

KENDRIYA VIDYALAYA IIT CHENNAI
CUMULATIVE TEST-PRACTICE PAPER
SESSION: 2015-16
SUB: ACCOUNTANCY
CLASS: XI C

Answer all the following:

1. What is Accounting? (1)
2. What do you mean by the term "Capital"? (1)
3. Give any two uses of financial statements. (1)
4. Under which accounting principle, quality of man power is not recommended in the books of accounts. (1)
5. Explain briefly the Accounting equation. (1)
6. What do you mean by ledger posting? (1)
7. Draft the proforma of Ledger Account. (1)
8. State any two objectives of preparing a trial balance. (1)
9. State the reason for the preparation of the bank reconciliation statement. (1)
10. Give the journal entry, when depreciation is charged to asset account. (1)
11. Give any one difference between straight line method and written down value method of charging depreciation. (1)
12. What is depreciation? (1)
13. What do you mean by "Endorsement of a Bill"? (1)
14. In order to determine depreciation certain factors need to be considered. Name them. (1)
15. What do you mean by 'Drawer'? (1)
16. Give the meaning of the term source document and also explain the terms cash memo, Pay-in-slip. (3)
17. Give the rules of debit and credit for personal, real and nominal accounts. (3)
18. What do you mean by the term trial balance. (3)
19. What are the steps involved in the preparation of a trial balance? (3)
20. What are the causes of differences in the cash book and the pass book? (3)
21. Differentiate between reserves and provisions. (3)
22. What do you mean by bank reconciliation statement? (3)
23. List out the features of a bill of exchange. (3)
24. Discuss briefly 'discounting a bill of exchange'. (3)
25. Explain briefly the qualitative characteristics of accounting. (4)
26. Journalise the following transactions:-
 - (a) Goods destroyed by fire for Rs.25,000
 - (b) Paid Rs.30,000 in cash as wages on installation of a Machinery.
 - (c) Issued a cheque in favour of M/s Parmatma Saran & sons on account of purchase of goods Rs.50,000.
 - (d) Goods sold costing Rs.1,00,000 to M/s Kalu Sons at an invoice price 10% above cost less 5% Trade discount. (4)
27. Prepare Accounting Equation from the following:-

	Rs
i Raj started business with cash	2,00,000.
ii Purchased furniture for cash	5,000.

- | | | |
|------------------------------|---------|-----|
| iii Purchased goods for cash | 50,000. | |
| iv Purchased goods on credit | 56,000. | (4) |
28. Enter the following transactions in the Sales Book of M/s Sri Ram & Sons, Kolkata:-
2012
- | | | |
|--------|---|-----|
| Jan 5 | Sold to Ramesh Stationery House, Kolkata:-
50 Dozens Pencils @ Rs.20 per Doz.,
20 Dozens Pens@ Rs.5 per Pen
Trade Discount 10% | |
| Jan 8 | Sold to Gupta Stationery Shop, Kanpur:-
10 Dozen Note Books @ Rs.60 per Doz.,
15 Gross Rubbers @ Rs.10 per Doz., | |
| Jan 20 | Sold old newspaper for Rs.150. | |
| Jan 24 | Sold to Modern Stationery House, Lucknow for cash:-
25 Dozens Pencils @ Rs.22 per Doz., | |
| Jan 28 | Sold to Ali Mohammed & Sons, Allahabad:-
10 Reams of paper @ Rs.80 per Ream
Discount 15% | |
| Jan 31 | Sold old furniture to Kedar Nath & Co., Allahabad on credit Rs.2,200. | (4) |
29. Explain the objectives of Accounting. (4)
30. Explain the following concepts: (i) Business Entity Concept. (ii) Going concern Concept. (4)
31. "Closing stock is valued lower than the market price". Which concept of accounting is applied here? Explain. (5)
32. Write short notes on the following basic accounting terms: (i) Creditors (ii) Profit (iii) Sales (iv) Liabilities (v) Capital. (5)
33. A Company purchased on 1st July, 2010, machinery costing Rs.30,000. It purchased further machinery on 1st January, 2011, costing Rs.10,000. On 1st April, 2012, the machinery installed on 1st July, 2010 became obsolete and was sold for Rs.3,000. Show the machinery account for 3 years charging depreciation by fixed instalment method at 10% per annum. Accounts are closed on 31st March each year. (5)
34. On 15th February, 2012, X Sold goods to Y for Rs.6,000. On the same day, Y accepted a bill drawn upon him by X for 3 months for Rs.6,000. X immediately discounted the bill at 15% p.a. at his bank and Y met the bill on maturity. Make journal entries in the books of both the parties. (6)
- (OR)
- B owed Rs.5,100 to A. On 15th January 2012, he accepted a bill for Rs.5,000 for two months drawn by A in full settlement of his debt. On 18th January, 2012, A endorsed the bill to his creditor C. The bill was duly met on the date of maturity. Pass journal entries in the books of A, B and C. (6)
35. Prepare Accounting Equation on the basis of the following transactions: (4)
- | | | |
|--|------------|--|
| (i) Started business with cash | Rs.70,000 | |
| (ii) Credit purchase of goods | Rs.18,000 | |
| (iii) Payment made to creditors in full settlement | Rs.17,500 | |
| (iv) Purchase of machinery for cash | Rs.20,000. | |
36. Chadha commenced business on 1st January 2010. His transactions for the month are given below. Journalise them:
- | | | |
|--------|--|--------|
| Jan. 1 | Commenced business with a cash capital | 25,000 |
| Jan. 2 | Paid into bank | 23,500 |
| Jan. 3 | Bought goods from Ramesh & Co. | 5,400 |

- Jan. 3 Sold goods to Rajesh 4,800 (4)
37. Pass journal entries of M/s Bhanu Traders. Post them to the ledger from the following transactions.

2010

- April 1 Commenced business with cash 1,50,000
- April 2 Opened bank account with PNB 50,000
- April 3 Purchased furniture 20,000
- April 7 Bought goods from M/s Hema Traders 30,000 (4)

38. Verma Bros. carry on business as wholesale cloth dealers. From the following, write up their purchases book for April, 2010.

2010

- April 3 Purchased on credit from M/s. Birla Mills
100 pieces long cloth @ Rs.80, 50 pieces shirting @ Rs. 100
- April 8 Purchased for cash of M/s. Ambika Mills
50 pieces Muslin @ Rs.120
- April 15 Purchased on credit from M/s. Arvind Mills
20 pieces coating @ Rs. 1000 and 10 pieces shirting @ Rs.90
- April 20 Purchase on credit from Bharat Typewriters Ltd.
5 typewriters @ Rs. 1,400 each.

(4)

39. Discuss briefly the branches of accounting.

(5)

40. Explain the term 'accounting standards'. What are the objectives of setting accounting standards?

(5)

41. On 1st January 2007, Shri Ram purchased a machinery costing Rs.40,000 and spent Rs.5,000 on its erection. The estimated effective life of the machinery is 10 years with scrap value of Rs.5,000. Calculate depreciation on the straight line method and show Machinery Account of first three years.

(or)

On 1st January, 2005, a merchant purchased a furniture costing Rs.55,000. It is estimated that its working life is 10 years at the end of which it will be sold for Rs.5,000. Additions are made on 1st Jan.,2006 and 1st July, 2008 to the value of Rs.9,500 and Rs.8,400 (Residual values Rs.500 and Rs.400 respectively) Show the Furniture A/c for the first four years, if depreciation is written off accounting to the straight line method.

(5)

42. From the following ledger account balances extracted from the books of R.J.Gupta, prepare a trial Balance as on March 31, 2010.

Purchases	1.04.000
Sundry Debtors	18,550
Premises	62,000
Sales	1,49,000
Returns outward	8,900
Rates and Taxes	780
Cash at bank	1,560

Carriage inwards	650	
Salaries	3,900	
Stock (April 1, 2008)	25,000	
Drawings	7,950	
Sundry Creditors	8,300	
Returns inward	5,360	
Furniture	15,600	
Cash in hand	390	
Capital	85,000	
Factory wages	5,830	
Carriage inward	260	
Rent received	2,990	
Insurance	2,100	
Bad Debts	260	(6)

43. The transactions for the month of March 2010 of M/s. Gupta & Co. are furnished here. Enter the same in a double column Cash Book:

2010	
Mar. 1	Cash in hand Rs.415 and Cash at bank Rs.2,530
Mar. 2	Paid wages by Cheque Rs.950
Mar. 5	Made cash purchases Rs.150
Mar. 15	Received Rs.530 by cheque from Krishna, allowed him discount Rs.20
Mar. 16	Paid cheque to Mohan Rs.400 in full settlement of account of Rs.415
Mar. 18	Cash sales amounted to Rs.150
Mar. 20	Bought furniture for Rs.300, paid by cheque
Mar. 22	Bank credited the account with Rs.200 for interest
Mar. 25	Received a cheque for Rs.250 from Suresh and discount Rs.10
Mar. 30	Deposited cash into bank Rs300

44. On 31st March, 2010, Cash book of Mahesh showed a debit bank balance of Rs.75,000. When compared with Pass Book, the following facts were discovered. On 30th March two cheques of Rs.5,000 and Rs.7,000 were deposited in the bank but were not realized till the date. On 28th March three cheques of Rs.6,000, Rs.8,000 and Rs.12,000 issued but none of them was presented before the bank for payment. On 31st March, Bank credited Rs.1,250 as interest but it was not recorded in the Cash Book.

Prepare a Bank Reconciliation statement on 31st March 2010.

(6)

45. Manish sold goods to Kumar to the value of Rs.10,000 drawing upon him a bill for the amount payable 3 months after date. Kumar accepted the bill and returned it to Manish. On the due date, Manish presented the bill to Kumar who honoured it.

Pass journal entries in the books of both the parties.

(OR)

On 1st January, 2008 A sold goods to B for Rs.5,000 and drew upon him a bill for this amount payable three months after date. The bill was duly accepted by B. A retained the bill till due date. On the due date, the bill was paid.

Pass journal entries in the books of A and B. Also show the necessary Accounts in the books of both parties.

(6)
