

**QUESTION BANK**  
**CLASS-XI**  
**ACCOUNTANCY(SESSION-2015-16)**

01. What is the major objective of accounting ? (1)
02. Write two limitations of accounting ? (1)
03. If the accounting information is not clearly presented which of the qualitative characteristics of accounting information is violated? (1)
04. To which side of the ledger accounts are the transactions in the receipt side of cash book posted? (1)
05. State the nature of accounting information required by creditors. (1)
06. "The fact that all anticipated losses should be recorded but all anticipated profits should be ignored." Which accounting principle is referred here? (1)
07. What do you mean by imprest system of Petty cash book? (1)
08. What do you understand by Bill at sight? (1)
- Q9. Is trial balance a statement or an account ? (1)
- Q10. To which side of the ledger accounts are the transactions in the receipt side of cash book posted ? (1)
- Q11.. What is a credit note ? (1)
- Q12.. What is the process of transferring the debit and credit items from a journal to their respective accounts, in the ledger termed as ? (1)
- Q13. Why are rules of debit and credit same for liability and capital ? (1)
- Q14. Which of the following is not a function of Accounting ? (1)
- a) Measurement    b) Control    c) Forecasting    d) Solvency position
- Q15. Who of the following is the internal user of accounting information ? (1)
- a) Short term creditors    b) Short term debtors    c) Government    d) Shareholders
- Q16. Mention the full form of GAAP. (1)
- Q17.What do you mean by error of casting ? [1]
- Q18.Name the process of transferring entries form a journal to their respective accounts in the ledger. [1]
- Q19.Which document evidenced that the credit has been granted to the normal person for the reason stated therein? [1]
- Q20.What is an opening entry? [1]
- Q21.Is it correct that a debit balance always signifies a balance in asset account? [1]
- Q22.Define Suspense Account. [1]
- Q23A firm earns revenue of Rs. 21000 and the expenses to earn this revenue are Rs 15000. Calculate its income. [1]
- Q24.Capital is a liability for the business. Which Principle is applied here? [1]
- Q25.What do you mean by Current Asset ? [1]
- Q26.Give an example where the liability decreases as well as the asset decreases. [1]
- Q27.What do you mean by Posting ? [1]
- Q28.Define obsolescence ? [1]
- Q29.Who are the parties to a Bill of Exchange ? [1]
- Q30.What do you mean by crossing of cheques ? [1]
- Q31.A firm has received a large order to supply goods. Will it be recorded in the books of account of the firm? Give reason. (1)
- Q32.What do you mean by Accounting Standard? (1)
- Q33.What do you mean by endorsement of bill? (1)
- Q34Is the basic objective of Book keeping to maintain systematic records or to ascertain net results of operations of financial transactions? (1)

- Q35 What is a trial balance? (1)
- Q36 Which process of accounting processes consists of preparation of Trial balance, trading profit and loss account and balance sheet? (1)
- Q37 "Recording of machinery purchased as purchase" is an example of which type of errors? (1)
- Q38 Give an example of transaction which results in increase in liability and decrease in another liability. (1)
- Q39 A firm has received a large order to supply goods. Will it be recorded in the books of account of the firm? Give reason. (3)
- Q40 What do you mean by Accounting Standard? (3)
- Q41 What do you mean by endorsement of bill? (3)
- Q42 Is the basic objective of Book keeping to maintain systematic records or to ascertain net results of operations of financial transactions? (3)
- Q43 What is a trial balance? (3)
- Q44 Which process of accounting processes consists of preparation of Trial balance, trading profit and loss account and balance sheet? (3)
- Q45 "Recording of machinery purchased as purchase" is an example of which type of errors? (3)
- Q46 Give an example of transaction which results in increase in liability and decrease in another liability. (3)
- Q47 Briefly explain the following accounting terms (3)  
 (i) Liability (ii) Deferred revenue expenditure (iii) Outstanding expenses
- Q48 A firm may hold stock which is heavily in demand. Consequently the market value of this stock is increased but our accounting procedure ignores to record such high value because of which concept? Explain this concept. (3)
- Q49 State three purposes served by Accounting standard. (3)
- Q50 Prepare Raj account. (3)  
 a) Sold goods to Raj of the list price of Rs.2,00,000 at 10% T.D  
 b) Raj returned goods of the list price of Rs.10,000  
 c) Received from Raj in full payment under cash discount of Rs.1,000
- Q51 What is Bank Reconciliation Statement? Write its two causes of difference. (3)
- Q52 Write three difference between Bills of Exchange and Promissory Note. (3)
- Q53 What are the Branches of Accounting? Explain them. [3]
- Q38 What are the Basis of Accounting? Explain them. [3]
- Q39 As per the Rough Book, following transactions of M/s Jain Fashion Wears are given. You are required to make out the Sales Book.
- 2011
- Feb.1 Sold to M/s Om & Sons on credit as per Invoice No.182  
 70 Kurtas @ `170 each  
 45 Trousers @ `200 each  
 Less : Trade Discount @5%
- Feb.5 Sold to Deepti & Co. as per Invoice No.282  
 50 Long Shirts @ `180 each.  
 60 Jeans @ `230 each.
- Feb.18 Sold to M/s Gupta & Sons for Cash as per Invoice No. 173  
 20 Ladies suits @ `115 each  
 30 T-Shirts @ `405 each
- Feb.20 Sold 5 Chairs @ `50 each to M/s Kapil & Co. as per Invoice No.381. [3]
- Q54 Enter the following transactions in Purchases Ledger Account.
- 2011
- January 7. Bought goods from Anurag on credit for `65,000  
 January 10. Purchased goods from Mohit Bros. on credit of the list price of `15,000 less 10% trade discount.

- January 16. Purchased Computer & Printer for `70,000 for office use.  
 January 22. Purchased goods from Shyam for `20,000 at 5% Trade discount. [3]  
 Q55. What is Trial Balance ? What are the objectives of preparing trial Balance ? [3]  
 Q56. What is Reserve ? Discuss the major types of Reserves. [3]  
 Q57. The fact that all anticipated losses should be recorded but all anticipated profits should be ignored is best exemplified by which principle? Explain it. [3]  
 Q58. Mohan, the owner of a business receives an order for supply of goods worth Rs. 2, 00,000. He has also received Rs. 25, 000 against this order. Mohan wants to record it as a sale. Is Mohan correct in doing so? Explain it. [3]

- Q59. Prepare ledger Account of Hero limited and Drawing Account in the Book of Ram:  
 2014 May 13 sold goods to Hero limited, less 10% Trade Discount Rs. 30,000.  
 May 20 Ram withdraws from business for his personal use cash Rs. 10,000, Goods Rs. 4000.  
 May 25 Received from Hero limited Rs. 8850 & discount allowed Rs. 150. [3]  
 Q60. What do you mean by Bills of exchange? Explain any two advantages of it. [3]  
 Q61. Distinguish any three differences between source documents and vouchers. [3]  
 Q62. Give the meaning of book-keeping , accounting and accountancy .Also diagrammatically explain the relationship between the three ? (3)

- Q63.. State the nature of accounting information required by :  
 a) Suppliers and creditors    b) Owners    c) Government and other regulators (3)

- Q64.. Define the following terms in accounting :  
 a) Capital                      b) Voucher                      c) Fixed Assets (3)

- Q65. Give any three points of distinction between accrual and cash basis of accounting . (3)

- Q66. Accounting performs a number of functions . Give any three such functions. (3)

- Q67. Prepare ledger account of Karuna from the following transactions in the books of Bhandari : (3)

Dates	Transactions
1.4.2015	Received invoice from Karuna for Rs.8,000
8.4.2015	Returned goods worth Rs.400 to Karuna vide debit note no.236
12.4.2015	Purchased goods from Karuna for Rs.3,000 and paid immediately by cheque.
16.4.2015	Received invoice inward worth of Rs.1,400. From Karuna
30.4.2015	Paid Rs.8,800 to Karuna in full settlement .

- Q68.. What do you mean by accounting standards ? State any three objectives of IASB . (4)

- Q69.. Qualitative characteristics are the attributes of accounting information which tend to enhance its understandability and usefulness. In the light this statement , briefly explain any four such characteristics . (4)

- Q70. On 1<sup>st</sup> January, 2015 Arjun sold goods to Karan for Rs.500 and on the same day draws upon him a bill for the amount at three months . Karan accepted the bill and returned to Arjun, who on January , 4,2015 discounted it for 490 with his bankers. On the due date the bill was dishonoured and the bank paid Rs.10 as noting charges.

- Pass the necessary journal entries in the books of Arjun. (4)

- Q71. Distinguish between Cash basis and Accrual basis of accounting on any four bases. (4)

Q72. The following are some of the problems being faced by the chief accountant of an organisation. You are required to state which accounting concepts you would follow in dealing with each of the following problems.

- a. The long term future success of the company is doubtful due to market competition.
- b. At the end of the accounting period, factory rent of the company is outstanding for Rs. 10, 000
- c. A debtor who owes an amount to the company is likely to be declared insolvent.
- d. One of the shareholders of the company has invested his savings in some shares of another company. (4)

Q73. What will be effect of the following on the accounting equation? (4)

- a. Stated business with cash Rs. 1, 00, 000
- b. Sold goods costing 10, 800 for Rs. 15, 000
- c. Depreciation on plant Rs. 3, 600
- d. Goods drawn from business worth Rs. 2, 500

Q74. Enter the following transactions in the purchase return book of Sh. Mukesh Sharma. (4)

2006

- a. April 8 Returned good to Sudarshan Ltd for Rs. 15, 000, as the goods were not According to the specification. (Debit note no 204)
- b. April 15 Amount claimed from Ravinder Nath, on account of goods returned to Him Rs. 3, 200. (Debit no 226)
- c. April 26 Returned goods to Ankit and sons for Rs. 4, 000. Trade discount 20%. (Debit note no. 252)

Q75. Journalise the following transactions. (4)

- a. Purchased second hand machinery for Rs. 30, 000 and spent Rs. 3, 500 on its carriage, Rs. 18, 000 on its repair. Payment made by cheque.
- b. Timber of Rs. 60, 000, bricks for Rs. 40, 000 and Iron for Rs. 35, 000 purchased for the construction of building.
- c. Purchased machinery for Rs. 78, 000 and paid Rs. 6, 000 wages for it installation.

Q76. On 1<sup>st</sup> September, 2012, S sold goods to N for Rs. 18, 000 and drew a bill on N for the same for 3 month. N accepted and returned it to S. S sent the bill for collection immediately. On the date of the bill, it was dishonoured. Noting charged paid at the time of dishonouring amounted to Rs. 150. Pass the necessary journal entries in the books of S. (4)

Q77. Prepare Bank Reconciliation statement as on 31<sup>st</sup> March, 2015 from the following transactions (4)

- a. Overdraft as per pass book Rs. 12, 000 as on 31<sup>st</sup> March, 2015
- b. On 28<sup>th</sup> of March, cheques had been issued for Rs. 70, 000 out of which cheques of Rs. 3, 000 only had been encashed up to 31<sup>st</sup> March, 2015.
- c. Cheques amounting to Rs. 3, 500 had been deposited into bank for collection but out of these only Rs. 500 had been credited in the pass book.
- d. A cheque for Rs. 200 has been debited in bank column of cash book but it was not sent to bank at all.

Q78. A book –keeper extracted the following trial balance as on 31<sup>st</sup> March, 2015

Name of the Account head	Debit Balance (Rs.)	Credit Balance (Rs.)
Furniture	2,00,000	
Capital		20,00,000
Debtors	20,00,000	
Stock ( 1 <sup>st</sup> April, 2014 )	10,40,000	
Creditors		8,00,000
Trade expenses	5,00,000	
Sales		85,80,000
Wages	3,00,000	
Stock ( 31 <sup>st</sup> March , 2015)	9,80,000	
Machinery		5,00,000
Purchases	62,50,000	
Wife's loan to the business	5,00,000	
Discount allowed		40,000
Drawings made by the proprietor		4,50,000
Motor Van	<u>6,00,000</u>	
<b>Total</b>	<b>1,23,70,000</b>	<b>1,23,70,000</b>

You are required to redraft the trial balance correctly.

(4)

Q79. What will be the effect of the following on the Accounting Equation :

- Gupta Traders commenced business with cash Rs.18,000.
- Purchased goods for cash Rs.5,000 and on credit Rs.2,000
- Sold goods for cash Rs.4,000 ( Costing Rs.2,400).
- Rent paid Rs.1,000 and Rent outstanding Rs.200.

(4)

Q80. What is meant by compensating errors ? Give two examples each of the following types of errors :

- Errors of Principle
- Errors of Commission.

(4)

Q81. Record the following transactions in a suitable cash book and find out the cash and bank balances (4)

Q82. Briefly discuss the informational needs of three internal users. (4)

Q83. Qualitative characteristics are the attributes of accounting information, which enhance its understandability and usefulness. In the light of this statement, briefly explain any two such characteristics. (4)

Q84.. Journalise the following transactions.

- Received Rs. 9,750 from Chhotu in full settlement of his account for Rs.10,000.
- Purchased goods amounting to Rs.2,00,000, out of which goods of Rs.1,80,000 purchased on credit from Vishal.
- Received first and final dividend of 60 paise in the rupee from official receiver of Mohan, who owed Rs.10,000.
- Received from a salesman for goods worth Rs.3,000 sold by him after deducting commission Rs.200.

(4)

Q85. Enter the following transaction in the Return Books of M/s Shyam Sunder Brothers for the month of May, 2015.

**2015**

May 6 Returned to Anjum and Company, Ambala  
 60 Tables @ Rs.800 each  
 40 chairs @ Rs.250 each  
 Less: T.D 10%

May 10 Raghubir and Vimal company, New Delhi returned to us  
 16 chairs @ Rs.100 each  
 40 Tables @ Rs.1600 per Table  
 Less: T.D 10%

May 24 Returned to Sudesh & Company, Faridabad  
 4 Almirahs @ Rs.300 each  
 Less: T.D 10%

May 30 Siddique Furniture House, Karnal returned to us  
 5 Sofa Chairs @ Rs.350 each  
 Less : T.D 10%

Q86. On May 1, 2015 A has drawn a bill on B for his claim for Rs.15000 for 3 months. B accepted the same and returned to A. On 1<sup>st</sup> June A has discounted this bill from the bank @ 9% p.a. Before the due date of bill, B requested A to cancel the bill and draw another bill for the period of 2 months along with interest @ 10% p.a. The new bill was duly met. Pass Journal entries in the books of A. (4)

Q87. Give an example for each of the following type of transaction. (4)

- Increase an asset, increase in liability
- Decrease capital, increase in liability
- Decrease an asset, decrease capital
- Decrease in liability, increase in owner's capital

Q88. Discuss any four advantages of Accounting. (4)

Q89. What do you mean by Accounting standards? Discuss its objectives. (any three) (4)

Q90. From the following transactions, prepare an accounting equation :

- Abdul Hafiz started a business with cash `5,00,000
- Purchased goods for `30,000.
- Paid rent `1,000.
- Cash withdrawn `1,000 for personal use. (4)

Q91.. The following Trial Balance has been prepared by a newly appointed accountant. You are required to prepare the Trial Balance in a correct form. (4)

Sl.No.	Name of Accounts	L.F.	Debit Balance	Credit Balance
1.	Cash in Hand		55,000	
2.	Fixed Assets			40,000
3.	Capital			1,44,200
4.	Purchases		60,000	
5.	Sales		35,000	
6.	Discount Allowed			250
7.	Return Inward			2,500
8.	Return Outward		1,000	
9.	Wages		800	
10.	Debtors		20,000	
11.	Creditors			16,000
12.	Drawings			15,000
13.	Discount Received			100
14.	Bills receivable		5,000	
15.	Bills Payable			2,800
16.	Rent		200	
17.	Interest Paid			350
	Total		1,77,000	2,21,200

Q92. Rectify the following Errors :

- Purchases Return Book was overcast by `1,000.
- A Bills Payable of `6,300 to Mishra has been passed through Bills Receivable Book.
- An amount of `3,500 received from Kannu has been recorded in Mannu's account.
- A major repair of `20,000 to a machinery, has been debited repair account. (4)

Q93. Prepare ledger account of Adia in the books of M/s Mitsuha & Co. who deals in furniture.  
 April 1, 2015 - Adia (Cr) - Rs.50000

- 12. - Purchased furniture From Adia 100000 TD@10%
- 23. - Sold goods to Lakhota Rs 20000
- 24. - Purchased goods from Adia Rs.500000 Spend Rs.10000 on carriage.
- 25. - Paid cheque to Adia Rs.200000.
- 26. - Returned furniture purchased on 12 April list Price Rs. 10000.
- 27. - Purchased good from Adia by cash Rs.10000.
- 28. - Paid cash to Adia on Account Rs. 100000. (4)

Q94.Explain the qualitative characteristics of Accounting Information. [4]

Q95.What do you mean by Accounting concepts? Explain any two concepts with examples. [4]

Q96.Prove that the accounting equation is satisfied in all the following transaction of Sudhir: [4]

- (i) Started business with cash Rs. 100000 and goods Rs. 40,000.
  - (ii) Bought goods on cash Rs. 30,000 and credit for Rs. 20,000.
  - (iii) Goods costing Rs. 48,000 sold at a profit of  $33 \frac{1}{3}$  %. Half the payment received in cash.
  - (iv) Purchase furniture for office use Rs. 12,000 and for household use of Sudhir Rs. 8000 [4]
- Q97.Record the following transaction in a journal [4]

- (i) Received cash from Jaya for a bad debt written off last year Rs. 400.
- (ii) Rahul became insolvent, who owed us Rs. 2000 a final dividend of 60 paisa is a rupee is received from his estate.
- (iii) Sold goods to Tanu for Rs. 40,000, allowing her a trade discount of 5 % and a cash discount of 10 %. She paid  $\frac{1}{4}$  th of the amount in cash at the time of purchase.
- (iv) Paid rent of building Rs. 30,000 half of the building is used by the proprietor for residential use.

Q98.Prepare a trial balance with the following information [4]

Name of Account	Amount(Rs)
Capital	2,00,000
Cash	1,80,000
Creditors	1,00,000
Sales	3,00,000
Stock	70,000
Debtors	3,00,000
Bank Loan	1,50,000
Purchases	2,00,000

Q99.Explain any two of the following Accounting Principles. [4]

- I. Dual aspect principle
- II. Accounting period principle
- III. Money measurement principle.

Q100Kapil purchased goods for Rs. 21,000 from Gourav on 1<sup>st</sup> February, 2015 and accepted a bill of exchange drawn by Gourav for the same amount. The bill was payable after a month. On 25<sup>th</sup> Feb. 2015., Gourav sent the bill to his bank for collection. The bill was duly presented by the bank. Kapil dishonoured the bills and the bank paid Rs. 100 as noting charges. Record the necessary journal entries for the above transaction in the books of Gourav. [4]

Q101. What do you mean by imprest system of petty cash ? Write a specimen of petty-cash book. [4]

Q102. Write the characteristics of accounting information. [6]

Q103.Enter the following in two-column cash book (6)

2013	Particulars	Amount (Rs.)
March 1	cash in hand	50, 000
March 3	goods purchased from Amit	8, 000
March 7	sold goods to Mohan	5, 000
March 9	goods purchased for cash	10, 000
March 12	furniture purchased from Suman	2, 000
March 14	received from Mohan Rs. 4, 850 in Full settlement of his account.	
March 16	goods purchased from Naveen	1, 000
March 18	Paid to Amit Rs. 7, 950 in full and Final settlement of his account.	

March 25	sold goods for cash	15, 000
March 27	paid wages	4, 000
March 29	paid to Naveen received a discount Of Rs. 25.	
March 31	Paid Rent	3, 000

Q104. Journalise the following transactions. (6)

- Rent due to landlord Rs. 5, 850.
- Paid insurance in advance Rs. 2, 656
- Purchased goods at the list price of Rs. 30, 000 from Mahesh less 15% trade discount and 5% cash discount and paid 60% on the spot.
- Paid rent Rs. 69, 000. 1/3 of the rent for which rent is paid is used by the proprietor for his residential purpose.
- Paid income tax Rs. 7, 980.

Q105. A sold goods to B for Rs. 24, 000 on January 1, 2008,. He draws bill on B for three months for the same. The bill was duly accepted by B. before the due date B agreed to retire the bill at a rebate of 10% p.a. the bill was paid on 4<sup>th</sup> February, 2008 by B. record these transactions in the books of A and B. (6)

Q106 A trial balance of Mr. Mukesh shows an amount of Rs. 623 being excess of debit side of suspense account. Following are the errors which were discovered:

- Goods purchased from sharad for Rs. 425 was posted to the debit of sharad.
- An accrued income of Rs. 1, 700 was omitted to be posted to accrued income account.
- A discount of Rs. 197.60 allowed to a customer A was credited to A as Rs. 191.10
- Rest of the difference was because of the wrong total in the return outward account in the ledger.

You are required to pass rectifying journal entries and also prepare the suspense account. (6)

Q107. "Accounting records transactions and events that can be measured in money terms". What does the above statement describe, the advantages or limitations of accounting? Explain any five of such limitations or advantages terms". What does the above statement describe, the advantages or limitations of accounting? Explain any five of such limitations or advantages. (6)

Q108. Prepare bank reconciliation statement from the following Information at 31<sup>st</sup> March , 2015

- Pass book shows debit balance Rs.20000.
- Cheques of Rs.3000 deposited on 28<sup>th</sup> march but same collected on 2<sup>nd</sup> April 2015.
- Two cheques of Rs.20000 issued to Sai Mandir as donation of which one cheque Rs.5000 presented for payment .
- Bank recorded a cash deposit Rs.5000 as Rs.500
- Payment side of Cash Book cast short Rs.1000.
- A cheque of 2000 received and entered in cash column of cash book ,but omitted to sent the same to bank.
- Identify the value involved in the above . (6)

Q109.. Accounting has many benefits associated with it .In this context discuss any six advantages of accounting. (6)

Q110. Prepare a trial balance as on 31<sup>st</sup> March 2015. (6)

Capital 56,000;Purchases 14,400;discount allowed 480;carriage inward 3,480;carriage outward 920;sales 24,000;return inward 120;return outwards 280;rent & taxes 480 ;plant & machinery 32,280;stock on 1<sup>st</sup> April,2014 6,200;sundry debtors 8,080,sundry creditors 4,800,investments 1,440;commission received 720;cash in hand 40;cash at Bank 4,040,motorcycle 13,840 and stock on 31<sup>st</sup> March 2015 8200 .

Q111. Pass journal entries to rectify the following errors. (6)



- a) Goods returned to W 8,000 were recorded in salesreturn book.
- b) Credit sales to G 10,000 were recorded in purchase book ,however G's account was correctly debited.
- c) Sales book was undercast by 5,000.
- d) The sale of 430 was credited to his account as 340.
- e) Depreciation provided on machinery 4,000 was posted as 400.
- f) Discount received from X was omitted to post in discount account.

Q 112. Explain the following with suitable examples (6)

- a) Principle of consistency.
- b) Money measurement concept.
- c) Materiality concept.

Q113. Pass the opening journal entry. (3+3)

- a) Cash 20,000;stock 30,000;machinery 25,000;Bank overdrafft 20,000;  
Amount due to Gopal 15,000;Amount due from Mohan 2,000
- b) Explain any two kinds of errors.

Q114. a) Briefly explain the concept based on the premise ' do not anticipate profits but provide for all losses '.

b) Explain briefly ' full disclosure' principle of accounting ? ( 3+3=6)

Q115. From the following particulars, ascertain the bank balance as per the pass book as on 31<sup>st</sup> March ,2015 :

- i) Bank balance as per the cash book on 31<sup>st</sup> March , 2015 Rs.4,00,000.
- ii) Cheque issued but not encashed upto 31<sup>st</sup> March, 2015 amounted to Rs.1,00,000.
- iii) Cheque paid into the bank but not cleared up to 31<sup>st</sup> March , 2015 amounted to RS.1,50,000.
- iv) Interest on investments collected by the bank, but not entered in the cash book Rs.5,000.
- v) Cheque deposited in the bank but not entered in the cash book Rs.1,25,000.
- vi) Bank charges debited in the pass book but not entered in the cash book Rs.1,000. (6)

Q116. Journalise the following transactions in the books of Bankey Lal.

- i) Bankey Lal started business with cash Rs.1,00,000 and a building valued at Rs.5,00,000.
- ii) A cheque received from a customer amounted to Rs.5,000 deposited in the bank was returned dishonoured .
- iii) Paid to landlord Rs.1,500 for rent . one third of the premises is occupied by the proprietor for his own residence.
- iv) Goods costing Rs.500 given as charity ( Sales price Rs.600)
- v) Received Rs.9,750 from Sonu in full settlement of his account for Rs.10,000.
- vi) Received first and final dividend of 60 paise in a rupee from the official receiver of Kamal ,who owed Rs.10,000. (6)

Q117. Give Journal entries to rectify the following errors :

- a) Rs.20,000 paid for furniture purchased has been debited to purchase account.
- b) Rs. 8,000 paid for rent wrongly debited to Landlord' account.
- c)The purchase of Rs.400 from X was entered into sales book but X's personal account was

correctly credited.

d) A sale of Rs.430 to Y was credited in his account as Rs.340.

e) Sales book added Rs.2,500 short.

f) Purchase of Motor bike for personal use of proprietor for Rs.57,000 had been posted to Motor

Vehicle Account.

(6)

Q118. Describe briefly, classifying, summarizing, analysis and interpretation as attributes of accounting. (6)

Q119 Mr Prakash started a business of buying and selling of gift boxes with `3,50,000 as an initial investment. Of which he paid `2,00,000 for the purchase of gift boxes and `50,000 for computer. He sold some of the gifts boxes for `1,50,000 for cash and some other gifts boxes for `75,000 on credit to Mr. Rajeev.

Subsequently, he bought gifts boxes of `1,00,000 from Mr. Rakesh. In the first week of the next month, there was a fire accident and he lost `50,000 worth of gifts boxes. Later on, some gifts which costing `60,000 was sold for `65,000. Expenses paid during the same period were `5,000.

Answer the following questions.

(i) What is the amount of capital with which Mr. Prakash started the business ?

(ii) What is the total amount of expenses ?

(iii) Who is the debtor and what is the amount receivable from him ?

(iv) Who is the creditor and what is the amount payable to him ?

(v) What are the fixed assets he bought ?

(vi) What is the total value of the goods purchased ?

(6)

Q120. Discuss the following concepts in detail.

(6)

(a) Accounting period concept

(b) Cost concept

Q121.. Enter the following transactions in the Cash Book of Chaudhary & Co with Cash, Bank & Discount columns.

March 1	Commenced Business with cash	95,100
March 3	Deposited into bank	40,000
March 4	Bought goods for cash	13,200
March 6	Bought goods and made the payment by cheque	12,000
March 7	Honoured their own acceptance by cheque	2,100
March 8	Withdraw from bank for buying a motorcycle for personal use	22,000
March 13	Sold goods (costing `1,800) for	2,250
March 18	Commission received by cheque and deposited into the bank on same day	12,000
March 20	Goods sold to Anil Kumar	11,210
March 22	Received cheque from Anil Kumar	11,000
	Discount allowed	210
March 31	Deposited cash in excess of `2,000 into bank.	

(6)

Q122. From the following particulars, you are required to ascertain the bank balance as would appear in the Cash Book of Anil as on 31<sup>st</sup> March, 2011 (6)

(a) The Bank Pass Book showed an Overdraft (Dr.) balance of `51,000 as on 31<sup>st</sup> March, 2011.

(b) Interest on Investment collected by the banker and credited in the Bank Pass Book amounted to `2,600.

(c) Interest of `5,050 on overdraft upto 31<sup>st</sup> March, 2011, has been debited in the pass book but not yet entered in the Cash Book.

(d) Bank charges debited in the pass book amounted to `620.

(e) Cheques paid into bank before 31<sup>st</sup> March 2011 but not collected and credited upto that date, were `6,400.

(f) Cheque issued prior to 31<sup>st</sup> March, 2011 but not presented till that date, amounted to `10,000.

Q123. Journalise the following transactions

(8)

(i) Depreciation @15% p.a. on furniture for 6 months (Book value of furniture `20,000)

- (ii) Ramesh is declared insolvent. Received from his official receiver a first and final composition of 60 paise in the rupee on a debt of ` 15,000
- (iii) Stock in hand at the end of the year ` 6,500.
- (iv) Rent due to Landlord ` 800.
- (v) Received interest on loan from the Vimal ` 2,200.
- (vi) Paid Life Insurance Premium ` 7,500.

Also highlight the value of recording transaction into journal along with recording of narration.

Q124. Sachin sold goods worth ` 60,000 to Pankaj on 1<sup>st</sup> January, 2010, and on the same day, drew 2 bills of 30,000 on Pankaj for 4 months & 5 months respectively. The bill was duly accepted. On the maturity day the 1<sup>st</sup> bill was dishonoured. The 2<sup>nd</sup> bill is immediately discounted in the bank on the due date the same was dishonoured. Sachin paid ` 500 as noting charges. Record these transactions in books of both the parties. (8)

Q125.. A bill for Rs.4,000 is drawn by X and Y and accepted by the later payable at the ICICI Bank . Show what entries should be passed in the books of X under each of the following cases :

- i) If X retained the bill till the due date and then realized it on maturity.
- ii) If X discounted the bill with his bankers for Rs.3,950.
- iii) If X endorsed the bill to his creditor Z in full settlement of his debt of Rs.4,200.
- iv) If X sent the bill to his bankers for collection.

Or

On 1<sup>st</sup> January , 2015 , A drew a bill on Y for Rs.50,000 payable after 3 months. B accepted the bill and returned it to A. After 10 days A endorsed the bill to his creditor C. on the due date, the bill was dishonoured and C paid Rs.1,000 as noting charges to notary public.

Record the transactions in the Journals of A , B and C. (8)

Q126. From the following information, prepare necessary subsidiary books of M/s Nigam Computers (8)

Dates	Transactions
3.3.2014	Bought 12 printers from Rajeev & Co. at market price Rs.10,000 each Less : 15% Trade discount
7.3.2014	Bought office furniture from Hemant & Co. for Rs.12,500.
9.3.2014	Sold 280 CD's to J.V.M Graphics for Rs.4,000.
12.3.2014	Sold 5 computers to Vig & Sons @ Rs.25,000 each Less : 10% Trade discount
17.3.2014	Returned 2 printers to Rajeev & Co. Market price Rs.6,500 each Less : 15% trade discount
21.3.2014	Sent 5 CD Writers to Intex Software @ Rs.4,500 each . Less : 5% trade discount.
23.3.2014	Sold old furniture for Rs.12,000.
27.3.2014	2 Computer returned by Vig & Sons for Rs.22,500 each.
30.3.2014	Sold 1 printer to Gupta & Co @ Rs. 8,500 for cash.

Or

Enter the following transactions of M/s Ram Traders in the appropriate Subsidiary Books :

Dates	Transactions
1.4.2013	Assets : Cash in hand Rs.26,000 ; Cash at Bank Rs.5,000 ; Stock Rs.50,000 ; Ankush Rs.15,000 ; Dishu Rs.32,000 ; Raju Rs.12,000 ; Furniture Rs.60,000 ; Computer Rs.30,000 Liabilities : Bank Loan Rs.70,000 ; Raj Kumar & Sons Rs.20,000 ; Vinay Rs.30,000
3.4.2013	Purchased from Raj Kumar & Sons 200 tube lights @ Rs.90 each. 100 dozen bulbs @ Rs.100 per dozen Less : 10% Trade discount
7.4.2013	Ankush purchased from us : 25 tubelights @ Rs.110 each 10 table fans @ Rs.350 each Less : 20% Trade discount
15.4.2013	Withdraw for personal use of Rs.5,000

18.4.2013	Acceptance received from Ankush at two months for the amount due from him.
20.4.2013	Purchased a printer from Ajay Rs.15,000.
23.4.2013	Return to Raj Kumar & Sons. 10 tubelights
24.4.2013	Acceptance given to Raj Kumar & Sons for 1 month.

Q127.A sold goods to B for Rs. 10, 000 and draws a bill the same. Bill was duly accepted by B and returned to A. the bill was drawn on January 1, 2010 payable after 4months. On the due date the bill was dishonoured and Rs. 40 was paid as noting charges by the holder of the bill. Pass journal entries in the books of A, if the bill was sent to the bank for collection by A. (8)

Q128 Following information has been given by Rajendra. Prepare a bank reconciliation statement as on 31<sup>st</sup> December, 2009, showing balance as per the cash book

- Debit balance shown by the pass book Rs. 17, 800
- Cheques of Rs. 21, 600 were issued in the last week of December but only cheques of Rs. 14, 800 were presented for payment.
- Cheques of Rs. 10, 750 were presented to the bank. Out of them, a cheque of Rs. 4, 200 was credited in the first week of January, 2010.
- A cheque of Rs. 1, 200 was debited in the cash book but was not presented in the bank
- Insurance premium paid by bank Rs. 1, 450.
- A bill of exchange of Rs. 6, 200 which discounted with the bank was returned dishonoured but no entry was made in the cash book
- Bank charges and interest charged by the bank are Rs. 350. (8)

Q 129) Journalise the following transactions in the books of Rahim (8)

- Our acceptance for 15,000 retired two months before due date at a discount of 10%.
  - Mohan's acceptance for 18,000 renewed for two months together with interest @ 8% p.a.
- Neha was good in hand painting .Her husband was suffering from cancer.so,She needed money.She started doing business of hand painting on sarees.Somya her friend was running a business.She helped Neha and started purchasing sarees from her .On 4<sup>th</sup> May,2015 Soumya purchased some sarees from Neha worth 19,000.Somya paid her 10,000 immediately and for the balance amount she accepted of bill from Neha for 3 months.But Soumya paid the bill on 7<sup>th</sup> June by charging very nominal amount of rebate @ 2% p.a.

- What will be the due date of the bill ?
  - What is the amount of 1<sup>st</sup> bill drawn ?
  - What will be the amount of rebate ?
  - What are the values highlighted ?
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