

**KENDRIYA VIDYALAY SANGATHAN**

**AGRA REGION**

**Practice Paper**

**Accountancy**

**Time: 3hours**

**Class-XI**

**Max: marks 80**

General Instructions:

*-Read the questions carefully*

*-Attempt only six out of questions no.1 to 20 and each carries 1 Mark and internal choice in Question No.3,6,8,12,14, 17 and 20*

*-Question no. 21 to 26 each carries 3 Marks and internal choice are available in question no. 23 and 24*

*-Question no. 27 to 29 each carries 4 Marks*

*-Question no. 30 to 34 each carries 6 Marks and internal choice are in question no. 33 and 34*

1. Which of the following is the first step of accounting process? **1**
  - a. Measurement of transaction
  - b. Recording of transaction
  - c. Classifying the transaction
  - d. Identification of transaction
  
2. A. Assertion: Going concern concept states business will continue for foreseeable period **1**  
B. Reason: expenses or receipt can be classified between capital and revenue
  - a. Both Assertion and Reason are correct
  - b. Both Assertion and Reason are correct B is not correct explanation of A
  - c. Both Assertion and Reason are incorrect
  - d. Both Assertion and Reason are correct A is not correct statement
  
3. As per the \_\_\_\_\_ concept, it is assumed that business shall remain continues for foreseeable period. **1**

**Or**

As per \_\_\_\_\_ concept, the item which affects the decision of the informed investor should be disclosed.

4. Which of the following item need not to be taking into consideration for calculation of profit/loss as per cash basis of accounting? **1**
  - a. Sold goods for cash
  - b. Cash received from costumer

- c. Payment to creditors
  - d. Purchases of goods on credit
5. GAAP stands for \_\_\_\_\_ 1
- a. Generally accepted auditing principles
  - b. Generally accepted accounting principles
  - c. Both a and b
  - d. Neither a nor b
6. Transaction: Sold Furniture book value Rs 5000 for Rs 6,000 1
- Which of the following treatment will result in equation?
- a. Cash increased by Rs. 5,000 and Furniture decreased by Rs 5,000 and Capital Increased by Rs. 1,000
  - b. Cash increased by Rs. 6,000 and Furniture decreased by Rs 5,000 and Capital Increased by Rs. 1,000
  - c. Cash increased by Rs. 5,000 and Furniture decreased by Rs 6,000 and Capital Increased by Rs. 1,000
  - d. Cash increased by Rs. 6,000 and Furniture decreased by Rs 5,000 and Capital Increased by nil

**Or**

Mohan started business with capital Rs. 1,00,000. At the end of accounting period firm assets were Rs. 1,70,000 and liabilities Rs. 40,000. During the year drawings were made Rs. 5,000. The earned profit at \_\_\_\_\_

- a. 15%
  - b. 25%
  - c. 45%
  - d. 35%
7. In which of the following transaction debit note **cannot** be issued? 1
- a. Sales Return
  - b. Rebate given to creditor
  - c. Fines levied on debtor for late payment
  - d. Purchases Return
8. Purchases A/c      Dr. 2000 1
- To Cash A/c                      2000
- The reason for debiting Purchases Account is
- a. An expense
  - b. Incoming of goods

c. Increase in stock

d. Both a and c

9. Read the following to answer Question no. 9 and 10 1

As an accountant, you had been working on cash basis of accounting. Now, your firm has changed policy to accrual basis of accounting. To convert the accounts from cash basis to accrual basis, there is need to study capital and revenue nature of item.

Having studied about capital expenditure and revenue expenditure. Test your knowledge to answer the question:

Which of the following is correct about expense to purchases assets under cash basis of accounting:

a. Purchase of Assets were shown as expenses to calculate profit or loss

b. Purchase of assets were not shown as expenses to calculate profit or loss

c. Only depreciation on asset were shown as expenses to calculate profit or loss

d. Purchase of asset were considered as assets not an expense

10. Which of the following does not match with the characteristics of capital expenditure: 1

a. It increases the long term capability of earning

b. It increases the current assets

c. It increases the long term assets

d. It increases the possibility to earn more in long term

11. Journal entry for carrying charges Rs5000 on purchase of machinery will be: 1

(a) Carriage A/c .....Dr. 5000

To Machinery A/c 5000

(b) Machinery A/c .....Dr. 5000

To Carriage A/c 5000

(c) Carriage A/c .....Dr. 5000

To Cash A/c 5000

(d) Machinery A/c .....Dr. 5000

To Cash A/c 5000

12. Mohan who owed Rs. 10000 declared himself insolvent, his official receiver paid 70 paise in a rupee. 1

Which of the following statement is correct about cash book entry of this transaction?

a. In cash book Rs. 7000 will be debited as Mohan's A/c in cash column

b. In cash book Rs. 7000 will be debited as Bad Debt Recovered A/c in cash column

- c. In cash book Rs. 7000 will be credited as Mohan's A/c in cash column
- d. In cash book Rs. 3000 will be debited as Mohan's A/c in cash column

**Or**

Sohan who owed Rs. 12000 paid half of the amount to get advantage of discount 2% on prompt payment

Which of the following statement is correct about cash book entry of this transaction?

- a. In cash book Rs. 6000 will be debited as Sohan's A/c in cash column
  - b. In cash book Rs. 6000 will be debited as Cash A/c in cash column
  - c. In cash book Rs. 5880 will be debited as Sohan's A/c in cash column
  - d. In cash book Rs. 5880 will be debited as Cash A/c in cash column
13. Which of the following statement is incorrect about subsidiary books? **1**
- a. Subsidiary books are also called special purpose books
  - b. Subsidiary books are used as an alternative of Journal
  - c. Entries in the books of Subsidiary books are considered as book of original entries
  - d. Subsidiary books are used as an alternative of ledger
14. A statement which is prepared to show difference between balance as per cash with bank pass book is called\_\_\_\_\_ **1**
- a. Cash book statement
  - b. Bank reconciliation statement
  - c. Cash reconciliation statement
  - d. Analytical statement

**Or**

Which of the following is **not** reconciled between cash book and pass book?

- a. Bank column of cash book with pass book
  - b. Cash column of the cash book with pass book
  - c. Interest allowed recorded or not in cash book
  - d. Bank charges recorded or not in cash book
15. Machinery purchased for Rs 2,50,000 its scrap value was estimated Rs 50,000. **1**  
Depreciation is charged Rs 25,000 p.a on straight line method. The estimated life of machinery will be :
- a. 10 years
  - b. 5 years
  - c. 12 years
  - d. 8 years

16. Which of the following statement is as per accounting principles about depreciation? **1**
- Depreciation is charged at the price paid to acquire the asset
  - Depreciation is charged at the market price of asset
  - Depreciation is charged at realisable value of asset
  - All of the above

17. In Journal entry for carrying charges Rs 8000 paid on sale of goods was debited to carriage on purchase account, the rectifying Journal entry will be: **1**

(a) Carriage A/c .....Dr. 8000

To Carriage outwards A/c 8000

(b) Carriage outwards A/c .....Dr. 8000

To Carriage inwards A/c 8000

(c) Carriage A/c .....Dr. 8000

To Cash A/c 8000

(d) Carriage outwards A/c .....Dr. 5000

To Cash A/c 5000

**Or**

In Journal entry for carrying charges Rs 2000 paid on material purchased for construction of building was debited to carriage on purchase account, the rectifying Journal entry will be:

(a) Building A/c .....Dr. 2000

To Carriage inwards A/c 2000

(b) Carriage Inwards A/c .....Dr. 2000

To Building A/c 2000

(c) Carriage A/c .....Dr. 2000

To Cash A/c 2000

(d) Carriage Inwards A/c .....Dr. 2000

To Cash A/c 2000

18. Which of the statements are **correct** about Reserves? **1**
- Reserves are created out of profit
  - Reserves are created against the profit
  - Reserves are estimated liabilities
  - Reserves are same as provisions

19. Carriage outwards is : **1**
- Direct Expenses
  - Indirect Expenses

- c. Operating Income
- d. Non-operating Income

**Or**

Carriage outwards is :

- a. Associated with purchases
  - b. Associated with sales
  - c. Associated with assets
  - d. Associated with liabilities
20. Sold goods for Rs 50,000 and earned a 10000. The profit on cost will be: **1**
- a. 25%
  - b. 20%
  - c. 80%
  - d. 70%
21. State the three different types of account on traditional basis. **3**
22. Identify the accounting terms indicated in following statements: **3**
- a. Assets which are expected to be converted into cash more than 12 months.
  - b. Assets which are expected to be converted into cash more than 12 months.
  - c. Liabilities which are to be paid into cash within 12 months.
23. Identify capital expenditure, revenue expenditure in the following transaction: **3**
- a. Wages paid for factory workers Rs. 5000
  - b. Wages paid for construction of building Rs 7500
  - c. Wages paid for repair of building Rs 8000

**Or**

Identify capital receipt, revenue receipt in the following transaction:

- a. Amount recovered from debtors Rs. 50000
  - b. Amount recovered from sale of scrap of goods Rs 7500
  - c. Amount recovered for insurance company for car stolen Rs 80000
24. Pass Journal entries in the books of Ms. Shubha **3**
- a. Ms. Shubha purchased goods worth ₹1 lakh from the market locally
  - b. She sold the goods for ₹3 lakh in the same region
  - c. The consultation fee of ₹500 was paid by her through a bank account

Taking CGST at 8% and SGST at 8%.

**Or**

Mr. Harisha a Cement dealer has done some transaction in the month of April 2022 and requires to ascertain his tax liability and the entries needed to be done in books of

accounts. The transactions are as follows:

- Purchases cement from the local registered manufacturer for Rs150000.
- Sale within the state amounted to Rs 100000.
- Paid legal consultation fee to a CA an amount of Rs 20000.

The GST rate applicable to Cement is 28% and the same for the packaging material.

Moreover, for the professional fee, the rate is 18%

25. State meaning in brief: 3
- Debit Note,
  - Credit Note and
  - Invoice
26. State any three benefits of creating Reserves. 3
27. Describe any two with example: 4
- Accounting Period Concept
  - Money measurement concept
  - Dual aspect concept
28. Prepare accounting equation for the following transactions: 4
- Started business with cash Rs. 20,000
  - Paid wages Rs. 1,000
  - Purchased Machinery Rs. 10,000
  - Purchased goods on credit Rs. 5,000
29. Record the following transactions in the books of M/s. Mac and Co. accounts by preparing Purchases Book. 4

Date	Details
1 Aug	Purchased from ABC Ltd. (Invoice No. 524): 2000 balls @ ₹ 5 per piece.
15	Purchased from XYZ Ltd. (Invoice No. 611): 100 bats @ ₹ 250 per

Aug	piece. Trade discount 20%
29 Aug	Purchased from Con Ltd. (Invoice No. 444): 200 skates for ₹100000. Trade discount 10%
29 Aug	Purchased from ABC Ltd. (Invoice No. 741): 200 Chess for ₹2000. Trade discount 15%
30 Aug	Purchased from Con Ltd. (Invoice No. 521): 100 skates for ₹40000. Trade discount 8%

30. Prepare Two Column Cash Book for the following transactions:

6

<b>January 2021</b>		<b>Rs.</b>
01	Started business with cash	30,000
05	Deposited into bank	5,000
08	Cheque received from Subash	3,000
12	Subash's cheque deposited into bank	
17	Bought goods through cheque	2000
20	Rent received	300
24	Cash drawn for personal use	1000

31. Prepare Bank Reconciliation Statement from the information given below

6

- i. Balance as per the Cash Book Rs.5,000
- ii. Cheques issued but not presented for payment Rs. 2,000
- iii. Cheques deposited but not cleared Rs. 3,000
- iv. Amount directly deposited by one of the customer Rs. 6,000
- v. Bank charges Rs. 300

ii. Rectify the following errors through passing Journal entries:

6

- a. Sales Book overcast by Rs. 500



- b. Purchases Book overcast by Rs. 200
  - c. Sold goods for cash Rs. 700 was not recorded in Sales A/c
  - d. Purchased goods Rs. 800 for cash was recoded in Purchases A/c as Rs. 80
  - e. Sold to Vijay Rs. 300 was debited in Vivek's Account
  - f. Wages paid Rs. 400 was not recorded anywhere
- iii. On 1<sup>st</sup> April, 2009 Birla Cotton Mills purchases a machinery for Rs. 90,000. it purchases another machine for Rs. 40,000 on 1<sup>st</sup> April, 2010. On March 31, 2011 the first machine is sold for Rs. 40,000. **6**
- Depreciation is to be provided at 20% p.a. on the original cost every year. Accounts are closed each year on 31<sup>st</sup> March.
- Show the Machinery Account and Provision for Depreciation Account for three accounting period.

**OR**

Rohini Cement Limited purchased on 1<sup>st</sup> April , 2009 a plant of Rs. 80,000. On 1<sup>st</sup> April, 2010, it purchased additional plant costing Rs. 50,000. Depreciation is provided at 10% per annum through diminishing balance method. Accounts are closed on 31<sup>st</sup> March every year.

Show the Plant Account for 3 years.

- iv. Following is the Trial Balance of Mr. Vasu as at 31st March, 2020: **6**

Particulars	Dr.	Cr.
Cash in hand	1,080	.....
Cash at bank	5,260	.....
Purchases	91,350	.....
Returns Outwards	.....	1,000
Sales	.....	2,07,560
Returns Inward	1,360	.....
Wages	20,960	.....
Fuel and Power	9,460	.....
Carriage on Sales	6,400	.....
Carriage on Purchase	4,080	.....
Stock on 1st April, 2019	11,520	.....
Building	60,000	.....
Freehold land	20,000	.....
Machinery	40,000	.....

Salaries	33,000	.....
Patents	15,000	.....
General Expenses	6,000	.....
Insurance	1,200	.....
Capital	.....	1,45,000
Drawings	10,490	.....
Sundry Debtors	29,000	.....
Sundry Creditors	.....	12,600
<b>Total</b>	<b>3,66,160</b>	<b>3,63,160</b>

You are required to prepare Trading and profit & Loss Account for the year ended 31st March, 2020 after considering the following adjustments:

1. Stock at hand on 31st March, 2020 is Rs. 13,600.
2. Machinery is to be depreciated @ 10% and patents @ 20%.
3. Insurance included a premium of Rs. 170 for next year.
4. A Provision for Doubtful Debts is to be created to the extent of 5% on Sundry Debtors.

**OR**

From the following trial balance, prepare the trading and profit and loss account for year ended 31st March 2021 and balance sheet as at that date.

Particulars	Rs. (Dr.)	Particulars	Rs. (Cr.)
Salaries	20,446	Sales	1,32,840
Bills receivable	12,754	Capital	1,00,000
Investment	80,000	Provision for doubtful debt	5,000
Furniture	24,000	10% loan(1st Oct. 2020)	20,000
Opening stock	9,000	Discount received	800
Purchase	60,000	Sundry creditor	18,600
Sundry debtor	40,000	Bills payable	10,000
Interest on loan	800	Outstanding salaries	1,000
Insurance premium	1,800	Bad debt recovered	400
Wages	9,200	Interest	4,000
Rent	3,040	Commission	14,000
Bad debt	2,400		
Carriage outwards	1,200		
Cash at bank	20,000		
Depreciation on	5,000		

furniture	2,000		
Accrued commission	15,000		
Advertisement			
	<b>3,06,640</b>		<b>3,06,640</b>

*Additional information*

- a. Closing stock is Valued at Rs 20,000
- b. Maintain a provision of 5% on debtor.
- c. Insurance prepaid Rs 800
- d. Goods loss by fire Rs 2,000

**END OF PAPER**