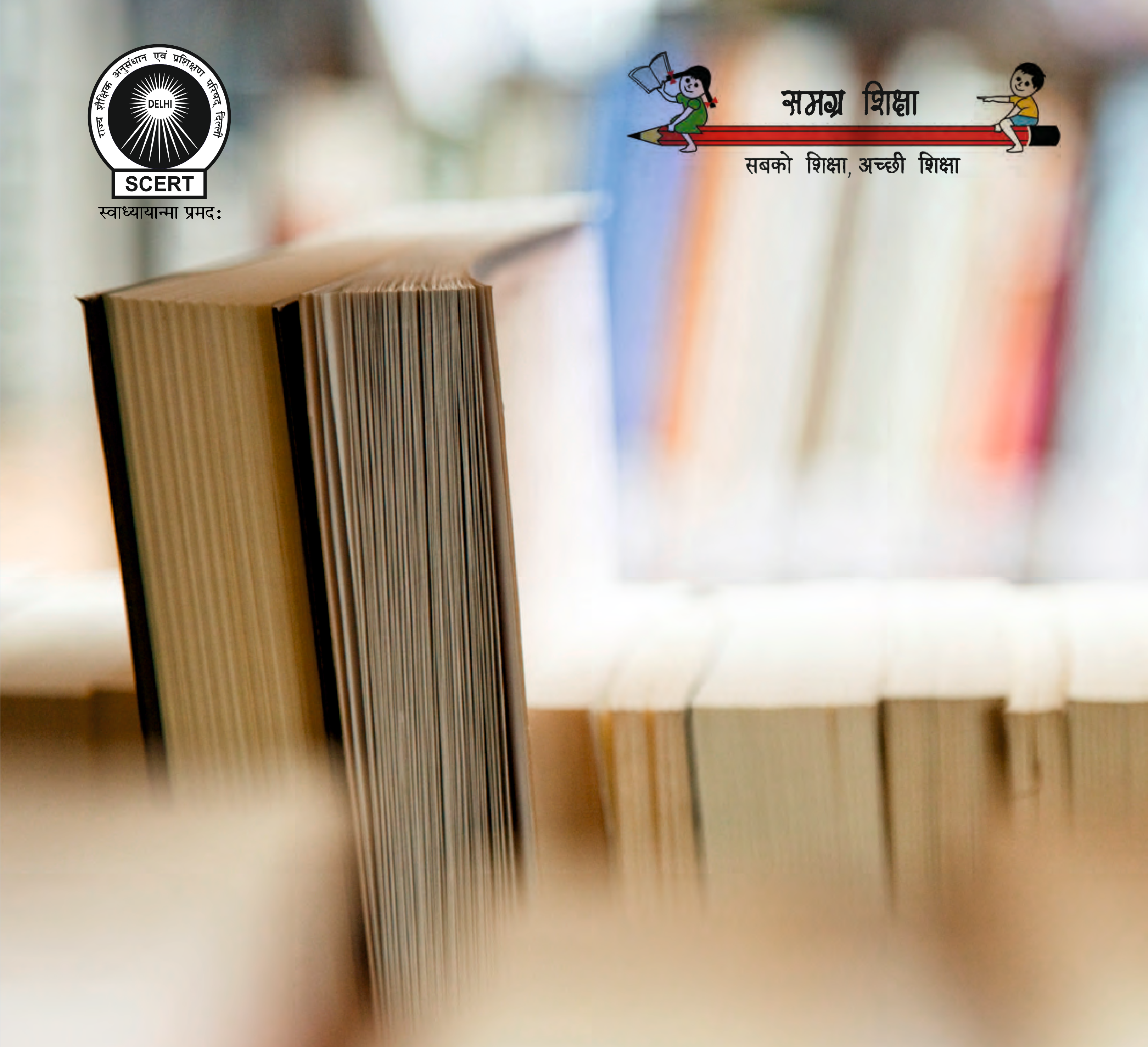
SCERT

स्वाध्यायान्मा प्रमदः

समग्र शिक्षा

सबको शिक्षा, अच्छी शिक्षा



NISHTHA 2.0

ACCOUNTANCY (CLASS 11)

PRACTICE SHEETS

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2023

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PRACTICE SHEETS

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Book Development Committee

Patron

Mr. Ashok Kumar, Principal Secretary (Education)

Advisor

Mr. Rajanish Singh, Director, SCERT, Delhi

Academic Advisor

Dr. Nahar Singh, Joint Director, SCERT, Delhi

LIST OF CONTRIBUTORS

Mr. Hitendra Kumar Virani (Nodal Incharge)	Assistant Professor	SCERT Delhi
Ms. Baldev Bhutani	Lecturer Commerce	Govt. (Co-ed) SSS No. 1, Roop Nagar, Delhi
Ms. Drasty Jain	Lecturer Commerce	(Formerly at) School of Excellence, Madanpur Khadar, Delhi
Mr. Gaurav Palia	Lecturer Commerce	DAV Centenary Public School, Paschim Enclave, Delhi
Mr. Sameer Bhatia	Lecturer Commerce	Maxfort School, Rohini, Delhi
Mr. Sanjay Kumar Chaudhary	Lecturer Commerce	Chotu Ram Public School, Bakhtawarpur, Delhi
Ms. Seema Sharma	Lecturer Commerce	MGD Girls School, Ajmeri Gate, Jaipur
Mr. Sudhir Sapra	Lecturer Commerce	Sarvodaya Vidyalaya, East Panjabi Bagh, Delhi
Mr. Vinay Setia	Lecturer Commerce	(Formerly at) Indraprastha World School, Paschim Vihar, Delhi

Publication Officer : Dr. Mukesh Yadav, SCERT, Delhi
Publication Team : Mr. Dinesh Kumar Sharma, SCERT Delhi, Ms. Fouzia, BRP, SCERT Delhi

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PREFACE

Dear Readers,

It is a matter of immense pleasure for us to present learning enrichment content of the subject Accountancy in form of Practice sheets and 'Points to Remember.' This Learning Enrichment Project is an initiative under Samagra Shiksha Abhiyan wherein the content has been developed by the subject experts.

Complete syllabus of class 11 Accountancy was divided into short topics. Practice sheets have been created on each of these topics with an objective to cover whole syllabus and to provide supplementary practice material. Practice sheets of 20 marks include MCQs, Short Answer type and Long Answer type Questions according to the final exam pattern. Some comprehensive worksheets of 40 marks each have also been designed to give enhanced practice to the students for preparation of Accountancy subject exam.

In addition to the practice sheets, 2 Sample Papers as per the CBSE pattern have also been given in the book.

We are sure that students will find these worksheets and practice papers very useful to gain confidence and perform their best in the Exams.

We hope that teachers will also find these worksheets useful as formative assessment tool in their classrooms during teaching learning process.

We would also like to express our sincere gratitude towards Mr. Rajanish Kumar Singh (Director, SCERT), Dr. Nahar Singh (Joint Director, Academics), Dr. Mukesh Yadav (Publication branch), Ms. Shilpa Grewal (SSA) and other team members for their consistent support and contribution in this endeavour.

All the Best...

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Practice Sheet-1

CLASS XI – ACCOUNTANCY
Introduction to Accounting
Meaning, Definition, Functions and Process of Accounting
Users of Accounting Information

Time: 40 Minutes **Max Marks: 20**

1.	____________links decision maker with economic activities and with the result of their decisions. a) Accounts b) Accountancy c) Accounting d) Accountant	1
2.	Which one of the following is the correct sequence of Accounting Process? a) Identifying, Recording, Classifying, Summarizing b) Identifying, Recording, Summarizing, Classifying c) Recording, Summarizing, Classifying, Identifying d) Identifying, Classifying, Recording, Summarizing	1
3.	An economic event is known as a happening of consequence to a business organization which consists of transactions and which are a) measurable in monetary terms. b) not measurable in monetary terms. c) partially measurable in monetary terms. d) measurable only in qualitative terms.	1
4.	Dissemination of information is an essential function of accounting'. Explain how?	3
5.	This step of accounting process involves observing activities and selecting those events that are of considered financial character and relate to the organization. a) Recognize the step of Accounting process highlighted in above lines. b) Explain briefly other steps.	4
6.	Complete the following sentences with appropriate words: a) The process of accounting starts with .... and ends with .... b) Accounting measures the business transactions in terms of .... value. c) Identified and measured economic events should be recorded in .... order. d) An important element in the .... process is the accountant's ability and efficiency in presenting the relevant information, for the users of accounting information.	4
7.	State the nature of accounting information required by the following users- a) Creditors b) Government of India c) Management d) Workers e) Investors f) Owners	6

Practice Sheet-2

CLASS XI – ACCOUNTANCY
Introduction to Accounting
Advantages, Limitations, Objectives of Accounting, Qualitative characteristics of Accounting Information

Time: 40 Minutes **Max Marks: 20**

1.	Objectives of accounting are to : 1. maintain records of business; 2. calculate profit or loss; 3. depict the financial position; and 4. make information available to various groups and users. Which of the following statements given above is/are correct? a) Only 1 and 3 are correct b) All are correct c) Only 1 and 2 are correct d) Only 2 and 4 are correct	1
2.	Out of the following, which event is **not** to be recorded in the books of accounts? a) Rendering services to the customers by Drishti Engineers and Consultants. b) Purchase of materials from suppliers. c) Appointment of an employee. d) Sale of merchandise to the customers.	1
3.	Rekha wants to buy a building for her business today. Which of the following is the relevant data for her decision? a) Similar business purchased the required building in current year for ₹10,00,000. b) Building cost details of year 2015. c) Building cost details of year 2000. d) Similar building cost in August, 2020 ₹25,00,000	1
4.	'Gaurav was running the business successfully since last 5 years, but covid completely changed the situation. During Covid, many of his trusted employees left the job as they had to go to their respective villages. It affected the business adversely and his business started incurring losses.' Which accounting limitation is highlighted in the above lines? Briefly explain any two other limitations of Accounting.	3
5.	Define Accounting. Enumerate main objectives of accounting.	4
6.	List **any four** advantages of Accounting.	4
7.	Identify the qualitative characteristics of accounting information which are reflected in the given lines and explain them. a) An information should be free from error and bias and faithfully represents what it is meant to represent; b) Use of common unit of measurement and common format of reporting; c) Information should be presented in the most intelligible manner without sacrificing relevance and reliability.	6

Practice Sheet-3

CLASS XI – ACCOUNTANCY
Basic Accounting Terms(1)

Time: 40 Minutes | **Max Marks: 20**

1. Match List-I with List-II and select the correct answer using the codes given below the Lists- 1

List –I	List – II
A. Goods	1. Withdrawal of money and/or goods by the owner from the business for personal use.
B. Drawings	2. is a measure of something on hand-goods, spares and other items in a business.
C. Purchases	3. refers to the products in which the business is dealing.
D. Stock	4. are total amount of goods procured by a business on credit and on cash, for further production or sale

Codes-

	A.	B.	C.	D.
a)	3	1	4	2
b)	3	1	2	4
c)	4	1	2	3
d)	4	2	3	1

2. Tick (✓)the appropriate one: 1

Items	Revenue Expenditure	Capital Expenditure	Revenue Receipts	Capital Receipts
Interest on fixed deposits				
Cost of goods sold				
Purchase of furniture				
Cash from sale of an asset				

3. Which one of the following pairs is **not** correctly matched? 1

a) Revenues- rent received
b) Expenses-Commission received
c) Capital Expenditure- purchased machinery
d) Deferred Revenue Expenditure-Advertisement

4. Consider the following points : 1

1. Fixed Assets can be classified into two types: tangible and intangible;
2. Current assets include all the cash and cash equivalents;
3. Fixed assets are part of current assets; and
4. Non-current assets are held by the business from a short term point of view.

Which of the following statements given above **is/are correct**?
a) Only 2 and 3
b) Only 1,2, and 4
c) Only 1 and 2
d) Only 2 and 4

5.	Bank overdraft is a a) Short term liability b) long term liability c) contingent liability d) part of capital	1
6.	Which of the following is not the example of revenue receipts? a) Amount received from the sale of goods b) Amount received from the sale of machinery c) Amount received from providing service to customers d) Receipts of commission, interest, rent, etc.	1
7.	At the time of preparing balance sheet, it is deducted from the capital of the proprietor or partner, as the case is. a) External liabilities b) Revenue receipts c) Drawings d) Cash	1
8.	Identify the option which does **not** mean Capital a) owner's equity b) Net worth c) Assets-liabilities d) Total liabilities	1
9.	Differentiate between- a) Tangible and Intangible Assets b) Cash and Credit Transactions	4
10.	Briefly explain- a) Inventories/Stock b) Deferred revenue expenditure c) Loss d) Sales	4
11.	Answer the following questions- a) Mr. Luv Sunaria dealing in electronic goods sold 10 Air conditioners costing ₹50,000 each at ₹70,000 each. Out of this ₹, 5,00,000 were received in cash and the balance is not yet received. State the amount of revenue. b) Mr. Krishan Pareek who owed us ₹80,000 became insolvent and paid only 40% of this amount. What is the term used for the amount not received? c) Sumit Electrical Appliance ltd. imported one machinery from Germany for sale in India and other machinery for production purposes. Will you treat them goods or fixed assets? d) Goods costing ₹20,000 are sold for ₹27,000.What is the income generated from this transaction?	4

Practice Sheet-4

CLASS XI – ACCOUNTANCY
Basic Accounting Terms(2)

Time: 40 Minutes **Max Marks: 20**

1. Complete the series based on the hint given below. (1)
(Hint: Goodwill - Intangible Asset)
a) Underwriting commission -
b) Cash in hand-

2. Jain Supermarket purchases goods for 10,000 on credit for a month from Mahavira Food Products on January 10, 2022. If the balance sheet of Jain Supermarket is prepared as at March 31, 2022, Mahavira Food Products will be shown as _______ on the ________ side of the balance sheet. (1)
a) Creditors..........assets
b) Creditors..........liabilities
c) debtors..........assets
d) debtors..........liabilities

3. Tick (✓)the appropriate one: (1)

Items	Current Assets	Current Liabilities	Non-Current Assets	Non –Current Liabilities
Intangible Assets				
Trade Payables				
Inventories				
Long Term Provisions				

4. Match List-I with List-II and select the correct answer using the codes given below the Lists- (1)

List –I	List –II
A. Capital	1. An event involving some value between two or more entities.
B. Transactions	2. This deduction is given at the time of payment on the amount payable.
C. Trade Discount	3. This deduction of agreed percentage is given at the time of selling goods.
D. Cash Discount	4. Amount invested by the owner in the firm

Codes-

	A.	B.	C.	D.
a)	1	3	4	2
b)	1	3	2	4
c)	4	1	3	2
d)	4	1	2	3

5.	Differentiate between a) Debtors and Creditors; b) Profit and Gain c) Revenue Expenditure and Capital Expenditure	3
6.	Explain the meaning of the following terms- a) Drawings; b) Sales; c) Voucher;	3
7.	Answer the following riddles- a) I am an economic resources of an enterprise that can be usefully expressed in monetary terms. What is my name? b) I am an obligation or debt that an enterprise has to pay at some time in the future. Who am I? c) I am the deduction in the price of the goods sold .Guess my name. d) I am the product in which the business unit is dealing. Who am I?	4
8.	Mr. Arun started a business for buying and selling of Hardware items with ₹10,00,000 as an initial investment. Of which he paid ₹3,00,000 for furniture, ₹5,00,000 for buying hardware items. He employed a sales person and clerk. At the end of the month he paid ₹ 50,000 as their salaries. Out of the items bought he sold some items for ₹1,50,000 for cash and some other items for ₹1,00,000 on credit basis to Mr. Vibhanshu. Subsequently, he bought hardware items of ₹2,50,000 from Mr. Devender. From the above, answer the following : a) What is the amount of capital with which Mr. Arun started business. b) What are the fixed assets he bought? c) What is the value of the goods purchased? d) Who is the creditor and state the amount payable to him? e) What are the expenses apart from goods purchased? f) Who is the debtor? What is the amount receivable from him?	6

Practice Sheet-5

CLASS XI – ACCOUNTANCY
Theory Base of Accounting

Time: 40 Minutes **Max Marks: 20**

1	According to which concept even the owner of the business is treated as the creditor up to the extent of his Capital? (a) Cost Concept (b) Dual Aspect Concept (c) Business Entity Concept (d) Money Measurement Concept	1
2	Contingent liability appears in the balance sheet as a footnote. This is in accordance with which of the following accounting principle? (a) Consistency (b) Full Disclosure (c) Conservatism (d) Materiality	1
3	An accounting concept where the accountant would take caution and use the understated figure instead of an overstated figure. While doing so Accountant is following which concept. (a) Consistency (b) Conservatism (c) Realisation (d) Matching	1
4	According to the cost concept: (a) Assets are recorded at lower of cost and market value. (b) Recorded by estimating the market value at the time of purchase. (c) Assets are recorded at the value paid for acquiring it. (d) Assets are not recorded.	1
5	Match the following (a) On the basis of this assumption Transactions are classified into capital and revenue items. — (i) accounting period (b) Assets, revenues and expenses should be clearly stated along with their method of valuation and grouping. — (ii) going concern (c) For the purpose of reporting, the entire life of a firm is divided into time intervals. Each time interval is known as accounting period. — (iii)matching principle (d) Revenue should be matched with the expense if the benefit is likely to occur in the same accounting period. — (iv) full disclosure 1. (a-ii, b-iv, c-i, d-iii) 2. (a-iii, b-iv, c-ii, d-i) 3. (a-i, b-iii, c-iv, d ii) 4. (a-iv, b- i, c- iii, d-ii)	1

6	State whether the following statements are True or False. Justify your answer. (i) Transactions and events that cannot be measured in money terms are only recorded in the books of accounts. (ii) Following Accrual Principle, advance received from customers for supply of goods is not recorded in the books of accounts as goods were not yet transferred to them. (iii) Creation of provision for doubtful debts is an example of the matching principle.	3
7	State and explain the accounting concepts/conventions involved in each of the following cases. (i) Purchase of pencils is treated as an expense even though these will be used for a number of years. (ii) Every transaction entered into has two aspects-a debit and a credit of equal amount (iii) Financial statements of the firm are prepared every year on 31st March period.	3
8	Discuss the principles based on the premise. (i) Do not anticipate profits but Provide for all losses. (ii) Sale is recognised on the basis of Cash memo or Invoice.	3
9	Explain the following with the help of appropriate example. (a) Going concern concept (b) Dual aspect concept (c) Consistency concept	2x3 (6)

Practice Sheet-6

CLASS XI – ACCOUNTANCY

Theory Base of Accounting

Time: 40 Minutes **Max Marks: 20**

1	A concept that a business enterprise will not be sold or liquidated in the near future is known as: (a) Going concern concept (b) Economic entity (c) Monetary unit (d) Historical Cost.	1
2	Salary for the month of March 2022 is not paid. It should be recorded in the books of accounts as an expense for the year ended March 31, 2022 according to which concept. (a) Going concern concept (b) Accrual concept (c) Revenue recognition concept (d) Both accrual and revenue recognition concept	1
3	Providing depreciation on Fixed Assets is in accordance with which of the following. (i) Going concern (ii) Matching (iii) Materiality (a) (i) and (iii) (b) (ii) and (iii) (c) (i) and (ii) (d) All of the above	1
4	Which one of the following is correct. (i) Assets = Liabilities + Capital (ii) Capital = Assets – Liabilities (iii) Equities = Assets (a) (i) and (iii) (b) (ii) and (iii) (c) (i) and (ii) (d) All of the above	1

5	Assertion (A):- Provide for all anticipated expenses and losses but do not account anticipated incomes and profits. Reason (R):- Closing stock is valued at lower of cost or net realisable value(market value) (a) (A) is correct but (R) is wrong (b) Both (A) and (R) are correct, but (R) is not the correct explanation of (A) (c) Both (A) and (R) are incorrect. (d) Both (A) and (R) are correct, and (R) is the correct explanation of (A)	1
6	This principle states that accounting should be free from personal bias of a person who is recording the transactions. (a) Verifiable objective concept (b) Historical cost principle (c) Materiality principle (d) Conservatism principle	1
7	Which of the following accounting concept says that Assets are to be recorded in the books of accounts at their original cost and depreciated in a systematic manner without reference to its market value. (a) Going concern (b) Consistency assumption (c) Business entity principle (d) Accounting period principle	1
8	State and explain the accounting concepts/conventions involved in each of the following : (a) Personal transactions of the businessman are not recorded in the books (b) Of the business unless it involves inflow or outflow of business funds. (c) Records of the business transactions are to be kept not in the physical units but in the monetary units.	3
9	Explain the following statements (a) Resignation by a Marketing Manager is not recorded in the books of accounts. (b) Accounting policies and practices once adopted cannot be changed under any circumstances.	2x2 (4)
10	Briefly explain the following. (a) GAAP (b) Materiality principle (c) Accounting period principle	2x3 (6)

Practice Sheet-7

CLASS XI – ACCOUNTANCY
Special Purpose Subsidiary Books

Time: 40 Minutes **Max Marks: 20**

1	Purchase Return Books records (a) Cash purchases (b) Credit sales (c) Return of goods sold (d) Return of goods purchased on credit	1
2	In the Purchase Book the record is in respect of (a) Credit purchases of goods dealt in (b) Cash purchases of goods dealt in (c) All purchases of goods dealt in (d) Purchase of anything	1
3	Debit note is issued for purchased goods returned to (a) Debtor (b) Creditor (c) Bank (d) Customer	1
4	Rectifying Errors are recorded in (a) Ledger (b) Balance sheet (c) Cash book (d) Journal proper	1
5	Name the books of original entry where the following transactions are recorded along with reason thereof: (a) Goods purchased from Ashok for Rs.45000 for cash. (b) Returned goods by Ram Lal for Rs.5000 as the goods were not as per specifications. (c) M/s Gyan Furniture Mart purchased furniture amounting to Rs. 7000 from Hari andSons at 10% trade discount.	3
6	For what purpose is a Journal Proper used? Give two examples of entries which appear in a Journal Proper	3
7	From the following particulars of M/s ABC Ltd., prepare relevant books and post them inledger accounts- (a) Sold 50 shirts at Rs. 300 per shirt and 40 trousers at Rs. 600 each at 15% trade discount to Hira Lal Plus freight charges Rs.2000. (b) Purchased from M/s Arvind Mills Ahmedabad, 15 pieces costing at Rs. 2500 each and 15 pieces shirting at Rs.1800 each less 10% trade discount. Forwarding charges Rs.2500.	4

8	Record the following transactions of Super market Store, dealer of stationery into propersubsidiary books and close the subsidiary book on 31st Dec 2022 2022 Dec. 1 Bought from Hari and Sons Kolkata10 ream paper @ Rs. 240 per ream50 registers @ Rs. 80 per register Less 10% trade discount Dec 6 Sold to Sita Ram Haryana 5 ream paper @ Rs. 280 per ream10 registers @ Rs. 95 per register Less 5% trade discount, forwarding charges 100 Dec 10 sold to Ram Sharan Das for cash 40 dozen pen @ Rs. 5 per pen 10 ream Ruled paper @ Rs. 250 per ream Less 15% trade discount, forwarding charges 100 Dec 16 Purchased from Hari Shanker 4 office chairs @ 1500 per chair1 steel Table @ 2800 per table Less 20% trade Discount, Cartage Rs. 50 Dec 25 Returned to Hari and Sons, Kolkata 10 registers being not up to the approved sample Dec 26 Purchased from Sita Ram 50 copies @ Rs. 40 each 10 colour Box @ Rs. 90 each 5 ream paper @ Rs. 220 each Less 5% Trade discount	6

Practice Sheet-8

CLASS XI – ACCOUNTANCY
Basis of Accounting

Time: 40 Minutes | **Max Marks: 20**

1	Which accounting method is best for keeping track of cash inflows and cash outflows. (a) Accrual Basis (b) Cash Basis (c) Income Basis (d) Cash flow basis	1
2	Accrual basis of accounting (a) Does not give a true and fair view of profit and financial position. (b) Give a true and fair view of profit and financial position. (c) May or may not give true and fair view of profit and financial position (d) None of the above	1
3	Accrual Basis of Accounting recognizes (a) Outstanding and prepaid expenses (b) Income received in advance (c) Both (a) and (b) (d) None of the above	1
4	_____________ Basis of accounting is more scientific as compared to________basis of accounting. (a) Cash basis, Accrual basis (b) Accrual basis, Cash basis	1
5	Differentiate between Cash basis and Accrual basis of accounting on the basis of (a) Profit or loss (b) Legal position (c) suitability	3
6	Calculate the following (a) If income received during the year is 2,00,000 including income received in advance for the next year 20,000. It includes Rs. 5,000 for the previous year also. The amount to be recorded as current year income following cash basis of accounting will be. (b) If total sales during the year were Rs. 1,00,000 out of which cash received during theyear was 65,000 and bad debts Rs. 5,000. Find out the revenue recognised following Accrual basis. (c) During the year, cash sales was 50,000 and credit sales of Rs. 70,000. Expenses paid during the year was Rs. 50,000 and 20,000 still outstanding. Find income following accrual basis of accounting.	3

7	(a)	Does cash basis of accounting violate GAAP? If Yes, how?	2 X
	(b)	Cash Basis of accounting is not a better basis for depicting the correct financial position of an enterprise. Do you agree with this statement? Justify your answer.	2
8	(a)	What do you understand by Accrual basis of accounting? Write down its two advantages also.	2
	(b)	From the following information determine the profit earned or loss incurred when (a)cash basis is followed and when (b) accrual basis is followed Cash sales — Rs. 2,00,000 Credit sales — Rs. 4,00,000 Outstanding Expenses — Rs. 4,000 Prepaid expenses — Rs. 5,000 Cash purchases — Rs. 2,00,000 Credit purchases — Rs. 1,00,000 Total expenses paid — Rs. 90,000 Income received in advance — Rs. 10,000 Accrued income — Rs. 5,000	4
9		Explain the following statements (a) Resignation by a Marketing Manager is not recorded in the books of accounts. (b) Accounting policies and practices once adopted cannot be changed under any circumstances.	2x2 (4)
10		Briefly explain the following. (a) GAAP (b) Materiality principle (c) Accounting period principle	2x3 (6)

Practice Sheet-9

CLASS XI – ACCOUNTANCY
Special Purpose Subsidiary Books

Time: 40 Minutes **Max Marks: 20**

1	Sales Day Book is used to record (a) Credit sales of trading goods (b) Only cash sales of trading goods (c) Sales of all types of goods including capital goods (d) None of the above	1
2	Opening Entry is recorded (a) In the beginning of the accounting year (b) At the end of the accounting year (c) Anytime during the year (d) In the middle of the accounting year	1
3	The total of Return Inward Book is posted to (a) Purchase account (b) Purchase return account (c) Sales return account (d) Individual accounts of customers	1
4	Goods purchased from Suleman, the payment for which is due after fifteen days is recorded in (a) Purchase Book (b) Purchase Return Book (c) Journal proper (d) None	1
5	Name the books of original entry where the following transactions will be recorded with reasons there of: (a) Purchased furniture on credit from Mr. Lal Chand for Rs. 1,00,000 for use in the business. (b) Defective goods sold to Hari on credit amounting to Rs. 10,000 were returned byher. (c) Goods returned by customer against cash amounting to Rs. 4,000.	3
6	From the following information available on 31st March 2022, pass the necessary adjustment entries in the Journal for the year ending on that date. (a) Interest due on loan but not paid. Loan of Rs. 50,000 was taken on 1st October 2021at 7% interest. (b) Wages for March, 2022 outstanding Rs. 5000. (c) Ram Lal was declared insolvent and a sum of Rs. 2000 could not be received.	3

7	Prepare Returns Inward and Returns Outward books of M/s Hari Om Cloth Merchant, Delhi from the following transactions and post them in ledger accounts (a) Goyal sons, New Delhi, returned 5 shirts for being defective @ Rs. 1500 per shirt less 10% trade discount (b) Returned to Sham Garments, Delhi 10 track suits @ Rs. 1200 each less 12% trade discount as goods were not as perspecifications. (c) Meghna Store returned 8 trousers of Rs. 600 each for being defective. (d) Returned to Madhur Bros, Shahdara 5 suit length of Rs. 2500 each less 5% trade discount as material was found defective.	4
8	From the following transactions of Sujata furniture Mart Delhi, prepare appropriate books. 2022 Oct., 1 Purchased from Karan & Co. Delhi 10 tables @ 4,000 each 5 chairs of Rs. 2000 each Trade Discount 10%, forwarding charges Rs. 2000 Oct, 6 Sold to Virender Furniture, Delhi 10 study tables @ 2500 each 05 almirahs @ Rs. 5000 each Less trade discount 15%, cartage Rs. 2000 Oct, 10 Sold to Shyam for cash 2 chairs @ Rs. 1500 1 table for Rs. 3000 Less trade discount 5% Oct. 12 Purchased from Sujata Sons, Delhi 10 chairs @1600 each 15 tables @ 2200 each Less 10% trade discount, cartage Rs. 2000 Oct. 22 Sold to M/s Radhe, Delhi 4 Dining table @ 5000 each 2 almirah @ 5500 eachLess 5% trade discount Oct., 31 Purchased from Mohan and sons 5 TV cabinet @ 2500 each 4 computer table @ 3000 each Less 15% trade discount, forwarding charges Rs. 1000	6

Practice Sheet-10

CLASS XI – ACCOUNTANCY
Accounting Voucher

Time: 40 Minutes	Max Marks: 20

Q.1	Which of the following is not a source of document. a) Cash Memo b) Invoice c) Pay-in-Slip d) Account	**(1)**
Q.2	When a trader received goods back from a customer then a _____ note is prepared a) Credit Note b) Debit Note c) Cheque d) Receipt	**(1)**
Q.3	Pick out a source document from the following: a) Debit Voucher b) Credit Voucher c) Transfer Voucher d) Invoice	**(1)**
Q.4	Credit purchase of furniture will be recorded through which voucher? a) Debit Voucher b) Credit Voucher c) Cash Voucher d) Transfer Voucher	**(1)**
Q.5	Write Short note on following a) Cash Memo b) Receipt c) invoice	**(3)**
Q.6	What are the types of Vouchers? Explain them in detail.	**(3)**
Q.7	**(a)** A bill of sale, it is a written document by a seller to a purchaser reporting that on a specific date, a particular sum of money or other value received, the seller sold a specific item to the purchaser, for e.g., goods of which he has a lawful position. Which bill are we talking about? **(b)** When goods are sold on credit, a bill is issued on the name of the buyer, indicating the products, quantities and agreed price of product or services, the seller has provided the buyer. What is the bill known? **(c)** A written acknowledgement, which tells that a specified sum has been received from the customer for exchange of goods and services, it is known as _____ **(d)** A firm that is filled when a customer deposits money into his bank account is known as ___________	**(4)**

Q.8	(a) From the following transactions of M/s Raj Traders prepare Debit Vouchers.	(3)

(a) From the following transactions of M/s Raj Traders prepare Debit Vouchers. **(3)**

Date	Transactions	Amount (₹)
5 Dec. 2017	Bought goods for cash vide Cash Memo No. 212 plus GST 18%	6, 000
8 Dec. 2017	Cash Paid to Garg Electronics for purchase of electronic goods vide Cash Memo No. 340	4, 000
11 Dec. 2017	Paid for advertisement expense	2, 000

(b) From the following transactions of M/s Dinesh Traders prepare Debit Vouchers.

Date	Transactions	Amount (₹)
6 Jan. 2020	Bought furniture for cash from M/s Lal Traders wide cash memo 314 plus GST at 18%.	8,000
8 Jan 2020	Cash paid to M/s Rajeev Traders for purchase of goods wide cash memo 349	5,000
10 Jan 2020	Paid for wages and other expenses in cash	1,000

Practice Sheet-11

CLASS XI – ACCOUNTANCY
Accounting Equation

Time: 40 Minutes		Max Marks: 20
Q.1	Accounting Equation is based on the ___________concept of Accounting, which means that Total claims will always be ________to the Assets of the firm. a. Dual Aspect, Equal b. Going Concern, More c. Dual Aspect, more d. Going Concern, Equal.	**(1)**
Q.2	If the Total Assets of the firm is ₹28,00,000 and outside liabilities are 40% of Capital. Find out the amount of total liabilities and Capital. **a. 28,00,000 , 11,20,000 b. 28,00,000, 16,80,000 c. 11,20,000 , 16,80,000** **d. 16,80,000 , 28,00,000.**	**(1)**
Q.3	Accounting equation is: **a)** True in all cases **b)** Depends on profitability of the business **c)** True only in exceptional circumstances **d)** None of these	**(1)**
Q.4	Rahul commenced business on 1st April, 2021 with a capital of ₹6,00,000. On 31st March, 2022, his assets were worth ₹8, 00,000 and liabilities ₹50, 000. Find out his closing capital. a) ₹5, 50,000 b) ₹7, 50,000 c) ₹2, 00,000 d) ₹3, 50,000	**(1)**
Q.5	Give an example for each of the following types of transactions: **a)** Increase in one asset, decrease in another asset. **b)** Decrease in asset, decrease in owner's capital. **c)** Increase in asset, increase in owner's capital. **d)** Increase in one liability, decrease in another liability. **e)** Increase in liabilities, decrease in owner's capital. **f)** Decrease in asset, decrease in liability	**(3)**
Q.6	**(a)** Suneel started a business on 1st April, 2020 with Capital of ₹7, 50,000 and a loan of ₹2, 00,000 taken from Punjab National Bank. On 31st March, 2021 his assets were ₹15, 00,000. Find out his Capital on 31st March, 2021 and profits made or losses incurred during the year 2020-21. **(b)** If in the above point (a), the proprietor had introduced additional capital of ₹1,25, 000 and had withdrawn ₹40, 000 for personal purposes, find out the profit.	**(3)**

Q.7	Match List-I with List-II and select the correct answer using the codes given below the Lists-	**(4)**

Case	**Opening Capital**	**Additional Capital**	**Drawings**	**Profit/Loss**	**Closing Capital**
	5,00,000	1,00,000	30,000	?	5,50,000
	?	2,00,000	40,000	80,000	8,40,000
	4,00,000	?	10,000	60,000	6,00,000
	9,50,000	2,50,000	?	(60,000)	11,00,000
	8,00,000	70,000	30,000	(40,000)	?
	7,50,000	1,30,000	20,000	?	8,00,000
	?	80,000	5,000	(15,000)	6,60,000
	5,50,000	2,00,000	10,000	60,000	?

Q.8 Use Accounting Equation to show the effect of following transactions on assets, liabilities and capital. **(6)**

- **a)** Bhola Started a business with Cash of ₹1,80,000, Goods/Inventory ₹ 50,000, Debtors ₹10,000 and Creditors ₹20,000
- **b)** Goods costing ₹6,000 sold to Amit at loss of 10% out of which ₹2,000 received in cash.
- **c)** Cash deposited into bank ₹20,000
- **d)** Rent Outstanding ₹5,000
- **e)** Received cheque from Amit ₹3,200 in full settlement of 3400. Cheque deposited on the same date.
- **f)** Insurance paid in advance ₹1,000
- **g)** Paid to creditors ₹18000 in full settlement of ₹20, 000.
- **h)** Depreciate Furniture @ 10%
- **i)** Unearned interest ₹2, 000.

Practice Sheet-12

CLASS XI – ACCOUNTANCY
Rules of Debit and Credit

Time: 40 Minutes | **Max Marks: 20**

Q.1	Accounts which relate to an individual, firm, company or an institution are called _____ accounts. **a)** Real **b)** Personal **c)** Nominal **d)** None of the above	**(1)**
Q.2	An increase in capital is recorded on the _____ side and decrease in capital is recorded on ___________side. a. Debit, Credit b. Credit, credit c. Credit, Debit d. Debit, Debit	**(1)**
Q.3	If the total of debit side is more than the total of credit side , the account is said to have a____________ balance whereas if the total of credit side is more than the total of debit side , the account is said to have a _________balance. a. Debit, Credit b. Debit, Debit c. Credit, Debit d. Credit, Credit	**(1)**
Q.4	Outstanding salary is a: **a)** Personal Account **b)** Nominal Account **c)** Real Account **d)** Represenative Personal Account.	**(1)**
Q.5	On which side will the increase in the following accounts be recorded? Also mention the nature of the account. **a)** Carriage Account **b)** Bank Account **c)** Debtor's Account **d)** Bank Overdraft Account **e)** Furniture Account **f)** Salary Account	**(3)**

Q.6	From the following transactions, prepare 'T' shape account of Machinery.	**(3)**

S. No.	Particulars	Amount
1.	Machinery purchased in cash	65, 000
2.	Machinery sold costing ₹20, 000 at a loss of ₹3, 000	
3.	Machinery destroyed by fire	6, 800
4.	Machinery purchased from Bhuvan	32, 000
5.	Old Machinery discarded	2, 000
6.	Another Machinery sold for ₹10,000 at a profit of ₹2, 000	
7.	Machinery purchased in cash	10, 000
8.	Depreciate Machinery	4, 200

Q.7	Write the following transactions in 'T' shape Accounts of Debtors and Creditors.	**(4)**

S. No.	Particulars	Amount
1.	Purchased goods for cash	30, 000
2.	Sold goods to X	1, 500
3.	Sold goods for cash	50,000
4.	Received cash from X	1000
5.	Purchased goods from Y	40000
6.	Payment made to Y	4000
7.	Purchased machinery	2000
8.	Cash paid into Bank	3000

Q.8	From the following transactions, show the accounts to be debited and credited under Modern Approach and Traditional Approach.	**(6)**

a) Ravi started business with cash.
b) Goods purchased in cash.
c) Rent paid.
d) Goods sold to Shyam on credit.
e) Received commission.
f) Goods purchased from Ankit on credit.

Practice Sheet-13

CLASS XI – ACCOUNTANCY
Journal and Ledger

Time: 40 Minutes **Max Marks: 20**

Q.1	Transactions which can't be entered in the .... as well as in the .... are recorded in journal proper. a. Subsidiary books, Cash book b. Purchases Book, Sales Book c. Cash Book, Sales book d. Purchases Book, Cash Book	
Q.2	An opening entry is made at the beginning of any financial year to bring forward .... and .... of previous year. a. Cash , Assets b. Assets, Liabilities c. Capital, Liabilities d. Fixed Assets, Capital	**(1)**
Q.3	Which of the following accounts is increased by debit entries? a) Plant and machinery account b) Sales account c) Purchases returns account d) All of these.	**(1)**
Q.4	Pass the Journal entries for the following transactions : - i) Purchased goods from Sanju worth Rs. 60,000 at terms 10% Trade Discount and 5% Cash Discount. Paid amount at the time of purchase itself. ii) Purchased goods from Vinod Rs. 60,000 at 10% Trade discount and 5% Cash Discount. Half of the amount paid at time of purchase. iii) Sold goods to Mahinder for Rs. 50,500 at terms 5% cash discount and 10% trade Discount. Half of the amount received by cheque within specified time.	**(3)**
Q.5	Journalise the following transactions: - i) Goods worth Rs. 500 were used by the proprietor for domestic purposes. ii) Goods uninsured worth Rs. 3,000 were destroyed by fire. iii) Paid Rs. 250 as wages on installation of new machinery. iv) Supplied goods costing Rs. 600 to Mohan issued an invoice at 10% above cost less 5% trade discount.	**(4)**
Q.6	From the following information, Prepare Somesh's Account, balance it and explain what does the closing balance indicate? **2022** Jan. 1 Opening Balance (Dr.) 12,300 Jan. 10 Sold goods to him 67,000 Jan. 15 Received cash from him 30,000 Jan. 20 He returned goods 50,000 Jan. 23 Purchased furniture from him 90,000	**(4)**

Q.7	Journalise the following transactions.		(6)
	2022		
	Jan. 1 Started business with cash ₹ 80,000 and goods ₹ 40,000		
	Jan. 3 Paid into bank for opening a current account	50,000	
	Jan. 6 Bought goods from Ram and paid by cheque	10,000	
	Jan. 9 Sold goods to Amar and received a cheque	12,000	
	Jan. 11 Cheque received from Amar deposited into bank		
	Jan. 15 Withdrew cash by cheque for personal use	3,000	
	Jan. 17 Took a bank loan	40,000	
	Jan. 19 Paid salary by cheque	2,000	
	Jan. 19 Paid rent by cheque	1,000	
	Jan. 21 Interest allowed by Bank	300	
	Jan. 25 Ram who owed us ₹1000 met with an accident and nothing could be recovered		

Practice Sheet-14

CLASS XI – ACCOUNTANCY
Preparation of Cash Book

Time: 40 Minutes | **Max Marks: 20**

Q.1	If two Colum Cash Book is maintained by a firm, there is no need to keep: **(a) Journal** **(b) Petty Cash Book** **(c) Subsidiary Books** **(d) Cash A/c and Bank A/c**	**(1)**
Q.2	**Cash column of Cash Book has _______________ balance.** **(a) Debit (b) Credit (c) Either Debit or Credit (d) Neither Debit nor Credit**	**(1)**
Q.3	**Cheque received from a customer will be recorded in Two Column Cash Book:** **(a) On Debit of Cash** **(b) Debit of Bank** **(c) Either Debit of Cash or Bank** **(d) Neither Debit of Cash nor Bank**	**(1)**
Q.4	**Prepare Cash Book with Cash and Bank columns from the following Transactions:**	**(3)**

2022		**Amt. (₹)**
June.1	Cash in hand₹1800, Bank overdraft	6,700
June. 7	Received a cheque from Bharti	3,250
June. 9	Deposited the above cheque into Bank.	
June. 15	Cheque Received from Panna Lal	1,200
June. 20	Bharti's Cheque returned dishonored	
June. 28	Panna Lal's cheque was endorsed to Kamal	
June. 30	Income Tax paid by cheque	1,150

Q.5	**Prepare Double column cash book from the following information :** **Jan. 1 Cash in hand ₹60,000 and Cash at Bank ₹10,000** **Jan. 2 Purchased goods in cash for ₹2,000 and on credit from Ramesh ₹5,600** **Jan. 3 Sold goods in cash ₹3,000 and on credit to Mohan ₹4,400** **Jan. 7 Received cash from Mohan ₹4,200 and allowed him discount ₹200** **Jan. 9 Paid cash to Ramesh ₹5,500 and received discount ₹100** **Jan. 12 Deposited cash into bank ₹1,000** **Jan. 15 Interest collected by bank ₹1,500** **Jan. 31 Deposited with the bank the entire balance after remaining ₹2,000 at office.**	**(4)**

Q.6	**Record the following transactions in double column cash book and balance it.**	**(4)**
Q.7	**Prepare double column cash book M/s Advance Technology Pvt. Ltd. for the month of December 2014 from the following transactions :**	**(6)**

Q.6 **Record the following transactions in double column cash book and balance it.** **(4)**

Date	Details	Amount (₹)
2022		
Aug. 01	Cash balance	15,000
	Bank balance(Credit)	10,000
Aug. 08	Cash sales	22,000
	Cash discount	750
Aug. 09	Cash deposited in bank	15,000
Aug. 16	Withdrawn from bank office use	14,500
Aug. 20	Received cheque from John in full and final settlement and deposited	10,700
Aug. 25	the same in the bank.	4,500
Aug. 28	Cheque received from Kumar	4,500
Aug. 31	Cheque received from Kumar deposited in Bank	
	Cheque deposited on Aug. 28 dishonoured and returned by the bank	

Q.7 **Prepare double column cash book M/s Advance Technology Pvt. Ltd. for the month of December 2014 from the following transactions :** **(6)**

Date	Details	Amount (₹)
2022		
Dec. 01	Cash in Hand	3,065
	Cash at bank	6,780
Dec. 03	Received cheque from Tanvi	3,000
Dec. 04	Cash sales	2,000
Dec. 05	Deposited into bank	1,200
Dec. 06	Tanvi'scheque deposited into bank	3,000
Dec. 13	Bank charges	9,000
Dec. 15	Dividend collected by bank	1,200
Dec. 16	Paid electric bill by cheque	600
Dec. 21	Goods sold and received a cheque (deposited same day)	6,000
Dec. 22	Paid legal charges	500
Dec. 23	Drew from bank for personal use	2,000
Dec. 31	Paid establishment expenses	340

Practice Sheet-15

CLASS XI – ACCOUNTANCY
Preparation of Cash Book

Time: 40 Minutes | **Max Marks: 20**

Q.1	**Contra entries on the debt side of the Cash Book are posted to.** **(a) Debit of Bank Account in the Ledger.** **(b) Debit of Cash Account in the Ledger.** **(c) Credit of Bank Account in the Ledger.** **(d) Not posted in the Ledger.**	**(1)**
Q.2	**Simple Petty Cash Book is like a** **(a) Cash Book (b) Statement** **(c) Journal (d) Ledger**	**(1)**
Q.3	**State whether the following statements are True or False: (½ x 2 = 1)** **(i) Transaction recorded both on debit and Credit side of Cash Book is known as contra entry.** **(ii) When cheque received from customer is not deposited on the same date, it is debited to Bank Column of Cash Book.**	
Q.4	**(a) Why cash Book is called a Book of original Entry? (1X 3 = 3)** **(b) What are Contra Entries?** **(c) Define Bank Overdraft.**	
Q.5	**A Petty Cashier in a firm received ₹10,000 as the Petty cash imp rest on 1st April 2022 During the month live expenses were as follows: Prepare Simple Petty Cash Book**	**(4)**

Date	Particulars	(₹)
2022		
April. 2	Paid for stationery	2,000
April. 3	Paid for Postage	300
April. 5	Paid for travelling Expenses	3,500
April. 7	Paid for office cleaning	500
April. 7	Paid electricity bill	1,500
April. 8	Sent documents to head office by registered post	400
April. 12	Paid for sundries	200
April. 27	Refreshments to customers	200

Q.6	**Prepare an Analytical petty cash Book on the Imprest System from the a following :**	**(4)**

Date	Particulars	(₹)
2022		
Jan.1	Received for petty cash	15,000
Jan. 2	Paid for postage	1,600
Jan. 3	Paid for Conveyance	1,000
Jan. 4	Locks Purchased	600
Jan. 4	Repair of Printer	400
Jan. 5	Wages paid to casual labours	1,200
Jan. 5	Letter by registered Post sent to different Suppliers	1,000
Jan. 6	Taxi fare to Assistant manager	500

Q.7	**Prepare a cash book with suitable columns of Rohan from the following transactions :**	**(6)**

Date	Particulars	(₹)
2022		
April. 1	Cash in Hand	10,500
	Bank balance with ICICI Bank	28,000
	Overdraft with HDFC Bank	15,500
April. 3	Paid Salary to staff by cheque on ICICI Bank.	6,000
April. 5	Cash Sales	5,000
April. 8	Cheque received from Ram deposited with HDFC Bank	
April. 10	Cash withdrew from ICICI Bank	10,000
	Cash deposited into HDFC Bank	6,000
April. 11	Amount transferred from ICICI Bank to HDFC Bank by cheque	4,000
April. 15	Cash Purchases	9,000
April. 17		7,500

Practice Sheet-16

CLASS XI – ACCOUNTANCY

Preparation of Bank Reconciliation Statement-1

Time: 40 Minutes | **Max Marks: 20**

Q.1	**Bank Reconciliation statement is prepared by:** (a) Debtors of Firm (b) Creditors of Firm (c) Bank (d) Account holders of the bank	**(1)**
Q.2	**Read the following statements carefully:** (i) Credit Balance as per cash book. (ii) Credit balance as per pass book. (iii) Debit balance as per cash book. (iv) Debit balance as per pass book. Choose the correct option: (a) Only (i) and (iv) showing favourable balance. (b) Only (i) and (iii) showing favourable balance. (c) Only (ii) and (iii) showing favourable balance. (d) Only (iii) and (iv) showing favourable balance.	**(1)**
Q.3	**State whether the following statements are True or False? (½ x2 = 1)** (a) A bank reconciliation statement is prepared by the bank account holder. (b) Bank Reconciliation statement is prepared to detect the error's that take place in accounting.	
Q.4	**From the following information, prepare bank Reconciliation statement as on 31st March, 2022.** (i) Balance as per cash book as on the date is ₹12,000. (ii) Out of total cheques amounting to ₹8,000 issued , cheques, amounting to ₹5,800 have been presented for payment upto 31st March, 2022, cheques for ₹ 600 were presented in April,2022 and the rest have not been presented at all. (iii) Out of the total cheques amounting to ₹5,000 sent to the bank for collecting out of which cheques of ₹1500 were credited in pass book upto 30th March,2022, cheques amounting to ₹1,200 were credited in April,2022 and the rest have not been collected so fare.	**(3)**
Q.5	**From the following information determine the balance as per Bank pass book of Sanjay on 31st July, 2022:** (i) Credit balance as per bank column of cash book ₹63,400. (ii) Bank charges of ₹200 for the above period are debited in the pass book. (iii) Cheques paid into bank but not cleared before 31st July,2022 were for ₹ 10,600. (iv) Credit side of the bank column of cash book was undercasted by ₹ 2,000 .	**(4)**

Q.6	**(a) What is Bank Reconciliation statement? Explain the need of bank reconciliation statement : (2+2= 4)** **(b) Difference between Bank statement and a Bank Statement pass book (any two points)**	
Q.7	**On comparing the cash book of Suyash with Pass book, following discrepancies were noted:** **(i) On 31st March, 2022 the cash book of Suyash showed a balance of ₹6,000 at bank.** **(ii) Cheques worth ₹ 20,000 were deposited in the bank before 31st March,2022 but it appears in the pass book that cheques worth only ₹6,000 had been credited before that date.** **(iii) Cheques issued for ₹10,000 during the month of March,2022 but a cheque of ₹ 500 were presented and paid in April.** **(iv) The pas book also showed the following payments:** (a) **₹ 650 as premium of life insurance policy, according to his instructions.** (b) **₹5,000 against electricity bill as per instructions.** **(v) Bank had collected ₹ 1,000 as interest on government securities.** **(vi) The bank had charged interest ₹200 and bank charges ₹50 but this is not recorded in cash book.** **Prepare the Bank Reconciliation Statement as on 31st March, 2022.**	**(6)**

Practice Sheet-17

CLASS XI – ACCOUNTANCY
Preparation of Bank Reconciliation Statement-2

Time: 40 Minutes | **Max Marks: 20**

Q.1	**What type of cheque is that which is issued by a firm but not yet presented to the bank?** (a) Uncredited cheques (b) Outstanding cheques (c) Uncollected cheques (d) Bounced cheques	**(1)**
Q.2	**Bank reconciliation statement is prepared to ....** (a) Reconcile records (b) Memorandum statement (c) Ledger account (d) Procedure to provide cash book adjustments.	**(1)**
Q.3	**A cheque that bears a date latter than date of issue is called?** (a) Anti-dated cheque (b) Post-dated cheque (c) Dishonoured cheque (d) Outdated cheque	**(1)**
Q.4	**Prepare Bank reconciliation statement from the given below and as certain the balance as per Tanvi's cash Book as on 30th June, 2022:** (i) Bank overdraft as per pass book ₹10,000. (ii) Cheques amounting to ₹14,600 had been paid to the bank but of these only ₹ 12,200 were credited in the passbook upto 30 June, 2022. (iii) A cheque of ₹3,000 received from Smita on 20th June,2022 was recorded in the discount column of cash book and was not banked.	**(3)**
Q.5	**Prepared Bank reconciliation statement as on 31st December, 2022 from the following transactions:** (i) Suyash's debit balance as per pass book ₹12,000 as on 31 December, 2022. (ii) Credit of ₹10,000 was wrongly given by bank on 20 December, 2022, which was reversed on 17th January, 2023. (iii) Bank debited car loan installment of ₹ 15,500, including interest of ₹2,500, which is not recorded in cash book. (iv) Interest on overdraft amounts to ₹100 were not entered in cash book.	**(4)**
Q.6	**Prepare Bank reconciliation statement of Tanvi as on 31st March, 2022:** (i) Credit balance as per pass book as on the date is ₹ 15,000. (ii) Bank collected a cheque of ₹ 1,000 on behalf of Tanvi but wrongly credited it to Tanish's Account (another customer). (iii) Payment of a cheque of ₹250 was recorded twice in the pass book. (iv) Withdrawal column of the pass book undercasted by ₹200.	**(4)**

Q.7	From the following particulars, prepare Bank Reconciliation statement as on 30th June, 2022: (i) Balance as per the pass book ₹50,000. (ii) Out of cheques drawn amounting to 15,000 on 28th June, a cheque for ₹5,000 was presented on 3rd July.. (iii) A cheque for ₹1,500 entered in cash book but was omitted to be banked on 30th June. (iv) Bank had reversed bank charges of ₹ 100 wrongly debited earlier. (v) Payment of a cheque of ₹500 was recorded twice in the pass book. (vi) Bank wrongly recorded cash deposit of ₹25,589 as 25,598. The error was rectified by the bank on 28th June, 2022.	(6)

Practice Sheet-18

CLASS XI – ACCOUNTANCY
Trial Balance

Time: 40 Minutes | **Max Marks: 20**

1.	Trial Balance is ___________and is prepared_______. a. An Account , after preparation of Financial Statements. b. A Statement, after posting to ledger is complete and accounts have been balanced. c. A Subsidiary Book, after posting to ledger is complete and accounts have been balanced.. d. A Statement, after recording transactions in subsidiary books.	**(1)**
2.	______________is considered as the connecting link between accounting records and the preparation of Financial Statements. a. Trading Account b. Subsidiary Books b. Trial Balance d Profit and Loss Account	**(1)**
3.	After clearing his CPT for CA Ram joined a CA Firm for internship, on his first day he was asked to prepare the statement showing the abstract of the balance (debit/credit) of various accounts in the ledger. Identify the Statement. a. Trial Balance b. Rough Statement c. Tally Statement d. Bank Reconciliation Statement.	**(1)**
4.	Tallying of __________is not a conclusive proof of the accuracy of the Accounts. It helps to ascertain _____accuracy of the ledger accounts. a. Trial Balance, Accounting b. Ledger, Conceptual c. Trial Balance, arithmetical d. Subsidiary Books, Accounting	**(1)**
5.	Ram at the end of year prepared Trial Balance and it did not match he tried to find out reasons for difference. He could locate some errors and he rectified them, still the balance of Debit and Credit did not match. As he was eager to know the profit/loss for the year. So he can transfer the difference to ____account. a. Error b. Random c. Difference d. Suspense	**(1)**
6.	Carriage Account will show_____balance and Carriage outwards will show ______ balance. a. Debit, Debit b. Debit, Credit c. Credit, Debit d. Credit, Credit	**(1)**
7.	Which account may have a debit or credit balance? a. Debit, Debit b. Debit, Credit c. Credit, Debit d. Credit, Credit	**(1)**

8.	Explain any 3 objectives of preparing Trial Balance.	**(3)**
9.	From the following balances draft a Trial Balance and balance it through Suspense Account:	**(4)**

NAME OF ACCOUNT	**AMOUNT (in ₹)**
CAPITAL	1,15,000
SALES	1,50,000
SALES RETURN	2,000
INSURANCE	6,000
BANK BALANCE	50,000
BANK LOAN	1,00,000
GOODWILL	60,000
DISCOUNT RECEIVED	1,050
DISCOUNT	950
INTEREST	700
INTEREST RECEIVED	900
BAD DEBT RECOVERED	2,700
PURCHASES	2,00,000
FURNITURE	50,000

10.	Draft the Trial Balance from the information given below and difference if any post to Suspense Account:	**(6)**

Account Balances	**Amount**	**Account Balances**	**Amount**
Capital	80,000	Debtors	7,580
Bad Debts Recovered	250	Bank Deposits	27,500
Creditors	1,250	Discount Allowed	40
Returns Outward	350	Drawings	600
Bank Overdraft	1,570	Returns Inward	450
Rent	360	Sales	93,690
Salaries	850	Bills Payable	1,350
Trade Expenses	300	Grant Received	1,000
Cash in Hand	210	Bad debts	700
Opening Stock	2,450	Insurance	1,000
Purchases	61,870	Interest	1,050
Interest Received	5,000	Commission	500
Freight	1,000	Trade Receivables	2,700
Prepaid Insurance	500	Outstanding wages	300
Goodwill	13,200	General Expenses	1,200
Furniture	7,000	Wages	3,750
Provision for Doubtful Debts	550	Freight Outwards	200
Reserve Fund	1,000	Work in Progress	5,900
Equipment	2,000	Commission Received	200
Long term Loan	5,000	Short term Loan	1,200

Practice Sheet-19

CLASS XI – ACCOUNTANCY
Rectification of Errors

Time: 40 Minutes | **Max Marks: 20**

Q.1 Radha's father was a Chartered Accountant and employed with an MNC. One day she noticed that her father was very busy with many files and papers and a little disturbed. She innocently went to him and asked him the reason for his worry. He informed her that he was trying to locate some errors in the books of accounts committed by accountant and trying to correct it. In Accounting sense he was doing______. **(1)**

a. Analysing Books of Accounts
b. Preparing Books of Accounts
c. Rectification of Errors
d. Redefining Errors.

Q.2 Errors committed due to wrong posting of transactions, wrong totaling or balancing of the accounts, wrong casting of the subsidiary books or wrong recording of amount in the books of original entry are known as_______. **(1)**

a. Errors of Omission. b. Errors of Principle.
c. Compensating Errors. d. Errors of Commission.

Q.3 When two or more errors are committed in such a way that the net effect of these errors on the debits and credits of accounts is nil, such errors are called ____________________. **(1)**

a. Errors of Omission. b. Errors of Principle.
c. Compensating Errors. d. Errors of Commission.

Q.4 Classify which account will have Debit balance or Credit balance. **(3)**

Freight Inwards	Freight Outwards
Bank Overdraft	Commission
Interest Received	Interest Paid
Outstanding Expenses	Prepaid Expenses
Salaries	Creditors
Bad Debt Recovered	Bad Debt

Q.5 Pass Rectification Entries for the following Errors of Commission: **(4)**

a. A credit sale of Rs 1,700 to Ram was recorded as Rs 7,100.
b. A credit sale of Rs 1,700 to Mohan was recorded in the Purchases Book.
c. A credit sale of Rs 1,700 to Krishan was posted to Kishan's Account.
d. Return of goods of Rs 800 to Sohan was passed through Sales Return Book.

Q.6	Pass rectification Entries for the following Compensating Errors: a. Goods purchased from Kiran for Rs. 5,000 and from Karan for Rs. 6,000 recorded correctly in the Purchases Book. However 6,000 was posted to Kiran and 5,000 to Karan. b. Anil's Account was excess debited by 1,000 while Ankur's Account was short debited by 1,000. c. Rekha's Account was short credited by Rs 700 while Ravi's Account was excess credited by Rs 700. d. Goods sold to Manish for Rs 1,000 and to Rakesh for Rs 1,800 recorded correctly in the Sales Book. However, Rs 1,800 was posted to Manish and 1,000 to Rakesh.	**(4)**
Q.7	Rectify the Following Errors: a. A purchase of goods from Ram amounting to Rs 2,500 has been wrongly passed through the Sales Book. b. A credit Sale of goods of Rs 1,500 to Ramesh has been wrongly passed through the Purchases Book. c. An amount of Rs 5,000 due from Mahesh which had been written off as Bad Debt in previous year, was unexpectedly recovered and has been posted to the personal account of Mahesh. d. A cheque for Rs 2,000 received from Manmohan was dishonoured and had been posted to the debit of the Sales Return Account. e. Rs 7,000 paid on account of salary to the cashier Dhawan stands debited to his personal account. f. Rs 5,000 received from Shah & Co. has been wrongly entered as from Shaw & Co.	**(6)**

Practice Sheet-20

CLASS XI – ACCOUNTANCY
Rectification of Errors

Time: 40 Minutes | **Max Marks: 20**

Q.1 Match the following: **(1)**

a.	Installation charges on new machinery	i	Revenue Expenditure
b.	Repairs of existing machinery	ii	Capital Expenditure
c.	Rent Received	iii	Capital Receipts
d.	Sale of Investments	iv	Revenue Receipts

a. a- ii, b- i, c- iv, d-iii
b. a- i, b-iv, c-iii, d-ii
c. a-i, b-iv, c-ii, d-iii
d. a-iii, b-i, c-iv, d-ii

Q.2 Accounting entries are recorded as per the generally accepted accounting principles. If any of these principles are violated or ignored, errors resulting from such violation are known as ___________. **(1)**

a. Errors of Omission.
b. Errors of Commission.
c. Errors of Principle.
d. Compensating Error.

Q.3 Wages paid for making showcases will be debited to__________account. **(1)**

a. Wages
b. Salary
c. Expenses
d. Furniture.

Q.4 Freight paid on purchase of new machinery was debited to Freight account. This is Errors of _________. **(1)**

a. Omission
b. Principle
c. Commission.
d. Accounting.

Q.5 An old building was purchased for 15,00,000 and registration and brokerage was paid 1,50,000. Further it was renovated by using cement- 1,20,000, Wages- 1,50,000, other building material- 1,00,000. Building will be debited by_________. **(1)**

a. 20,20,000
b. 15,00,000
c. 16,50,000
d. 20,02,000

Q.6	Prepare Suspense Account. a. A motor car has been purchased for Rs 3,400. Cash has been correctly credited, but the Motor Car account has been debited with Rs 3,140. b. Interest on Deposits received Rs 600 had been correctly debited in the Cash account, but had not been credited to the Interest Account. c. The balance in the account of Mr. Manish Rs 275 had been written off as bad debt but no account had been debited. d. A debit balance of Rs 200 on the personal account of Mr. Vishal (correctly shown in the ledger) has been omitted while extracting a Trial Balance.	**(3)**
Q.7	Pass rectification entries for following errors of principle: a. Old computer sold for Rs 7,500 was passed through the Sales Book. b. Purchase of an Office table for Rs. 5,000 was passed through Purchases Book. c. Wages amounting to Rs.1000 paid for erection of new machinery was debited to Wages account.	**(3)**
Q.8	Identify from the following errors of principle and pass rectification entries for those errors: a. Sales of Rs 25,000 to Bhushan was completely omitted from books. b. Rs 50,000 spent on extension of building debited to Repairs account. c. Repairs of Rs 500 for machinery charged to Machinery Account. d. Rs 10,000 paid by cheque for a printer was charged to Office equipment account. e. Goods taken by properitor for personal use Rs 5,000 not recorded anywhere. f. Sales Book Overcast by Rs 2,500. g. Materials costing Rs 500 in the erection of Machinery and the wages paid for it amounting to Rs 700 were included in the Purchases and Wages Account respectively.	**(3)**
Q.9	On 31st March 2022, while balancing the books of accounts of Shri Gopal, they did not agree. The difference in Trial Balance amounting to Rs 2,233 was debited to Suspense Account. Later the following errors were noticed. Give the Journal Entries for rectification and prepare Suspense Account. a. The total of Purchases Book of March has been undercast by Rs 3,000. b. Rs 228 paid for repairing the Machinery has been debited to Machinery Account. c. The Purchase Return Book has been overcast by Rs 150. d. A sale of Rs 1,200 to Mr. Shankar has been passed through the Purchases Book. e. Cash received Rs 1,367 from Shri. Arvind though entered in the Cash Book has not been posted to Shri Arvind's account. f. Goods returned by Mr. Alex Rs 225 have been entered in the returns Outward Book. However Mr. Alex's account is correctly posted.	**6)**

Practice Sheet-21

CLASS XI – ACCOUNTANCY
Rectification of Errors

Time: 40 Minutes **Max Marks: 20**

Q.1	While going through the books of accounts the accountant noticed that the total of sales book was written Rs 1,29,000 whereas the actual totaling was Rs 1,09,000. This is an example of ______. a. Double Casting b. Overcasting c. Undercasting d. Recasting.	**(1)**
Q.2	Ramesh was a creditor from whom goods worth Rs 2,00,000 were purchased, payments of Rs 1,40,000 were made to him. His account should show a balance of Rs 60,000 instead it showed balance of Rs 50,000. This can be termed as __________ a. Double Casting b. Overcasting c. Undercasting d. Recasting.	**(1)**
Q.3	Goods worth Rs 10,000 were withdrawn by the sole proprietor but no entry is made in the books of accounts. This is Error of _______ a. Omission b. Commission c. Principle d. Compensation.	**(1)**
Q.4	Identify the type of error committed in following cases: a. Sales Book undercast by Rs. 700. b. Goods purchased by X not posted to X's account. c. Credit Sale to Mohan not recorded. d. Credit Sale to Mohan recorded in Purchases Book. e. Excess debit in A's account of Rs 550 and excess credit in B's account of Rs 550 f. Goods withdrawn by proprietor debited to Commission Account.	**(3)**
Q.5	Rectify the following errors: Credit Purchases from Shyam Rs 10,000. a. Were not recorded. b. Was correctly recorded but posted to the debit of Sunder. c. Were recorded through Sales book. d. Were not posted to his account.	**(4)**
Q.6	Mention whether suspense Account will be debited or credited in each of the following cases and also prepare suspense account : a. Depreciation of Rs 10,000 not posted to machinery account. b. Depreciation of Rs 10,000 not posted to depreciation account. c. Sales Return book Overcast by Rs 500. d. Purchases book undercast by Rs 6,000.	**(4)**

Q.7 Trial balance of Aman did not agree. It showed an excess credit of Rs.16,000. He put the difference to Suspense Account. Subsequently following errors were located:

a. Cash received from Manas Rs. 4,000 was recorded correctly, but posted to Mayank as Rs 1,000.

b. Cheque for Rs. 5,800 received from Arnav in full settlement of his account of Rs 6,000 was dishonoured. No entry was passed in the books on dishonour of the cheque.

c. Rs 800 received from Khan, whose account had previously been written off as bad was credited to his account.

d. Credit Sales to Manav for Rs 5,000 was recorded through the purchases book as Rs 2,000.

e. Purchases Book undercast by Rs 1,000.

f. Goods returned by Nath Rs 3,000 were taken into stock. No entry was recorded in the books.

Rectify the errors and prepare Suspense Account.

Practice Shet-22

CLASS XI – ACCOUNTANCY
Depreciation

Time: 40 Minutes | **Max Marks: 20**

Q.1	Marks are indicated against each question. The term Depreciation is used for charge made on a. Current Assets b. Fixed Assets c. Intangible Assets d. Natural Resources	**(1)**
Q.2	Vinay Enterprise is into mining business and purchase a coal mine for Rs. 10 crores. The value of coal mine declines with the extraction of coal out of mine. This decline in the value of coal mine is termed as................................... a. Depletion b. Depreciation c. Amortisation d. Appreciation	**(1)**
Q.3	Which of the following is not true about depreciation: a. Decline in the book value of fixed assets b. It is a continuing process c. It is an expired cost d. It is a cash expense	**(1)**
Q.4	.... refers to writing -off the cost of intangible assets like patents, copyright, trade marks, goodwill which have utility for a specified period of time. a. Depreciation b. Amortization c. Depletion d. None of the above	**(1)**
Q.5	On 01-04-2019 , Sudhir Enterprise purchased a machinery for Rs. 2,52,000. The rate of depreciation is 10% p.a... Books are closed on 31st March every year. Calculate the book value of machinery as on 31-03-2022 under straight line method.	**(3)**
Q.6	On 01-04-2019 , Jatin Enterprise purchased a machinery for Rs. 2,52,000. The rate of depreciation is 10% p.a . Books are closed on 31st March every year. Calculate the book value of machinery as on 31-03-2022 under straight line method.	**(3)**

Q.7	On 01-07-2022, Hitender Enterprise purchased a plant for Rs. 5,00,000 The useful life of the asset is 10 years and net residual value is estimated to be Rs. 1,00,000. Answer the following questions: a) What is the amount of Annual Depreciation for the year ending 31-03-2023 if depreciation is provided on Straight Line Method. b) What will be the book value of Machinery as on 01-04-2024 if depreciation is provided on Straight Line Method. c) What is the amount of Annual Depreciation for the year ending 31-03-2023 if depreciation is provided @ 8% p.a. on Written Down Value Method. d) What will be the book value of Machinery as on 01-04-2024 if depreciation is provided @ 8% p.a. on Written Down Value Method.	**(1x4)**
Q.8	Distinguish between Straight Line Method and Written Down Value method on the basis of: a) Basis for Calculation b) Amount of Annual Depreciation c) Total Charge against profit and loss account in respect of depreciation and repairs d) Recognition by Income Tax Law e) Book Value of Asset e) Suitability	**(1x6)**

Practice Sheet-23

CLASS XI – ACCOUNTANCY
Depreciation

Time: 40 Minutes **Max Marks: 20**

Q.1	Marks are indicated against each question. To calculate depreciable cost of a machinery ....should be deducted from Original Cost of an Asset. a. Installation Cost b. Carriage Charges c. Repair Charges d. Salvage Value	**(1)**
Q.2	At the time of charging depreciation,................. account is debited and................ account is credited. a. Asset; Depreciation b. Depreciation ; Asset c. Depreciation; Cash d. Asset ; Cash	**(1)**
Q.3	Vinay Enterprise purchased a machinery on 01-04-2021. Book Value of machinery after 2 years i.e. on 01-04-2023 is Rs.1,60,000. Rate of depreciation is 10% p.a. and depreciation is provided under Straight Line method. Books are closed on 31st March every year. The Original Cost of machinery would be a. Rs. 1,60,000 b. Rs. 16,000 c. Rs. 2,00,000 d. Rs. 16,00,000	**(1)**
Q.4	Seema Enterprise purchased a machinery on 01-04-2021. Book Value of machinery after 2 years i.e. on 01-04-2023 is Rs.1,60,000. Rate of depreciation is 10% p.a. and depreciation is provided under Straight Line method. Provision for Depreciation Account is maintained. Books are closed on 31st March every year. Balance in Provision for Depreciation Account as on 31-03-2023 is a. Rs 16,000 b. Rs. 32,000 c. Rs. 1,60,000 d. Rs. 40,000	**(1)**

Q.5	On 01-04-2022, Sanjay Enterprise purchased furniture for Rs. 1,50,000 and spent Rs. 6,000 on its carriage and Rs.4,000 on its erection. The salvage value of the furniture after its useful life of 10 years is estimated to be Rs. 20,000. Depreciation is provided on Straight Line Method. Books are closed on 31st March every year. Record Journal entries for the year 2022-23	**(3)**
Q.6	On 01-04-2022, Sameer Enterprise purchased furniture for Rs. 1,50,000 and spent Rs. 6,000 on its carriage and Rs. 4,000 on its erection. The salvage value of the furniture after its useful life of 10 years is estimated to be Rs. 20,000. Depreciation is provided on Straight Line Method and Provision for Depreciation Account is maintained. Books are closed on 31st March every year. Record Journal entries for the year 2022-23	**(3)**
Q.7	On 01-10-2020, Sudhir Enterprise purchased a Machinery for Rs. 3,00,000 The useful life of the asset is 4 years and net residual value is estimated to be Rs. 20,000. On 01-01-2023, it was sold for Rs. 1,50,000 . Books are closed on 31st March every year and depreciation is charged on straight line method. Prepare Machinery Account from 2020-21 to 2022-23	**(4)**
Q.8	On 01-04-2020 , Diksha Enterprise purchased a machine for Rs. 3,88,000 and spent Rs. 12,000 on its erection. On 01-10-2020, additional machine costing Rs. 2,00,000 was purchased. On 01-10-2022, machine purchased on 01-04-2020 having become obsolete was sold for Rs. 2,00,000 and on the same date, new machine was purchased at a cost of Rs. 3,00,000. Depreciation was provided @ 10% p.a. on original cost. Show the machine account for the year 2020-21 to 2022-23.	**(6)**

Practice Sheet-24

CLASS XI – ACCOUNTANCY
Depreciation

Time: 40 Minutes | **Max Marks: 20**

Q.1	Marks are indicated against each question. Under written down value the depreciation is charged on the...................... of an asset every year.. a. Original Cost b. Book Value c. Original Cost excluding Installation cost d. Original Cost including Salvage Value	**(1)**
Q.2	When the depreciation is calculated on the basis of same rate of depreciation. The amount of depreciation will be same under both Straight Line Method and Written Down Value Method in the .... a. Second Year b. Third Year c. First Year d. Fourth Year	**(1)**
Q.3	Vinay Enterprise purchased a machinery on 01-04-2021. Book Value of machinery after 2 years i.e. on 01-04-2023 is Rs.1,62,000. Rate of depreciation is 10% p.a. and depreciation is provided under Written Down Value method. Books are closed on 31st March every year. The Original Cost of machinery would be a. Rs. 1,62,000 b. Rs. 1,29,600 c. Rs. 2,00,000 d. Rs. 1,94,400	**(1)**
Q.4	Seema Enterprise purchased a machinery on 01-04-2021. Book Value of machinery after 2 years i.e. on 01-04-2023 is Rs.1,62,000. Rate of depreciation is 10% p.a. and depreciation is provided under written down value method. Provision for Depreciation Account is maintained. Books are closed on 31st March every year. Balance in Provision for Depreciation Account as on 31-03-2023 is a. Rs 16,200 b. Rs. 40,000 c. Rs. 32,400 d. Rs. 38,000	**(1)**

Q.5	On 01-04-2022, Sanjay Enterprise purchased furniture for Rs. 1,50,000 and spent Rs. 6,000 on its carriage and Rs. 4,000 on its erection. Depreciation is provided on written down value Method @10% p.a. Books are closed on 31st March every year. Record Journal entries for the year 2022-23	**(3)**
Q.6	On 01-04-2022, Sameer Enterprise purchased furniture for Rs. 1,50,000 and spent Rs. 6,000 on its carriage and Rs.4,000 on its erection. Depreciation is provided on written down value method @10% p.a and Provision for Depreciation Account is maintained. Books are closed on 31st March every year. Record Journal entries for the year 2022-23	**(3)**
Q.7	On 01-10-2020, Sudhir Enterprise purchased a Machinery for Rs. 3,00,000 . On 01-01-2023, it was sold for Rs. 1,90,000 . Books are closed on 31st March every year and depreciation is charged @ 20% p.a on written down value method. Prepare Machinery Account from 2020-21 to 2022-23	**(4)**
Q.8	On 01-04-2020, Diksha Enterprise purchased a machine for Rs. 3,88,000 and spent Rs. 12,000 on its erection. On 01-10-2020, additional machine costing Rs. 2,00,000 was purchased. On 01-10-2022, machine purchased on 01-04-2020 having become obsolete was sold for Rs. 2,00,000 and on the same date, new machine was purchased at a cost of Rs. 3,00,000. Depreciation was provided @ 10% p.a. on written down value method. Show the machine account for the year 2020-21 to 2022-23.	**(6)**

Practice Sheet-25

CLASS XI – ACCOUNTANCY
Depreciation

Time: 40 Minutes **Max Marks: 20**

Q.1	Marks are indicated against each question. Sunil purchased machinery on 01-01-2022 for Rs. 1,20,000. Installation charges were Rs. 50,000 and carriage was Rs. 30,000. Depreciation provided @10% p.a. under Straight Line Method. Books are closed on 31st March every year. The balance in Provision for Depreciation (Accumulated Depreciation) till March 31, 2023 is …………….. a. Rs. 25,000 b. Rs. 40,000 c. Rs. 24,000 d. Rs. 24,500	**(1)**
Q.2	Sudhir purchased machinery on 01-01-2022 for Rs. 1,20,000. Installation charges were Rs. 50,000 and carriage was Rs. 30,000. Depreciation provided @10% p.a. under written down value method. Books are closed on 31st March every year. The balance in Provision for Depreciation (Accumulated Depreciation) till March 31, 2023 is …………….. a. Rs. 25,000 b. Rs. 40,000 c. Rs. 24,000 d. Rs. 24,500	**(1)**
Q.3	Vinay Enterprise purchased a machinery on 01-04-2021. Book Value of machinery after 2 years i.e. on 01-04-2023 is Rs. 1,62,000. Rate of depreciation is 10% p.a. and depreciation is provided under Written Down Value method. Books are closed on 31st March every year. The Original Cost of the machinery was……………………. and the Accumulated Depreciation as on 01-04-2023 is ……………….. a. Rs. 1,62,000 ; 32,400 b. Rs. 1,29,600; 32,400 c. Rs. 2,00,000 ; 38,000 d. Rs. 1,94,400; 38,000	**(1)**

Q.4	Hitender purchased a machinery on 01-04-2021. Book Value of machinery after 2 years i.e. on 01-04-2023 is Rs. 1,60,000. Rate of depreciation is 10% p.a. and depreciation is provided under Straight Line method. Books are closed on 31st March every year. The Original Cost of machinery was…………………… and Accumulated Depreciation as on 01-04-2023 is……………………… a. Rs. 1,60,000; 40,000 b. Rs. 1,60,000; 32000 c. Rs. 2,00,000; 32,000 d. Rs. 2,00,000; 40,000	**(1)**
Q.5	Following balances appear in the books of Sanjay Stores: 01-04-2021 Machinery Account Rs. 1,40,000 Provision for Depreciation Rs. 63,000 On 01-04-2021, a machinery was sold for Rs. 15,225. This machinery was purchased for Rs. 28,000 on 01-04-2017. Depreciation is charged @ 10% p.a. on straight line method. Prepare Provision for Depreciation Account and machinery Account on 31-03-2022.	**(3)**
Q.6	Following balances appear in the books of Jyotsana Enterprises: 01-04-2021 Machinery Account Rs. 1,40,000 Provision for Depreciation Rs. 63,000 On 01-04-2021 , a machinery was sold for Rs. 15,000. This machinery was purchased for Rs. 50,000 on 01-04-2017. Depreciation is charged @ 10% p.a. written down value method. Prepare Provision for Depreciation Account and machinery Account on 31-03-2022.	**(3)**
Q.7	Shipra Enterprises has the following balances in its books as on 31-03-2022 Furniture (Gross Value) Rs. 3,00,000 Provision for Depreciation Rs. 1,25,000 Furniture purchased for Rs 50,000 on 01-11-2018 on which accumulated depreciation Rs. 30,000 (charged till the date of sale) was sold on 01-04-2022 for Rs. 17,500. Prepare Furniture Disposal Account and Furniture Account for 2022-23	**(4)**
Q.8	On 01-04-2020, Pratap Enterprise purchased a Second Hand Truck for Rs. 7,60,000 and spent Rs. 40,000 on its repairs. Its estimated Salvage Value after three years is Rs. 80,000 Depreciation was provided on Straight Line method. On 31-03-2023 it was sold for Rs. 1,00,000. Prepare the Truck Account for three years when a) depreciation is charged to Truck Account. b) provision for depreciation account is maintained.	**(6)**

Practice Sheet-26

CLASS XI – ACCOUNTANCY
Depreciation, Provision and Reserve

Time: 40 Minutes | **Max Marks: 20**

Q.1	Marks are indicated against each question. Provision is charged to...................................Account. a. Profit and Loss Account b. Trading Account c. Profit and Loss Appropriation Account d. Neither Profit and Loss Account nor Profit and Loss Appropriation Account	**(1)**
Q.2	Which of the following is **not true** about reserve a. It is an appropriation of profit. b. It is undistributed profit. c. It is charge against profit. d. It is created for future needs like growth and expansion.	**(1)**
Q.3	.......................reserve is not disclosed in the Balance Sheet. a. Debenture redemption b. Secret c. General d. Investment Fluctuation	**(1)**
Q.4	The reserve which is invested in outside securities is termed as................. a. Reserve Fund c. Investment Fund d. Fluctuation Fund d. General Fund	**(1)**
Q.5	Explain the following terms: a) Provision b) Reserve	**(3)**
Q.6	Explain briefly the following terms: a) General Reserve b) Specific Reserve c) Revenue Reserve	**(3)**

Q.7	a) When the purpose for which reserve is created is not specified, it is called ……….. reserve. b) ……………………… reserves are created out of capital profits. c) Debenture redemption reserve is an example of revenue reserve which is a………….. reserve. d) General reserve is an example of ………………… Reserve.	**(4)**
Q.8	Distinguish between Provision and reserve on the basis of: a) Nature b) Purpose c) Presentation in the Balance Sheet d) Mode of Creation e) Effect on Taxable profits e) Investment	**(1x6)**

Practice Sheet-27

CLASS XI - ACCOUNTANCY
Final Accounts with Adjustments

Time: 40 Minutes | **Max Marks: 20**

Q.1 'Closing Stock' is valued at ....and shown in ....side of Trading Account and ....side of Balance Sheet. **(1)**

a. cost price; debit; Assets	**b.** market value; credit; Assets
c. lower of cost or market value; credit; Assets	**d.** higher of cost or market value; credit; Assets

Q.2 'Outstanding wages' are ....the amount of 'Wages' while preparing Trading Account and shown in ....side of Balance Sheet. **(1)**

a. added in; Assets	**b.** deducted from; Assets
c. deducted from; Liabilities	**d.** added in; Liabilities

Q.3 'Gross Profit' is excess of ....side of ....Account over it's ......side. **(1)**

a. credit; Trading; debit	**b.** credit; Profit & Loss; debit
c. debit; Profit & Loss; credit	**d.** debit; Trading; credit

Q.4 Suppose, Cost of Stock at the end is ₹4,000 and its Market Value is ₹5,000. Accountant considered market value while preparing financial statements. Due to this.............. Principle has been violated and Gross Profit will be .... **(1)**

a. Matching; in excess by ₹5,000;	**b.** Prudence; in excess by ₹1,000
c. Full Disclosure; short by ₹1,000;	**d.** Consistency; short by ₹1,000

Q.5 Give the journal entries for the following adjustments in final accounts: **(4)**

i) Wages & Salaries ₹ 3,500 are outstanding;

ii) Provide 'Interest on Capital' @6% p.a. (Capital invested is ₹60,000);

iii) Cost of Stock at the end of the year is ₹4,800 (Market Value is ₹4,200);

iv) Depreciation is to charged @ 10% p.a. on Plant & Machinery on SLM basis (Cost of Machinery is ₹1,00,000 and Written Down Value is ₹50,000)

Q.6	Show the accounting treatment of following by preparing Final Accounts (in T-Shape format): (No need to compute Gross Profit, Net Profit and total of Balance Sheet).	**(6)**

Particulars	LF	Debit (₹)	Credit (₹)
Rent		-	1,010
Commission		-	1,105
Wages		40,000	-
Salaries ---→	→	→ 60,000	-
Rent		39,000	-
Insurance (Insurance Premium)		6,000	-
Carriage Inwards		500	-
Carriage Outwards		800	-

Additional Information or Adjustments:

i. Wages are Outstanding – ₹ 8,000

ii. Rent is Paid for 13 months.

iii. Salaries are paid for 10 months

iv. 1/3 of Insurance Premium is to be carried forward.

v. Half of rent received is advance and to be adjusted next year

vi. Unearned Commission ₹105

Q.7	Following balances were extracted from the books of XYZ Enterprises:	**(6)**

TRIAL BALANCE As at 31st March, 2023

Particulars	LF	Debit (₹)	Credit (₹)
Cash in hand		3,170	-
Purchases		40,675	-
Purchases Return		-	500
Wages		8,480	-
Capital		-	62,000
Fuel and Power		6,770	-
Carriage on Sales		3,200	-
Sales		-	98,780
Sales Return		680	-
Freehold Land & Building		49,500	-
Plant & Machinery		20,000	-
Salaries		15,000	-
Discount		600	-
General Expenses		3,000	-
Drawings		5,245	-
Sundry Debtors / Sundry Creditors		14,500	6,300
Opening Stock		5,760	-
Commission		-	9,000
		1,76,580	1,76,580

Taking into account the following adjustments, prepare Trading and Profit & Loss Account and Balance Sheet as on March 31, 2023:

a) Stock in hand on 31st March 31, 2023 was ₹6,800;

b) Machinery is to be depreciated at the rate 10% and Land & Building @ 5% p.a.;

c) Salaries for the month of March, 2023 amounting to ₹1,500 were outstanding;

d) Commission receivable ₹1,000.

e) Create a provision for doubtful debts @ 5%.

f) Goods costing ₹ 500 (Selling Price ₹700) were destroyed by a fire on 1st April, 2023.

Practice Sheet-28

CLASS XI - ACCOUNTANCY
Final Accounts with Adjustments

Time: 40 Minutes | **Max Marks: 20**

Q.1 All accounts given in the 'Trial Balance' are posted/shown in Final Accounts .... and all adjustments given along with the Trial Balance are treated .... **(1)**

a. only once; twice	**b.** twice; once
c. any of the above two	**d.** none of these

Q.2 'Return Inward' is also termed as .... and it is shown on the .... **(1)**

- **a.** Carriage Inward; debit side of Trading Account
- **b.** Freight Inward; debit side of Profit & Loss Account
- **c.** Purchases Returns; debit side of Trading Account as a deduction from Purchases
- **d.** Sales Returns; credit side of Trading Account as a deduction from Sales

Q.3 'Return Outward' is also termed as .... and it is shown on the .... **(1)**

- **a.** Cartage Outward; credit side of Trading Account
- **b.** Carriage/Freight Outward; credit side of Profit & Loss Account
- **c.** Purchases Returns; debit side of Trading Account as a deduction from Purchases
- **d.** Sales Returns; credit side of Trading Account as a deduction from Sales

Q.4 'Prepaid Rent' is.............................the amount of 'Rent paid' while preparing Profit & Loss Account and shown in..................side of Balance Sheet. **(1)**

a. added in; Liabilities	**b.** deducted from; Assets
c. added in; Assets	**d.** deducted from; Liabilities

Q.5 Give the journal entries for the following adjustments in final accounts: **(4)**

i) Out of ₹ 65,000 paid as Rent, ₹5,000 is advance;

ii) Insurance Premium ₹170 is unexpired.

iii) Out of total debtors amounting to ₹40,000, 5% is irrecoverable and declared as bad debt.

iv) Depreciation is to charged @ 10% p.a. on Plant & Machinery on Written Down Value basis (Cost of Machinery is ₹1,00,000 and Written Down Value i.e. Book Value in the beginning of this year is ₹50,000)

Q.6 Show the accounting treatment of following by preparing Final Accounts (in T-Shape format): (No need to compute Gross Profit, Net Profit and total of Balance Sheet). **(6)**

TRIAL BALANCE as at 31st March, 2023 [Extracts]

Particulars	LF	Debit (₹)	Credit (₹)
Purchases/Sales		55,000	88,000
Returns		5,000	8,000
Carriage Inwards		8,800	-
Electricity		500	-
Wages & Salaries -->	---	----12,000	-
Rent		-	22,000
Apprentice Premium		-	6,000
Insurance (Insurance Premium)		1,800	-

Additional Information or Adjustments:

i. Only 1/3rd of Wages & Salaries belong to factory and remaining to office;

ii. Rent is received only for 11 months;

iii. 1/3rd of Apprentice Premium belong to current year;

iv. ₹1,800 is annual Insurance premium and it has been paid upto 30th June, 2023.

The following balances were extracted from the books of 'X' on March 31, 2023:

TRIAL BALANCE

As at 31st March, 2023

Particulars	**LF**	**Debit (₹)**	**Credit (₹)**
Opening Stock		4,500	-
Motor Vehicle (Delivery Vans)		13,200	-
Drawings/Capital		2,800	20,000
Bank Overdraft		-	4,000
Purchases/Sales		24,000	41,300
Returns		2,000	4,000
Establishment Expenses		6,400	-
Bad Debts / Bad Debts Provision		1,000	400
Debtors / Creditors		10,000	7,000
Carriage		1,000	-
Wages		1,000	-
Trade Expenses		500	-
Manufacturing Expenses		1,500	-
Bank Charges		1,400	-
Miscellaneous Expenses		1,500	-
Delivery Van Expenses (Petrol & maintenance)		2,000	-
Rates, Taxes & Insurance		2,500	-
Coal, Gas, Water		2,000	-
Commission		-	100
Apprentice Premium		-	500
		77,300	77,300

Prepare the Trading and Profit and Loss Account and a Balance Sheet as on March 31, 2023 after keeping in view the following adjustments:

i) Outstanding: Salaries ₹100; Wages ₹100; ii) Unexpired insurance ₹500;

ii) Interest on Bank Overdraft ₹750 is due; iv) Depreciate motor vehicle @20%

iii) Closing stock is valued at ₹9,000;

iv) Further bad debts are ₹200 and new provision for doubtful debts is required @5%;

v) Apprentice premium received in advance ₹100.

Practice Sheet-29

CLASS XI - ACCOUNTANCY
Final Accounts with Adjustments

Time: 40 Minutes | **Max Marks: 20**

Q.1 Balances of 'Fire insurance premium' (of factory & godown) and Life Insurance Premium (of the owner) are given in the debit side of Trial Balance. 'Fire Insurance Premium' is .... and 'Life Insurance Premium' is .... **(1)**

a. debited to Trading A/c; deducted from Capital	**b.** deducted from Capital; debited to P & L A/c
c. debited to Trading A/c; debited to P & L A/c	**d.** debited to P & L A/c; deducted from Capital

Q.2 Accrued Interest given is adjustments is treated ....It is shown on the....... **(1)**

a.	once; credit side of P & L A/c;
b.	once; Assets side of Balance Sheet;
c.	twice; debit side of P & L A/c and as a Liability in the Balance Sheet;
d.	twice; credit side of P & L A/c and as an Asset in the Balance Sheet;

Q.3 Manager is to be allowed 20% commission on Net Profit. Net Profit is ₹37,500. Amount of Manager Commission is ...., it will be shown on the ....and .... side of Balance Sheet. **(1)**

a. ₹7,500; debit side of P & L A/c; Liabilities	**b.** ₹6,250; debit side of P & L A/c; Assets
c. ₹6,250; credit side of P & L A/c; Liabilities	**d.** ₹7,500; credit side of P & L A/c; Assets

Q.4 Commission payable to Factory Manager on profits of the firm is shown on the .... side of .... and ....side of Balance Sheet. **(1)**

a. debit; Trading Account; Liabilities	**b.** debit; Trading Account; Assets
c. debit; Profit & Loss Account; Liabilities	**d.** debit; Profit & Loss Account; Assets

Q.5 Using the following information, show the accounting treatment of Debtors and related items in the relevant portion of financial statements. **(3)**

TRIAL BALANCE as at 31st March, 2023 [Extracts]

Particulars	LF	Debit (₹)	Credit (₹)
Debtors **Bad Debts** (Previously declared) **Provision for Doubtful Debts** (Old **or** Existing Provision)		40,800 1,000 -	- - 2,000

Additional Information or Adjustments:

i. Additional or Further Bad Debts amounted to Rs. 800.

ii. Provision for Doubtful Debts should be 10%. (**New Provision**).

iii. Create a Reserve/Provision for Discount on Debtors @ 1%.

Q.6 Using the following information, show the accounting treatment of Investments and Interest on Investments in the relevant portion of financial statements. **(3)**

TRIAL BALANCE as at 31st March, 2023 [Extracts]

Particulars	LF	Debit (₹)	Credit (₹)
Interest on Investments		-	3,000
10% INVESTMENTS (1.7.2022)		60,000	-

Additional Information: i) Investments were purchased on 1st July, 2022.

Q.7 Show the accounting treatment of following by preparing Final Accounts (in T-Shape format): (No need to compute Gross Profit, Net Profit and total of Balance Sheet). **(4)**

TRIAL BALANCE as at 31st March, 2023 [Extracts]

Particulars	LF	Debit (₹)	Credit (₹)
Capital		-	1,00,000
Income Tax		5,000	-
Wages		12,000	-
Purchases		28,000	-
Plant & Machinery		20,000	-
Insurance (Insurance Premium)		2,000	-

Additional Information or Adjustments:

i. An amount ₹8,000 paid for purchase of a machinery on 1st October, 2022 was included in ordinary purchases and on the same date a sum of ₹2,000 paid for installation of this machine was included in wages.

ii. Insurance include annual premium ₹700 of a new policy purchased on 1.10.2022.

iii. Provide depreciation on machinery @10% p.a.

Q.8 Using following information, prepare the Trading & Profit and Loss Account of M/s Mohit Traders as on 31 March 2023 and Balance Sheet as on that date: **(6)**

TRIAL BALANCE as at 31st March, 2023

Debit Balances	Amt. (₹)	Credit Balances	Amt. (₹)
Drawings	17,600	Capital	50,000
Purchases	80,000	Sales	1,40,370
Stock on April 01, 2022	11,460	Purchases Returns	2,820
Bad Debts	1,400	Bad Debt Provision (1.4.2022)	3,240
Rates & Insurance	1,300	Discount	190
Sales Return	4,240	Rent	2,100
Wages	6,280	Sundry Creditors	17,680
Buildings	24,000	12% Loan on Mortgage	50,000
Addition to Building (1.7.2022)	8,000		
Railway freight on sales	16,940		
Carriage Inwards	2,310		
Office Expenses	1,340		
Printing, Stationery & Postage	1,480		
Sundry Debtors	62,070		
Cash in Hand & at Bank	14,610		
Office Furniture	3,500		
Salaries & Commission	9,870		
	2,66,400		2,66,400

Adjustments: i) Depreciate old building by 5%

ii) Write off further Bad Debts ₹570; Provision for Bad Debt is to be increased to ₹3,690;

iii) Salary ₹570 is outstanding and Rent ₹200 is receivable;

iv) Rates & insurance are unexpired to the extent of ₹240;

v) Loan on mortgage was taken on 1st Jan. 2023;

vi) Stock is valued at ₹14,290 on 31st March, 2023.

Practice Sheet-30

CLASS XI - ACCOUNTANCY
Final Accounts with Adjustments

Time: 40 Minutes | **Max Marks: 20**

Q.1 If the opening capital is ₹50,000 as on April 01, 2022 and additional capital introduced ₹10,000 on January 01, 2023. Interest charge on capital 10% p.a. The amount of interest on capital shown in profit and loss account as on March 31, 2023 will be: **(1)**

(a) ₹ 5,250	**(b) ₹ 6,000**	**(c) ₹ 4,000**	**(d) ₹ 3,a000**

Q.2 Manager is to be allowed 10% commission on Net Profit after charging such commission. Net Profit is ₹16,500. Amount of Manager Commission is …………, it will be shown on the …………….. and …………side of Balance Sheet. **(1)**

a.	₹1,650; credit side of Profit & Loss A/c; Assets
b.	₹1,500; debit side of Profit & Loss A/c; Assets
c.	₹1,650; debit side of Profit & Loss A/c; Liabilities
d.	₹1,500; debit side of Profit & Loss A/c; Liabilities

Q.3 Accrued Interest on Deposits given in Adjustments is treated twice. It is shown on the ……………………….. and ………….side of Balance Sheet. But if Accrued Interest on Deposits is given in Trial Balance, it is treated only once and shown in the ………………. **(1)**

a.	Credit side of Profit & Loss A/c;	Liabilities;	Liabilities side of Balance Sheet.
b.	Debit side of Profit & Loss A/c;	Assets;	Liabilities side of Balance Sheet.
c.	Credit side of Profit & Loss A/c;	Assets;	Liabilities side of Balance Sheet.
d.	Credit side of Profit & Loss A/c;	Assets;	Assets side of Balance Sheet.

Q.4 Outstanding Trade Expenses are shown on the …………side of …………………… and ………………side of Balance Sheet. **(1)**

a. debit; Trading A/c; Liabilities	**b.** debit; Profit & Loss A/c; Liabilities
c. debit; Trading A/c; Assets	**d.** debit; Profit & Loss A/c; Assets

Q.5 Using following information, show the accounting treatment of Debtors and related items in the relevant portion of financial statements. **(3)**

TRIAL BALANCE as at 31st March, 2023 [Extracts]

Particulars	LF	Debit (₹)	Credit (₹)
Debtors		60,500	-
Bad Debts (Previously declared)		2,500	-
Provision for Doubtful Debts (Old **or** Existing Provision)		-	8,000

Additional Information or Adjustments:

i. Additional or Further Bad Debts amounted to ₹500.

ii. Provision for Doubtful Debts should be 5%. (**New Provision**).

iii. Create a Reserve/Provision for Discount on Debtors @ 2%.

Q.6 Show the accounting treatment of Bank Loan and Interest on Bank Loan in the relevant portion of financial statements. **(3)**

TRIAL BALANCE of ....as at 31st March, 2023 [Extracts]

Particulars	LF	Debit (₹)	Credit (₹)
Interest on Bank Loan		2,000	-
12% Bank Loan (1.1.2023) (Taken on 1st Jan., 2023)		-	1,00,000

Q.7 Show the accounting treatment of following by preparing Final Accounts (in T-Shape format): (No need to compute Gross Profit, Net Profit and total of Balance Sheet). **(4)**

TRIAL BALANCE as at 31st March, 2023 [Extracts]

Particulars	LF	Debit (₹)	Credit (₹)
Purchases		50,000	-
Capital		-	1,50,000
Creditors		-	32,000

Additional Information or Adjustments:

i) Goods of ₹2,000 were purchased and delivered during the year but these were not recorded anywhere;

ii) Goods costing ₹1,000 were given as charity;

iii) Goods of ₹500 were used by proprietor (owner) for personal purpose;

iv) Goods having selling price ₹12,000 (20% above cost) were destroyed by a fire occurred in the godown on 1st March, 2023. These goods were insured but Insurance Company accepted only half claim.

Q.8 Prepare Trading, Profit & Loss Account and Balance Sheet from the following particulars as on 31st December, 2022: **(6)**

TRIAL BALANCE as at 31st December, 2022

Debit Balances	Amt. (₹)	Credit Balances	Amt. (₹)
Opening Stock	16,000	Proprietor's Capital	1,00,000
Purchases	40,000	Sales	1,60,000
Freight & Dock Charges	7,200	Apprenticeship Premium	3,000
Carriage Outwards	5,000	Sundry Creditors	37,400
Wages	10,200		
Salaries & Commission	13,200		
Fire Insurance Premium	1,800		
Bad Debts	4,200		
Printing & Stationery	1,500		
Rates & Taxes	700		
Travelling Expenses	300		
Trade Expenses	400		
Leasehold Business Premises	1,10,000		
Machine & Loose Tools	14,000		
Sundry Debtors	40,000		
7% Investments (1.1.2022)	16,000		
Cash at Bank	13,900		
Proprietor's Withdrawal	6,000		
	3,00,400		3,00,400

Adjustments: i. Closing Stock ₹14,000.

ii. Salaries & Commission Outstanding ₹1,200.

iii. Fire Insurance premium was paid on July 1, 2022 & to run for one year till June 30, 2023.

iv. Apprenticeship Premium is for three years received in advance on Jan 01, 2022.

v. Depreciate Premises @ 5%, Machinery & Loose Tools @ 10%.

vi. Interest on Investment is accrued for one year.

Practice Sheet-31

CLASS XI - ACCOUNTANCY
Final Accounts with Adjustments

Time: 40 Minutes | **Max Marks: 20**

Q.1 Manager is to be allowed commission @ 10% on Net Profit. During the year business made Gross Profit of ₹33,000 and Profit & Loss Account showed a loss of ₹44,000. The amount of Manager Commission will be .... **(1)**

(a) Nil	(b) ₹ 3,000	(c) ₹ 3,300	(d) ₹ 4,400

Q.2 Outstanding wages given in adjustments are shown in the .... side of .... and as a .... in the Balance Sheet. **(1)**

a. debit; Profit & Loss A/c; liability	b. debit; Trading Account; Assets
c. debit; Trading Account; liability	d. debit; Profit & Loss Account; Assets

Q.3 Suppose, goods costing ₹5,000 (Selling Price ₹6,000) given on sale or return basis are lying with the customer on the date of preparation of final accounts. These are shown in Final Accounts as under: **(1)**

i) Cost Price will be added in Closing Stock in Trading A/c and in the Balance Sheet;
ii) Selling Price will be deducted from Sales in Trading A/c and Debtors in Balance Sheet.

a. Only (i) is correct	b. Only (ii) is correct
c. Both (i) and (ii) are correct	d. None of (i) and (ii) are correct

Q.4 How will you treat following while preparing final accounts: **(1)**

i. Establishment Expenses given in the debit side of Trial Balance
ii. Salaries are not given in Trial Balance but 'Outstanding Salaries' are given in adjustments.

a. Establishment Expenses are debited to P & L A/c; Outstanding Salaries are added in Establishment Expenses in Profit & Loss A/c and Shown as a assets in the Balance Sheet.

b. Establishment Expenses are debited to Trading A/c; Outstanding Salaries are debited to Profit & Loss A/c and Shown as a liability in the Balance Sheet.

c. Establishment Expenses shown as asset in the Balance Sheet; Outstanding Salaries are debited to Profit & Loss A/c and Shown as a liability in the Balance Sheet.

d. Establishment Expenses are debited to P & L A/c; Outstanding Salaries are added in Establishment Expenses in Profit & Loss A/c and Shown as a liability in the Balance Sheet.

Q.5	From the following information prepare Trading Account for the year ended on 31st March, 2023:	**(3)**

Sales	₹9,50,000	Freight on Purchases	₹3,000
Adjusted Purchases	₹8,00,000	Carriage Outwards	₹6,000
Closing Stock	₹35,800	Wages	₹11,000
Carriage & Cartage	₹200		

Q.6	XYZ Bros. (Brothers) purchased goods of ₹80,000 during the year and on 31st March, 2023 goods valued ₹ 8,000 were destroyed by fire. Stock was insured but insurance company admitted only 60% claim. Give the necessary journal entries and show how it will be treated in the final accounts.	**(3)**
Q.7	Prepare Profit & Loss A/c for the year ended on 31st March, 2023 from the following:	**(4)**

Gross Profit	₹55,000	Furniture	₹15,000
Bad Debts Recovered	₹1,500	Bad Debts	₹4,500
Advertising	₹9,000	Commission Received	₹5,000

Adjustments:

i. Write off further bad debts ₹2,500 and create a provision of ₹670 for doubtful debts;
ii. Create a provision of ₹227 for discount on Debtors.
iii. An amount of ₹1,500 is receivable on account of commission
iv. 50% Advertising Expenses are to be written off.
v. Manager is to allowed commission on Net Profit @10% after charging such commission.

Q.8	Prepare Trading, Profit & Loss Account and Balance Sheet from the following particulars as on 31st March, 2023:	**(6)**

TRIAL BALANCE
As at 31st March, 2023

Debit Balances	Amt. (₹)	Credit Balances	Amt. (₹)
Cash	10,000	Sales	1,96,200
Stock (As on 1.4.2022)	41,300	Loan at 12% (on 1.7.2022)	20,000
Wages & Salaries	31,525	Creditors	30,305
Purchases	1,30,100	Cash Discount	530
Returns	3,200	Capital	64,400
Repair of machinery	1,675	Provision for doubtful debts	4,500
Bad Debts	2,310		
Interest on Loan	600		
Charity	125		
Rent	2,000		
Machinery	16,000		
Debtors (Including ₹1,000 due from Ram)	30,000		
Patents & Copyright	26,100		
Goodwill	21,000		
	3,15,935		3,15,935

Adjustments:-

i) Wages include ₹2,000 incurred for erection of new machinery on 1-4-2022;

ii) Stock on 31st March, 2023 was valued at ₹40,925;

iii) Provide 5% depreciation on tangible fixed assets (Machinery) and write off intangible assets by 33-1/3 %;

iv) Half of the amount due from Ram is irrecoverable;

v) Create a provision at 5% on other debtors;

vi) Rent is paid upto 31st July, 2023.

Comprehensive Sheet-1

Class – XI Accountancy

INTRODUCTION TO ACCOUNTING AND BASIC ACCOUNTING TERMS

Time- 1.5 hours | **Maximum Marks -40**

1. Match List-I with List-II and select the correct answer using the codes given below the Lists- 1

List –I	**List – II**
A. Entity	1. Withdrawal of money and/or goods by the owner from the business for personal use.
B. Drawings	2. An event involving some value between two or more entities.
C. Purchases	3. A reality that has a definite individual existence.
D. Transaction	4. The total amount of goods procured by a business on credit and on cash, for use or sale.

Codes-

	A.	**B.**	**C.**	**D.**
a)	**3**	**1**	**4**	**2**
b)	**3**	**1**	**2**	**4**
c)	**4**	**1**	**2**	**3**
d)	**4**	**2**	**3**	**1**

2. Tick (✓)the appropriate one: 1

Items	**Revenue Expenditure**	**Capital Expenditure**	**Revenue Receipts**	**Capital Receipts**
Sale of goods				
Electricity expenses				
Purchase of computers				
Interest on Investments				

3. Which one of the following pairs is **not** correctly matched? 1
   a) Revenues- Commission received
   b) Expenses- Rent received
   c) Capital Expenditure- Purchased furniture
   d) Deferred Revenue Expenditure-Advertisement

4. Complete the series based on the hint given below. 1
   (Hint: Goodwill - Intangible Asset)
   a) Advertisement expenses –
   b) Trademark-

5. Consider the following points : 1

1. Expenditure can be classified into two types: capital expenditure and revenue expenditure;
2. capital expenditure include all the assets purchased;
3. capital expenditure is shown on the liability side of the balance sheet; and
4. Revenue expenditure is shown on the credit side of the Trading Account.

Which of the following statements given above **is/are correct**?

a) 1only
b) 1,2, and 3
c) 1 and 2
d) 3 and 4

6. On 1st January 2023, Miss Reshu was appointed as Marketing Manager in a company with ₹80,000 salary per month and she will be joining the duties from 1st February, 2023. 1

a) It will be recorded in January itself.
b) It will be recorded in February only when the salary is due and paid.
c) It will be recorded in January as well as February.
d) It will never be recorded in the books.

7. Match the following: 1

a.	Computer software	i	Current Assets
b.	Debtors	ii	Current Liabilities
c.	Creditors	iii	Non-current Assets
d.	Debentures	iv	Non-current Liabilities

a) a- iii, b- i, c- ii, d-iv
b) a- i, b-iv, c-iii, d-ii
c) a-i, b-iv, c-ii, d-iii
d) a-ii, b-i, c-iv, d-iii

8. How is profit or loss of a specific term determined? 1

a) By formulating profit and loss appropriation account.
b) by formulating trading account and profit and loss account.
c) By adding all the incomes and expenses together.
d) By calculating all the revenues and expenses.

9. What is the end product of financial accounting? 1

a) Financial Statements
b) Profit and loss Account
c) Trading Account
d) Profit and Loss Appropriation Account

10. The three main advantages of accounting are: 1

1. Helps in decision-making by the management
2. Helps in the systematic recording of business transactions
3. Helps in the preparation of financial statements that ascertain profit and loss for the business
4. It records both qualitative and quantitative aspects.

Which of the following statements given above **is/are correct**?

a) 1 only
b) 1,2, and 3
c) 1 and 2
d) 3 and 4

11. Identify the qualitative characteristics of accounting information which are reflected in the given lines and explain them. 3

a) An information should be free from error and bias and faithfully represents what it is meant to represent;
b) Use of common unit of measurement and common format of reporting;
c) Information should be presented in the most intelligible manner without sacrificing relevance and reliability.

12. This step of accounting process involves communicating the financial data to its users. 3

a) Recognize the step of Accounting process.
b) Explain briefly other steps.

13. Differentiate between- 4

a) Current Assets and Non-current Assets
b) Cash and Credit Transactions

14. Fill in the blanks 4

a) The document certifying the purchase or sale of goods or any monetary transaction is called ....
b) The things or properties which help in the smooth functioning of the business and which are owned by the business are called .... of the business.
c) The unsold goods left at the end of the year are called ....
d) .... represents the excess of assets over liabilities.

15. Basic objective of accounting is to provide useful information to various users. Besides these, there are many other objectives of accounting. Explain any four of them. 4

16. State whether the transactions or events will be recorded or not. Also give the reason for the same- 6

   a) The huge loss occurred due to the strike of the employee.
   b) Ms Kavya ,a readymade garments dealer, gifted a washing machine valued ₹45,000 to her friend Ms Anvi.
   c) Mr. Vibhanshu, the proprietor of Drishti Engineers and Consultants, sold his residential house of ₹50 lac.
   d) The principal of a public school conducted an interview of candidates for selection of an Accountancy teacher. Ms Drishti was selected and was given an appointment letter wherein her salary was stated as ₹60,000 per month?
   e) A firm has received a large order to supply the goods.
   f) A firm has received an amount of ₹80,000 from a debtor.

17. Identify the terms implied by the lines given below- 6

   a) The persons and/or other entities who owe to an enterprise an amount for buying goods and services on credit.
   b) The persons and/or other entities who have to be paid by an enterprise an amount for providing the enterprise goods and services on credit.
   c) The excess of expenses of a period over its related revenues during an accounting year.
   d) The excess of revenues of a period over its related expenses during an accounting year.
   e) Amount invested by the owner in the firm.
   f) The deduction in the price of the goods sold.

Comprehensive Sheet-2

CLASS – XI ACCOUNTANCY
THEORY BASE ACCOUNTING AND SUBSIDIARY BOOK

TIME : 90 minutes **MM: 40**

1 An individual decides on the price for selling his vehicle based on the price he originally paid for it. He is using _______________ concept. 1

(a) Historical cost
(b) Fair value concept
(c) Revenue recognition concept
(d) None of the above

2 Accrual concept is based on 1

(a) Matching principle
(b) Dual aspect concept
(c) Cost concept
(d) Going concern concept

3 Omission of paise and showing the round figures in financial transactions is based on 1

(a) Conservatism concept
(b) Consistency concept
(c) Materiality concept
(d) Money measurement concept

4 Which of the following accounting concept says that Asset is to be recorded at their original cost and depreciated in a systematic manner without reference to its market value. 1

(a) Dual aspect concept
(b) Materiality
(c) Going concern concept
(d) Matching concept

5 Select the most appropriate answer from the alternatives given below: 1
Credit purchase of Machinery by a machinery dealer will be recorded in

(a) Purchase Book
(b) Sales Book
(c) Cash Book
(d) Journal Proper

6 Under Accrual Basis of Accounting 1

(a) Both Cash and Credit transactions are recorded.
(b) Only Cash transactions are recorded
(c) Only Credit transactions are recorded
(d) None of the above

7 The total of Purchase Day Book is posted periodically to the 1

(a) Debit of purchase account

(b) Credit of purchase account

(c) Cash book

(d) None

8 Sales Book of a firm records... 1

(a) Goods sold for Cash

(b) Goods sold for Credit

(c) Fixed assets sold for Cash

(d) Fixed assets sold for credit

9 Whether the following statements are True or False. Justify your answer with proper explanation. 3

(a) Accounting principles are Generally accepted.

(b) Accounting practices and principles once applied shall not be applied next year.

(c) Assets are recorded at their estimated replacement cost on completion of working life.

10 State the accounting concept/convention involved in each of the the following cases. 3

(a) All transactions must be supported by documentary evidence.

(b) All expenses like wages, rent etc. are recognized on the basis of period to which they relate and not when they are paid.

(c) Furniture purchased on credit from Ram is debited to Furniture Account and credited to Ram's account

11 From the following information available on 31st March 2022, pass the necessary entries in the Journal 4

(a) Rent received in advance Rs. 5,000

(b) Closing stock Rs. 45,000

(c) Goods withdrawn from business for personal use amounting to Rs. 4,000

(d) Capital contributed by proprietor Rs. 3,50,000. Interest on capital is to be provided at the rate of 7%.

12 Explain the following accounting principles/concepts. 2X2

(a) Going concern concept

(b) Conservatism or Prudence concept

13 What do you understand by Accrual Basis of accounting? Distinguish between Accrual Basis and Cash Basis of accounting on the basis of following points 1+3

(a) Nature of transaction

(b) Technical knowledge

(c) Acceptability

14 Calculate the following 2+2

(a) calculate Income on (i) Cash Basis (ii) Accrual Basis

Expenses paid	Rs. 80,000
Paid in advance(included in above)	Rs. 20,000
Outstanding Expenses	Rs. 10,000
Income received	Rs. 1,20,000
Received in advance	Rs. 20,000
Accrued income	Rs. 10,000

(b) calculate amount of purchase/sale in each of the following cases.

(i) Cash sale 5 keyboards @ 1,200 each and 5 mouse @ 600 each less 10% trade discount and 2% cash discount.

(ii) Purchased goods from Rama Electric Store 25 heaters @ 800 each, 15 tube lights @ 320 each and 20 power plug @ 80 each less 10% trade discount

15 Prepare Return Inward/Return Outward books of ABC Ltd. From the following transactions. 4

(a) Sapna Bros. returned 5 pairs of shoes @ Rs. 800 per pair less 5% trade discount for being defective

(b) Returned to M/S Footware, 5 pairs of chappals @ 250 per pair less 10% Trade discount for being defective

(c) Saluja Shoes returned 5pairs of canvas shoes @ 600 per pair less 5% trade discount

(d) Returned to Kamal Supplier, 6 pairs of ladies chappals @ 480 per pair less 10% trade discount

16 Prepare appropriate books from the following transactions and post them in Ledger Accounts 6

(a) 2022

Dec 1 Bought good from M/s Sunil Delhi on credit
5 TV sets @ Rs. 18,000 each
10 Fridge @ Rs. 25,000 each
Less 15% trade discount and freight charges Rs. 2,500

Dec 10 Sold goods to M/s Moon Electricals on credit
5 I-Phone @ 48,000 each
10 water purifier @ 8,000 each
Less 10% trade discount and forwarding charges Rs. 1,500

Dec 17 Purchased from M/s Ram Lal and Sons for cash
8 washing Machines @ 18,000 per machine
Less 15% trade discount and 2% cash discount

Dec 22 Sold to Radhe Sham and Sons
8 R.O. System @ 7000 per system
10 Philips Geysers @ 4,500 per geyser
Less 10% trade discount, cartage Rs. 2,200

Comprehensive Sheet-3

CLASS – XI ACCOUNTANCY
CASH BOOK AND BANK RECONCILIATION STATEMENT

TIME : 90 minutes **MM: 40**

Q.1 Rohan Paid ₹ 7,600 in settlement of his account of ₹ 8,000 Discount Allowed will be recorded in. (1)

(a) Both Cash Book and Journal (b) Journal Book
(c) Petty cash book (d) Cash Book

Q.2 If Smita has sold goods for cash to Alok, the entry will be recorded in the (1)

(a) Journal Proper (b) Petty Cash Book
(c) Cash Book (d) Sales Book

Q.3 Which of the following is both a book of Journal and ledger? (1)

(a) Sales Book (b) Journal Proper
(c) Prudes Journal (d) Cash Book

Q.4 Bank Reconciliation Statement is started with (1)

(a) Pass Book balance
(b) Bank balance of cash book or pass book balance
(c) Bank balance of cash book
(d) Cash balance of cash book

Q.5 Bank Reconciliation statement is prepared (1)

(a) Whenever a bank statement is received.
(b) at the and of the accounting year
(c) at the and of each month
(d) at the and of every week.

Q.6 State Whether the following statements are True or False: $(\frac{1}{2}$ x 2=1)

(a) Bank Reconciliation Statement is not a Part of double entry system of accounting.

(b) Cash book shows a credit balance of ₹ 8,000 A cheque of ₹ 2,000 issued was not presented for payment, cheques of ₹ 2,000 were deposited but not credited balance as per bank statement will be ₹ 8,000.

Q.7 Enter the following transaction in cash book with cash and Bank column. (3)

2022		(₹)
April. 1	Cash in hand	6,000
	Cash at Bank	15,000
April. 8	Sold goods for Cash	6,500
April. 10	Sales proceed of April 8 deposited into bank.	
April. 12	Withdrew from bank for personal use.	4,000
April. 13	Paid rent ₹ 4,000 and charity ₹ 500	

Q.8 State any six reasons when the balance as per cash book will higher than the balance as per bank passbook or Bank Statement. (3)

Q.9 Read the following transactions of Sonu, Delhi in Cash Book with cash and Bank columns: (4)

2022		(₹)
May. 1	Commenced business with Cash.	60,000
May. 2	Opened bank current account in ICICI Bank.	50,000
May. 4	Bought goods from Ashok on credit.	15,000
May. 7	Paid Ashok by cheque and	13,500
	Discount received.	1,500
May. 9	Sold goods to mohan.	10,000
May. 17	Withdrew cash from bank for office use.	6,000
May. 21	Bought goods from Sohan for ₹ 15,000	
May. 27	Further capital introduced of which Sol deposited in bank. 20,000	

Q.10 Prepare analytical petty cash book from the following particulars: (4)

2022

Jan. 1 Received Cash from cashier ₹ 1,000

Jan. 4 Purchased Stationery ₹ 132

Jan. 12 Paid Chowkidar ₹ 80, Courier Charges ₹ 20, Refreshment ₹ 170, Jan. 31
Paid loading and unlocking changes ₹ 40.

Jan. 31 Paid Photo state charges ₹ 20, cartage ₹ 50.

Q.11 From the following in formation prepare Bank Reconciliation statement as on 31st March, 2022: (4)

(i) DebitBalanceofBankColumnasperCashBookason31stMarch2022₹15,000.(ii)Acheque issued to T. L.T.D for ₹ 3,500 was recorded in the cash book as ₹ 5,300. (iii)A Cheque of ₹ 6,000 wrongly credited in the pass book on 29th March was reversed on 2nd April.

(iv) A cheque of ₹ 600 drawn on the saving Account has been shown as drawn on current Account in cash book.

Q.12 Prepare Bank Reconciliation Statement as on 31st March, 2022 form the following information: (4)

(i) Bank statement showed a credit i.e. favorable balance of ₹ 9,400.

(ii) Cheques worth ₹ 4,500 issued on 29th March, 2022 were not cleared.

(iii) On 28th March, 2022 bank credited a sum of ₹ 1,650 in error.

(iv) Cheque 'received' returned by the Bank but entry was not passed ₹ 4,400.

Q.13 Enter the following transactions in Cash book with Cash and Bank columns of suyash Delhi: (6)

2022		₹
Jan. 1	Cash in hand	6,000
	Bank Overdraft	8,300
Jan. 4	Received cheque from Hari.	6,000
	Discount allowed	200
Jan. 6	Cheque of Hari deposited in Bank.	
Jan. 8	Paid Ram by cheque	4,300
	Discount Received	200
Jan. 9	Sold goods to Mohan of list price ₹ 5,000	
Jan. 11	Hari's cheque dishonored.	
Jan. 13	Received cheque from Manoj.	3,000
	Discount allowed	100
Jan. 15	Cheque received from Manoj is endorsed to Creditor Gopi.	

Q.14 From the following information deter mine the balance of the Bank Pass Book of Sanjay as on 31st March, 2022. (6)

(i) Bank overdraft of ₹ 43,400 as per cash book on 31st march, 2022.

(ii) Cheque issued but not presented for payment prior to 31 March, 2022, were ₹ 10,680.

(iii) Payments side of the cash book had been undercast by ₹ 1,500.

(iv) The bank had incorrectly debited the account by ₹ 4,000 on 28th March, 2022 and reversed it an 7th April, 2022.

(v) ₹ 60 for bank charges were recorded two times in the cash book whereas bank levied annual charges of ₹ 70, which were not recorded in the cash book.

(vi) Debit side of the cash book was wrongly undercast by ₹ 500.

Comprehensive Sheet-4

CLASS XI - ACCOUNTANCY
RECTIFICATION OF ERRORS

TIME : 90 minutes **MM: 40**

1. While going through the books of accounts the accountant noticed that the total of purchases book was written Rs 1,29,000 whereas the actual totalling was Rs 1,09,000. This error can be rectified by debiting__________________and crediting_____________. 1
   a. Suspense, Purchases.
   b. Purchases, suspense.
   c. Debtors, Purchases
   d. Suspense, Debtors.

2. Total of debit side of Salaries Account has been cast in excess of Rs 300. For rectifying the above error suspense account will be_______________by________. 1
   a. Credited, 150
   b. Debited, 150
   c. Credited, 300
   d. Debited, 300

3. Errors of _________Principle__________involve an incorrect allocation of expenditure or receipt between capital and revenue. 1
   a. Omission
   b. Principle
   c. Commission
   d. Compensating.

4. Errors which affect the balancing of Trial Balance are called _________________errors and are rectified through __________________Account. 1
   a. Two Sided, Suspense
   b. One sided, Capital
   c. One sided, Suspense
   d. Two Sided, Trading

5. Which of the following is not a one sided error: 1
   i. Wages paid for erection of machinery debited to wages account.
   ii. Goods purchased for properitors personal use debited to goods account.
   iii. A purchase made for Rs 500 was posted to the Purchases account as Rs 50.
   iv. Purchase returns worth Rs 980 to Mr. Radhe were not recorded in the books.

   a. i
   b. ii
   c. iii
   d.iv

6. The objective behind the opening of ______suspense__account is to avoid delay in the preparation of Financial Statements. 1

a. Suspense b. Capital c. Trading d. Profit and loss.

7. Classify the following errors into one sided and two sided error: 3

a. Outstanding telephone charges paid, had been completely omitted.

b. White washing of Building was charged to Building account.

c. A cash sale to Meenu was posted to the credit of Meena.

d. A credit Purchase of Rs 170 was recorded as Rs710.

e. Total of Sales Return Book omitted to be posted.

f. A machinery purchased was entered in Purchases Book.

8. Rectify the following errors: 3

Credit Sale to Ram Rs 15,000

a. Were not recorded.

b. Were posted to the debit of Radhe

c. Were not posted to his account.

9. Rectify the following errors: 4

a. A credit sale of goods of Rs. 423 to Manish omitted to be posted.

b. A credit sale of goods of Rs. 423 to Manish posted as Rs 432.

c. A credit sale of goods of Rs. 423 to Manish credited to his account.

d. A credit sale of goods of Rs. 423 to Manish credited to Munir's Account.

10. Explain the classification of Errors. 4

11. Rectify the following errors assuming that suspense account is opened 4

a. Purchases bookwas undercast by Rs 2010.

b. Rs500 received from Ram was debited to his account.

c. Sales book carried forward Rs 41 less on page 10 and Rs 45 more on page 15.

d. Goods sold to Gaurav were posted as Rs 215 instead of Rs 251.

12. Rectify the following errors. 4

a. Old furniture sold for Rs 1000 has been credited to Sales Account.

b. Machinery purchased on credit from Raman for Rs. 2500 recorded through Purchases Book.

c. Depreciation provided on machinery Rs 3000 was posted to Machinery account as Rs 300.

d. An amount of Rs 25,000 spent on extension of Building was posted to Wages Account.

13. Pass rectification entries for the following Errors and prepare suspense account: 6

a. Goods withdrawn by Kailash for personal use Rs 500 were not recorded in the books.

b. Discount Allowed to Rakesh Rs 60 on receiving Rs 2040 from him was not recorded in the books.

c. Discount received from Raheja Rs 50 on paying Rs 3050 to him was not posted at all.

d. Rs 700 received from Kapil, a debtor, whose account had earlier been written off as bad, were credited to his personal account.

e. Cash received from Gandhi, a debtor, Rs 5000 was posted to his account as Rs 500.

f. Goods returned to Mahesh Rs 700 were posted to his account as Rs 70.

14. Redraft the Trial Balance:6

PARTICULARS	DEBIT	PARTICULARS	CREDIT
Opening Stock	16,000	Sales	1,90,000
Purchases	1,60,000	Insurance Premium	6,000
Salaries	21,000	Equipment	25,000
Outstanding Salaries	14,000	Repairs to Building	5,000
Wages	10,000	Drawings	31,000
Wages Due	9,000	Sundry Receipts	15,000
Building	1,00,000	Bank Overdraft	93,000
Plant	80,000	Ground Rent	8,000
Interest Received	2,000	Returns Inward	16,000
Advertisement	12,000	Capital	2,00,000
Outstanding Expenses	17,000	Investments	44,000
Depreciation	8,000		
Prepaid Expenses	10,000		
Returns Outward	12,000		
Closing Stock	1,62,000		
	6,33,000		6,33,000

ComprehensiVE Sheet-5

Class – XI Accountancy

DEPRECIATION, PROVISION AND RESERVE

TIME : 90 minutes **MM: 40**

Marks are indicated against each question. 1

1. Tarun Enterprise is into mining business and purchase a coal mine for Rs. 10 crores. The value of coal mine declines with the extraction of coal out of mine. This decline in the value of coal mine is termed as.....................................
   a. Depletion
   b. Depreciation
   c. Amortisation
   d. Appreciation

2. Which of the following is not true about depreciation: 1
   a. Decline in the book value of fixed assets
   b. It is a continuing process
   c. It is an expired cost
   d. It is a cash expense

3. At the time of charging depreciation, ...account is debited and..................account is credited. 1
   a. Asset; Depreciation
   b. Depreciation ; Asset
   c. Depreciation; Cash
   d. Asset ; Cash

4. Jagmohan Enterprise purchased a machinery on 01-04-2021. Book Value of machinery after 2 years i.e. on 01-04-2023 is Rs.1,62,000. Rate of depreciation is 10% p.a. and depreciation is provided under Written Down Value method. Books are closed on 31st March every year. The Original Cost of machinery would be
   a. Rs.1,62,000
   b. Rs. 1,29,600
   c. Rs. 2,00,000
   d. Rs. 1,94,400

5. Khushi Enterprise purchased a machinery on 01-04-2021. Book Value of machinery after 2 years i.e. on 01-04-2023 is Rs.1,60,000. Rate of depreciation is 10% p.a. and depreciation is provided under Straight Line method. Provision for Depreciation Account is maintained. Books are closed on 31st March every year. Balance in Provision for Depreciation Account as on 31-03-2023 is 1
   a. Rs 16,000
   b. Rs. 32,000
   c. Rs. 20,000

6. Which of the following is **not true** about reserve 1

a. It is an appropriation of profit.

b. It is undistributed profit.

c. It is charge against profit.

d. It is created for future needs like growth and expansion.

7. The reserve which is invested in outside securities is termed as................. 1

a. Reserve Fund

c. Investment Fund

d. Fluctuation Fund

d. General Fund

8. .... refers to writing -off the cost of intangible assets like patents, copyright, trade marks, goodwill which have utility for a specified period of time. 1

a. Depreciation

b. Amortization

c. Depletion

d. None of the above

9. On 01-04-2019, Ayesha Enterprise purchased a machinery for Rs. 2,52,000. The rate of depreciation is 10% p.a. Books are closed on 31st March every year. Calculate the book value of machinery as on 31-03-2022 under straight line method and written down value method. Show your workings also. 3.

10. On 01-04-2022, Sahil Enterprise purchased furniture for Rs. 1,50,000 and spent Rs. 6,000 on its carriage and Rs.4,000 on its erection. The salvage value of the furniture after its useful life of 10 years is estimated to be Rs. 20,000. Depreciation is provided on Straight Line Method and Provision for Depreciation Account is maintained. Books are closed on 31st March every year.

Record Journal entries for the year 2022-23 3

11. On 01-10-2020, Pooja Enterprise purchased a Machinery for Rs. 3,00,000 . On 01-01-2023, it was sold for Rs. 1,90,000 . Books are closed on 31st March every year and depreciation is charged @ 20% p.a on written down value method.

Prepare Machinery Account from 2020-21 to 2022-23 3

12. Following balances appear in the books of Raj Nandini Enterprises:

01-04-2021	Machinery Account	Rs. 1,40,000
	Provision for Depreciation	Rs. 63,000

On 01-04-2021 , a machinery was sold for Rs. 15,000. This machinery was purchased for Rs. 50,000 on 01-04-2017. Depreciation is charged @ 10% p.a. written down value method

Prepare Provision for Depreciation Account and machinery Account on 31-03-2022. 3

13. Distinguish between Provision and reserve on the basis of: 4

a) Nature

b) Purpose

c) Presentation in the Balance Sheet

d) Mode of Creation

14. Mayank Enterprises has the following balances in its books as on 31-03-2022

Furniture (Gross Value)	Rs. 3,00,000
Provision for Depreciation	Rs. 1,25,000

Furniture purchased for Rs 50,000 on 01-11-2018 on which accumulated depreciation Rs. 30,000 (charged till the date of sale) was sold on 01-04-2022 for Rs. 17,500. Prepare Furniture Disposal Account and Furniture Account for 2022-23 4

15. On 01-04-2020, Sunil Enterprise purchased a machine for Rs. 3,88,000 and spent Rs. 12,000 on its erection. On 01-10-2020, additional machine costing Rs. 2,00,000 was purchased. On 01-10-2022, machine purchased on 01-04-2020 having become obsolete was sold for Rs. 2,00,000 and on the same date, new machine was purchased at a cost of Rs. 3,00,000. Depreciation was provided @ 10% p.a. on written down value method.

Show the machine account for the year 2020-21 to 2022-23. 6

16. On 01-04-2020, Rajkumar Enterprise purchased a machine for Rs. 3,88,000 and spent Rs. 12,000 on its erection. On 01-10-2020, additional machine costing Rs. 2,00,000 was purchased. On 01-10-2022, machine purchased on 01-04-2020 having become obsolete was sold for Rs. 2,00,000 and on the same date, new machine was purchased at a cost of Rs. 3,00,000. Depreciation was provided @ 10% p.a. on original cost.

Show the machine account for the year 2020-21 to 2022-23. 6

Comprehensive Sheet-6

CLASS XI - ACCOUNTANCY
FINAL ACCOUNTS WITH ADJUSTMENTS

TIME : 90 minutes **MM: 40**

Q1. 'Unexpired Insurance Premium' or 'Prepaid Insurance Premium' is ....

the amount of 'Insurance Premium' while preparing Profit & Loss Account and shown in ....side of Balance Sheet. **1 Mark**

a. added in; Assets	**b.** deducted from; Assets
c. deducted from; Liabilities	**d.** added in; Liabilities

Q2. 'Net Loss' is excess of ....side of ....Account over it's...........side. **1 Mark**

a. credit; Trading; debit	**b.** credit; Profit & Loss; debit
c. debit; Profit & Loss; credit	**d.** debit; Trading; credit

Q3. All accounts given in the 'Trial Balance' are posted/shown in Final Accounts .... and all adjustments given along with the Trial Balance are treated .... **1 Mark**

a. only once; twice	**b.** twice; once
c. any of the above two	**d.** none of these

Q4. 'Carriage' given in the debit side of Trial Balance is .... and it is shown on the .... **1 Mark**

a.	'Carriage Outwards' or 'Carriage on Purchases'; credit side of Trading Account.
b.	'Sales Returns' or 'Returns Inwards'; deducted from Sales in Trading Account.
c.	'Carriage Outwards' or 'Carriage on Sales'; credit side of Trading Account.
d.	'Carriage Inwards' or 'Carriage on Purchases'; debit side of Trading Account.

Q5. If value of Plant & Machinery is ₹2,00,000 as on April 01, 2022 and an additional machine of ₹40,000 was purchased on January 01, 2023. Rate of depreciation is 20% p.a. The amount of interest on capital shown in profit and loss account for the year ended on March 31, 2023 will be: **1 Mark**

(a) ₹ 44,000	**(b)** ₹ 40,000	**(c)** ₹ 42,000	**(d)** ₹ 48,000

Q6. Manager is to be allowed 5% commission on Net Profit after charging such commission. Net Profit is ₹63,000. Amount of Manager Commission is ...., it will be shown on the .... and ....side of Balance Sheet. **1 Mark**

a.	₹3,000; debit side of Profit & Loss A/c; Assets
b.	₹3,150; debit side of Profit & Loss A/c; Assets
c.	₹3,150; debit side of Profit & Loss A/c; Liabilities
d.	₹3,000; debit side of Profit & Loss A/c; Liabilities

Q7. Outstanding Interest on Bank Loan given in Adjustments or given as a hidden adjustment is treated twice. It is shown on the.........................and............... side of Balance Sheet.

1 Mark

a.	debit side of Profit & Loss A/c; Liabilities;
b.	debit side of Profit & Loss A/c; Assets;
c.	credit side of Profit & Loss A/c; Liabilities;
d.	credit side of Profit & Loss A/c; Assets;

Q8. Balances of 'Fire insurance premium' (of godown) and Life Insurance Premium (of the proprietor) are given in the debit side of Trial Balance. 'Fire Insurance Premium' is .... and 'Life Insurance Premium' is .... **1 Mark**

a.	deducted from Capital; debited to P & L A/c	**b.**	debited to Trading A/c; deducted from Capital
c.	debited to Trading A/c; debited to P & L A/c	**d.**	debited to P & L A/c; deducted from Capital

Q9. Using the following information, show the accounting treatment of Fixed Deposits and Interest on FD in the relevant portion of financial statements. **3 Marks**

TRIAL BALANCE as at 31st March, 2023 [Extracts]

Particulars	LF	Debit (₹)	Credit (₹)
Interest on Investments		-	3,000
8% FIXED DEPOSITS (1.11.2022)		1,00,000	-

Additional Information: i) These fixed deposits were made on 1st November, 2022.

Q10. Using following information, show the accounting treatment of Debtors and related items in the relevant portion of financial statements. **3 Marks**

TRIAL BALANCE as at 31st March, 2023 [Extracts]

Particulars	LF	Debit (₹)	Credit (₹)
Sundry Debtors		40,800	-
Bad Debts (Previously declared)		2,200	-
Provision for Doubtful Debts (Old **or** Existing Provision)		-	6,500

Additional Information or Adjustments:

i. Additional or Further Bad Debts amounted to ₹800.

ii. Provision for Doubtful Debts should be 7.5%. (**New Provision**).

iii. Create a Reserve/Provision for Discount on Debtors @ 2½%.

Q11. Show the accounting treatment of Loan and Interest on Loan in the relevant portion of financial statements. **3 Marks**

TRIAL BALANCE of ....as at 31st March, 2023 [Extracts]

Particulars	LF	Debit (₹)	Credit (₹)
Interest on Loan		2,00,000	-
15% Loan (1.7.2022) (Taken on 1st July., 2022)		-	25,00,000

Q12. Give the journal entries for the following adjustments in final accounts: 3 **Marks**

i) Out of rent paid ₹ 3,500 half is advance;

ii) Wages paid ₹5,000 for installation of Machinery wrongly included in Wages

iii) Out of total debtors amounting to ₹40,000, 5% is irrecoverable and declared as bad debt.

Q13. Show the accounting treatment of following by preparing Final Accounts (in T-Shape format): (No need to compute Gross Profit, Net Profit and total of Balance Sheet).

4 Marks

TRIAL BALANCE as at 31st March, 2023 [Extracts]

Particulars	LF	Debit (₹)	Credit (₹)
Capital		-	2,50,000
Life Insurance Premium		10,000	-
Wages		12,000	-
Purchases		28,000	-
Plant & Machinery		20,000	-
Insurance (Insurance Premium)		2,000	-

Additional Information or Adjustments:

i. An amount ₹8,000 paid for purchase of a machinery on 1st October, 2022 was included in ordinary purchases and on the same date a sum of ₹2,000 paid for installation of this machine was included in wages.

ii. Insurance include annual premium ₹800 of a new policy purchased on 1.10.2022.

iii. Provide depreciation on machinery @10% p.a.

Q14. Prepare Profit & Loss A/c for the year ended on 31st March, 2023 from the following:

Gross Profit	₹36,500	Furniture	₹15,000
Bad Debts Recovered	₹1,500	Bad Debts	₹4,500
Patents	₹19,000		

Adjustments: **4 Marks**

i. Write off further bad debts ₹2,500 and create a provision of ₹670 for doubtful debts;

ii. Create a provision of ₹227 for discount on Debtors.

iii. An amount of ₹1,500 is receivable on account of commission

iv. 50% of Patents are to be written off.

v. Manager is to allowed commission on Net Profit @10% after charging such commission.

Q15. Prepare Profit & Loss Account and Balance Sheet from the following particulars as on 31st December, 2022: **6 Marks**

TRIAL BALANCE as at 31st December, 2022

Debit Balances	Amt. (₹)	Credit Balances	Amt. (₹)
Carriage Outwards	5,000	Gross Profit	99,600
Salaries & Commission	13,200	Ravi's Capital	1,00,000
Fire Insurance Premium	1,800	Apprenticeship Premium	3,000
Bad Debts	4,200	Sundry Creditors	37,400
Printing & Stationery	1,500	Interest on Investments	1,000
Rates & Taxes	700		
Travelling Expenses	300		
Trade Expenses	400		
Leasehold Business Premises	1,10,000		
Machine & Loose Tools	14,000		
Sundry Debtors	40,000		
7% Government Bonds	16,000		
Cash at Bank	14,900		
Ravi's Withdrawal	6,000		

Adjustments:

i. Closing Stock ₹11,000.

ii. Salaries & Commission Outstanding ₹1,200.

iii. Fire Insurance premium is annual and it was paid on July 1, 2022 till June 30, 2023.

iv. Apprenticeship Premium is for three years received in advance on Jan 01, 2022.

v. Depreciate Premises @ 5% and Machinery & Loose Tools are valued at 12,600.

vi. Goods costing ₹3,000 were destroyed and Insurance Company has accepted a claim of 2,000.

vii. Government Bonds were purchased in the beginning of the year.

Q16. Using following information, prepare the Trading & Profit and Loss Account of M/s Vijay & Sons for the year ended on 31 March 2023: **6 Marks**

TRIAL BALANCE as at 31st March, 2023

Debit Balances	Amt. (₹)	Credit Balances	Amt. (₹)
Drawings	17,600	Capital	50,000
Purchases	80,000	Sales	1,40,370
Stock on April 01, 2022	11,460	Purchases Returns	2,820
Bad Debts	1,400	Bad Debt Provision (1.4.2022)	3,240
Rates & Insurance	1,300	Discount	190
Sales Return	4,240	Rent	2,100
Wages	6,280	Sundry Creditors	17,680
Buildings	24,000	12% Loan on Mortgage	50,000
Addition to Building (1.7.2022)	8,000		
Railway freight on sales	16,940		
Carriage Inwards	2,310		
Office Expenses	1,340		
Printing, Stationery & Postage	1,480		
Sundry Debtors	62,070		
Cash in Hand & at Bank	14,610		
Office Furniture	3,500		
Salaries & Commission	9,870		
	2,66,400		2,66,400

Adjustments:

i) Depreciate building by 5%

ii) Write off further Bad Debts ₹570;

iii) Provision for Bad Debt is to be increased to ₹3,690;

iv) Salary ₹570 is outstanding and Rent ₹200 is receivable;

v) Rates & insurance are unexpired to the extent of ₹240;

vi) Loan on mortgage was taken on 1st Jan. 2023;

vii) Stock is valued at ₹14,290 on 31st March, 2023.

SAMPLE PAPER-01

CLASS – XI
SUBJECT: ACCOUNTANCY

TIME: 3 Hours **Maximum Marks: 80**

General instructions:

(i) This question paper contains 34 questions. All questions are compulsory.

(ii) This question paper is divided into two parts, Part A and B.

(iii) Question 1 to 16 and 27 to 30 carries 1 mark each.

(iv) Questions 17 to 20, 31 and 32 carries 3 marks each.

(v) Questions from 21, 22 and 33 carries 4 marks each.

(vi) Questions from 23 to 26 and 34 carries 6 marks each.

(vii) There is no overall choice. However, internal choices have been provided in certain questions.

PART-A

01. Which one of the following is the correct sequence of Accounting Process? 1

(a) Identifying, Recording, Classifying, Summarizing
(b) Identifying, Recording, Summarizing, Classifying
(c) Recording, Summarizing, Classifying, Identifying
(d) Identifying, Classifying, Recording, Summarizing

02. Which of the following is odd one out? 1

(a) Patents
(b) Investment
(c) Goodwill
(d) Trademark

03. The objective behind the opening of .... Account is to avoid delay in the preparation of Financial Statements. 1

(a) Suspense (b.) Capital (c.) Trading (d.) Profit and loss.

04. 1

A	Entity	1	Withdrawal of money and/or goods by the owner from the business for personal use.
B	Drawings	2	An event involving some value between two or more entities.
C	Purchases	3	A reality that has a definite individual existence.
D	Transaction	4	The total amount of goods procured by a business on credit and on cash, for use or sale.

Read the above and select the correct combination:

a) A1, B2, C3, D4
b) A2, B1, C4, D3
c) A3, B1, C4, D2
d) A4, B3, C2, D1

05. Rectifying entries are recorded in: 1

(a) Ledger (b.) Balance sheet (c.) Cash book (d.) Journal proper

OR

In the Purchases Book we record transactions involving:

(a) Credit purchases of goods in which we deal

(b) Cash purchases of goods in which we deal

(c) All purchases of goods dealt in which we deal

(d) Credit purchase of goods as well as assets

06. The accounting concept which suggested that each transaction should be recorded in the books of account by supporting vouchers of transactions . 1

(a) Objectivity

(b) Dual aspect

(c) Materiality

(d) Consistency

07. An accounting concept where the Accountant, being prudent, would take caution and use the under-stated figure instead of an over-stated figure. This concept is: 1

(a) Consistency

(b) Conservatism

(c) Realisation

(d) Matching

08. Errors which affect the balancing of Trial Balance are called ……………errors and are rectified through………………Account. 1

(a) Two Sided, Suspense

(b) One sided, Capital

(c) One sided, Suspense

(d) Two Sided, Trading

09. X Ltd of Bilaspur, an owner of a shopping mall received rent on 1st April, 2020 from 20 tenants @ ₹ 15,000 per month for 18 months for the year ended 31 st March, 2021. As per the revenue recognition concept of accounting, Rent as an income to be realised by ₹……………… 1

(a) 1,80,000

(b) 2,70,000

(c) 36,00,000

(d) 54,00,000

10. According to the cost concept: 1

(a) Assets are not recorded.

(b) Recorded by estimating the market value at the time of purchase.

(c) Assets are recorded at lower of cost and market value.

(d) Assets are recorded at the value paid for acquiring it.

11. Objectives of accounting are to: 1

1. maintain records of business;
2. calculate profit or loss;
3. depict the financial position; and
4. make information available to various groups and users.

Which of the following statements given above is/are correct?

(a) 3 only
(b) 1,2,3,and 4
(c) 1 and 2
(d) 2 and 3

12. Which event is not to be recorded in the books of accounts? 1

(a) Appointment of a General Manager.
(b) Rendering services to the customers by Drishti Engineers & Consultants.
(c) Purchase of materials from suppliers.
(d) Sale of merchandise to the customers.

13. The liability arising from the purchase of goods on credit is called 1

(a) Creditors
(b) Accounts Receivable
(c) Loan
(d) Payable expenses

OR

If the capital of a business is Rs 5,00,000 and outside liabilities are Rs 2,00,000. Calculate the total assets of the business

(a) Rs 7,00.000
(b) Rs 3,00,000
(c) Rs 9,00,000
(d) None of these

14. On the basis of the ……………………… transactions are classified into capital and revenue items. 1

(a) Accounting period assumption
(b) Going concern assumption
(c) Matching principle
(d) Full disclosure principle

15. The following balances appear in the books of Ram & Co.: 1
Cash – ₹20,000; Machinery –₹50,000; stock – ₹1,00,000; Debtors – ₹40,000 and creditors – ₹30,000

The value of capital will be:

(a) ₹2,10,000
(b) ₹1,80,000
(c) ₹1,00,000
(d) ₹1,60,000

16. Which of the following statements is not appropriate in relation to Provisions? 1

(a) Provision is a charge against profit

(b) Provision is created for known liability

(c) Provision is created for strengthening the financial position of the business.

(d) Creation of provision satisfies the principle of conservatism

17. Differentiate between Cash Basis and Accrual Basis of Accounting on any 3 basis. 3

18. 'Accounting is the process of identifying, measuring and communicating economic information to permit informed judgments and decisions by users of information'. However, accounting has certain limitations. Explain any three of such limitations. 3

19. Show the effect of the following transactions on assets, liabilities and capital through Accounting Equation: 3

(1) Raj started business with cash ₹ 30,000 and bank balance ₹20,000.

(2) He purchased goods for cash ₹5,000 and on credit ₹15000.

(3) Sold goods costing ₹6,000 for Cash at a profit of 20% on cost.

20. Journalise the following: 3

i) Goods of ₹5,000 were returned by Ansh.

ii) Bank charges ₹100 due to non-maintenance of minimum balance.

iii) Transferred ₹50,000 from personal Saving Bank A/c to Business Current Account.

21. Prepare a Sales Book of Goldy Stationers from the following information. 4

Date	Particulars
2018 June 1	Sold to Raj Stationery Store on credit: a) 50 dozen pens @ ₹60 per dozen b) 20 dozen registers @ ₹20 per register
June 10	Sold to Rajan, 2 used tables @ ₹ 1,000 per table.
June 15	Sold 3 dozen ink pots @ ₹ 80 per dozen to Neel & Co. and received cash discount of ₹ 50
June 18	Sold to Arnav Bros. on credit: a) 5 reams of white paper @ ₹ 50 per ream b) 120 pens @ ₹ 60 per dozen. Less Trade Discount of 10%

22. From the following particulars, prepare Bank Reconciliation statement as on 30th June, 2022: 6

(i) Credit Balance as per the pass book ₹50,000.

(ii) Out of cheques drawn amounting to 15,000 on 28th June, a cheque for ₹5,000 was presented on 3rd July, 2022.

(iii) A cheque for ₹1,500 entered in cash book but omitted to be banked on 30th June.

(iv) Bank had reversed bank charges of ₹ 100 wrongly debited earlier.

(v) Payment of a cheque of ₹500 was recorded twice in the pass book.

(vi) Bank wrongly recorded cash deposit of ₹25,589 as 25,598. The error was rectified by the bank on 28th June, 2022.

23. Record the following transactions in double column cash book and balance it. 6

Date	Details	Amt. (₹)
2022		
Aug. 01	Cash balance	15,000
	Bank balance (Credit)	10,000
Aug. 08	Cash sales	22,000
	Cash discount	750
Aug. 09	Cash deposited in bank	15,000
Aug. 16	Withdrawn from bank office use	14,500
Aug. 20	Received cheque from John in full and final settlement and deposited the same in the bank.	10,700
Aug. 25	Cheque received from Kumar	4,500
Aug. 28	Cheque received from Kumar deposited in Bank	4,500
Aug. 31	Cheque deposited on Aug. 28 dishonoured and returned by the bank	

24. On 31st March 2022, while balancing the books of accounts of Shri Gopal, they did not agree. The difference in Trial Balance amounting to ₹ 1,783 was debited to Suspense Account. 6

Later the following errors were noticed. Give the Journal Entries for rectification and prepare Suspense Account.

i. The total of Purchases Book of March has been undercast by ₹3000.

ii. ₹228 paid for repairing the Machinery has been debited to Machinery A/c

iii. The Purchase Return Book has been overcast by ₹150.

iv. A sale of ₹1,200 to Mr. Shankar has been passed through the Purchases Book.

v. Cash received ₹1367 from Shri. Arvind though entered in the Cash Book has not been posted to Shri Arvind's account.

vi. Goods returned by Mr. Alex ₹225 have been entered in the returns Outward Book. However, Mr. Alex's account is correctly posted.

25. On 01-04-2020, Rajkumar Enterprise purchased a machine for ₹3,88,000 and spent ₹12,000 on its erection. On 01-10-2020, additional machine costing ₹2,00,000 was purchased. 6

On 01-10-2022, machine purchased on 01-04-2020 having become obsolete was sold for ₹2,00,000 and on the same date, new machine was purchased at a cost of ₹3,00,000.

Depreciation was provided @ 10% p.a. on original cost.

Show the machine account for the year 2020-21 to 2022-23.

OR

On 01-04-2020 , Diksha Enterprise purchased a machine for ₹3,88,000 and spent ₹12,000 on its erection. On 01-10-2020, additional machine costing ₹2,00,000 was purchased.

On 01-10-2022, machine purchased on 01-04-2020 having become obsolete was sold for ₹2,00,000 and on the same date, new machine was purchased at a cost of ₹3,00,000.

Depreciation was provided @ 10% p.a. on written down value method.

Show the machine account for the year 2020-21 to 2022-23.

PART - B

26. Which one of the following pairs is **not** correctly matched? 1
    a) Revenues- rent received
    b) Expenses-Wages and salaries received
    c) Capital Expenditure- purchased machinery
    d) Deferred Revenue Expenditure-Advertisement

27. Which of the following is not the example of revenue receipts? 1
    a) Amount received from the sale of goods
    b) Amount received from the sale of machinery
    c) Amount received from providing service to customers
    d) Receipts of commission, interest, rent, etc.

28. If Closing Stock appears in the Trial Balance then it will be appearing in: 1
    (a) Trading A/c
    (b) Balance Sheet
    (c) Profit and Loss A/c
    (d) Trading A/c and Balance Sheet.

OR

Choose the correct chronological order of ascertainment of the following profits from the profit and loss account:
    (i) Operating Profit, Net Profit, Gross Profit
    (ii) Operating Profit, Gross Profit, Net Profit
    (iii) Gross Profit, Operating Profit, Net Profit
    (iv) Gross Profit, Net Profit, Operating Profit

29. Discount, Interest, Rent & Commission Received are shown in.......... 1
    (a) Debit side of Trading Account
    (b) Credit side of Profit & Loss Account
    (c) Assets side of Balance Sheet
    (d) Credit side of Trading Account.

30. Give the journal entries for the following adjustments in final accounts: 3
i) Wages & Salaries ₹ 3,500 are outstanding;
ii) Provide 'Interest on Capital' @6% p.a. (Capital invested is ₹60,000);
iii) Cost of Stock at the end of the year is ₹4,800. (Market Value is ₹4,200)

OR

From the following information prepare Trading Account for the year ended on 31st March, 2023:

Sales	₹9,50,000	Freight on Purchases	₹3,000
Adjusted Purchases	₹8,00,000	Carriage Outwards	₹6,000
Closing Stock	₹35,800	Wages	₹11,000
Carriage & Cartage	₹200		

31. **TRIAL BALANCE as at 31st March, 2023 [Extracts]** 3

Particulars	LF	Debit (₹)	Credit (₹)
Interest on Investments **10% <u>INVESTMENTS</u>** (1.7.2022)		- 60,000	3,000 -

Additional Information: i) Investments were purchased on 1st July, 2022.

32. Using the following information, show the accounting treatment of Debtors and related items in the relevant portion of financial statements. 4

TRIAL BALANCE as at 31st March, 2023 [Extracts]

Particulars	LF	Debit (₹)	Credit (₹)
Debtors **Bad Debts** (Previously declared) **Provision for Doubtful Debts** (Old Provision)		40,800 1,000 -	- - 2,000

Additional Information or Adjustments:

i. <u>Additional or Further</u> Bad Debts amounted to Rs.800.
ii. Provision for Doubtful Debts should be 10%. (**New Provision**).

Create a Reserve/Provision for Discount on Debtors @ 1%.

33. Prepare Profit & Loss A/c for the year ended on 31st March, 2023 from the following: 4

Gross Profit	₹55,000	Furniture	₹15,000
Bad Debts Recovered	₹1,500	Bad Debts	₹4,500
Advertising	₹9,000	Commission Received	₹5,000

Adjustments:

i. Write off further bad debts ₹2,500 and create a provision of ₹670 for doubtful debts;
ii. Create a provision of ₹227 for discount on Debtors.
iii. An amount of ₹1,500 is receivable on account of commission
iv. 50% Advertising Expenses are to be written off.
v. Manager is to allowed commission on Net Profit @10% after charging such commission.

34. Prepare Trading Account, Profit & Loss Account and Balance Sheet from the following particulars as on 31st March, 2023:

6

TRIAL BALANCE

As at 31st March, 2023

Debit Balances	Amt. (₹)	Credit Balances	Amt. (₹)
Cash	10,000	Sales	1,96,200
Stock (As on 1.4.2022)	41,300	Loan at 12% (on 1.7.2022)	20,000
Wages & Salaries	31,525	Creditors	30,305
Purchases	1,30,100	Cash Discount	530
Returns	3,200	Capital	64,400
Repair of machinery	1,675	Provision for doubtful debts	4,500
Bad Debts	2,310		
Interest on Loan	600		
Charity	125		
Rent	2,000		
Machinery	16,000		
Debtors (Including ₹1,000 due from Ram)	30,000		
Patents & Copyright	26,100		
Goodwill	21,000		
	3,15,935		3,15,935

Adjustments:-

i) Wages include ₹2,000 incurred for erection of new machinery on 1-4-2022;

ii) Stock on 31st March, 2023 was valued at ₹40,925;

iii) Provide 5% depreciation on tangible fixed assets (Machinery) and write off intangible assets by 33-1/3 %;

iv) Half of the amount due from Ram is irrecoverable;

v) Create a provision at 5% on other debtors;

vi) Rent is paid upto 31st July, 2023.

OR

The following balances were extracted from the books of 'X' on March 31, 2023:

TRIAL BALANCE

As at 31st March, 2023

Particulars	LF	Debit (₹)	Credit (₹)
Opening Stock		4,500	-
Motor Vehicle (Delivery Vans)		13,200	-
Drawings/Capital		2,800	20,000
Bank Overdraft		-	4,000
Purchases/Sales		24,000	41,300
Returns		2,000	4,000
Establishment Expenses		6,400	-
Bad Debts / Bad Debts Provision		1,000	400
Debtors / Creditors		10,000	7,000
Carriage		1,000	-
Wages		1,000	-
Trade Expenses		500	-
Manufacturing Expenses		1,500	-
Bank Charges		1,400	-
Miscellaneous Expenses		1,500	-
Delivery Van Expenses (Petrol & maintenance)		2,000	-
Rates, Taxes & Insurance		2,500	-
Coal, Gas, Water		2,000	-
Commission		-	100
Apprentice Premium		-	500
		77,300	77,300

Prepare the Trading and Profit and Loss Account for the year ended on March 31, 2023 after keeping in view the following adjustments:

i) Outstanding: Salaries ₹100; Wages ₹100;
ii) Unexpired insurance ₹500;
iii) Interest on Bank Overdraft ₹750 is due;
iv) Depreciate motor vehicle @20%
v) Closing stock is valued at ₹9,000;
vi) Further bad debts are ₹200 and new provision for doubtful debts is required @5%;
vii) Apprentice premium received in advance ₹100.

SAMPLE PAPER-02

CLASS – XI
SUBJECT: ACCOUNTANCY

TIME: 3 Hours	Maximum Marks: 80

General instructions:

1. This question paper contains 34 questions. All questions are compulsory.
2. Questions 1 to 20 carry 1 mark each.
3. Questions 21 to 24 carry 3 marks each.
4. Questions 25 to 30 carry 4 marks each
5. Questions from 31 to 34 carry 6 marks each.
6. There is no overall choice. However, an internal choice has been provided in 7 questions of One mark, 2 questions of Three marks, 1 question of Four marks and 2 questions of Six marks

PART-A (FINANCIAL STATEMENT-1)

Q.1 If a firm believes that some of its Debtors may default, it should act on this by making sure that all possible losses are recorded in the books. This is an example of the__________ concept.

a. Prudence b. Going Concern c. Accounting Period d. Historical Cost. (1)

Q.2 Debtors, Bills Receivable, Prepaid Expenses are all examples of_____.

a. Current Assets b. Fixed Assets c. Intangible Assets d. Tangible Assets (1)

Q.3 Gopal is our debtor for ₹ 10,000. He became insolvent and only 60 paise in a rupee is received from him. The balance of ₹ 4,000 would be entered to the: (1)

a) Debit of discount A/c b) Credit of Discount A/c
c) Debit of bad debt A/c d) Credit of bad debt A/c

Or

When the total of debit side of an account exceeds the total of its credit side, the account is said to have:

a) Credit balance b) Debit balance
c) Debit as well as credit balance d) None of the above

Q4. The fundamental Accounting Equation Assets = Liabilities + Capital is based on which concept?

a. Accounting Period b. Dual Aspect

c. Historical Cost d. Going Concern

Q5. Bank balance is always considered as positive, if it is: (1)

a) Balance as per cash book b) Debit balance as per cash book

c) Credit balance as per pass book d) All of the above

Or

Is Bank reconciliation Statement a part of Financial statement?

Q.6 Which of the following events are not of financial character? (1)

a) Purchase of an asset on credit.

b) Purchase of an asset for cash.

c) Withdrawing of cash from business for personal use of proprietor.

d) Strike by employees.

Q.7 Reliance Co. did not use a particular machine during the current year. Should depreciation be charged on that machine also? Give reason. (1)

Or

On a machine purchased for ₹ 15,000 Depreciation for the second year @10% under Diminishing Balance method will be___.

a)₹ 1,500 b)₹ 1,350
c)₹ 1050 d)None of these

Q.8 If ₹ 2,000 received from Anil has been credited to Sunil, the rectifying entry will be :

a. Anil a/c Dr To Sunil a/c b. Sunil a/c Dr To Anil a/c c. Suspense a/c Dr To Sunil a/c d. Anil a/c Dr To Suspense a/c (1)

Q.9 Given below are two statements, one labelled as Assertion(A) and other labelled as Reason(R).

Which one of the following is correct?

Assertion(A): Accounting records only the transactions of financial nature.

Reason (R): Goods taken from the business by the proprietor for his personal use is not of financial nature and hence will not be recorded. (1)

a) Both A and R are true and R is the correct explanation of A.
b) Both A and R are true but R is not the correct explanation of A.
c) A is true but R is false.
d) A is false but R is true.

Q.10 Amount which a proprietor has invested in a business is known as- (1)

a) capital b) assets c) debtors d)None of the above

Or

Purchase refers to the buying of-

a) Stationery for office use b) Assets for the factory

c) Goods for resale d) Investment

Q.11 Profit on sale of assets is used to create: (1)

a) General Reserve b) Specific Reserve

c) Capital Reserve d) All of the above

Or

Is provision for doubtful debt a charge against profit or an appropriation of profit?

Q.12 If seller receives back the goods sold i.e. in case of sales return, which of the following is prepared. (1)

(a) Credit Note (b) Debit Note
(c) Both (a) and (b) (d) None of these

Q.13 The term 'Depletion' is used for which types of assets? (1)

(a) Liquid assets (b) Fixed Assets

(c) Wasting assets (d) Intangible assets

Q.14 Arun purchased a machinery for 2,00,000 and scrap value of the machinery is ₹30,000 and estimated life of the machinery is 10 years. What will be the rate of depreciation? (1)

(a) 10% (b) 17%
(c) 12% (d) 11%

Or

A machine is purchased on April 1, 2021. On 31st March, 2022 the value of the machinery is ₹4,50,000 after charging depreciation @10% according Reducing Balance Method. What is the cost of machinery as on April 1, 2021?

(a) ₹ 4,95,000 (b) ₹ 5,00,000

(c) ₹ 4,00,000 (d) Amount cannot be ascertained

Q.15 Suspense A/c appears in the Trial Balance because of: (1)

(a) One sided errors (b) Compensating errors

(c) Errors of principle (d) None of these

Q.16 Purchase of Office Furniture of ₹1,200 has been debited to the General Expenses Account. Identify the type of error. (1)

(a) a clerical error (b) an error of principle
(c) an error of omission (d) compensating error

Q.17 Madan started a business on 1st April, 2019 with a capital of ₹ 50,000 and a loan of ₹25,000 taken from Sohan. During 2019-20, he had introduced additional capital of

₹25,000 and had withdrawn ₹15,000 for personal use. On 31st March, 2020 his assets were ₹1,50,000. Find his capital as on 31st March, 2020 and profit made or loss incurred during the year 2019-20. (1)

Or

Give an example for each of the following transactions:

(i). Increase in one asset and decrease in another asset.

(ii). Increase in one asset and increase in liability.

(iii). Increase in asset and increase in owner's capital.

Q.18 Sold goods to Rahul & Bros within the state list price ₹2,50,000 at 20% trade discount and 4% cash discount on sale price. Charged CGST and SGST @6% each. 80% of the amount received . Pass journal entry. (1)

Or

Enter the following transactions in the books of Riddhi Traders assuming that all transactions have taken place within the state of Jharkhand. Assuming CGST @ 9% and SGST @9% (Entry of setting off is not required to be done):

(i) Purchased goods for ₹5,00,000 from Astro Traders.

(ii). Sold goods to Pushkar Bros. for ₹3,00,000.

(iii). Commission of ₹10,000 received in cash.

Q.19 Enter the following transactions in the purchase book of SR Cloth House, Ranchi, assuming CGST @ 6% and SGST @ 6%.: (1)

2018 April 4	Purchased from RK & Bros, of Ranchi 100 Metre Cotton Cloth @200 per Metre 80 Metre Woollen Cloth @₹500 per metre
April 12	Purchased from SK & co. of Patna Bihar 50 Metre Silk Cloth @600 per Metre 40 Metre Cotton Cloth @₹250 per Metre Trade Discount 10%
April 20	Purchased from Fashion Furniture House, Delhi 10 Chairs @ ₹2,000 per Chair
April 25	Purchased from Shubham& Bros of West Bengal for cash 100 MetreWoollen Cloth @ ₹600 per Metre Trade Discount is 15% and Freight Charges payable are ₹3,000

Q.20 What are the differences between reserve and provision? (Any Three) (1)

Q.21 Explain the following terms in brief: - Any 3 (3)

(a) Asset, (b) Liability

(c) Revenue and (d). Expense

Or

Explain in brief any three objectives of Accounting?

Q.22 Explain the following in brief: (i). Principle of full disclosure and (ii). Money measurement concept. (3)

Q.23 Record the following transactions in double column cash book of Mr. Rakesh Verma and balance it. (3)

Sept. 01: Balance of cash ₹ 22,000 and Bank overdraft ₹ 2,500.

Sept. 06: Received cheque on October 28th, for ₹ 4,000 from Gaurav sent into the bank.

Sept. 10: Bank has collected and deposited: Interest of ₹ 6,000; Dividend of ₹ 8,000.

Sept. 16: Bank has paid several payments on its due date: Insurance premium of ₹ 3,000 and School fees of the child of Rakesh Verma ₹ 5,000.

Sept. 24: Cash deposited into the bank ₹ 12,000.

Sept. 29: Sold goods (costing ₹ 25,000) at 20% profit for cash.

Q.24 Trial balance of M/s Rathi Brothers did not agree and the accountant put the difference to suspense account. He discovered the following errors: (3)

(a) Sales return book overcast by ₹ 800.

(b) Purchases return to Sahu ₹ 2,000 were not posted.

(c) Goods purchased on credit from Narula ₹ 4,000 though taken into stock, but no entry was passed in the books.

(d) Installation charges on new machinery purchased ₹ 500 were debited to sundry expenses account as ₹ 50.

(e) Rent paid for residential accommodation of Mohan (the proprietor) ₹ 1,400 was debited to Rent account as ₹ 1,000.

Rectify the errors and prepare suspense account to ascertain the difference in trial balance.

Q.25 M/s Ashoka Traders purchased two trucks for transportation of goods on 1st April, 2017 @ ₹ 7,50,000 per truck. On 31st March, 2020, one truck was sold for ₹ 3,20,000 and a new one was purchased for ₹ 10,00,000. (4)

You are required to prepare Truck Account and Provision for Depreciation Account from 1st April 2017 to 31st March 2020; on the following terms:

(a) Firm close its books of account on 31st March every year.

Firm provide depreciation on Truck @ 20% p.a. under Written Down Value (WDV) method.

Or

Bhushan& Company purchased Machinery on 1st April, 2019, for Rs 54,000 and spent Rs 6,000 on its installation. On 1st December, 2020, it purchased another machine for Rs 30,000. On 30th June 2021, the first machine purchased on 1st April, 2019, is sold for Rs 36,000 and on the same date it purchased new machinery for Rs 80,000.

Depreciation was provided on machinery @ 10% p.a. on Original Cost Method annually on 31st March. Give the machinery account for four years.

PART-B (FINANCIAL STATEMENT-2)

Q.26 Net Sales ₹6,00,000.

Gross Profit 25% on cost.

Calculate cost of Goods sold. (1)

Q.27 Income Tax paid by a sole trader is reflected in his financial statements: (1)

(a) On the debit side of the Trading a/c

(b) On the debit side of Profit and Loss a/c

(c) As an asset in the Balance Sheet

(d) As way of deduction from Capital in the Balance sheet.

Or The financial statements consist of:

(i) Trial balance (ii) Profit and loss account

(iii) Balance sheet (iv) (i) & (iii)

(v) (ii) & (iii)

Q.28 If Closing Stock appears in the Trial Balance then it will be shown in: (1)

(a) Trading a/c (b) Balance Sheet

(c) Profit and Loss a/c (d) Trading a/c and Balance Sheet.

Or

Choose the correct chronological order of ascertainment of the following profits from the profit and loss account:

(i) Operating Profit, Net Profit, Gross Profit
(ii) Operating Profit, Gross Profit, Net Profit
(iii) Gross Profit, Operating Profit, Net Profit
(iv) Gross Profit, Net Profit, Operating Profit

P.29 The Manager is entitled to a commission of 5% on profit after charging such commission. The profit before charging such commission is ₹ 10500. Hence the Manager's commission will be___________. (1)

P.30 Differentiate between capital expenditure and revenue expenditure. (4)

Or

The following are the extracts from the trial balance of M/s Bhola & Sons as on March 31, 2017

Account title	Debit	Credit
Opening stock	2,00,000	Purchases
	8,10,000	Sales
		10,10,000
		10,10,000
	10,10,000	

Closing Stock as on date was valued at ₹ 3,00,000.

You are required to record the necessary journal entries and show how the above items will appear in the trading and profit and loss account and balance sheet of M/s Bhola & Sons.

Q.31 Compute cost of goods sold for the year 2021 with the help of the following information.(6)

Sales	20, 00,000
Purchases	15, 00,000
Wages	1,00,000
Stock (Apr. 01, 2020)	3, 00,000
Stock (March 31, 2021)	4,00,000
Freight inwards	1,00,000

Q.32 Prepare the profit and loss account and balance sheet from the following information as on March 31, 2021 (6)

Debtors 80,000
Bad debts 2,000
Provision for doubtful debts 5,000

***Adjustments*:**

Bad debts ₹500 Provision on debtors @ 3%

Q.33 Calculate the amount of gross profit and operating profit on the basis of the following balances extracted from the books of M/s Rajiv & Sons for the year ended March 31, 2021. (6)

Opening stock	50,000
Net sales	11,00,000
Net purchases	6,00,000
Direct expenses	60,000
Administration expenses	45,000
Selling and distribution expenses	65,000
Loss due to fire	20,000
Closing stock	70,000

Q.34 The following is the Trial Balance of Zoya Steels Ltd. as on 31st March 2018. (6)

Name of Account	**Debit(Rs)**	**Credit (Rs)**
Cash in Hand	1,080	
Cash at Bank	5,260	
Purchases and Sales	81,350	1,97,560
Return Inwards and Outwards	1,360	1,000
Wages	20,960	
Fuel and power	9,460	
Carriage on Sales	13,400	
Carriage on purchases	4,080	
Opening Inventory	11,520	
Building	60,000	
Freehold Land	20,000	
Machinery	36,000	
Salaries	33,000	
Patents	12,000	
General Expenses	6,000	
Insurance	1,200	
Capital		1,42,000
Drawings	10,490	
Sundry Debtors and Creditors	29,000	15,600
Total	**3,56,160**	**3,56,160**

You are required to prepare Trading Account, Profit& Loss Account and Balance Sheet as on that date after considering the following adjustments.

1. Inventory at the end was ₹13,600.
2. Insurance includes a premium of ₹ 170 for the next year.
3. Wages include a sum of ₹ 4,000 spent on the erection of cycle shed for employees.
4. A provision for bad and doubtful debts is to created on debtors @5 % on sundry debtor.
5. Manager is to be given a commission of 10% on Net Profits before charging such commission.

Or

Problems based on the missing information. Fill the missing figures and items in the following:

Trading and Profit & Loss Account

(for the year ended 31st March, 2019)

Particulars	**Amt. in ₹**	**Particulars**	**Amt. in ₹**
To Opening Stock To Purchase ------- Less: Return 1,000 To Wages To Carriage Inwards To Gross Profit b/d	------- 81,000 1,800 200 17,000	By Sales -------- Less: Return 5,000 By Closing Stock	-------- 20,000
	1,15,000		**1,15,000**
To Insurance To Rent To Salaries 12,500 Add: Outstanding -------- To Bad Debts 200 Add: Further 100 Add: New Provision ------ 900 Less: Old Provision ------- To Provision for discount on Debtors To Depreciation: Building 2,250	600 5,000 ------- 400 388 2,950	By Gross Profit c/d By Discount By Net Loss	-------- 1,500 -------
Furniture 700			
	22,838		**22,838**

Balance Sheet

(as at 31st March, 2019)

Liabilities	**Amount. ₹**	**Assets**	**Amount. ₹**
Bills Payable	3,000	Cash in hand	--------
Creditors	-------	Cash at bank	15,000
Outstanding Salaries	1,000	Debtors 20,100	19,012
Capital--------		Less: Bad Debts -------	
Less: Net Loss ---------	75,662	Less: New Provision 600	
		Less: Provision for	
		Discount -------	
		Closing Stock	20,000
		Furniture 7,000	6,300
		Less: Depreciation 700	
		Building 45,000	42,750
		Less: Depreciation	

POINTS TO REMEMBER

INTRODUCTION TO ACCOUNTING

- **Accounting** is the process of identifying, measuring and communicating the financial information of an enterprise to its users such as shareholders, debentureholders, banks creditors, Government, employees, management and society at large in this way accounting has become a part of social science.
- **Transactions and events** which are of financial character are recorded in accounting.
- The most acceptable definition of accounting given by American institute of certified public accountants '**Accounting** is an art of recording, classifying, and summarizing in a significant manner and in terms of money, transactions and events which are, in part at least, of financial character, and interpreting the results thereof'.
- **Qualitative characteristics of Accounting**

  To make accounting information decision useful, it should possess the following qualitative characteristics-
- Reliability
- Understandability
- Relevance
- Comparability
- **Objectives of accounting**
  1. To maintain systematic records of business transactions and events;
  2. To ascertain the profit or loss of the business to ascertain the financial position of the business and ;
  3. To provide information to various groups and users – management, owners, investors, creditors ,shareholders, bank ,employees, government etc.
- **Basic Accounting Terms**
  1. **Entity** means a reality that has a definite individual existence.
  2. **Transaction** is an event involving some value between two or more entities.
  3. **Assets** are economic resources of an enterprise that can be usefully expressed in monetary terms.
  4. **Liabilities** are obligations or debts that an enterprise has to pay at some time in the future.
  5. **Capital** is an amount invested by the owner in the firm.
  6. **Sales** are total revenues from goods or services sold or provided to customers.
  7. R**evenues** are the amounts of the business earned by selling its products or providing services to customers.
  8. **Expenses** Costs incurred by a business in the process of earning revenue.

9. **Expenditure** -Spending money or incurring a liability for some benefit, service or property received.
10. **Profit** is the excess of revenues of a period over its related expenses during an accounting year.
11. **Gain** is the profit that arises from events or transactions which are incidental to business.
12. **Loss** is the excess of expenses of a period over its related revenues .
13. **Discount** is the deduction in the price of the goods sold.
14. **Voucher** is the documentary evidence in support of a transaction.
15. **Goods** refers to the products in which the business unit is dealing.
16. **Drawings** are the withdrawal of money and/or goods by the owner from the business for personal use.
17. **Purchases** are total amount of goods procured by a business on credit and on cash, for use or sale.
18. **Stock** (inventory) is a measure of something on hand-goods, spares and other items in a business.
19. **Debtors** are persons and/or other entities who owe to an enterprise an amount for buying goods and services on credit.
20. **Creditors** are persons and/or other entities who have to be paid by an enterprise an amount for providing the enterprise goods and services on credit.

POINTS TO REMEMBER

THEORY BASE OF ACCOUNTING

- **GAAP**: To prepare Accounting Information in a standard language following a standard set of rules and regulations, some rules are required which are known as Generally Accepted Accounting Principles
- **Accounting principles are**
  - (a) Man made
  - (b) Generally accepted
  - (c) Flexible in nature
- **Fundamental Accounting Assumptions**
  - (a) Going Concern: Business shall continue for a foreseeable period of time.
  - (b) Consistency Assumption: Accounting principles and methods should remain consistent from one year to another.
  - (c) Accrual assumption: All the Revenue and Cost are recognised when they are earned or incurred and not when settlement takes place.
- **Accounting Principles**
  1. **Business Entity Principle**: Business organisations are treated as separate entities and owners and persons are separate entities.
  2. **Money Measurement Principle**: Transactions and events that can be measured in monetaryterms are recorded.
  3. **Accounting Period Principle**: It is the interval of time, at the end of which the financial statements are prepared. It is normally considered to be a period of 12 months.
  4. **Full Disclosure Principle**: Accounting statement should disclose fully and completely all the significant information on the basis of which decisions can be taken by various interested parties.
  5. **Materiality Principle**: Information or items that affect the investor's decision should be disclosed. Unimportant information can be merged with other items.
  6. **Conservatism/Prudence Principle**: Provide for all anticipated expenses and losses but do notaccount anticipated incomes and profits.
  7. **Cost concept/Historical Cost concept**: Assets are recorded at the price actually paid or incurred to acquire it.
  8. **Matching Concept**: Matching the revenues earned during an accounting period with the cost associated with the period to ascertain the actual result of business concern during that period.
  9. **Dual Aspect**: Every transaction entered into has two aspects 'Debit' and 'Credit' of equalamount. The value of benefit received is equal to benefit given.

     <u>Assets = Liabilities (claims of outsiders) + Capital (Owners Equity)</u>

10. **Revenue Recognition Concept**: Revenue is recognised when a transaction has been entered into and the right to receive the revenue is established.
11. **Verifiable Objective Concept**: Transaction is recorded on the basis of evidence. It should be free from personal bias.

Basis of Accounting

There are two basis of Accounting to ascertain Profit or Loss

1. **Cash basis**: Accounting transactions are recorded in the books of accounts only on the receipt payment of cash. Entry is not recorded when the payment or receipt is merely due i.e. outstanding expenses, accrued income. This method is contrary to the Matching principle.

2. **Accrual basis**: Revenue and expenses are recorded when they are recognised i.e., income is recorded even when it is accrued, irrespective of the fact whether cash is received or not. Similarly, expenses are recorded when they are incurred or become due and not when the cash is paid for them. Accrual basis follows two accounting principles, Revenue Recognition principle and Matching principle

   Under the Companies Act 2013, all the companies are required to maintain their accounts according to Accrual basis of accounting.

Special Purpose Subsidiary Books

Subsidiary books are the books that record the transactions which are similar in nature in an orderly manner. They are also known as Special Purpose Books or Day books. In a big business institution, itis not easy to record all the transactions in one Journal. So, the Journal is subdivided into many subsidiary books. For every type of transaction, there is a separate book.

Types of subsidiary books:

1. **Cash Book**: To record receipts and payments of cash including bank transactions.

2. **Purchase Book**: A book to record credit purchases of goods traded in or raw material usedfor manufacturing goods. Purchases of good for cash and purchases of non-goods like fixedassets are not recorded in Purchase Books.

3. **Sales Book**: The Sales Book records all the transactions related to credit sales. Cash sales are not recorded in Sales Book. Also, credit sales of items other than good dealt in by the firm (sale of assets) are not recorded in the Sales Book.

4. **Purchase Return Book**: Also known as the Return Outward Book, is used to record the goods or material returned to the sellers of goods that were purchased on credit. A debit Note is issued against every return and is recorded in the Purchase Return Book.

5. **Sales Return Book**: Also known as the Return Inward Book, is used to record the goods or material returned by the purchaser of goods that had been sold on credit. A credit Note is issued to the customer for every return and is recorded in the Sales Return Book.

6. **Journal Proper**: There are certain transactions that can not be recorded in any of the above mentioned books and these transactions are termed miscellaneous transactions. So, the Journal Proper is used to record all the miscellaneous transactions. It includes transactions such as credit purchase and sale of assets, depreciation, opening entries, closing entries, rectification entries, transfer entries, adjustment entries etc.

POINTS TO REMEMBER

CASH BOOK

1. Non-cash items are not recorded
2. Cash Book can be balanced at any time i.e. daily, weekly or monthly.
3. Sometimes payments are made through bank draft. In such a case, bank draft should be treated as a cheque.
4. Cash Book is always positive. It means cash column will always show debit balance.
5. Bank column may have debit (positive) balance or credit (overdraft) balance.

BANK RECONCILIATION STATEMENT

Points To be Remember

1. If cash Book balance is given in question at the start but it is not clearly stated that this balance is debit or credit, it will be treated as a debit balance
2. If pass book balance is given in the question at the start but it is not clearly stated that this balance is debit or credit, it will be treated as a credit balance.
3. Balance as per ledger account means the balance as per cash Book .
4. 'Balance as per bank book' or ' balance as per bank statement ' means the balance as per Pass book.
5. **Cash Book**

   Dr. Cr.

Receipt	**Payment**

Pass Book

Dr. Cr.

Withdrawal	**Receipts**

6. **Cash Book**
   - ➢ Customer/Account holder

   Pass Book
   - ➢ Bank
7. **STARTING POINTS:**

Balance as per cash Book /Pass Book [Amount(+)]

- ➢ Dr. Balance as per cash Book.

- Cr. Balance as per Pass book.

Overdraft as per cash Book/Pass Book. [Amount(-)]

- Cr. Balance as per cash Book.
- Dr. Balance as per Pass book.

8. **ENDING POINTS: (REVERSE of ABOVE POINTS) means**

   Balance as per cash Book /Pass Book

   [Amount(--)]

   - Dr. Balance as per cash Book.
   - Cr. Balance as per Pass book.

Overdraft as per cash Book/Pass Book. [Amount(+)]

- Cr. Balance as per cash Book.
- Dr. Balance as per Pass book.

POINTS TO REMEMBER

TRIAL BALANCE AND RECTIFICATION OF ERRORS

1. A Trial Balance is a **statement** prepared with the debit and credit balances of the ledger accounts to test the arithmetical accuracy of the books.
2. Matching of two sides of a trial balance does not mean that recording of transactions in the books of account is error free, it only ensures arithmetical accuracy of posting.
3. **ASSETS AND EXPENSES SHOW DEBIT BALANCE.**

LIABILITIES, INCOMES AND CAPITAL HAVE CREDIT BALANCE.

4. A transaction, if completely or partially omitted from being recorded in the books of account, is called **Error of Omission.**
5. Errors which arise due to wrong recording, wrong posting, wrong carrying forward, wrong casting of subsidiary books or wrong balancing are known as **Errors of Commission.**
6. Error of Casting means wrong totaling. If totaled *more* than actual it is **overcasting**. If totaled *less* than actual it is **Undercasting.**
7. Treating Revenue Expenditure / Income as Capital Expenditure/ Income or Capital Expenditure / Income as Revenue Expenditure/ Income is known as **Error of Principle.**
8. **Compensating Errors** are those errors in which effect of one error is nullified by the effect of other error.
9. One sided errors are those errors which affect only one account and are rectified through **Suspense** account.
10. Two sided errors are those errors which affect two or more than two accounts. These errors can be rectified by reversing the account wrongly debited or credited.
11. Suspense Account is the account to which the amount being the difference in Trial Balance is temporarily placed.
12. Suspense account is used to rectify the errors which affect the Trial Balance.

POINTS TO REMEMBER

DEPRECIATION, PROVISION AND RESERVE

1. Freight and installation charges are capital expenditure. Therefore they will become part of total cost of the asset on which depreciation will be calculated. Similarly erection or repair charges on purchase of Second hand Asset will be part of total cost of the asset.
2. Before preparing asset account, remember two important things first closing date of financial year and secondly which method is used.
3. Based on rate of depreciation, In the first year of purchase amount of depreciation will be same in straight line and written down value method.
4. If any depreciable asset is not purchased at the beginning of financial year, proportionate depreciation will be charged in the first year for the period from date of purchase to end of financial year.
5. On the date of sale depreciation will be charged from beginning of financial year till the date of sale.
6. Whenever an asset is sold in the middle of the year, find out the depreciation from the last date of depreciation to the date of sale of the asset, then find the depreciated value of the asset on the date of sale. This will be equal to the opening balance of the asset in the year of sale less depreciation upto the date of sale.
7. From the depreciated value upto the date of sale, deduct the sale proceeds. If Sale proceeds is more than depreciated value that will be profit on sale of asset. But if Sale proceeds is less than depreciated value that will be loss on sale of asset.
8. Profit on sale of asset will be posted on the debit side of asset account .
9. Loss on sale of asset will be posted on the credit side of asset account.
10. In case nothing is specified in the question about provision for depreciation. It is assumed that deprecation is charged to asset account.
11. In case provision for depreciation account is maintained and specified in the question, Depreciation is charged to provision for depreciation account.
12. If Depreciation is charged to Asset account,
    The Journal entry for depreciation will be
    Depreciation A/c Dr.
    To Asset A/c
    If Provision for depreciation account is maintained,
    The journal entry for depreciation will be
    Depreciation A/c Dr.
    To Provision for Depreciation A/c

12\. At the end of financial year ,whether provision for depreciation account is maintained or not, Depreciation account is closed by transfer to Profit and Los Account.

13. When provision for Depreciation account is maintained , for charging depreciation

    The following entry is passed every year

    Depreciation A/c Dr.

    To Provision for Depreciation A/c

    But on the date of sale of asset, Provision for Depreciation account is debited with the amount of depreciation charged from the date of purchase till the date of sale on asset sold.

14. In case there is only one depreciable asset and that is sold, there is no need to make working note to calculate Profit or loss on sale of such asset.The balance of asset account after making entry of depreciation, sale price will be either profit or loss on asset.

15. Asset disposal account is made on the date of sale and it is closed on the date of sale.

16. No balance remains in Asset Disposal Account .

17. Asset Disposal A/c is opened with the following journal entry:

    Asset Disposal A/c Dr.

    To Asset A/c

18. In case Asset Disposal A/c is opened ,the entry for Sale Proceeds, Depreciation or provision for Depreciation is passed through Asset Disposal A/c.

19. Reserve can be created only whenever there is profit, because reserve is an appropriation of profit.

20. Provision is a charge against profit.

21. Provision is created even if there is not enough profit.

22. Whenever the purpose is specified for the reserve, it is called specific reserve.

POINTS TO REMEMBER

FINAL ACCOUNTS WITH ADJUSTMENTS

1. Don't forget to write 'Dr.' and 'Cr.' on the top of Trading & Profit & Loss A/c.
2. Just below the Title 'Trading A/c' and 'Profit & Loss A/c' must write period of time as "**for the year ended on 31st March/December, 20XX**".
3. Just below the Title 'Balance Sheet' must write point of time as "**As at 31st March/December, 20XX**".
4. Before writing the solution, must tick mark all the items having adjustments so that while posting them we may not forget the adjustment.
5. Remember! opening stock is treated only once whereas, closing stock is always treated twice. Don't forget to write closing stock in assets side of Balance Sheet.
6. 'Purchases Returns' are also termed as 'Returns Outwards'. Similarly, 'Sales Returns' are also termed as 'Returns Inwards'. These are deducted from Purchases or Sales respectively.
7. Carriage, Freight and Cartage are transportation charges which are paid for different modes of transport of goods.

   Carriage, Carriage Inwards and Carriage on Purchases are synonyms. It is a direct expense and thus shown on the Debit side of Trading Account.

   Whereas, Carriage/Freight/Cartage Outwards is Carriage/Freight/Cartage on Sales which is an indirect expense and shown on the Debit side of Profit & Loss A/c.

   - Do not confuse Returns Inwards with Carriage/Freight/Cartage Inwards.
8. Remember! all adjustments are treated twice.
9. Adjustments are generally given in additional information alongwith 'Trial Balance'. But sometimes these are HIDDEN/Implied i.e. these are given in Trial Balance only but in the form of %.

   For example, 9% Investments (1.7.2022) means that Interest is payable @9% for 9 months (from 1st July, 2022 to 31st March, 2023)
10. Depreciation on Fixed Assets is deducted from particular asset in the Balance Sheet and also shown on the debit side of Profit & Loss A/c. But generally students forget to post it in Profit & Loss A/c.

    Sometimes we have to compute depreciation on the value of Old asset for full year and on additions to that asset for part of the year. Deal with it very carefully.
11. Debtors, Sundry Debtors, Trade Debtors and Book Debts are all synonyms and can be used inter changeably.

12. Adjustments related to Debtors are to be dealt with utmost care. In all the situations, treatment of Further/Additional Bad Debts, New Provision for Doubtful Debts and Provision for Discount on Debtors remains the same in Balance Sheet. But before posting them in Profit & Loss Account, carry out a ‘Left Right Decision Technique’.

Situation-1:

Left-Right Decision Technique

Bad Debt (*Given in Trial Balance ..Dr.*) 2,200 Further Bad Debts (*Given in Adjustments*) 800 New Provision for Doubtful Debt(*Adjustments*) 3,000		Old Provision for Doubtful Debts (*Given in Trial Balance ..Cr.*)	4,500
6,000	>		**4,500**
Left Side is Bigger. So, Old Provision for doubtful debts will be deducted from the sum of Bad Debts, Further Bad Debts and New Provision in the Debit Side of Profit & Loss A/c.			

All the figures are imaginary.

Situation-2:

Left-Right Decision Technique

Bad Debt 2,200 Further Bad Debts 800 New Provision for Doubtful Debt 3,000		Old Provision for Doubtful Debts	6,500
6,000	<		**6,500**
Right Side is Bigger. So, sum of Bad Debts (Previous), Further Bad Debts and New Provision will be deducted from Old Provisions in the Credit Side of Profit & Loss A/c.			

All the figures are imaginary.

13. Bad Debts Written and Bad Debts are one and the same thing.
14. Bad Debts Recovered in an income and shown in the credit side of P & L A/c.
15. Don’t forget to make second treatment of all the adjustments.
16. If by chance any adjustment like, Accrued Income, Outstanding Expense etc. is given inside the Trial Balance, it will be treated only once and generally in the Balance Sheet. To notice such point you need to read the question very carefully.
17. While treating any ‘Loss of Stock’ or ‘Loss of an Asset’ by accident or fire, we must be careful in considering the claim granted/accepted by insurance company (if any).
18. Remember! Goods used by proprietor for personal purpose are treated as his drawings. Cost price of these is deducted from ‘Purchases’ in Trading Account and then deducted from the amount of ‘Capital’ in Balance Sheet.
19. Income Tax & Life Insurance Premium are treated as proprietor’s drawings.
20. If question says that ½ of Rent or Salaries belong to factory. It means half amount is direct expense & to be debited to Trading Account and remaining half is indirect and to be debited to Profit & Loss Account.

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समग्र शिक्षा
सबको शिक्षा, अच्छी शिक्षा

"You have to understand accounting and you have to understand the nuances of accounting. It's the language of business and it's an imperfect language, but unless you are willing to put in the effort to learn accounting — how to read and interpret financial statements — you really shouldn't select stocks yourself"

-Warren Buffett

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स्वाध्यायान्मा प्रमदः

State Council of Educational Research and Training
Varun Marg, Block C, Defence Colony, New Delhi - 110024