suppliers and customers. The informational needs emerge from the business processes stratified into functional areas where accounting is one of them. The Accounting Information System (AIS) receives and provides information to the various sub-systems of the institutional/integrated MIS.

Or

The various components of a computer hardware are

(i) **Motherboard** The main electronic division of the computer with the help of which other components or peripherals, that are also a part of the operating system, communicate with each other is motherboard.

(ii) **Processor** It is the processing unit that controls all the components attached to the computer system. It is also known as CPU (Central Processing Unit).

(iii) **Primary Storage Memory** Alternatively referred to as volatile memory, internal memory and main memory. It is a storage location that holds memory for short period of time while the computer is running, e.g. RAM.

RAM (Random Access Memory) Its main feature is, in it the data persist only for the time when the power is switched on and is lost when the power is switched off. Another form of memory is ROM, i.e. Read Only Memory, it is used for holding programs.

(iv) **Secondary Storage Devices** These devices are meant for storing the data permanently on the computers, i.e. the data will stay until the user erases it or the device gets damaged. Some of the secondary storage devices are

(a) Online storage media (b) Offline storage media or distribution media

(c) Near line storage media

LONG ANSWER TYPE I QUESTION

(6 Marks)

31. The following balances have been extracted from the trial balance of M/s Haryana Chemical Ltd. You are required to prepare a trading and profit and loss account and balance sheet as on 31st December, 2018 from the given information.

Name of Accounts	Amt (₹)	Name of Accounts	Amt (₹)
Opening stock	50,000	Sales	3,50,000
Purchases	1,25,500	Purchase return	2,500

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Sales return	2,000	Creditors	25,000
Cash in hand	21,200	Rent	5,000
Cash at bank	12,000	Interest	2,000
Carriage	100	Bills payable	1,71,700
Freehold land	3,20,000	Capital	3,00,000
Patents	1,20,000		
General expenses	2,000		
Sundry debtors	32,500		
Building	86,000		
Machinery	34,500		
Insurance	12,400		
Drawings	10,000		
Motor vehicle	10,500		
Bad debts	2,000		
Light and water	1,200		
Trade expenses	2,000		
Power	3,900		
Salary and Wages	5,400		
Loan 15% (1st September, 2018)	3,000		
	8,56,200		8,56,200

Adjustments

- (i) Closing stock was valued at the end of the year ` 40,000.
- (ii) Salary amounting ` 500 and trade expenses ` 300 are due.
- (iii) Depreciation charged on building and machinery are @ 4% and @ 5% respectively.
- (iv) Make a provision of 5% on sundry debtors.

Ans. Trading and Profit and Loss Account

Dr

for the year ending 31st December, 2018

Cr

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Particulars	Amt (₹)	Particulars	Amt (₹)
To Opening Stock	50,000	By Sales	3,50,000
To Purchases	1,25,500	(-) Return Inwards	(2,000)
(-) Return Outwards	(2,500)		
To Carriage Inwards	100	By Closing Stock	40,000
To Power	3,900		
To Gross Profit (Transferred to profit and loss account)	2,11,000		
	3,88,000		3,88,000
To Salary and Wages	5,400	By Gross Profit b/d	2,11,000
(+) Outstanding Salary	500	By Rent	5,000
To General Expenses	2,000	By Interest	2,000
To Insurance	12,400	(+) Interest on Investment	150
To Bad Debts	2,000		
(+) Provision for Bad Debts	1,625		
To Trade Expenses	2,000		
(+) Outstanding Trade Expenses	300		
To Depreciation on Building	3,440		
To Depreciation on Machinery	1,725		
To Lighting and Water	1,200		
To Net Profit (Transferred to capital account)	1,85,560		
	2,18,150		2,18,150

Balance Sheet

as at 31 st December, 2018

Liabilities	Amt (₹)	Assets	Amt (₹)
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Capital	3,00,000		Loan	3,000	
(+) Net Profit	1,85,560		(+) Interest @ 15%	150	3,150
	4,85,560		Motor Vehicle		10,500
(-) Drawings	(10,000)	4,75,560	Cash in Hand		21,200
Creditors		25,000	Cash at Bank		12,000
Bills Payable		1,71,700	Freehold Land		3,20,000
Outstanding Trade Expenses		300	Patents		1,20,000
Outstanding Salary		500	Sundry Debtors	32,500	
			(-) Provision for Bad Debts	(1,625)	30,875
			Buildings	86,000	
			(-) Depreciation	(3,440)	82,560
			Machinery	34,500	
			(-) Depreciation	(1,725)	32,775
			Closing Stock		40,000
		6,73,060			6,73,060

Working Note

Interest on Loan = $3,000 \times 15/100 \times 4/12 = ₹ 150$

LONG ANSWER TYPE II QUESTION

(8 Marks)

32. Ramanand keeps only bank book and does not have any other book. From the following information, prepare his trading and profit and loss account and balance sheet as on 31st December, 2018.

Particulars	2017 (₹)	2018 (₹)
Cash at Bank	26,000	29,600
Inventory	82,000	73,600
Furniture	11,000	9,000
Building	9,000	7,000
Land	20,000	20,000
Prepaid office Rent	—	2,000

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Salary outstanding	—	4,000
Debtors	49,600	66,000
Creditors	45,200	60,800

Cash receipts and payments from the bank are as follows

Particulars	Amt (₹)
Sundry expenses	8,000
Drawings	28,000
Rent paid	16,000
Salaries	24,000
Paid to creditors	2,64,000
Cash received from debtors	3,43,600

Or

Shyal Das keeps his books on single entry system. He maintain cash book which is as follows

Dr		Cash Book		Cr
Particulars	Amt (₹)	Particulars	Amt (₹)	
To Balance b/d	7,000	By Cash paid to creditors	70,800	
To Cash received from debtors	99,200	By Salaries	27,000	
To Cash sales	52,000	By Rent	5,000	
To Interest received		By Wages	19,600	
on investment	12,000	By Drawings	8,000	
To Commission received	22,000	By Cash purchases	30,800	
		By General expenses	3,000	
		By Balance c/d	18,000	
	1,82,200		1,82,200	

His other assets and liabilities are as follows

Assets and Liabilities	31st December, 2017 (₹)	31st December, 2018 (₹)

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Creditors	14,200	23,000
Debtors	17,200	36,800
Inventory	31,000	42,800
Building	60,000	56,000
Furniture	20,000	18,000
Investment	20,000	20,000

Prepare trading and profit and loss account and balance sheet from the above information as on 31st December, 2018.

Ans. Dr

Sundry Debtors Account		Cr	
Particulars	Amt (₹)	Particulars	Amt (₹)
To Balance b/d	49,600	By Bank (Received from debtors)	3,43,600
To Credit Purchases	3,60,000	By Balance c/d	66,000
(Balancing figure)			
	4,09,600		4,09,600

Dr

Sundry Creditors Account		Cr	
Particulars	Amt (₹)	Particulars	Amt (₹)
To Bank (Cash paid to creditors)	2,64,000	By Balance b/d	45,200
		By Credit Purchases (Bal. figure)	2,79,600
To Balance c/d	60,800		
	3,24,800		3,24,800

Balance Sheet

as at 31st December, 2017

Liabilities	Amt (₹)	Assets	Amt (₹)
Creditors	45,200	Furniture	11,000
Capital (Opening)	1,52,400	Building	9,000
(Balancing figure)		Land	20,000

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	Cash at Bank	26,000
	Debtors	49,600
	Inventory	82,000
1,97,600		1,97,600

Trading and Profit and Loss Account

Dr		for the year ending 31 st December, 2018		Cr	
Particulars		Amt (₹)	Particulars		Amt (₹)
To Opening Stock		82,000	By Sales		3,60,000
To Purchases		2,79,600	By Closing Stock		73,600
To Gross Profit (Transferred to profit and loss account)		72,000			
		4,33,600			4,33,600
To Salaries	24,000		By Gross Profit b/d		72,000
(+) Outstanding	4,000	28,000			
To Rent	16,000				
(-) Prepaid	(2,000)	14,000			
To Sundry Expenses		8,000			
To Depreciation on Furniture	2,000				
Building	2,000	4,000			
To Net Profit (Transferred to capital account)		18,000			
		72,000			72,000

Balance Sheet

as at 31st December, 2018

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Liabilities	Amt (₹)	Assets	Amt (₹)
Outstanding Salaries Creditors	4,000	Land	20,000
Capital 1,52,400 (+) Net Profit 18,000	60,800	Furniture	9,000
	1,42,400	Building	7,000
1,70,400		Cash at Bank	29,600
(-) Drawings (28,000)		Inventory	73,600
		Prepaid Rent	2,000
		Debtors	66,000
	2,07,200		2,07,200

Or

Dr Sundry Debtors Account Cr

Particulars	Amt (₹)	Particulars	Amt (₹)
To Balance b/d	17,200	By Cash Received from Debtors	99,200
To Credit Sales (Balancing figure)	1,18,800	By Balance c/d	36,800
	1,36,000		1,36,000

Dr Sundry Creditors Account Cr

Particulars	Amt (₹)	Particulars	Amt (₹)
To Cash Paid to Creditors	70,800	By Balance b/d	14,200
To Balance c/d	23,000	By Credit Purchases (Balancing figure)	79,600
	93,800		93,800

Balance Sheet

as at 31st December 2017

Liabilities	Amt (₹)	Assets	Amt (₹)
Creditors	14,200	Cash in Hand	7,000
Opening Capital	1,41,000	Debtors	17,200
(Balancing figure)		Inventory	31,000
		Investment	20,000

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		Building	60,000
		Furniture	20,000
	1,55,200		1,55,200

Trading and Profit and Loss Account

Dr for the year ending 31st December, 2018 Cr

Particulars	Amt (₹)	Particulars	Amt (₹)
To Opening Stock	31,000	By Sales (52,000 + 1,18,800)	1,70,800
To Purchases (30,800 + 79,600)	1,10,400	By Closing Stock	42,800
To Wages	19,600		
To Gross Profit (Transferred to profit and loss account)	52,600		
	2,13,600		2,13,600
To Salaries	27,000	By Gross Profit b/d	52,600
To Rent	5,000	By Interest on Investment	2,000
To General Expenses	3,000	By Commission Received	22,000
To Depreciation on			
Building	4,000		
Furniture	2,000		
	6,000		
To Net Profit (Transferred to capital account)	35,600		
	76,600		76,600

Balance Sheet

as at 31st December, 2018

Liabilities	Amt (₹)	Assets	Amt (₹)
Creditors	23,000	Cash in Hand	18,000

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Capital (Opening)	1,41,000		Debtors		36,800
(-) Drawings	(8,000)		Stock		42,800
	1,33,000		Investment		20,000
(+) Net Profit	35,600	1,68,600	Building	60,000	
			(-) Depreciation	(4,000)	56,000
			Furniture	20,000	
			(-) Depreciation	(2,000)	18,000
		1,91,600			1,91,600

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