CLASS TEST –XI
CHAPTER - DEPRECIATION

TIME : 30 MNT. **FULL MARKS - 15**

1	**The main objective of depreciation is** (a) To show the previous profit (b) To calculate net profit (c) To reduce tax (d) To satisfy the tax department	1
2	What will be the amount of depreciation using straight line method @10% on 31st march 2022. If a machine was purchased on 1st July 2021 for 1,00,000 and another machine purchased on 1st January 2022 for 2,00,000. (a) 12,500 (b) 28,750 (c) 30,000 (d) none of the above	1
3	**Salvage value means** (a) Definite sale price of the asset (b) Cash to be received when life of the asset ends (c) Cash to be paid when asset is disposed off (d) Estimated disposal value	1
4	**In accounting, becoming out of date or obsolete is known as** (a) Amortization (b) Obsolescence (c) Depletion (d) Physical deterioration	1
5	What will be the amount of depreciation using written down value @10% on 31st march 2023. If a machine was purchased on 1st July 2021 for 1,00,000 and another machine purchased on 1st January 2022 for 2,00,000. (a) 12,500 (b) 28,750 (c) 30,000 (d) none of the above	1
6	M/s Lokesh Fabrics purchased a Textile Machine on April 01, 2021 for 1, 00,000. On July 01, 2022 another machine costing 2,50,000 was purchased . The machine purchased on April 01, 2011 was sold for 45,000 on October 01, 2023 and one the same date a new machine bought costing 2,00,000. The company charges depreciation @ 15% p.a. on straight line method. Prepare machinery account for the year ended March 31, 2024.	4
7	On October 01, 2021 Juneja Transport Company purchased 2 Trucks for 10,00,000 each. On July 1, 2022 company purchased a fresh truck for 12,00,000, On July 01, 2023,. One Truck was sold for 6,00,000. On March 31, 2024 another truck was involved in an accident and destroyed partially, which was not insured. It was sold off for 1,50,000. On Depreciation is to be provided at 10% p.a. on the written down value every year. The books are closed every year on March 31. Give the truck account from 2021 to 2024.	6