

CBSE
Class XI Accountancy
Sample Paper – 1

Time: 3 hours

Max. Marks: 80

General Instructions:

1. All questions are **compulsory**.
 2. Show your working notes clearly.
-

Part A

1. Which accounts are not considered while preparing the trial balance? [1]
2. Choose the correct answer from the options given below: [1]
What should be the rectifying entry for ₹1, 50,000 spent on a family trip enjoyed by Mr. Khanna and recorded them by debiting to Office Expenses A/c?
 - a) Drawings A/c Dr. 1,50,000
 To Cash A/c 1, 50,000
 - b) Drawings A/c Dr. 1,50,000
 To Office Expenses A/c 1, 50,000
 - c) Office Expenses A/c Dr. 1,50,000
 To Drawings A/c 1, 50,000
 - d) Cash A/c Dr. 1,50,000
 To Office Expenses A/c 1, 50,000
3. Choose the correct answer from the options given below: [1]
What will be the value of an asset at the end of fifth year from its date of purchase, if the asset was purchased for ₹75,000 with salvage value ₹5,000 at the end of its useful life of 7 years? The depreciation would be charged as per Straight Line Method.
 - a) ₹ 26,000
 - b) ₹ 40,000
 - c) ₹ 47,000
 - d) ₹ 75,000
4. Name the process of transferring entries from the journal to their respective accounts in the ledger. [1]
5. Choose the correct answer from the options given below: [1]
“Closing Stock appears at ₹56, 000 after sales during the year on March 31, 2017.” What would be this information regarded as?
 - a) An event

- b) A Transaction
c) Both an event and a transaction
d) Neither an event nor a transaction
6. Choose the correct answer from the options given below: [1]
Which of the following branches of accounting helps overcome one of the limitations of accounting, that is, it ignores the effect of price level changes?
a) Cost Accounting
b) Financial Accounting
c) Inflation Accounting
d) Management Accounting
7. Why are rules of debit and credit same for liability and capital? [1]
8. Choose the correct answer from the options given below: [1]
Mr. Karan, accountant at M/s Das & Das follows different methods of inventory valuation every year. Which of the following attributes of accounting information would be affected due to practice adopted by Mr. Karan above?
a) Relevance
b) Reliability
c) Comparability
d) Understandability
9. Choose the correct answer from the options given below: [1]
A Gross Profit ₹15,000, Carriage Inwards ₹4,000, Rent ₹4,500, Drawings ₹6,000, Freight Outward ₹5,000, Repairs & Maintenance ₹4,800, Manufacturing Wages ₹5,000, Bad Debts Recovered ₹3,000. What is the amount of net profit/loss?
a) Profit of ₹3,700
b) Loss of ₹300
c) Profit of ₹8,200
d) Loss of ₹1,300
10. Which document is evidencing for the credit granted to the named person for the reason stated therein? [1]
11. Choose the correct answer from the options given below: [1]
If wages paid for installation of newly purchased machinery are debited to Wages Account, then under which category of errors this would be classified as?
a) Clerical Errors
b) Errors of Principle
c) Errors of Commission
d) Compensating Errors

12. Is trial balance a statement or an account? [1]

13. Choose the correct answer from the options given below: [1]

If Salaries of ₹15,000 paid to X have been debited to his personal account. What should be the rectifying entry required to be passed to correct this error?

- a) Salaries A/c Dr. 15,000
To Cash A/c 15,000
- b) Salaries A/c Dr. 15,000
To X's A/c 15,000
- c) X's A/c Dr. 15,000
To Salaries A/c 15,000
- d) Cash A/c Dr. 15,000
To Salaries A/c 15,000

14. From the following information, find out profit: Capital at the end of the year ₹5,00,000
Capital in the beginning of the year ₹7,50,000 Drawings made during the period
₹3,75,000. Additional capital introduced ₹50,000. [3]

(OR)

Explain the following terms:

- i. Capital.
- ii. Drawings.
- iii. Account.

15. Explain Historical Cost Principle and Consistency Assumption of Accounting. [4]

16. Give journal entries for the following: [4]

- i. Received only 60 paise in rupee from official receiver of Mr. Vinod who owed ₹10,000.
- ii. Paid ₹7,300 to Vinod in full settlement of his account of ₹7,500.
- iii. Received cash from Vinod for a bad debt written off last year ₹500.

(OR)

Explain the Accrual Basis of Accounting.

17. Prepare Trial Balance from the following information: Prepaid Expense ₹5,000, Profit & Loss A/c (Profit) ₹8,000, Outstanding Rent ₹2,000, Bad Debts Recovered ₹4,000, Interest on Investment ₹1,000, Due to Mohan ₹5,000, Bank overdraft ₹2,000, Discount Allowed ₹800, Due from Vinod ₹1,200, Investment ₹15,000, Patents ₹4,000, Machinery ₹6,000, Capital ₹10,000. [4]

18. A sold goods to B for ₹4,000 and drew a bill for the amount due at 3 months for the amount. B after giving his acceptance returned the bill to A. A discounted it from his bank for ₹3,900. On due date, bill returned dishonoured and bank paid ₹50 as noting charges. Give journal entries in the books of A only. [4]

19. Record the following transactions in Simple Cash Books of Harsh Traders for the month January 2015. [6]

- 1: Cash in hand ₹20,000.
- 3: Received cash on account from Raj ₹5,000.
- 6: Purchased machinery ₹8000.
- 9: Insurance premium paid ₹2,500.
- 12: Sold goods for cash ₹10,000.
- 13: Received commission ₹2,000.
- 15: Purchased postal stamps ₹500.
- 18: Purchased goods for cash from Omkar Brothers ₹1,600.
- 23: Cash paid to Paras ₹3,000 on account.
- 26: Paid rent ₹4,500.
- 28: Sold old furniture ₹3,000.
- 29: Deposited into bank ₹1,800.
- 31: Paid salary to office staff ₹6,000.

(OR)

Distinguish between Provisions and Reserves.

20. Prepare a Bank Reconciliation Statement on 31st December 2015 for the following when credit balance as per bank column of cash book is ₹1,800: [6]

- i. Cheques issued, but not presented for payment ₹360.
- ii. Cheque deposited but not collected by the bank. ₹70
- iii. Interest on overdraft charged by the bank ₹30.
- iv. A customer directly deposited in bank ₹500.

21. Vinod Ltd., purchased a Plant on 1st April, 2005 for ₹15,000. It purchased another plant on 1st October, 2005 costing ₹20,000 and on 1st July, 2006 costing ₹30,000. On 1st January, 2007 the Plant purchased on 1st April, 2005 became useless and was sold for ₹2,000. Show Plant Account charging 10% p.a. depreciation by fixed instalment method for four years. The plant purchased on 1st October, 2005 was sold for ₹8,000 on 1st January, 2008. Accounts of the company are closed on 31st December each year. [8]

(OR)

Pass journal entries in the books of A.

A sold goods to B for ₹10,000 on December 10, 2016 and drew a bill for the same amount payable after 3 months. The bill was accepted by B which was later discounted for ₹9,500 by A on January 02, 2017. On the due date bill was dishonoured. B paid ₹4,200 immediately including Rs 200 as interest and accepted a new bill for ₹6,000. The new bill was endorsed by A to C, one of his creditor for Rs 6,000. The new bill was duly met by B.

Part B

22. Adjustments for outstanding expenses, prepaid expenses or depreciation are not made in receipts and payments accounts. Why? [1]
23. Choose the correct answer from the options given below: [1]
Which of the following is not an example of indirect manufacturing expenses:
a) Depreciation on Machinery
b) Repairs & Maintenance
c) Insurance Premium for goods
d) Raw Materials Consumed
24. Choose the correct answer from the options given below: [1]
The capital of a sole trader would change as a result of _____.
a) Credit Purchase of Raw Material
b) Wages paid in cash
c) Credit Purchase of Fixed Assets
d) Creditor being paid his account by cheque
25. Name the accounting software appropriate for small business organizations, having one user and single office location. [1]
26. Choose the correct answer from the options given below: [1]
Goodwill is _____.
a) An investment
b) A current asset
c) An intangible fixed asset
d) A tangible fixed asset
27. Choose the correct answer from the options given below: [1]
A prepayment of insurance premium will appear in the Balance Sheet as _____.
a) A current liability
b) A current asset
c) A non-current asset
d) A fixed asset
28. Choose the correct answer from the options given below: [1]
Which of the following is not a limitation of Financial Statements?
a) True and fair view of the Business
b) Different Accounting Policies
c) Historical Records
d) Affected by Estimates

29. Differentiate between Manual accounting and Computerised accounting system. [3]

30. Accounting software is an integral part of the computerized accounting system. An important factor to be considered before acquiring accounting software is the accounting expertise of people responsible in organisation for accounting work. In the light of this statement, briefly discuss various types of accounting software. [4]

(OR)

Rahul runs a small business of stationery where he buys the goods from the wholesaler and sells it to the ultimate consumers. There are no much transactions taking place and therefore, he maintains his books on Single Entry System of Accounting to keep it simple. In order to apply for business loans, he is required to submit complete set of final accounts of his business. According to Rahul, since he has been maintaining his records it is very easy to prepare the Trial Balance and Final Accounts from the record maintained by him.

Determine whether Rahul is correct in preparing Trial Balance and Final Accounts from records maintained as per single entry system.

31. Calculate closing stock from the following: [6]

	₹
Sales	40,000
Purchases	24,600
Returns Inwards	1,000
Returns outwards	2,000
Carriage Inwards	800
Gross profit	16,000

Is it correct that debit balance in the profit and loss account is profit?

32. From the following Trial Balance of M/s. Vinod and Sons as on 31st March 2012, prepare Trading and Profit & Loss Account and Balance Sheet. [8]

Particulars	₹	Particulars	₹
Office expenses	300	Stock (opening)	9,000
Selling expenses	11,100	Plant & Machinery (1.4.2011)	20,000
General expenses	1,000	Plant & Machinery (addition 1.10.2011)	5,000
Sundry debtors	20,600	Drawings	6,000
Furniture and Fixtures	5,000	Capital	75,000
Return inwards	13,000	Reserve for doubtful debts	800
Printing and stationery	400	Rent for Premises Sublet	1,600
Rent, Rates and taxes	4,600	Insurance charges	700
Sundry creditors	15,000	Administrative expenses	11,000
Sales	1,31,000	Cash in hand	8,500
Return outwards	1,000	Cash at Bank	18,200
Purchases	90,000		

Adjustments:

- i. Stock in hand at the end ₹14,000.
- ii. Write off ₹600 as bad debts.
- iii. Create 5% provision for bad and doubtful debts.
- iv. Depreciate furniture and fixtures at 5% p.a. and Plant & Machinery at 20% p.a
- v. Insurance prepaid was ₹100.
- vi. A fire occurred in the godown and stock of the value of ₹5,000 was destroyed. It was insured and the insurance company admitted full claim.

(OR)

Explain Single Entry System of Accounting and its features.