

SAMPLE
QUESTION
PAPER
(QUESTION-ANSWER)
ACCOUNTANCY

A Highly Simulated Practice Question Paper for CBSE Class XI Examination 2

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 4)

1. On 12th July, 2019, A draws a bill on B for ` 50,000 for 1 month and 15th August is a public holiday. What will be the maturity date of the bill?

Ans. The date of maturity is 15th August, 2019, it being a public holiday, so the preceding day will be considered as the maturity date, i.e. 14th August, 2019.

2. If the amount is posted in the wrong account or if it is written on the wrong side of the account, what is the error called?

Ans. Error of commission

3. What will be the effect on the trial balance if ` 5,000 are received as rent and correctly entered in the books but not posted to rent account?

Ans. Debit side (Cash A/c) of trial balance will exceed by ` 5,000.

4. The debit notes issued are used to prepare which book?

Ans. The debit notes issued are used to prepare purchase return book.

Multiple choice questions (Q. no. 5 to 7)

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

5. The amount of money that is owed by an outsider is a/an

- (a) asset (b) liability
(c) expense (d) capital

Ans. (a) asset

6. Fixed assets and current assets are categorised as per the concept of

- (a) going concern (b) separate entity

[Type text]

Commerce Online Coaching [CBSE & ISCE] by Commerce Edge

Free Mock Tests

Doubt Clearing Sessions

Study Material

FREE DEMO CLASSES

(c) consistency (d) conservatism

Ans. (a) going concern

7. Sudesh's salary is ₹ 10,000 per month. During a month, he withdrew goods worth ₹ 2,500 for personal use and also got ₹ 9,500 in cash. The excess payment of ₹ 2,000 will be debited to

(a) Salary A/c (b) Purchases A/c
(c) Salary-in-advance A/c (d) Sales A/c

Ans. (c) Salary-in-advance A/c

State true or false (Q. no. 8 to 9)

Here, we have given some statements. You are required to mention whether these statements are true or false.

8. Work of identification, recording and classification of business financial transactions only is known as book-keeping.

Ans. True. Book-keeping starts with identifying financial transactions, recording the identified transactions and ends with classifying them.

9. Credit vouchers are always prepared for those transactions from which no cash is received and for which no cash is paid.

Ans. False. Credit vouchers are always prepared for those transactions of business for which cash is paid. Difference between (Q. no. 10 to 11)

Here, we have given two related terms. You are required to provide distinction between the given terms.

10. Current liability and non-current liability.

Current Liability	Non-current Liability
Compulsorily payable with an accounting year.	Payable atleast after one year.
e.g. Creditors, outstanding expenses, etc.	e.g. Long-term loans, debentures, etc.

11. Purchases book and sales book.

Purchases Book	Sales Book
In this book, only credit purchase of goods is recorded.	In this book, only credit sale of goods is recorded.
Total amount of purchases book is posted to the purchases account.	Total amount of sales book is posted to the sales account periodically.

12. Journal is prepared in order.

Ans. chronological

13. Pass journal entry for debts which were written-off as bad but are subsequently recovered.

Ans. Cash/Bank A/c Dr

To Bad Debts Recovered A/c (Being bad debts written-off, now recovered)

SHORT ANSWER TYPE I QUESTION

(3 Marks)

CBSE Class 11 Fastrack Course by Commerce Edge

Free Mock Tests

Doubt Clearing Sessions

Study Material

FREE DEMO CLASSES

14. What do you understand by cash basis of accounting? Give any two advantages of cash basis of accounting.

Or

Explain the dual aspect principle with the help of an example.

Ans. Under cash basis of accounting, all the financial transactions are recorded only when cash is received or paid and not when the receipts or payments become due. In other words, only cash transactions are recorded in cash basis of accounting, unpaid expenses and unreceived revenues are not recorded in the books of accounts. The two advantages of cash basis of accounting are

(i) Cash basis is suitable for those businesses where almost all transactions take place in cash.

(ii) This method is simple to understand and follow.

Or

Dual aspect is the foundation or the basic principle of accounting. According to this principle, every transaction entered by a business affects atleast two aspects of the business. It is because of this principle that the following accounting equation always holds true.

Assets = Liabilities + Capital *or*

Assets = Claim of Outsiders + Owner's' Equity or Capital *or*

Total Assets = Total Equities

e.g. Yuvraj starts a business with a capital of ` 10,00,000. There are two aspects to the transaction. On one hand, the business has an asset of ` 10,00,000 (Cash) while on the other hand, it has a liability towards Yuvraj of ` 10,00,000 (Capital of Yuvraj). Thus, we can say Capital (Equities) =Cash (Assets) => ` 10,00,000 = ` 10,00,000

SHORT ANSWER TYPE II QUESTIONS (4 Marks)

15. Prepare accounting equation from the following

Amt (`)

- (i) Darshan started business with cash 2,50,000
- (ii) He purchased furniture for cash 35,000
- (iii) He paid commission 2,000
- (iv) He purchased goods on credit 40,000
- (v) He sold goods (costing ` 20,000) for cash 26,000

Ans. Accounting Equation

	Assets				=	Liabilities	+	Capital
Transactions	Cash	+ Furniture	+ Stock	+ Debtors	=	Creditors	+ O/s Expenses	+ Capital
	(`)	(`)	(`)	(`)	=	(`)	(`)	(`)

[Type text]

Commerce Online Coaching [CBSE & ISCE] by Commerce Edge

Free Mock Tests

Doubt Clearing Sessions

Study Material

FREE DEMO CLASSES

(i) Business started with cash	2,50,000	+ 0	+ 0	+ 0	= 0	+ 0	+ 2,50,000
(ii) Purchased furniture for cash	(35,000)	+ 35,000	+ 0	+ 0	= 0	+ 0	+ 0
New Equation	2,15,000	+ 35,000	+ 0	+ 0	= 0	+ 0	+ 2,50,000
(iii) Paid commission	(2,000)	+ 0	+ 0	+ 0	= 0	+ 0	+ (2,000)
New Equation	2,13,000	+ 35,000	+ 0	+ 0	= 0	+ 0	+ 2,48,000
(iv) Purchased goods on credit	0	+ 0	+ 40,000	+ 0	= 40,000	+ 0	+ 0
New Equation	2,13,000	+ 35,000	+ 40,000	+ 0	= 40,000	+ 0	+ 2,48,000
(v) Sold goods for cash costing ` 20,000 at 1 26,000	26,000	+ 0	+ (20,000)	+ 0	= 0	+ 0	+ 6,000
New Equation	2,39,000	+ 35,000	+ 20,000	+ 0	= 40,000	+ 0	+ 2,54,000

16. Record the following transactions in the purchase return book of Shyama Prasad. 2019

Feb 8 → Returned goods to Ram Book Center, Delhi for ` 6,000, trade discount 10%

Feb 18 → Returned goods to Pooja Book Center, Mumbai for ` 20,000 as goods are not as per sample, trade discount 5%

Feb 25 → Return goods to Ramesh Chand for ` 10,000 *Ans.* Purchase Return Book

Date	Particulars	Debit Note No.	LF	Details (₹)	Amt (₹)
2019					
Feb 8	Ram Book Center, Delhi			6,000	
	(-) Trade Discount 10%			(600)	5,400
Feb 18	Pooja Book Center, Mumbai			20,000	
	(-) Trade Discount 5%			(1,000)	19,000
Feb 25	Ramesh Chand				10,000
Feb 28	To Purchase Return A/c Cr				34,400

CBSE Class 11 **Fastrack Course** by Commerce Edge

Free Mock Tests

Doubt Clearing Sessions

Study Material

FREE DEMO CLASSES

17. On 31st December, 2019, the cash book of Rohan showed an overdraft of ` 56,000.

From the following particulars, make out a bank reconciliation statement.

(i) Cheques drawn but not cashed before 31st December, 2019 amounted to ` 39,460.

(ii) Cheques paid into the bank but not credited before 31st December, 2019 amounted to ` 48,910.

(iii) A bill receivable for ` 5,200 previously discounted with the bank had been dishonoured and bank charges debited in the pass book amounted to ` 550.

(iv) Debit is made in the pass book for ` 1,200 on account of interest on overdraft.

(v) The bank has collected interest on investment and credited ` 7,600 in the pass book.

Ans. Bank Reconciliation Statement

as on 31st December, 2019

Particulars	Plus (₹)	Minus (₹)
Unfavourable/Credit Balance/Overdraft as per Cash Book	—	56,000
(+) Cheque issued but not presented for payment	39,460	—
Interest collected by bank	7,600	—
(-) Cheque deposited into bank but not cleared	—	48,910
Bill discounted dishonoured not recorded in cash book including bank charges (5,200 + 500)	—	5,750
Bank debited for charges but not recorded in the cash book	—	1,200
Unfavourable/Debit Balance/Overdraft as per Pass Book	64,800	—
	1,11,860	1,11,860

18. From the following list of balances extracted from the books of Shri Mohan Prasad, prepare a trial balance as at 31st March, 2019.

Name of Accounts	Amt (₹)	Name of Accounts	Amt (₹)
Stock on 1st April, 2018	22,000	Investments	30,000
Purchases	2,57,500	Interest on investments	2,700
Sales	3,61,800	Cash and bank balance	1,240
Carriage inwards	300	Premises	60,000
Carriage outwards	120	Fixtures	14,000

[Type text]

Commerce Online Coaching [CBSE & ISCE] by Commerce Edge

Free Mock Tests

Doubt Clearing Sessions

Study Material

FREE DEMO CLASSES

Return inwards	8,500	Miscellaneous expenses	520
Return outwards	2,000	Miscellaneous income	140
Debtors	32,000	Loan from PNB	25,000
Name of Accounts	Amt (₹)	Name of Accounts	Amt (₹)
Creditors	17,400	Interest on above loan	3,000
Bad debts	600	Capital	70,000
Stationery	420	Proprietor's withdrawal	6,000
Insurance	340	Computers	9,000
Wages and salaries	18,500	Goodwill	15,000
		Stock on 31st March, 2019 (not adjusted)	31,000

Or

Record the following transactions in a journal.

- (i) Received cash from Lipakshi for a bad debts written-off last year ₹ 800.
- (ii) Bought goods at the list price of ₹ 2,00,000 from Ipshita less 20% trade discount and 2% cash discount and paid 40% by cheque.
- (iii) Sold goods to Ishaan at the list price of ₹ 4,00,000 less 20% trade discount and 2% cash discount. Ishaan paid 50% by cheque.

Ans. Trial Balance

as on 31st March, 2019

Name of Accounts	LF	Debit Balance (₹)	Credit Balance (₹)
Stock (on 1st April, 2018)		22,000	—
Purchases		2,57,500	—
Sales		—	3,61,800
Carriage Inwards		300	—
Carriage Outwards		120	—
Return Inwards		8,500	—
Return Outwards		—	2,000

CBSE Class 11 **Fastrack Course** by Commerce Edge

Free Mock Tests

Doubt Clearing Sessions

Study Material

FREE DEMO CLASSES

Debtors	32,000	—
Creditors	—	17,400
Bad Debts	600	—
Stationery	420	—
Insurance	340	—
Wages and Salaries	18,500	—
Investment	30,000	—
Interest on Investment	—	2,700
Cash and Bank Balance	1,240	—
Premises	60,000	—
Fixtures	14,000	—
Miscellaneous Expenses	520	—
Miscellaneous Income	—	140
Loan from PNB	—	25,000
Interest on PNB Loan	3,000	—
Capital	—	70,000
Proprietor's Withdrawal	6,000	—
Computers	9,000	—
Goodwill	15,000	—
	4,79,040	4,79,040

Or

JOURNAL

Date	Particulars	LF	Amt (Dr)	Amt (Cr)
(i)	Cash A/c Dr		800	
	To Bad Debts Recovered A/c			800
	(Being cash received, bad debts written-off last year received)			
(ii)	Purchases A/c Dr		1,60,000	

[Type text]

Commerce Online Coaching [CBSE & ISCE] by Commerce Edge

Free Mock Tests

Doubt Clearing Sessions

Study Material

FREE DEMO CLASSES

	To Bank A/c		62,720
	To Discount Received A/c		1,280
	To Ipshita (Being goods purchased from Ipshita at 20% trade discount, 40% amount paid on 2% cash discount)		96,000
(iii)	Bank A/c Dr	1,56,800	
	Discount Allowed A/c Dr	3,200	
	Ishaan Dr	1,60,000	
	To Sales A/c (Being goods sold to Ishaan at 20% trade discount, 50% cash received on 2% cash discount)		3,20,000

LONG ANSWER TYPE I QUESTIONS

(6 Marks)

19. List the points highlighting the nature of accounting standards.

Or Describe the informational needs of management, employees and creditors.

Ans. Points that highlight the nature of accounting standards are

- (i) Accounting standards bring uniformity in the accounting practices of various business.
- (ii) Accounting practices are the framework of practices and guidelines which facilitate reliability and comparability to financial statements.
- (iii) Accounting standards cannot violate the prevailing law of the country. If they contradict the law, then law will prevail.
- (iv) Accounting standards are flexible because they provide alternative practices to be followed in different situations.
- (v) Accounting standards facilitate comparisons among the financial statements across the years and also among the firms.
- (vi) They help to remove confusion and ambiguity in the presentation of financial statements.

Or

Informational Needs of Management Management requires accounting information for the smooth and efficient functioning of the business. Management needs frequent information with regard to cost price, selling price, credit sales, cash sales, profit or loss etc.

Management require both published and unpublished reports for making future plans and for controlling the business activities. Corrective actions are also taken by the management on the basis of accounting information.

Informational Needs of Employees The employees are also interested in accounting information to find out the ability of the entity to pay higher and regular wages payments, payment of bonus and whether the firm has deposited its share into the provident fund and employees state insurance etc. Employees are also interested in earning capacity of business and find out possibility of promotion.

Informational Needs of Creditors Creditors refers to those suppliers/persons who supply the goods and services on credit. Before granting credit, creditors satisfy themselves about the creditworthiness of the

CBSE Class 11 **Fastrack Course** by Commerce Edge

Free Mock Tests

Doubt Clearing Sessions

Study Material

FREE DEMO CLASSES

business. For this purpose, financial statements help them in the assessment work.

20. Rectify the following errors by passing journal entries, using a suspense account.

(i) The purchase of ` 4,000 from Bheem was entered into sales book but Bheem's personal account was rightly credited.

(ii) The sale of ` 4,300 to Nakul was credited in his account as ` 3,400.

(iii) The sale of old furniture of ` 5,400 was credited to sales account as ` 4,500.

(iv) Goods worth ` 1,000 were taken by the proprietor which was not recorded.

(v) The sale of ` 2,960 to Arjun was entered in sales book as ` 2,690.

(vi) Sales return book balance of ` 2,100 was not included in the accounts.

Ans. JOURNAL

Date	Particulars	LF	Amt (Dr)	Amt (Cr)
(i)	Purchases A/c	Dr	4,000	
	Sales A/c	Dr	4,000	
	To Suspense A/c (Being purchase wrongly entered in sales account, now rectified)			8,000
(ii)	Nakul	Dr	7,700	
	To Suspense A/c (Being sales to Nakul of ` 4,300 credited to his account as ` 3,400, now rectified)			7,700
(iii)	Sales A/c	Dr	4,500	
	Suspense A/c	Dr	900	
	To Furniture A/c (Being sale of furniture entered in sales account, now rectified)			5,400
(iv)	Drawings A/c	Dr	1,000	
	To Purchases A/c (Being goods taken by proprietor for personal use)			1,000

[Type text]

Commerce Online Coaching [CBSE & ISCE] by Commerce Edge

Free Mock Tests

Doubt Clearing Sessions

Study Material

FREE DEMO CLASSES

(v)	Suspense A/c To Sales A/c (Being sales book undercast, now rectified)	Dr	270	270
(vi)	Sales Return A/c To Suspense A/c (Being sales return balance not included in books, now included)	Dr	2,100	2,100

LONG ANSWER TYPE II QUESTION (8 Marks)

21. On 1st January, 2019, Khushi drew a bill on Sarthak for ₹ 1,00,000 payable after 3 months. Sarthak accepted the bill and returned it to Khushi. After 10 days, Khushi endorsed the bill to her creditor, Smita. On the due date, the bill was dishonoured and Smita paid ₹ 2,000 as noting charges.

Record the transactions in the journal of Khushi, Sarthak and Smita.

Or

A truck was purchased on 1st April, 2018 for ₹ 10,00,000. On 1st October, 2018, another truck was purchased for ₹ 6,00,000. Estimated scrap values were ₹ 40,000 and ₹ 20,000 respectively. Depreciation is to be provided @ 10% p.a. on the trucks under the reducing balance system.

(i) Show the truck account for the year ended 31st March, 2019 and 2020.

(ii) Show how the truck account will appear in the balance sheet as at 31st March, 2020.

Ans. In the Books of Khushi (Drawer)

JOURNAL

Date	Particulars	LF	Amt (Dr)	Amt (Cr)
2019				
Jan 1	Bills Receivable A/c To Sarthak (Being acceptance received)	Dr	1,00,000	1,00,000
Jan 11	Smita To Bills Receivable A/c (Being bill endorsed to Smita)	Dr	1,00,000	1,00,000
Apr 4	Sarthak To Smita (Being endorsed bill dishonoured)	Dr	1,02,000	1,02,000

In the Books of Sarthak (Drawee) JOURNAL

CBSE Class 11 **Fastrack Course** by Commerce Edge

Free Mock Tests
Doubt Clearing Sessions
Study Material

FREE DEMO CLASSES

Date	Particulars	LF	Amt (Dr) ,	Amt (Cr)
2019				
Jan 1	Khushi Dr		1,00,000	
	To Bills Payable A/c (Being acceptance given)			1,00,000
Apr 4	Bills Payable A/c Dr		1,00,000	
	Noting Charges A/c Dr		2,000	
	To Khushi (Being bill dishonoured)			1,02,000

In the Books of Smita JOURNAL

Date	Particulars	LF	Amt (Dr)	Amt (Cr)
2019				
Jan 11	Bills Receivable A/c Dr		1,00,000	
	To Khushi (Being bill received from Khushi)			1,00,000
Apr 4	Khushi Dr		1,02,000	
	To Bills Receivable A/c			1,00,000
	To Cash A/c (Being bill dishonoured and noting charges paid ` 2,000)			2,000

Or

Dr		Truck Account		Cr	
Date	Particulars	Amt (₹)	Date	Particulars	Amt (₹)
2018			2019		
	To Bank A/c (I)		Mar 31		
Apr 1	To Bank A/c	10,00,000		By Depreciation A/c	
Oct 1	(II)	6,00,000		I	1,00,000
				II (for 6 months)	30,000
					1,30,000

[Type text]

Commerce Online Coaching [CBSE & ISCE] by Commerce Edge

Free Mock Tests

Doubt Clearing Sessions

Study Material

FREE DEMO CLASSES

2019			Mar 31	By Balance c/d I	9,00,000	14,70,000
				II	5,70,000	
		16,00,000				16,00,000
2019			2020			
Apr 1	To Balance b/d I	9,00,000	Mar 31	By Depreciation A/c I	90,000	1,47,000
	II	5,70,000		14,70,000	II	
			Mar 31	By Balance c/d I	8,10,000	13,23,000
				II	5,13,000	
		14,70,000				14,70,000

Balance Sheet (An Extract) as at 31st March, 2020

Liabilities	Amt (₹)	Assets	Amt (₹)
		Truck	14,70,000
		(-) Depreciation-	(1,47,000)
			13,23,000

Part B

OBJECTIVE TYPE QUESTIONS (1 Mark)

Multiple choice questions (Q. no. 22 to 23)

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

22. Cost of goods purchased for resale is an example of

- (a) capital expenditure (b) revenue expenditure
(c) deferred revenue expenditure (d) None of these

Ans. (b) revenue expenditure

23. Trading account is a

- (a) personal account (b) nominal account
(c) real account (d) asset account

Ans. (b) nominal account

24. Give any one feature of computerised accounting system.

Ans. It provides online input and storage of accounting data.

25. Match the following.

Column I

Column II

- A. Bad Debts (i) Accounts from complete records
B. Gross profit (ii) Shown in profit and loss account and deducted from sundry

CBSE Class 11 Fastrack Course by Commerce Edge

Free Mock Tests

Doubt Clearing Sessions

Study Material

FREE DEMO CLASSES

debtors in balance sheet

C. Double Entry System

(iii) Net sales - Cost of goods sold

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

26. Rent paid during the year @ ` 1,000 p.m., amounts to ` 11,000 and rent of ` 1,000 is outstanding. Give the journal entry to record the outstanding rent.

Date	Particulars	LF	Amt (Dr)	Amt (Cr)
	Rent A/c Dr		1,000	
	To Outstanding Rent A/c (Being outstanding rent recorded)			1,000

27. Differentiate between gross profit and net profit.

Ans. Gross Profit

Net Profit

It is calculated from the trading account.

It is calculated from the profit and loss account.

Gross profit is that profit which is calculated by deducting only direct expenses from the net sales.

Net profit is that profit which is calculated after deducting all the expenses (direct + indirect) of the business.

28. Single entry system of book-keeping is suitable for

business.

Ans. small

SHORT ANSWER TYPE I QUESTION (3 Marks)

29. Give two examples each of the organisations where ready-to-use, customised and tailored accounting packages respectively are suitable to perform the accounting activity.

Or

Explain the meaning of the following terms

(i) Front-end interface

(ii) Back-end database

Ans. (i) Ready-to-use accounting packages are best suitable for small and conventional business.

(ii) Customised accounting packages are the best suitable for large and medium businesses and can be linked to the other information systems.

(iii) Tailored accounting packages are best suitable for large business organisations with multi-users and geographically scattered locations.

Or

(i) Front-end Interface It is an interactive link between the user and database oriented software through which the user communicates to the back-end database.

(ii) Bank-end Database It is the data storage system that is hidden from the user and responds to the requirement of the user to the extent the user is authorised to access.

SHORT ANSWER TYPE II QUESTION

(4 Marks)

30. "Computerised accounting systems are best form of accounting system." Do you agree? Comment.

[Type text]

Commerce Online Coaching [CBSE & ISCE] by Commerce Edge

Free Mock Tests

Doubt Clearing Sessions

Study Material

FREE DEMO CLASSES

Or

Give any four limitations of manual system of accounting.

Ans. Yes, computerised accounting systems are the best form of accounting system. It involves very less manual involvement which eliminates the risk of errors and also because of the following advantages of computerised accounting system (any three)

(i) Speed In a computerised accounting system, accounting data is processed faster.

(ii) Accuracy In a computerised accounting system, the primary accounting data once entered is used for all the later usage. Therefore, the possibility of error is eliminated.

(iii) Reliability Computers are highly reliable as compared to human beings as they are immune to tiredness, boredom or fatigue and are well adapted to perform repetitive calculations.

(iv) Scalability Computerised accounting systems are highly scalable (measurable). The system can cope easily with the increase in the volume of business.

(v) Legibility In a computerised accounting system, the accounting records are typed and presented in standard fonts. Therefore, the errors caused by untidy written figures in a manual accounting system are avoided.

(vi) Efficiency There is greater efficiency in generating decisions, useful information and reports as the computer based accounting system ensures better use of resources and time.

(vii) Storage and Retrieval The computerised accounting system allows the users to store data in a manner that does not require a large amount of physical space. Moreover, the system allows fast and accurate retrieval of data and information.

Or

The four limitations of manual system of accounting are as follows

(i) In a manual accounting system, there are chances of data duplicity of transactions.

(ii) In a manual accounting system, there are more chances of fraud.

(iii) Manual accounting system is time consuming.

(iv) Manual accounting system is expensive.

LONG ANSWER TYPE I QUESTION (6 Marks)

31. From the following balances, prepare trading and profit and loss account and a balance sheet as on 31st March, 2019.

Particulars	Amt (₹)	Particulars	Amt (₹)
Capital	16,40,000	Sundry creditors	1,80,000
Life Insurance premium	56,000	Sales	24,80,000
Plant and machinery	1,00,000	Return outwards	20,000
Stock in the beginning	3,00,000	Special rebates (debit)	16,000
Purchases	17,44,000	Special rebates (credit)	24,000
Return inwards	1,20,000	Rent for premises sublet	20,000

CBSE Class 11 Fastrack Course by Commerce Edge

Free Mock Tests

Doubt Clearing Sessions

Study Material

FREE DEMO CLASSES

Particulars	Amt (₹)	Particulars	Amt (₹)
Sundry debtors	4,20,000	Lighting	8,000
Furniture	1,82,000	Motor car expenses	1,26,000
Motor car	8,00,000	Bank balance	3,04,000
Freight and duty	40,000	Loan from Vishal @ 12% p.a.	2,00,000
Carriage inward	16,000	Interest on loan from Vishal (debit)	18,000
Carriage outward	6,000		
Trade expenses	3,08,000		

Additional Information

- (i) Stock on 31st March, 2019 was valued at ₹ 5,00,000 (realisable value ₹ 6,40,000).
- (ii) Stock of ₹ 1,20,000 was burnt by fire on 25th March. It was fully insured and the insurance company admitted the claim in full.
- (iii) Goods worth ₹ 36,000 were distributed as free samples. Goods worth ₹ 30,000 were used for personal purposes by the proprietor and goods worth ₹ 10,000 were given away as charity.
- (iv) Depreciate motor car by 15%.
- (v) Included in trade expenses is insurance premium of ₹ 48,000 paid for the year ending 30th June, 2019.

Ans. Trading and Profit and Loss Account

Dr		for the year ending 31 st March, 2019		Cr
Particulars	Amt (₹)	Particulars		Amt (₹)
To Opening Stock	3,00,000	By Sales	24,80,000	
To Purchases	17,44,000	(-) Return Inward	(1,20,000)	23,60,000
(-) Return Outward	(20,000)	By Closing Stock		5,00,000
	17,24,000			
(-) Goods Lost by Fire	(1,20,000)			
(-) Goods Distributed as Sample (36,000)				
(-) Goods Withdrawn by Proprietor	(30,000)			

[Type text]

Commerce Online Coaching [CBSE & ISCE] by Commerce Edge

Free Mock Tests

Doubt Clearing Sessions

Study Material

FREE DEMO CLASSES

(-) Goods Given as Charity	(10,000)	15,28,000		
To Freight and Duty		40,000		
To Carriage Inward		16,000		
To Gross Profit (Transferred to profit and loss account)		9,76,000		
		28,60,000		28,60,000
To Depreciation on Motor Car		1,20,000	By Gross Profit b/d	9,76,000
To Trade Expenses	3,08,000		By Special Rebate	24,000
(-) Prepaid	(12,000)	2,96,000	By Rent Received	20,000
To Carriage Outward		6,000		
To Special Rebate		16,000		
To Lighting		8,000		
To Motor Car Expenses		1,26,000		
To Interest Paid	18,000			
(+) Outstanding Interest	6,000	24,000		
To Advertisement (Goods given)		36,000		
To Charity (Goods given)		10,000		
To Net Profit (Transferred to capital account)		3,78,000		
		10,20,000		10,20,000

Balance Sheet
as at 31st March, 2019

Liabilities		Amt (₹)	Assets		Amt (₹)
Capital	16,40,000		Insurance Company (Claim)		1,20,000
(+) Net Profit	3,78,000		Motor Car	8,00,000	

CBSE Class 11 Fastrack Course by Commerce Edge

Free Mock Tests

Doubt Clearing Sessions

Study Material

FREE DEMO CLASSES

	20,18,000		(-) Depreciation (1,20,000)	6,80,000
(-) Drawings (Life Insurance)	(56,000)		Prepaid Insurance Premium	12,000
	19,62,000		Bank Balance	3,04,000
(-) Goods Taken for Personal Use	(30,000)	19,82,000	Plant and Machinery	1,00,000
Loan from Vishal @ 12% p.a.		2,00,000	Sundry Debtors	4,20,000
Outstanding Interest on Loan		6,000	Closing Stock	5,00,000
Sundry Creditors		1,80,000	Furniture	1,82,000
		23,18,000		23,18,000

LONG ANSWER TYPE II QUESTION (8 Marks)

32. Rohan Singh maintains his accounts on single entry system. Following information is available

Particulars	1st April, 2017 (₹)	31st March, 2018 (₹)
Sundry debtors	1,20,000	1,70,000
Sundry creditors	35,000	44,000
Buildings	2,25,000	3,65,000
Furniture	50,000	60,000
Stock	21,600	19,500
Cash in hand	1,17,600	11,09,600
Land	5,00,000	5,00,000
Machinery	1,65,000	2,70,000

During the year, he introduced additional capital of ₹ 5,60,000 and withdrew ₹ 2,000 p.m. for household expenses. Calculate his profit on 31st March, 2018 after considering following adjustments

- Provision on debtors created @ 10%.
- Building and furniture depreciated by 10% and 5% respectively.
- Fire insurance paid in advance ₹ 10,000.
- Outstanding salary ₹ 5,000.

Or

Roop-Prakash keeps his books on incomplete records. Following is the information available

[Type text]

Commerce Online Coaching [CBSE & ISCE] by Commerce Edge

Free Mock Tests

Doubt Clearing Sessions

Study Material

FREE DEMO CLASSES

Particulars	1st April, 2017 (₹)	31st March, 2018 (₹)
Plant and machinery	1,40,000	1,85,000
Cash in hand	40,800	2,31,500
Stock	65,800	1,70,600
Furniture	75,000	90,000
Building	1,60,000	1,80,000
Creditors	37,000	16,800
Debtors	24,600	86,200
10% Investment	2,00,000	2,00,000

During the year, he sold his personal investment of ₹ 5,00,000 and 80% of it introduced into his business.

He withdrew ₹ 30,000 quarterly. Calculate profit after making following adjustments

(i) Provide depreciation on building and furniture at 10% and 20% respectively.

(ii) Create provision on debtors at 5%.

(iii) Rent paid in advance ₹ 5,800.

(iv) Interest on investment accrued for 6 months.

(v) Salary due but not paid ₹ 2,200.

Ans. Statement of Affairs

as at 1st April, 2017

Liabilities	Amt (₹)	Assets	Amt (₹)
Sundry Creditors	35,000	Sundry Debtors	1,20,000
		Building	2,25,000
		Furniture	50,000
Opening Capital (Balancing figure)	11,64,200	Stock	21,600
		Cash in Hand	1,17,600
		Land	5,00,000
		Machinery	1,65,000
	11,99,200		11,99,200

Statement of Affairs

CBSE Class 11 **Fastrack Course** by Commerce Edge

Free Mock Tests

Doubt Clearing Sessions

Study Material

FREE DEMO CLASSES

as at 31st March, 2018

Liabilities	Amt (₹)	Assets	Amt (₹)
Sundry Creditors	44,000	Sundry Debtors	1,70,000
		Building	3,65,000
		Furniture	60,000
Closing Capital	24,50,100	Stock	19,500
(Balancing figure)		Cash in Hand	11,09,600
		Land	5,00,000
		Machinery	2,70,000
	24,94,100		24,94,100

Statement of Profit and Loss
for the year ending 31 st March, 2018

Particulars	Amt (₹)
Capital at the End	24,50,100
(+) Drawings (2,000 x 12)	24,000
	24,74,100
(-) Additional Capital	(5,60,000)
Adjusted Capital	19,14,100
(-) Opening Capital	(11,64,200)
Profit before Adjustment	7,49,900
(-) Provision on Debtors	(17,000)
Depreciation on Building	(36,500)
Depreciation on Furniture	(3,000)
Outstanding Salary	(5,000)
Prepaid Expenses	10,000
Net Profit after Adjustment	6,98,400

[Type text]

Commerce Online Coaching [CBSE & ISCE] by Commerce Edge

Free Mock Tests

Doubt Clearing Sessions

Study Material

FREE DEMO CLASSES

Or

Statement of Affairs
as at 1st April, 2017

Liabilities	Amt (₹)	Assets	Amt (₹)
Creditors	37,000	Plant and Machinery	1,40,000
		Cash in Hand	40,800
		Stock	65,800
Opening Capital (Balancing figure)	6,69,200	Furniture	75,000
		Building	1,60,000
		Debtors	24,600
		10% Investment	2,00,000
	7,06,200		7,06,200

Statement of Affairs

as at 31 st March, 2018

Liabilities	Amt (₹)	Assets	Amt (₹)
Creditors	16,800	Plant and Machinery	1,85,000
		Cash in Hand	2,31,500
Closing Capital (Balancing figure)	11,26,500	Stock	1,70,600
		Furniture	90,000
		Building	1,80,000
		Debtors	86,200
		10% Investment	2,00,000
	11,43,300		11,43,300

Statement of Profit and Loss

for the year ending 31 st March, 2018

Particulars	Amt (₹)
-------------	---------

CBSE Class 11 **Fastrack Course** by Commerce Edge

Free Mock Tests

Doubt Clearing Sessions

Study Material

FREE DEMO CLASSES

Closing Capital		11,26,500
(+) Drawings (30,000 x 4)		1,20,000
		12,46,500
(-) Additional Capital (5,00,000 x 80%)		(4,00,000)
Adjusted Capital		8,46,500
(-) Opening Capital		(6,69,200)
Profit before Adjustment		1,77,300
(-) Provision on Debtors	(4,310)	
(-) Depreciation on Building	(18,000)	
(-) Depreciation on Furniture	(18,000)	
(-) Salary Outstanding	(2,200)	(42,510)
(+) Interest on Investment (Accrued)	10,000	
(+) Rent Paid in Advance	5,800	15,800
Net Profit after Adjustment		1,50,590

[Type text]

Commerce Online Coaching [CBSE & ISCE] by Commerce Edge

Free Mock Tests

Doubt Clearing Sessions

Study Material

FREE DEMO CLASSES