CBSE CLASS XI EXAMINATION — 2026-27

ACCOUNTANCY (SUBJECT CODE: 055) — PERIODIC TEST

Time Allowed: 1.5 Hours | **Class: XI Commerce** | **Maximum Marks: 40**

GENERAL INSTRUCTIONS:

1. This question paper contains **15 questions** divided into 4 Sections: **A, B, C, and D**.
2. **Section A** comprises Question Nos. 1 to 8 of **1 mark** each (MCQs, Assertion-Reason, and Case-based Objectives).
3. **Section B** comprises Question Nos. 9 to 11 of **3 marks** each.
4. **Section C** comprises Question Nos. 12 and 13 of **4 marks** each.
5. **Section D** comprises Question Nos. 14 and 15 of **6 marks** each.
6. All questions are compulsory. Internal choices are provided in selected questions.

SECTION A — OBJECTIVE & COMPETENCY-BASED QUESTIONS (8 MARKS)

Q1. Ruhan, a sole proprietor, paid his daughter's college fees of ₹45,000 using funds from the business bank account. He recorded this transaction as "College Fees Expense" in the Profit & Loss statement of the business. Which accounting concept did Ruhan violate, and what is the correct accounting treatment? **COMPETENCY** **[1]**

(a) Going Concern Concept; treat as Business Expense
(b) Business Entity Concept; treat as Drawings
(c) Money Measurement Concept; treat as Capital
(d) Dual Aspect Concept; treat as Liability

Q2. A firm purchased ERP software worth ₹1,200,000. Although the software normally provides utility for 10 years, the business charged the full amount as an expense in the current year because it is officially winding up operations in 3 months. Which concept justifies this accounting treatment? **HOTS** **[1]**

(a) Consistency Concept
(b) Accrual Concept
(c) Going Concern Concept
(d) Prudence Concept

Q3. On 15th March 2026, M/s Dynamic Traders sold goods worth ₹50,000 to Akash on credit. Akash became insolvent on 28th March 2026 and paid only 60 paise in a rupee. Which of the following journal entries correctly records the non-cash adjustment in the Journal Proper? **[1]**

(a) Debit Cash A/c ₹30,000, Bad Debts A/c ₹20,000; Credit Akash ₹50,000
(b) Debit Bad Debts A/c ₹20,000; Credit Akash A/c ₹20,000
(c) Debit Cash A/c ₹50,000; Credit Akash A/c ₹50,000
(d) Debit Bad Debts A/c ₹50,000; Credit Sales A/c ₹50,000

Q4. **Assertion (A):** A Two-Column Cash Book serves the purpose of both a Journal and a Ledger. **[1]**
Reason (R): Transactions recorded in the Two-Column Cash Book are directly posted to relevant accounts, eliminating the need to maintain separate Cash and Bank accounts in the Ledger.

(a) Both (A) and (R) are true, and (R) is correct explanation.
(b) Both (A) and (R) are true, but (R) is NOT correct explanation.
(c) (A) is true, but (R) is false.
(d) (A) is false, but (R) is true.

Q5. While preparing the Sales Book, the accountant of Apex Enterprises accidentally recorded trade discount allowed to a customer as a separate expense in the Journal Proper. Which statement correctly evaluates this? COMPETENCY **[1]**

(a) Correct, because discounts are business expenses.

(b) Incorrect, because Trade Discount is deducted on invoice and never recorded in books.

(c) Correct, because Trade Discount is entered in Sales Return Book.

(d) Incorrect, because it should be credited to Customer Account.

Q6. M/s Zenith Ltd. maintains a Petty Cash Book under the Imprest System with a fixed imprest of ₹10,000. During April 2026, the petty cashier spent ₹7,450. How much reimbursement will the petty cashier receive on 1st May 2026? **[1]**

(a) ₹10,000

(b) ₹2,550

(c) ₹7,450

(d) ₹17,450

Q7. Which qualitative characteristic of accounting information is compromised if an enterprise changes its accounting policies (e.g., depreciation method) frequently from year to year? **[1]**

(a) Relevance

(b) Comparability

(c) Understandability

(d) Verifiability

Q8. Credit purchase of office furniture worth ₹80,000 for office use by a dealer in electronic goods will be recorded in: **[1]**

(a) Purchases Book

(b) Cash Book

(c) Journal Proper

(d) Sales Book

SECTION B — SHORT ANSWER & CONCEPTUAL ANALYSIS (9 MARKS)

Q9. **[HOTS]** Explain how the **Prudence (Conservatism) Principle** can sometimes conflict with the **Matching Principle** in accounting. Provide a practical business example to support your answer. **[3]**

Q10. State with valid accounting reasons whether the following statements are **True** or **False**: **[3]**

1. Accrual Basis of Accounting violates the Matching Principle.
2. A cheque received from a customer on 10th April and deposited into the bank on 14th April will be recorded in the Bank column of the Cash Book on 10th April.
3. A Credit Note is prepared by the seller when goods are returned by a customer.

— OR —

Differentiate between **Cash Basis** and **Accrual Basis** of Accounting on the basis of:
(i) Recognition of Revenue & Expenses (ii) Capital vs. Revenue Distinction (iii) Legal Recognition under Companies Act, 2013.

Q11. From the following transaction details of M/s Green Tech Stores for May 2026, prepare the **Purchases Return Book**: **[3]**

- **May 08:** Returned 5 laptops to M/s Dell India Ltd. @ ₹40,000 each purchased on credit, found defective (Debit Note No. 401). Trade Discount was 10%.
- **May 15:** Returned office chairs purchased for cash from FurniWorld worth ₹12,000 (Debit Note No. 402).
- **May 22:** Returned 2 printers to M/s HP Distributors @ ₹15,000 each (Debit Note No. 403).

SECTION C — PRACTICAL & NUMERICAL APPLICATION (8 MARKS)

Q12. Pass necessary Journal Entries for the following transactions in the books of **Vardhaman Traders**: **[4]**

1. Bought goods from Summit list price ₹1,00,000 at 20% Trade Discount and 5% Cash Discount. Paid 60% amount immediately by cheque.
2. Received a advance order from Sunshine & Co. for goods worth ₹2,00,000 along with an advance cheque of ₹50,000.
3. Sold goods costing ₹40,000 to Varun at a profit of 25% on cost, less 10% Trade Discount.
4. Paid office rent of ₹15,000 by cheque, out of which ₹3,00,0 is paid as advance for the next accounting year.

Q13. Prepare an **Analytical Petty Cash Book** on the Imprest System from the following particulars for July 2026. Imprest Amount = ₹5,000. **[4]**

Date (2026)	Particulars	Amount (₹)
July 01	Received cash reimbursement from Chief Cashier	5,000
July 02	Paid taxi fare for manager's client visit	420
July 03	Purchased postage stamps and envelopes	250
July 04	Paid speed post charges	180
July 05	Purchased office printing paper & stationery	650
July 06	Paid bus fare to delivery boy	120
July 07	Paid for office refreshment / tea expenses	380

SECTION D — INTEGRATED LONG PRACTICAL SCENARIOS (12 MARKS)

Q14. **[Competency-Based]** Prepare a **Two-Column Cash Book (Cash & Bank)** of M/s Modern Electronics for August 2026 from the given details and perform closing balancing: **[6]**

Date (2026)	Transaction Details	Amount (₹)
Aug 01	Opening Balances: Cash in Hand ₹18,000; Bank Overdraft	25,000
Aug 05	Received cheque from Rahul for ₹19,500 in full settlement of debt ₹20,000. Cheque retained.	19,500
Aug 08	Rahul's cheque deposited into bank.	—
Aug 12	Cash sales ₹45,000, out of which ₹30,000 was directly deposited into bank.	45,000
Aug 18	Rahul's cheque returned dishonoured by bank; bank charged ₹100 penalty.	—
Aug 22	Paid salary by cheque ₹14,000 and paid electricity bill in cash ₹2,500.	—
Aug 28	Deposited cash into bank in excess of minimum cash balance of ₹5,000.	—

Q15. M/s National Traders deals in wholesale electronic goods. Record the following transactions in the appropriate **Subsidiary Books** (Purchases Book, Sales Book, or Journal Proper) for June 2026: **[6]**

1. **June 02:** Purchased from Samsung India Ltd. on credit (Invoice No. 892): 10 Smart TVs @ ₹30,000 each, 5 Washing Machines @ ₹20,000 each. Less Trade Discount @ 10%.
2. **June 08:** Sold to M/s Digital World on credit (Invoice No. 104): 5 Smart TVs @ ₹38,000 each, 10 Laptops @ ₹45,000 each. Less Trade Discount @ 5%.
3. **June 15:** Purchased computer printer for office use on credit from M/s Office Automation Ltd. for ₹28,000.
4. **June 22:** Sold old delivery van on credit to Speed Auto Repairs for ₹1,20,000 (Book value ₹1,00,000).
5. **June 28:** Returned 1 defective Washing Machine to Samsung India Ltd. (Debit Note No. 51).

HINTS & MARKING SCHEME (FOR EVALUATORS)

Q1: (b) Business Entity Concept — Personal expenses paid from business funds are treated as Drawings, not business expenses. [1 Mark]

Q2: (c) Going Concern Concept — When the assumption of going concern is broken, assets are written off / valued at net realizable liquidation value immediately. [1 Mark]

Q3: (b) Debit Bad Debts A/c ₹20,000; Credit Akash A/c ₹20,000 — Non-cash loss of 40% (₹20,000) is adjusted via Journal Proper, cash portion ₹30,000 goes to Cash Book. [1 Mark]

Q4: (a) Both (A) and (R) are true, and (R) is correct explanation. [1 Mark]

Q5: (b) Incorrect — Trade Discount is deducted on invoice value and is never recorded as a separate journal entry or ledger account. [1 Mark]

Q6: (c) ₹7,450 — Under Imprest System, reimbursement equals actual expenses spent to restore imprest balance to ₹10,000. [1 Mark]

Q7: (b) Comparability — Consistency in accounting principles is required to compare financial performance over time. [1 Mark]

Q8: (c) Journal Proper — Assets purchased on credit (not meant for resale) are recorded in Journal Proper, not Purchases Book. [1 Mark]

Q9: Conflict Analysis — Prudence requires anticipating all expected losses/expenses, whereas Matching Principle requires matching expenses incurred to revenues earned in the same period. *Example:* Creating Provision for Doubtful Debts or valuing Closing Stock at lower of Cost or Net Realizable Value anticipates future anticipated loss prior to realization. [3 Marks]

Q10: 1. False (Accrual basis strictly adheres to Matching principle). 2. False (Recorded in Cash column on 10th as 'Cheques in Hand', and transferred to Bank column on 14th). 3. True (Credit Note is issued to buyer upon receiving returned goods). [3 Marks]

Q11: Purchases Return Book Total = Dell India: (5 × 40,000 = 200,000 - 10% TD = ₹1,80,000) + HP Distributors: (2 × 15,000 = ₹30,000) = Total ₹2,10,000. *Note: Cash return on May 15 is excluded (goes to Cash Book).* [3 Marks]

Q12 Journal Highlights:
1. Goods list price ₹1,00,000 - 20% TD = ₹80,000. 60% = ₹48,000. Cash Disc 5% on ₹48,000 = ₹2,400. Cheque paid = ₹45,600. Credit portion = ₹32,000.
2. Advance received: Dr. Bank A/c ₹50,000; Cr. Advance from Customers A/c ₹50,000 (order itself requires no entry).
3. Varun Sales: Cost ₹40,000 + 25% profit = ₹50,000 - 10% TD = ₹45,000. Entry: Dr. Varun ₹45,000; Cr. Sales ₹45,000.
4. Prepaid Rent: Dr. Rent A/c ₹12,000, Dr. Prepaid Rent A/c ₹3,000; Cr. Bank A/c ₹15,000. [4 Marks]

Q13 Petty Cash Book Total: Total payments = ₹420 + ₹250 + ₹180 + ₹650 + ₹120 + ₹380 = ₹2,000. Closing Balance = ₹3,000. [4 Marks]

Q14 Cash Book Balancing Highlights:
- Aug 05: Recorded in Cheques in Hand (Journal Proper) / Cash column.
- Aug 08: Bank Dr. ₹19,500; Contra/Cheques in Hand.
- Aug 18: Dishonour: Debit Rahul A/c with ₹19,600 (₹19,500 + ₹100 bank charges), Credit Bank column ₹19,600.
- Aug 28 Contra: Cash balance before transfer = ₹30,500. Retaining ₹5,000 means ₹25,500 deposited into bank (Contra Entry: Dr. Bank, Cr. Cash). [6 Marks]

Q15 Subsidiary Book Allocations:
- June 02: Purchases Book (Samsung) = ₹3,60,000 - 10% = ₹3,24,000.
- June 08: Sales Book (Digital World) = ₹6,40,000 - 5% = ₹6,08,000.

- June 15: Journal Proper (Office Automation) = Dr. Office Equipment A/c ₹28,000; Cr. M/s Office Automation ₹28,000.
- June 22: Journal Proper (Van Sale) = Dr. Speed Auto Repairs ₹1,20,000; Cr. Delivery Van ₹1,00,000; Cr. Profit on Sale of Asset ₹20,000.
- June 28: Purchases Return Book (Samsung) = 1 Washing Machine @ ₹20,000 - 10% TD = ₹18,000. [6 Marks]