



ST. LAWRENCE HIGH SCHOOL

A JESUIT CHRISTIAN MINORITY INSTITUTION

First Term Examination - 2018



Sub :Accountancy

Class: 11B

FM: 80

Duration:3hrs15 Min.

Date: 01.08.2018

Special credit will be given for answers which are brief and to the point. Marks will be deducted for spelling mistakes, untidiness and bad hand writing. Figures in the margin indicate full marks for the questions.

GROUP-A

**1. Answer the following questions:-
(Select the correct answer)**

MARKS - 1X24=24

i) Accounting is recording of -

a) present happening ; b) past happening ; c) past and future happening ; d) past and present happening .

ii) Accrual concept is one of the consequences of the -

a) money measurement concept ; b) dual aspect concept ; c) going concern concept ; d) periodicity concept.

iii) Depreciation is under which Accounting Standard(AS) of India-

a) AS-2 ; b) AS-3 ; c) AS-5 ; d) AS-6

iv) Accounting is a/an -

a) Art ; b) Science ; c) Both art and science ; d) None of these.

v) Which of the following is an internal user of accounting information-

a) employees ; b) investors ; c) managers ; d) labour union

vi) Buyers of goods and services on credit are called-

a) creditors ; b) lenders ; c) customers ; d) debtors.

vii) Accounting Standards are issued by-

a) The Institute of Cost and Management Accountants of India

b) The Institute of Chartered Accountants of India

c) Ministry of Corporate Affairs

d) Company Law Board

viii) Outstanding wages at the end of the financial year is added to a business's expenses in the profit and loss account . Which accounting principle is being applied?

a) business entity ; b) matching ; c) historical cost ; d) money measurement.

ix) Revenue Recognition is under which Accounting Standard (AS) of India?

a) AS-1 ; b) AS-5 ; c) AS- 10 ; d) AS-9

x) Goodwill account is a-

a) Nominal Account ; b) Personal Account ; c) Real Account ; d) Valuation Account

xi) Sumit introduces his car into his business . Which parts of the business accounting equation will change?

a) capital and liability ; b) liabilities and assets ; c) capital and profit ; d) assets and capital.

xii) Journal is a --

a) Memorandum record ; b) primary record ; c) secondary record ; d) none of the above.

xiii) The first book in which the transactions of a business unit are recorded is called-

a) a ledger ; b) a journal ; c) a trial balance ; d) all the above

xiv) If a bank account shows a credit balance of Rs 1000, the accountholder deposits Rs 400 and draws a cheque for Rs 300 , the balance in the bank account should be-

a) Rs 900 debit ; b) Rs 1100 debit ; c) Rs 900 credit ; d) Rs 1100 credit.

xv) Sale of old furniture for cash is recorded in the-

a) Petty Cash Book ; b) Cash Book ; c) Journal Proper ; d) Sales Day Book.

xvi) Which is entered into the Journal Proper ?

a) cash payment to an employee for expenses ; b) cash purchase of goods for resale ; c) correction of an error ; d) credit purchase of goods for resale.

xvii) Purchase Day Book is prepared from-

a) Cash Memo ; b) Inward Invoice ; c) Outward Invoice ; d) Debit Note.

xviii) Which of the following a credit balance in the cash book indicates-

a) the account is closed ; b) cash in hand ; c) cash at bank ; d) bank overdraft.

xix) Which of the following statement is correct ?

a) $A=C+L$; b) $A=C-L$; c) $A+C=L$; d) all of these.

xx) The term 'petty' means-

a) small ; b) big ; c) separate ; d) none of these.

xxi) Ledger is called a book of-

a) Primary Entry ; b) Secondary Entry ; c) Memorandum Entry ; d) Both Primary and Secondary Entry.

xxii) The totals of a trial balance do not agree. Which type of error causes this?

a) a compensating error ; b) an error of casting ; c) an error of omission ; d) an error of principle.

xxiii) The " Father of Accounting " is –

a) Kautilya ; b) Galileo ; c) Herodotus ; d) Fra Luca Pacioli.

xxiv) Provision for Bad Debts Account is a-

a) Real Account ; b) Personal Account ; c) Valuation Account ; d) Nominal Account.

GROUP- B

2. Answer the following questions in very short (Alternatives are to be noted) : 1x12=12

(i) What is an asset ?

(ii) State any two objectives of Accounting ?

OR

What are the three branches of Accounting ?

(iii) What is an account ?

OR

Write any two advantages of Accounting?

(iv) What is the full form of IFRS ?

(v) What is Matching Concept?

OR

What do you mean by Money Measurement Concept ?

(vi) Name two source documents .

(vii) What do you mean by invoice ?

OR

When is credit note issued?

(viii) What is a Pass Book?

(ix) Name the parties to a cheque ?

(x) What are the different kinds of ledgers maintained by an organization?

OR

Define: Ledger

(xi) What is Trial Balance?

(xii) What is Journalising?

OR

Name two books of original entry.

GROUP – C

3. Answer the following questions (Alternatives are to be noted):

4x4=16

(i) From the following particulars, prepare a Purchase Day Book of Rahim Electricals who is a retailer of electrical goods:-

08-08-2017 Purchase from P.K Electronics 200 fans @ Rs 800 each. 500 LED tubelights @ Rs 280 each. Trade Discount @ 10%. Packing and forwarding charges Rs 500.

16-08-2017 Purchased from Sonu Electronics 50 halogen lights @ Rs 1000 each, 15% Trade Discount .

30-08-2017 Purchased from B.K. Bros 300 tubelights @ Rs 220 each. 10% Trade Discount, Transport Charges Rs 200.

OR

Distinguish between Purchase Day Book and Purchase Account.

(ii) Pass journal entries for the following transactions:

2018

May 1 : Bought goods from Vishal – Rs 2500

May 5 : Purchased furniture for office use in cash from M/s Dasgupta & Co- Rs 5000

May 15 : Sold goods to Rahmat Ali in cash – Rs 3500

May 22 : Paid electricity charges in cash – Rs 3000

OR

Distinguish between Journal and Ledger.

(iii) Show Accounting Equations on the basis of the following transactions :

(a) Rohan commenced business with Rs 100000

(b) Purchased machinery for Rs 40000

(c) Purchased goods for Rs 30000

(d) Sold all goods for cash Rs 70000.

(iv) Is Trial Balance is a ledger account ?

GROUP – D

4. Answer the following questions:- (Alternatives are to be noted):

6x3=18

(i) Record the following transactions in the Cash Book of Sri S. Sengupta and draw the closing balances of Cash and Bank columns:-

2018

May 1 Cash in hand Rs 2400

Cash at Bank Rs 3500

3 Purchased goods from M/s Jhunjunwala for Rs 700 and paid by cheque.

9 Cash purchases Rs 800 less trade discount 5%.

10 Purchased stamps etc Rs 50

12 Cash sales Rs 2000 and banked the same.

14 Drew cash for personal use Rs 160.

- 15 Received from Mr Hamid cash Rs 300 and cheque Rs 500, both deposited into bank.
Withdrawn from bank for office use Rs 800.
- 16 Paid wages Rs 300 and rent Rs 500.
- 19 Paid M/s Milly by Cheque Rs 2400.
- 23 Received a cheque from Mr Sarkar for sale of old goods Rs 800.
- 25 Paid M/s Jhunjhunwala cash Rs 750 and cheque Rs 360.
- 26 Mrs D. Sen , a customer, deposited into bank Rs 600.
- 29 Withdrawn from bank for personal use Rs 200.
- 31 Bank charged for commission Rs 100.

OR

Distinguish between Trade Discount and Cash Discount.

(ii) Prepare Mr S. Saha's account from the following transactions:-

April 1 Opening balance of his account (dr)- Rs 5,000

5 Sold goods for credit- Rs 2,10,000

12 Cash received from him – Rs 2,08,000

Discount allowed- Rs 2,000

20 Sold goods for cash- Rs 1,50,000

30 Debt irrecoverable from him – Rs 2,000.

(iii) The following are the causes of discrepancies between Cash Book and Pass Book balance on 31 December, 2017. Prepare a statement on that day reconciling the discrepancies.

(a) Bank Balance as per cash book Rs 3450.

(b) A cheque for Rs 500 was issued in December, but was not encashed in that month.

(c) A cheque for Rs 650 was deposited into bank on 20th December, but it was dishonoured in January.

(d) Cheques for Rs 2000 were deposited into bank in December, but of them a cheque for Rs 250 was collected in January.

(e) Bank interest of Rs 70 was received , but it was not recorded in the cash book.

(f) The bank paid insurance premium of Rs 100 in that month, but it was not recorded in the Cash Book.

OR

State the advantages of preparing a Bank Reconciliation Statement (BRS).

GROUP – E

5. Answer the following question:-

10x1=10

The under mentioned Trial Balance of M/s Sen & Co. has been wrongly prepared. You are to redraft the same correctly.

| Ledger Balance | Debit (Rs) | Credit (Rs) |
|---------------------------------|-----------------|-----------------|
| Rent , Rates and Taxes | 41,850 | |
| Bills Receivable | | 26,640 |
| Trade Expenses | 43,920 | |
| Bills Payable | 9,000 | |
| Salaries and Wages | 53,820 | |
| Cash in hand | 12,780 | |
| Stock – in – Trade (01.01.2017) | | 23,760 |
| Drawings | 50,760 | |
| Capital | | 1,40,040 |
| Closing Stock | 26,640 | |
| Trade Creditors | 47,520 | |
| Leasehold Premises | 66,690 | |
| Sales | | 2,48,040 |
| Purchases Return | 23,760 | |
| Dues From Customers | | 47,700 |
| Purchases | 1,14,120 | |
| Bank Loan | | 4,500 |
| Reserve Fund | | 18,000 |
| Sales Return | | 8,820 |
| | 4,90,860 | 5,17,500 |

U. James Liji.
01/08/18



ST. LAWRENCE HIGH SCHOOL
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FIRST TERM EXAMINATION - 2018
CLASS - XI B



F.M.- 80
DATE -01.08.18

SUBJECT - ACCOUNTANCY
Model Answers

GROUP-A

1. Answer the following questions:-
(Select the correct answer)

i) Accounting is recording of -

b) past happening.

ii) Accrual concept is one of the consequences of the -

d) periodicity concept.

iii) Depreciation is under which Accounting Standard(AS) of India-

d) AS-6

iv) Accounting is a/an -

c) Both art and science

v) Which of the following is an internal user of accounting information-

c) managers

vi) Buyers of goods and services on credit are called-

d) debtors.

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viii) Outstanding wages at the end of the financial year is added to a business's expenses in the profit and loss account. Which accounting principle is being applied?

b) matching

ix) Revenue Recognition is under which Accounting Standard (AS) of India?

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d) assets and capital.

xii) Journal is a –

b) primary record

xiii) The first book in which the transactions of a business unit are recorded is called-

b) a journal

xiv) If a bank account shows a credit balance of Rs 1000, the account holder deposits Rs 400 and draws a cheque for Rs 300 , the balance in the bank account should be-

c) Rs 900 credit

xv) Sale of old furniture for cash is recorded in the-

b) Cash Book

xvi) Which is entered into the Journal Proper ?

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xvii) Purchase Day Book is prepared from-

b) Inward Invoice

xviii) Which of the following a credit balance in the cash book indicates-

d) bank overdraft.

xix) Which of the following statement is correct ?

a) $A=C+L$

xx) The term 'petty' means-

a) small

xxi) Ledger is called a book of-

b) Secondary Entry

xxii) The totals of a trial balance do not agree. Which type of error causes this?

b) an error of casting

xxiii) The " Father of Accounting " is –

d) **Fra Luca Pacioli.**

xxiv) Provision for Bad Debts Account is a-

c) **Valuation Account**

GROUP- B

2. Answer the following questions in very short (Alternatives are to be noted):

(i) Ans:- Assets are those resources that the business owns. They refer to some property or legal right owned by a business unit , which can be measured in terms of money.

(ii) Ans :- The two objectives of Accounting are :-

(a) To facilitate business decision making.

(b) To keep a systematic record of financial transactions that effect the business enterprise.

OR

Ans :- The three branches of Accounting are :- (a) Financial Accounting, (b) Cost Accounting and (c) Management Accounting.

(iii) Ans:- An account is a formal record, in the ledger, of all transactions relating to changes in a particular item.

OR

Ans:- The two advantages of Accounting :-

(a) It provides information useful for making economic decisions.

(b) It supplies information useful in judging the management's ability to utilize enterprise resources effectively in achieving primary enterprise goals.

(iv) Ans :- The full form of IFRS- International Financial Reporting Standard.

(v) Ans:- Matching concept results from periodicity concept. It is the concept of accounting which matches the recognized income with relating expenses to determine the financial result.

OR

Ans:- According to money measurement concept business assets are to be recorded if it can be measured in terms of money.

(vi) Ans:- The two source documents are : (a) Sales Order and (b) Purchase Order.

(vii) Ans:- It is a document prepared by the seller and sent to his customers. It shows the goods sold, with descriptions, quantities, prices and trade discounts. It may include additional charges— for insurance, carriage and container. It also shows the total amount due from the customers.

OR

Ans:- When goods are returned by the customers, a document is prepared called credit note and sent it to the customer to intimate him that his account has been credited.

(viii) Ans:- It is a statement of account provided by the bank to its account holders in the form of a small book. Pass book is issued by the bank for current account, savings account and recurring deposit account.

(ix) Ans:- The parties to a cheque are: (a) Drawer, (b) Drawee & (c) Bank.

(x) Ans:- The different kinds of ledger maintained by the organization are : (a) Debtor's Ledger (b) Creditor's Ledger & (c) General Ledger.

OR

Ans :- The ledger is the principal book of accounts where similar transactions relating to a particular person or thing are recorded.

(xi) Ans:- A Trial Balance is simply a list of the names and balances of all the accounts in the ledger and cash book listed in the order in which they appear in the ledger.

(xii) Ans: - Journalising is a process of recording in the books of account. It is done from the voucher. It is the first input in the accounting system.

OR

.Ans:- The two books of original entry are :- (a) Sales Day Book & (b) Purchase Day Book.

GROUP - C

3(i)

In the books of...

Purchase Day Book

| Dae | Particulars | Inv nos | L.F | Details (Rs) | Amount (Rs) | Remarks |
|------------|--|---------|-----|------------------|-------------|-------------------------|
| 08.08.2017 | <u>P. K Electronics</u> 200 fans @Rs 800 each 500 tube lights @ Rs280 each | | | 160000 140000 | | Trade Discount@ 10% and |

| | | | | |
|------------|--------------------------------------|--------|--------|---|
| 16.08.2017 | Less : Trade Discount @ 10% | 300000 | 270500 | Packing and forwarding charges Rs 500 |
| | Add : Packing and forwarding charges | 30000 | | |
| | | 270000 | | |
| | | 500 | | |
| | | | | |
| | <u>Sonu Electronics</u> | | | |
| | 50 halogen lights @ Rs 1000 each | 50000 | | |
| | Less: Trade Discount @ 15% | 7500 | 42500 | Trade Discount @15% |
| | | | | |
| | | | | |
| | | | | |
| 30.08.2017 | <u>B.K. Bros</u> | | | |
| | 300 tube lights @ Rs 220 each | 66000 | | |
| | Less : Trade Discount @ 10% | 6600 | | |
| | | 59400 | 59600 | Trade Discount 10% and Transport Charges Rs 200 |
| | Add: Transport Charges | 200 | | |
| | | | | |
| | | | 372600 | |

OR

Distinguish between Purchase Day Book and Purchase Account.

| | Purchase Day Book | | Purchase Account |
|----|--|----|--|
| 1. | It is the record of the credit purchases. | 1. | It is the record of cash as well as credit purchases. |
| 2. | It is a journal. | 2. | It is a ledger. |
| 3. | It is prepared from the invoices received. | 3. | It is prepared from the Purchase Day Book and Cash Book. |
| 4. | It helps in the preparation of purchase account. | 4. | It helps in the preparation of final account. |

(ii)

In the books of.....

Journal

| Date | Particulars | L.F | Dr Amount(Rs) | Cr Amount(Rs) |
|------|-------------|-----|---------------|---------------|
|------|-------------|-----|---------------|---------------|

| | | | |
|----------|---|-------|-------|
| 01.05.18 | Purchase A/c _____ Dr To Vishal | 2500 | 2500 |
| 05.05.18 | Furniture A/c _____ Dr To Cash | 5000 | 5000 |
| 15.05.18 | Cash A/c _____ Dr To Sales | 3500 | 3500 |
| 22.05.18 | Electricity Charges A/c _____ Dr To Cash | 3000 | 3000 |
| | Grand Total | 14000 | 14000 |

OR

Distinguish between Journal and Ledger.

| | Journal | | Ledger |
|----|--|----|---|
| 1. | Journal is called the book of original entry. | 1. | Ledger is called the book of secondary entry. |
| 2. | Journal entry is generally accompanied by narration. | 2. | Ledger is not accompanied by narration. |
| 3. | Journal contains entries. | 3. | Ledger contains accounts. |
| 4. | It does not provide cross referencing. | 4. | It provides cross referencing. |

(iii)

| SL no | Assets Cash(Rs) | + | Goods(Rs) | + | Machinery (Rs) | = | Liabilities Creditors | + | Capital Capital(Rs) |
|-------|--------------------|---|-----------|---|----------------|---|--------------------------|---|---------------------------|
| (a) | 100000 | | | | | | | | 100000 |
| (b) | 60000 | | | | 40000 | | | | 100000 |
| (c) | 30000 | | 30000 | | 40000 | | | | 100000 |
| (d) | 100000 | | | | 40000 | | | | 140000 (100000+40000) |

(iv) Is Trial Balance is a ledger account ?

Ans:- A Trial Balance is not a ledger account but a working paper prepared for the purpose of checking the arithmetical accuracy of posting entries from journal to ledger. Trial balance is generally prepared from the balances of ledger accounts but ledger accounts are prepared from the entries in the journal and cash book.

GROUP – D

4. Answer the following questions:- (Alternatives are to be noted):

(i)

In the books of

Cash Book (Double column)

| Date | Particulars | L.F | Cash | Bank | Date | Particulars | L.F | Cash | Bank |
|---------|-----------------|-----|------|------|---------|-------------------|-----|------|------|
| 1.5.18 | To Bal b/d | | 2400 | 3500 | 3.5.18 | By Purchase | | | 700 |
| 12.5.18 | To Sales | | | 2000 | 9.5.18 | By Purchase | | 760 | |
| 15.5.18 | To Mr Hamid A/c | | | 800 | 10.5.18 | By Postage & | | 50 | |
| 15.5.18 | To Bank | (c) | 800 | | | Stamps | | | |
| 23.5.18 | To Sales | | | 800 | 14.5.18 | By Drawings | | 160 | |
| 26.5.18 | To Mr D. SenA/c | | | 600 | 15.5.18 | By Cash | (c) | | 800 |
| | | | | | 16.5.18 | By Wages | | 300 | |
| | | | | | 16.5.18 | By Rent | | 500 | |
| | | | | | 19.5.18 | By M/s Milly A/c | | | 2400 |
| | | | | | 25.5.18 | By Mr Jhunjunwala | | 750 | 360 |
| | | | | | 29.5.18 | By Drawings | | | 200 |
| | | | | | 31.5.18 | By Commission | | | 100 |
| | | | | | 31.5.18 | By Bal c/d | | 680 | 3140 |
| | | | 3200 | 7700 | | | | 3200 | 7700 |
| | | | | | | | | | |

OR

Distinguish between Trade Discount and Cash Discount.

| | Trade Discount | | Cash Discount |
|----|--|----|---|
| 1. | These are discounts off the prices of goods. | 1. | These are discount receivable or allowable on payment within a specified period. |
| 2. | These are allowed at the time goods are sold. | 2. | These are allowed only at the time payment is made. |
| 3. | These discounts have nothing to do with the goods being sold in cash or on credit. | 3. | These discounts arise only when the goods are sold in credit. |
| 4. | The rates of discount depend on the quantities purchased. | 4. | The rates of discount depend on the period of credit allowed and the period of credit availed of. |
| 5. | No provision is created in the books of trade discount. | 5. | A provision may be created for cash discounts. |
| 6. | It is calculated on the list price of the goods. | 6. | It is calculated on the list price of the goods less trade discount. |

(ii)

In the books of

Mr S. Saha's Account

| Particulars | Amount(Rs) | Particulars | Amount(Rs) |
|-----------------|------------|---------------------|------------|
| To Balance b/d | 5000 | By Cash | 208000 |
| To Credit sales | 210000 | By Discount Allowed | 2000 |
| | | By Bad Debts | 2000 |
| | | By Balance c/d | 3000 |
| | 215000 | | 215000 |

(iii)

Bank Reconciliation Statement as on 31.12.2017

Rs

Rs

| | | |
|---|-----|------|
| Bank Balance as per Cash Book | | 3450 |
| Add: (b) Cheque issued but not presented | 500 | |
| (e) Bank Interest not recorded in the Cash Book | 70 | 570 |
| Less : (c) Cheque deposited but not credited within December. | 650 | 4020 |
| (d) Cheque deposited but not credited within December | 250 | |
| (f) Insurance premium paid directly by bank but not recorded in the Cash Book | 100 | 1000 |
| Bank Balance as per Pass Book | | 3020 |

OR

State the advantages of preparing a Bank Reconciliation Statement (BRS).

The advantages of Bank Reconciliation Statement are :-

- It reflects the actual bank balance position.
- It helps to detect any mistake in the Cash Book and in the Pass Book.
- It prevents frauds in recording the banking transactions.
- It explains any delay in the collection of cheques.
- It identifies valid transactions recorded by one party but not by the other.

GROUP – D

5.

Trial Balance of M/s Sen & Co. as on 31.12.2017

| Ledger Balance | Debit (Rs) | Credit (Rs) |
|---------------------------------|------------------------|------------------------|
| Rent , Rates and Taxes | 41,850 | |
| Bills Receivable | 26,640 | |
| Trade Expenses | 43,920 | |
| Bills Payable | | 9000 |
| Salaries and Wages | 53,820 | |
| Cash in hand | 12,780 | |
| Stock – in – Trade (01.01.2017) | 23,760 | |
| Drawings | 50,760 | |
| Capital | | 1,40,040 |
| Trade Creditors | | 47,520 |
| Leasehold Premises | 66,690 | |
| Sales | | 2,48,040 |
| Purchases Return | | 23,760 |
| Dues From Customers | 47,700 | |
| Purchases | 1,14,120 | |
| Bank Loan | | 4,500 |
| Reserve Fund | | 18,000 |
| Sales Return | 8,820 | |
| | <u>4,90,860</u> | <u>4,90,860</u> |