

**CBSE**  
**Class XI Accountancy**  
**Sample Paper – 2**

**Time: 3 hours**

**Max. Marks: 80**

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**General Instructions:**

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

1. Rohit, a businessman, had paid the school fee of his daughter from the business. Is this a business transaction? Give reason. [1]
2. Choose the correct answer from the options given below: [1]  
If there is current probability of outflow of uncertain funds for settlement of an obligation, which of the following is said to be recognized?
  - a) Loan
  - b) Liability
  - c) Provision
  - d) Contingent Liability
3. Choose the correct answer from the options given below: [1]  
Which of the following is shown in the trial balance?
  - a) Journal Folio
  - b) List of Account Balances
  - c) Date of Recording the transactions
  - d) All of the above
4. Choose the correct answer from the options given below: [1]  
Which of the following accounts should be debited for the goods worth ₹3,000 withdrawn for personal use?
  - a) Sales A/c
  - b) Drawings A/c
  - c) Purchases A/c
  - d) Stock A/c
5. Choose the correct answer from the options given below: [1]  
When double entry system is followed to record the business transactions then:
  - a) Debit and credit amount must be equal
  - b) Debit and credit amount may be equal
  - c) Only two accounts are affected

- d) Balance of one account increases and other account decreases
6. Choose the correct answer from the options given below: [1]  
Which of the following is not a personal account?  
a) Bank Account  
b) Drawings Account  
c) Proprietor's Account  
d) Livestock Account
7. Give two differences between cash basis and accrual basis of accounting. [1]
8. Choose the correct answer from the options given below: [1]  
In case loan is taken to purchase goods, then two accounts that are affected are:  
a) Stock and Capital  
b) Capital and Liability  
c) Stock and Liability  
d) Cash and Stock
9. In which accounting outstanding expenses are not recorded? [1]
10. Choose the correct answer from the options given below: [1]  
If the owner withdraws cash or goods for his personal use, it is known as  
a) Drawings  
b) Personal Expenses  
c) Goods in Transit  
d) Abnormal Loss
11. Choose the correct answer from the options given below: [1]  
Cash sales 1.5 times of credit sales, Credit sales ₹1, 20,000, Purchases ₹1, 40,000, Rate of Gross Profit 25% on cost. What is the value of closing stock?  
a) ₹25,000  
b) ₹30,000  
c) ₹1,20,000  
d) ₹60,000
12. Give any two differences between Book Keeping and Accounting. [1]
13. Choose the correct answer from the options given below: [1]  
Which of the following is not a Party to a bill of exchange?  
a) Payee  
b) Drawee  
c) Signatory  
d) Drawer

14. Pass journal Entries: [3]

1. An old machine with book value of ₹40,000 is exchanged for a new machine of ₹1,20,000. The old machine is valued at ₹30,000 for the exchange purpose by X Ltd.
2. Rent paid ₹6,000, half of premises used by owner for his personal use.
3. Ram became insolvent and a final dividend of 50 paise in a rupee was received for a debt of ₹1,000

(OR)

Explain the following terms:

1. Stock
2. Loss
3. Depreciation

15. Rectifying the following errors: [4]

1. Total of Returns inward book ₹800 was not posted.
2. Purchase of ₹750 from Shyam wrongly entered in sales book.
3. An item of ₹45 has been debited to a personal A/c as ₹54.
4. ₹1,000 paid as salary to a manager has been debited to his personal A/c.

16. Mrs. Payal started a business with a capital of ₹6,00,000 on 1 July 2008. She took a loan of ₹1,00,000 from her friend @10% p.a. and introduced ₹2,00,000 as additional capital. On 31 December 2008 her position was as: [4]  
Cash ₹90,000, Stock ₹5,90,000, Debtors ₹6,00,000, Creditors ₹3,00,000. She withdrew ₹10,000 p.m. for personal use. Find out profit or loss presuming interest on loan is yet to be paid.

(OR)

(a) Calculate total assets: Capital ₹40,000, Creditors ₹30,000, Revenue earned ₹75,000, Expenses ₹20,000.

(b) What are Accounting Vouchers?

17. Prepare a Trial Balance: [4]

Particulars	(₹)
Capital	1,00,000
Machinery	20,000
Purchases	2,10,000
Drawings	16,000
Sales	2,00,000
Sales Returns	20,000
Purchase Returns	30,000
Wages	40,000
Discount Allowed	6,000
Bank loan	90,000
Stock	16,000
Roopa (Dr.)	20,000

Cash	54,000
Goodwill	60,000
Interest Received	15,000
Bank O/D	22,000
Nathu (Dr.)	55,000
Ganesh (cr.)	25,000
Reena (cr.)	35,000

18. (a) State with reason whether the following are revenue or capital expenditure: [4]

1. ₹1,000 spent on repairing a second hand machine before put to use.
2. ₹5,000 on repainting the factory.

(b) What do you mean by Specific Reserve?

19. (a) P purchased 1,000 Sq. Meter Land for ₹3 crores to build a factory. At the end of the year market value of land was ₹2.70 crores. P treated ₹30 lakhs as loss and recorded the land at ₹2.70 crores. Is this a correct treatment?

(b) Shibani dealing in electronic goods sold 20 TV sets costing 30,000 each at ₹40,000 each. Out of this ₹5,00,000 were received in cash and the balance is not received yet. State the amount of revenue.

(c) The factory workers of XYZ Ltd. went on a labour strike as a result the production had to stop for a week. The owner estimated the loss of production and the likely loss of profit due to this situation and accordingly directed his accountant to book a loss in the accounts. The accountant did the same. Was the accountant correct in recording the likely loss? Give suitable reasons in support of your answer. [6]

**(OR)**

A company purchased a machine for ₹5,00,000 (including a boiler worth for ₹1,00,000). Company provides depreciation @10% as per straight line method. After four years boiler became useless and it was discarded for ₹20,000. Prepare machine A/c for four Years.

20. Prepare a bank reconciliation statement. [6]

- (i) Debit Balance shown by bank statement ₹20,000
- (ii) Cheques of ₹16,500 were issued in last week of March but only of ₹11,000 were presented for the payment.
- (iii) A bill of exchange of ₹2,000 discounted with the bank was returned dishonoured but no entry made in the cash book.
- (iv) A cheque of ₹5,000 received from Mr. Nikhil on March 24, 2017 was recorded in the discount column of Cash Book and was not banked.
- (v) As per the bank pass book, bank collected ₹2,500 as interest on securities and charged ₹700 & ₹200 as interest on loan and bank charges. These were not recorded in the Cash Book.
- (vi) Credit transfer of ₹1,000 was not recorded in the Cash Book.
- (vii) Interest debited by bank but not recorded in the Cash Book ₹1,500.

21. Prepare two column cash book. [8]

Jan. 01 Balance of cash ₹20,000 and Bank 13,800

Jan. 02 Received from Raman ₹900 and discount allowed ₹100.

Jan. 05 Sold goods for cash 5,000 and deposited half amount into the bank.

Jan. 07 Paid salary ₹2,500

Jan. 10 Settled account of Karan Traders ₹10,000 by paying in cash ₹9,500.

Jan. 14 Received from Murli on behalf of Kurli ₹4,500

Jan. 20 Settled a debt of ₹1,200 by cheque receiving a discount of 5%.

Jan. 22 Drew ₹500 from bank and paid donation.

Jan. 27 Received repayment of loan ₹8,000 and deposited out of ₹6,500 it into the bank.

**(OR)**

A company purchased on 1<sup>st</sup> July, 2015 machinery costing ₹30,000. It further purchased machinery on 1<sup>st</sup> January, 2016 costing ₹20,000 and on 1<sup>st</sup> October, 2016 costing ₹10,000. On 1<sup>st</sup> April, 2017, one-third of the machinery installed on 1<sup>st</sup> July, 2015 became obsolete and was sold for ₹3,000.

The company follows financial year as accounting year.

Show how the Machinery Account would appear in the books of company if depreciation is charged @10% p.a. on Written Down Value Method.

### Part B

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

In a computerised accounting system, the framework of storing and processing large volume of data is known as

- a) Operating Environment
- b) DBMS
- c) Operating System
- d) Accounting Framework

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

What is the amount of commission to be shown in books of accounts?

Gross Profit: ₹1, 00,000, Salaries: ₹44, 000, Depreciation Expense: ₹6,000, Insurance: ₹ 4,000.

Salaries are paid for 11 months

Manager is allowed a commission of 5% on net profit after charging such commission.

- a) ₹1,895
- b) ₹2,000
- c) ₹2,190
- d) ₹2,285

24. What are the basic requirements of every computerised accounting system? [1]

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

XYZ Ltd. has filed a case against PQR Ltd. for copying their registered Trademark. Compensation demanded amounts to ₹10, 00,000. The case was to be decided in five proceeding out of which 4 are already over and in favour of XYZ Ltd. The final hearing is to be held next Saturday.

How will this transaction be recorded in books of PQR Ltd.?

- a) As an Asset
- b) As a Fictitious Asset
- c) As a Contingent Asset
- d) As a Contingent Liability

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

A sequence of actions taken to transform the data into useful decision making information is called

- a) Data Flow
- b) Data Process
- c) Data Sequence
- d) DBMS

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

\_\_\_\_\_ is an interactive link or a dialog between the user and database-oriented software through which the user communicates to the back-end database.

- a) Back-end Database
- b) Back-end Interface
- c) Front-end Interface
- d) Front-end Database

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

\_\_\_\_\_ is prepared for showing the financial position of the business summarising its assets and liabilities at a given date.

- a) Statement of Profit and Loss
- b) Balance Sheet
- c) Statement of Shareholders' Equity
- d) Cash Flow Statement

**29.** Determine whether the following statement is correct and support your answer with an appropriate explanation. [3]

“Financial Statements are prepared just to know the profits earned and loss incurred during an accounting period.”

**30.** MNO Ltd. is a manufacturing company where Mr. Manoj is the accountant who is responsible for recording all the transactions in the books of the firm. Mr. Manoj has good experience of accounting but does not have much knowledge of GST accounting. As per his understanding, GST on purchases is to be debited to the Purchases Account

and also that such debited GST amount is to be included in the cost of goods purchased. You are required to determine whether Mr. Manoj is correct in debiting the GST amount to the Purchases Account and give an appropriate explanation for the same. [4]

**(OR)**

From the following calculate operating profit:

	₹
Net profit	2,00,000
Rent received	20,000
Gain on sale of machine	30,000
Interest on loans	40,000
Donation	4,000

State whether the cost of obtaining license to carry out business is a capital or revenue expenditure.

31. What are the generic considerations before Sourcing an Accounting Software? [6]

32. Prepare final accounts for the year 31.03.2017. [8]

Particulars	Debit (₹)	Credit (₹)
Furniture	6,400	
Motor vehicles	62,500	
Building	75,000	
Capital		1,25,000
Bad debts	1,250	
Provision for d/d		2,000
Debtors / Creditors	38,000	25,000
Stock	34,600	
Purchases / Sales	54,750	1,54,500
Bank O/D		28,500
Returns	2,000	1,250
Advertisements	4,500	
Interest	1,180	
Commission		3,750
Cash	6,500	
Taxes and insurances	12,500	
General expenses	7,820	
Salary	33,000	

Adjustments:

1. Stock on 31.03.2017 ₹32,500
2. Salary outstanding ₹3,000
3. Depreciation on building @5%
4. Write off ₹1,000 as bad debts and create a provision of 5% on debtors.
5. 1/3 of commission received is in respect for next year.

**(OR)**

What are the advantages and disadvantages of Single Entry System of Accounting?