

CBSE
Class XI Accountancy
Sample Paper – 1 (Updated 2019-20)

Time: 3 hrs

Max. Marks: 80

General Instructions:

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

	Part A (Financial Accounting - I)	
1	Which accounts are not considered while preparing the trial balance?	1
2	Choose the correct answer from the options given below: What should be the rectifying entry for Rs.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	1
3	What will be the rate of depreciation if the asset was purchased for Rs.80, 000 with a salvage value of Rs.10, 000 at the end of its useful life of 7 years?	1
4	Name the process of transferring entries from the journal to their respective accounts in the ledger.	1
5	Whether the following statement is True or False: "Closing Stock appearing at Rs.56, 000 on 31 st March, 2018 after sales during the year, is regarded as an Event."	1
6	Choose the correct answer from the options given below: 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	1
7	Why are rules of debit and credit same for liability and capital?	1
8	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?	1
9	A Gross Profit Rs 15,000, Carriage Inwards Rs 4,000, Rent Rs 4,500, Drawings Rs 6,000, Freight Outward Rs 5,000, Repairs & Maintenance Rs 4,800, Manufacturing Wages Rs 5,000, Bad Debts Recovered Rs 3,000. What is the amount of net profit/loss?	1
10	Which document is evidencing for the credit granted to the named person for the reason stated therein?	1

11	Wages paid for installation of newly purchased machinery are debited to Wages Account. Such type of error is known as _____.	1
12	Is trial balance a statement or an account?	1
13	Choose the correct answer from the options given below: If Salaries of Rs.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	1
14	From the following information, compute the amount of 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. OR Explain the following terms: i. Capital ii. Drawings iii. Account	3
15	Explain Historical Cost Principle and Consistency Assumption of Accounting.	4
16	Give journal entries for the following: 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.	4
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. 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.	6

	<p>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.</p> <p style="text-align: center;">OR</p> <p>Distinguish between Provisions and Reserves.</p>	
20	<p>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:</p> <p>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.</p>	6
21	<p>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.</p> <p style="text-align: center;">OR</p> <p>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 ₹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 ₹6,000. The new bill was duly met by B.</p>	8
	<p>Part B (Financial Accounting – II)</p>	
22	Adjustments for outstanding expenses, prepaid expenses or depreciation are not made in receipts and payments accounts. Why?	1
23	<p>Choose the correct answer from the options given below: Which of the following is not an example of indirect manufacturing expenses:</p> <p>a) Depreciation on Machinery b) Repairs & Maintenance c) Insurance Premium for goods d) Raw Materials Consumed</p>	1
24	<p>Choose the correct answer from the options given below: The capital of a sole trader would change as a result of _____.</p> <p>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</p>	1
25	Name the accounting software appropriate for small business organizations, having one user and single office location.	1
26	Whether the following statement is True or False: 'Goodwill is a Tangible Fixed Asset.'	1
27	<p>Complete the following statement: A prepayment of insurance premium will appear in the Balance Sheet as _____.</p>	1
28	<p>Choose the correct answer from the options given below: Which of the following is not a limitation of Financial Statements?</p>	1

	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	<p>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.</p> <p style="text-align: center;">OR</p> <p>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.</p>	4																																																				
31	<p>Calculate closing stock from the following:</p> <table><tr><th>Particulars</th><th>₹</th></tr><tr><td>Sales</td><td>40,000</td></tr><tr><td>Purchases</td><td>24,600</td></tr><tr><td>Returns Inwards</td><td>1,000</td></tr><tr><td>Returns outwards</td><td>2,000</td></tr><tr><td>Carriage Inwards</td><td>800</td></tr><tr><td>Gross profit</td><td>16,000</td></tr></table> <p>Is it correct that debit balance in the profit and loss account is profit?</p>	Particulars	₹	Sales	40,000	Purchases	24,600	Returns Inwards	1,000	Returns outwards	2,000	Carriage Inwards	800	Gross profit	16,000	6																																						
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32	<p>From the following Trial Balance of M/s. Vinod and Sons as on 31st March 2014, prepare Trading and Profit & Loss Account and Balance Sheet.</p> <table><tr><th>Particulars</th><th>₹</th><th>Particulars</th><th>₹</th></tr><tr><td>Office expenses</td><td>300</td><td>Stock (opening)</td><td>9,000</td></tr><tr><td>Selling expenses</td><td>11,100</td><td>Plant & Machinery (1.4.2011)</td><td>20,000</td></tr><tr><td>General expenses</td><td>1,000</td><td>Plant & Machinery (addition 1.10.2011)</td><td>5,000</td></tr><tr><td>Sundry debtors</td><td>20,600</td><td>Drawings</td><td>6,000</td></tr><tr><td>Furniture and Fixtures</td><td>5,000</td><td>Capital</td><td>75,000</td></tr><tr><td>Return inwards</td><td>13,000</td><td>Reserve for doubtful debts</td><td>800</td></tr><tr><td>Printing and stationery</td><td>400</td><td>Rent for Premises Sublet</td><td>1,600</td></tr><tr><td>Rent, Rates and taxes</td><td>4,600</td><td>Insurance charges</td><td>700</td></tr><tr><td>Sundry creditors</td><td>15,000</td><td>Administrative expenses</td><td>11,000</td></tr><tr><td>Sales</td><td>1,31,000</td><td>Cash in hand</td><td>8,500</td></tr><tr><td>Return outwards</td><td>1,000</td><td>Cash at Bank</td><td>18,200</td></tr><tr><td>Purchases</td><td>90,000</td><td></td><td></td></tr></table> <p>Adjustments: i. Stock in hand at the end ₹14,000.</p>	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			8
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- 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.