

GULF SAHODYA (SAUDI CHAPTER) EXAMINATION-2014

Subject: Accountancy

MM: 90

Class-XI

Time: 3 hours

General Instructions:

- (a) All questions are compulsory
- (b) Draw proper format wherever required
- (c) Marks are indicated against each question
- (d) Use of calculator is not allowed

- Q1) Why are buildings, plant, machinery and furniture considered as fixed assets not current assets. 1
- Q2) Name the 2 systems of Accounting. 1
- Q3) Give one disadvantage of incomplete records. 1
- Q4) Explain in brief the term depletion. 1
- Q5) Journalize the following transactions:- 3
- 1) Suhas a debtor who owed Rs 20,000 became insolvent and 60 paise in a rupee only can be realized from him.
 - 2) Goods worth Rs 2,000 given as charity.
 - 3) Paid office rent Rs 3,000.
- Q6) From the following information draw up a Trial Balance:- 3
- Capital Rs 84,000 , Machinery Rs 20,000 , Sales Rs 2,00,000 , Purchases Rs 2,10,000 , Sales Return Rs 20,000 , Purchase Returns Rs 10,000 , Interest Received Rs 9,000 , Discount Allowed Rs 6,000
Bank Overdraft Rs 22,000 , Stock on April 01 ,2012 Rs 16,000 , Goodwill Rs 75,000 , Creditors Rs 22,000
Stock on March 31 ,2013 Rs 30,000.
- Q7) Define the following terms with examples:-3
- 1) Drawings.
 - 2) Creditors.
 - 3) Fictitious Assets.
- Q8) Calculate the amount of sports material to be posted in the income and expenditure account for the year ended 31 December 2010. 3
- a) Stock of sports material as on 31.3.2009 Rs 6,200
 - b) Stock of sports material as on 31.3.2010 Rs 4,800
 - c) Creditors for sports materials as on 31.3.2009 Rs 9,800
 - d) Creditors for sports materials as on 31.3.2010 Rs 7,200
- Payment made to suppliers during the year was Rs 50,000.

- Q9) Distinguish between Ready to use, Customized and Tailored Accounting software packages. 3
- Q10) Explain the following points to be considered before sourcing an Accounting Software. 3
- Flexibility.
 - Adaptability.
 - Level of secrecy.
- Q11) What are the limitations of accounting? 4
- Q12) Kapil who keeps his books on single entry, tells you that his capital on 31.12.2011 was Rs 18,700 And his capital on 1.1.2011 was Rs 15,000. He further informs you that during the year he withdrew For his household purposes Rs 8,420. He once sold his investments costing Rs 2,000 at 2% premium And invested the money in the business as additional capital. Prepare a statement of Profit & Loss. 4
- Q13) How can the following Accounting reports be accessed In Tally? 4
- Display Profit and Loss Account.
 - Displaying Balance Sheet.
 - Displaying Sales Register.
 - Displaying Trial Balance.
- Q14) a) Rishi and Zahir, two best friends who completed their M.B.A from the same institution started a non-Profit Organization for stationary and uniform/book shop. They gave special discount to customers who sold old books and distributed such books to the needy students of poor families. They also decided to sell school uniforms to students of low income groups at no-profit, no loss basis. Later on they admitted Ronney, an unemployed graduate into their firms. They wished to help students in rural India in getting education and thereby solving the problem of illiteracy in India 2
- Identify the 2 values in the above paragraph.
- b) Explain Legacy. 2
- Q15) Explain the following concepts:- (Any Two) 3+3=6
- Cost concept.
 - Going Concern Concept.
 - Money Measurement Concept.
- Q16) Prepare bank reconciliation statement. 4
- Overdraft as per cash book Rs 3,170.
 - Cheques issued but not encashed amounted to Rs 584.
 - Cheques deposited but not yet credited by the bank Rs 1,125.
 - Bank charges debited by bank Rs 70.
 - A cheque of Rs 500 debited in cash book but omitted to be banked.
- Q17) Rectify the following errors:-6
- Furniture purchase for Rs 9,500 was debited to Purchase A/c.
 - Goods worth Rs 850 were returned to Manish but no entry was made.
 - Purchases book was under cast with Rs 2,300.
 - Goods sold to Sonali on credit Rs 300 have been wrongly passed through purchases book.
 - Credit Purchases from Priyanka Rs 9,000 were recorded as Rs 9,900.
 - Sales book overcast by Rs 5,000.

Q18) Record the following in Discount, Bank and Cash Column of Cash Book
2013

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Jan 1	Cash in hand	Rs 4,200
	Bank overdraft	Rs 10,200
Jan 2	Sold Goods to Anil for cash	Rs 1,000
Jan 5	Deposited into bank	Rs 1,500
Jan 10	Purchased a computer costing Rs 9,000 for Rs 9,500	
Jan 15	Received from Rohan Rs 7,250 in full settlement of his A/c of Rs 7,500	
Jan 17	Paid Rent by cheque	Rs 900
Jan 26	Withdrew from bank for office use	Rs 600
Jan 30	Cash Sales for Rs 5,000 @ Discount of 5%	

Q19) On 15 April 2012, B accepted three Bills of Exchange for Rs 24,000 ; No. 1 for Rs 7000 for one month ; No. 2 for Rs 8,000 for 2 months ; and No. 3 for 3 months.

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On 20 April 2012, A endorsed Bill No. 1 to his creditor C, Discounted Bill No. 2 on 22 April with his bankers for Rs 7920 and retained the third bill till maturity.

Bill No. 1 was met on maturity, Bill No. 2 was Dishonored on due date Rs 100 being paid for noting charges by the bank. A charged B Rs 150 for interest and drew on him a fourth Bill for Rs 8,250 for 3 months and B accepted it and returned. Bill No. 3 and 4 were met on due date.

Pass necessary Journal Entries in Books of A.

Q20) A company whose accounting year is a calendar year purchased on 1 April 2010 purchased Costing Rs 30,000. It purchased further machinery on 1st October 2010 costing Rs 54,000. On 1st January 2012 one third of the machinery installed on 1st April 2010 became obsolete and was sold for Rs 3,000. Prepare Machinery account upto the end of the year 2012 charging depreciation at 10% p.a in reducing down value method.

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OR

On January 1 2012 M/s Good Road Transport company purchased 5 trucks of Rs 20,000 each.

On July 1 2013 one truck met with an accident and an insurance claim of Rs 15,000 was admitted

Prepare Machinery A/c , Provision for Depreciation A/c and Truck Disposal A/c for the years 2012 And 2013. The company maintains a calendar year and depreciation to be charged @ 10% Straight Line Method

Q21) Receipts and Payments Account of Shankar Sports Club is given below, for the year ended December 31, 2011

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Receipt	Amount	Payments	Amount
To Opening Cash in Hand	2,600	By Rent	18,000
To Entrance Fees	3,200	By Wages	7,000
To Donation for building	23,000	By Billiard Table	14,000
To Locker Rent	1,200	By Furniture	10,000
To Life Membership Fee	7,000	By Interest	2,000
To Profit from Entertainment	3,000	By Postage	1,000
To Subscription	40,000	By Salary	24,000
		By Closing Cash in Hand	4,000
	80,000		80,000

Prepare Income and Expenditure Account with the help of the following information:

- 1) Subscription outstanding on 31 December 2010 Rs 1,200 and Rs 2,300 on 31.12.2011.
- 2) Opening stock of postage stamps is Rs 300 and closing stock is Rs 200.
- 3) On January 1 2011, the sports club owned furniture Rs 15,000 and furniture was valued at Rs 22,500 on December 31 2011.
- 4) On January 1 2011, the club has a loan of Rs 20,000@ 10% p.a. and interest was paid during current Year.

Q22) The Trial balance of Mr X as on 31 December 2004 was as follows:

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Name of Accounts	Debit	Credit
Purchases	1,62,505	-----
Sales	-----	2,52,400
Reserve for doubtful debts	-----	5,200
Sundry Debtors	50,200	-----
Sundry Creditors	-----	30,526
Bills Payable	-----	3,950
Opening Stock	26,725	-----
Wages	23,137	-----
Salaries	5,575	-----
Furniture	7,250	-----
Postage	4,226	-----
Power and Fuel	1,350	-----
Trade Expenses	5,831	-----
Bad Debts	525	-----
Loan to Ram @ 10 %(Sept.1 , 2004)	3,000	-----
Cash in hand and at Bank	10,000	-----
Trade expenses accrued, not paid	-----	700
Drawings A/c	4,452	-----
Capital A/c	-----	10,000
Outstanding Wages	-----	2,000
	<u>3,04,776</u>	<u>3,04,776</u>

Prepare Trading and Profit and Loss account for the year ending December 31, 2004 and the Balance sheet as on that date after taking into consideration the following information:

- 1) Depreciation on furniture is to be charged @ 10 %.
- 2) Reserve for bad debts is to be maintained @ 5% on sundry debtors.
- 3) Goods of the value of Rs 1,500 have been destroyed by fire and insurance company admitted claim for Rs 1,000.
- 4) Stock on 31 December , 2004 was Rs 12,550.