

Pratap Public School, Karnal

Mid-Term Examination (2023)

Class - XI

Subject - Accountancy

Time : 3 Hours

M.M : 80

Name Roll No. Section

Instructions:-

- 1) All questions are compulsory and marks for each question are mentioned against it.
- 2) Workings notes are not required until indispensable and asked especially in question.
- 3) Formats and narrations are essential.

1. "Substance of any transaction should be considered while recording them and not only the legal form" is the statement which holds true for
 - (A) Substance over form.
 - (B) Disclosure of accounting policies.
 - (C) Both (A) and (B).
 - (D) None of the three(1)
2. Which one of the following is correct –
 - (a) The term 'Purchases' include the purchases of fixed assets for cash as well as on credit.
 - (b) The term 'Sales' include the sales of fixed assets for cash as well as on credit.
 - (c) The term 'Opening stock' means the goods lying unsold at the end of previous accounting period
 - (d) The term 'Closing Stock' means the goods lying unsold at the beginning of current accounting period.(1)
3. Current Assets are those assets —
 - (a) Which can be converted into cash within 12 months.
 - (b) Which can be converted into cash within a period normally not exceeding 12 months.
 - (c) Which can be converted into cash within an operating cycle which normally does not exceed 12 months.
 - (d) Which are held for their conversion into cash within an operating cycle which normally does not exceed 12 months(1)
4. Expenses are reflected in the form of –
 - (a) Inflow of assets or incurrence of liabilities
 - (b) Outflow of assets or decrease of liabilities
 - (c) Inflow of assets or decrease of liabilities
 - (d) Outflow of assets or incurrence of liabilities(1)
5. Accounting covers only the following activities:
 - (a) Recording and Classifying
 - (b) Recording, Classifying, Summarising and Analysing
 - (c) Summarising, Analysing and Interpreting
 - (d) Identifying, Measuring and Communication(1)
6. Functions of accounting include?
 - (1) Keeping systematic records
 - (2) Protecting properties of the business
 - (3) Communicating the results
 - (4) Meeting legal requirements
 - (A) 1 and 2
 - (B) 1 and 3
 - (C) 1, 3 and 4
 - (D) 1, 2, 3 and 4(1)
7. Floating asset is :
 - a) Machinery
 - b) Motor car
 - c) Cash and bank balance
 - d) Furniture(1)

8. Fictitious asset is _____ (Goodwill/ Preliminary expenses /goods) (1)
9. Accounting records transactions and events that can be measured in money terms. Is this, in your opinion, a limitation of accounting or an advantage? Give reasons. (2)
10. Production at a factory had to stop for a week due to a labour strike. The Owner estimated the loss of production and the likely loss of profit arising out of the situation. He directed the accountant to record the loss in the books of account. Is he correct in recording the likely loss? Give reason. (2)
11. The assets of Standard Sugar Co. were acquired by the Government on 1st April, 2000 and the company received a compensation of ₹10crores. The company did not have any other business as on the date of acquisition and has also not ventured into any other business after acquisition of assets. The company placed the amount so received in a fixed deposit with the bank, which is lying deposited with the bank as on date also. It has also fixed a case in the court seeking higher compensation. Is the company a going concern? (2)
12. An infrastructure company building highways has a contract to construct road of 25kms. The project is likely to be completed in 4 years. It has approached a bank seeking finance. The bank has requested them to prepare projected yearly accounts whereas the company has argued that since the project shall be completed in 4 years, projected accounts should be prepared for the end of the project. Is the company correct in its view? Give reason. (2)
13. M/s. Kalra Bros., a dealer in computer hardware, has received an order for 10 computers along with an advance of ₹50,000. The firm maintains its accounts on Accrual Basis of Accounting. Should the amount received, i.e., ₹50,000 be credited to the Sales Account or the Advance Received Account? Give reasons for your answer. (2)
14. Do you think that a transaction can break the Accounting Equation? (1)
15. GSC Co. purchased goods from Mohan & Co. for ₹50,000. As per the terms, if GSC Co. made full payment to Mohan & Co. within 15 days it will get Cash Discount of 2%. GSC Co. paid ₹25,000 within the stipulated time. Determine the amount of Cash Discount that GSC Co. will get. (1)
16. Name the category of account that is not balanced. (1)
17. The accountant of M/s. P.G. & Co. presented Bank Reconciliation Statement to the proprietor showing the Cash Book balance reconciled with the balance as per Bank Statement or Bank Pass Book. The proprietor noted that a cheque issued on the last day was not presented for payment and therefore should have been shown in the Bank Reconciliation Statement. After verification, the accountant informed that it was not shown in the Bank Reconciliation Statement because it was not recorded in the Cash Book. Do you agree with the accountant's explanation? Give reason. (2)
18. Trail Balance is an account. Is it correct? (1)
19. When closing Stock shown in the Trial Balance, What entry has been passed for it? (1)
20. If Depreciation reduces profit and value of fixed assets and thus, the capital of the owner, why do businesses provide for Depreciation? (2)

OR

Depreciation cannot be provided in case of loss in a financial year. Comment.

21. Match the items given under 'A' with the correct items under B: (3)

(A)	(B)
Cash Memo	Prepared when cash is paid
Cheque	Prepared by seller at the time of credit sales
Debit Voucher	Drawn upon specified bank and is payable on demand
Invoice	Used to deposit cash or cheques into bank
Pay-in-Slip	Prepare by seller at the time of cash sales

Practical question

22. From the following extracts from the cash book and the pass book for the month of January 2020, prepare the bank reconciliation statement. (6)

CASH BOOK (Bank Column only)

Date	Particulars	Rs	Date	Particulars	Rs
Jan 1	To Bal. b/d	4,510	Jan 2	By S. Gidwani & Co.	1,230
3	To Cash	300	6	By Wages	3,000
10	To T. Mohan & Co.	2,300		By G. Basu & Co.	1,000
15	To G. Basu & Co.	1,000		(Cheque dishonoured)	
17	To Cash	600	14	By V. Kumar & Co.	300
20	To M. Mohan & Co.	1,550	15	By Sharda & Co.	470
24	To T.P Bhalla & Co.	740	18	By Cash	400
31	To S. Leadu & Sons	2,130	24	By R. Ramdas & Co.	780
			28	By B.Bansal & Bros	340
			31	By Bal. c/d	5,610
			31		
		13,130			13,130

PASS BOOK

Date	Particulars	Withdrawals	Deposits	Dr. or Cr.	Balance (Rs)
Jan 1	By Balance		300	Cr.	4,510
3	By Cash			Cr.	4,810
6	To Sales Cash	3,000		Cr.	1,810
10	To S. Gidwani & Co.	1,230		Cr.	580
16	To Mohan & Co.		2,300	Cr.	2,880
17	By Cash		600	Cr.	3,480
20	To Sharda & Sons	470		Cr.	3,010
24	To Cash	400		Cr.	2,610
31	To Bank charges	10		Cr.	2,600
31	To Life Insurance			Cr.	2,350
31	By interest on govt. securities	250	300	Cr.	2,650

OR

From the following entries in the bank difference of cash book of Mr. Ram and corresponding bank pass book, prepare a bank reconciliation statement as on 31st March, 2020.

CASH BOOK (March, 2020)

CASH BOOK (March, 2020)

Date	Particulars	Rs	Date	Particulars	Rs
Mar			Mar		
1	To Balance B/d	8800	6	By salary	2,400
4	To Rani Chopra	1,500	8	By rent	300
10	To Jeevan Dass	1,200	12	By Arjun Singh	2,800
20	To Sat Narain	6,770	16	By Chandrika Parsad	4,600
25	To Nand Lal Yadav	4,400	20	By Ram Lal	7,800
28	To Kishori Lal	9,180	26	By Drawings	10,000
31	To Radha Madhav	8,250	30	By Lakman Dass	6,500
			31	By Balance c/d	5,700
		40,100			40,100

PASS BOOK (April, 2020)

Date	Particulars	Withdrawals	Deposits	Dr. or Cr.	Balance (Rs)
Apr					
1	To Balance (overdraft)			Dr.	(4,200)
2	By dividends		500	Dr.	(3,700)
3	By Sat Narain		6,770	Cr.	3070
3	By salary	2,800		Cr.	270
4	To Kishori Lal		9,180	Cr.	9,450
5	By Lakman Dass	6,500		Cr.	2,950
6	By Radha Madhav		8,250	Cr.	11,200
6	To Subash		10,800	Cr.	22,000
7	To drawings	8,000		Cr.	14,000
8	To Ghan Shyam	7,500		Cr.	6,500
10	To Ram Lal	7,800		Dr.	1,300
12	By Ashok Sharma		12,000	Cr.	10,700

23. On 1st April, 2015 Manas Ltd., purchased 10 machines of Rs 30,000 each. On 30th June 2016, one machine out of the 10 machines purchased on 1st April 2015, was sold for Rs 24,000 and on 31st Dec. 2017 one more machine was sold for Rs 22,500. A new machine was purchased on 30th Sept. 2018 for Rs 32,000. The company has adopted the practice of providing depreciation at 10% p.a. on original cost of machine. The company closes its books on 31st March every year. You are required to prepare Machinery Account upto 31st March 2019.

OR

(6)

Sushma Ltd. purchased a plant on 1st April, 2015 for Rs 2,40,000. It bought another plant on 1st July, 2016 for Rs 1,60,000. On 1st January, 2018, plant bought on 1st April 2015 was sold for Rs 1,60,000 and a fresh plant was purchased on the same date Payment of this plant will be made as under :

1st January, 2018	Rs 40,000
1st January, 2019	Rs 48,000
1st January, 2020	Rs 44,000

Payment made in 2019 and 2020 include interest of Rs 8,000 and Rs 4,000 respectively. Depreciation is charged at 10% p.a. on the diminishing balance method.

Show the plant account for three years ended 31st March, 2016 to 31st March 2018.

24. Record the following transactions of credit sales in the Sales Day Book of Tulsı Virani dealing in canvas goods: (6)

Date	
2017 Oct	
6	Sold to Nikhil Mehtani (Chandigarh) 1000 metres canvas cloth @ Rs 13 per metre at a Trade Discount of 20% 500 metres mattie @ Rs 19 per metre subject to a Trade Discount of 20% 5000 metres of fine cloth @ Rs 5 per metre at a Trade Discount of 10% plus IGST @ 5%
18	Sent to Chirag, our invoice for 50 canvas rain coats @ Rs 70 each 50 waterproof hats @ Rs 20 each Invoice was subject to a Trade Discount of 20% plus GST @ 5%
23	Bought from Gautam and Sons for cash 1200 metres canvas cloth @ Rs 14 per metre 600 metres fine cloth @ Rs 6 each plus GST @ 5%
29	Supplied to Awi Bajaj (Patna) 100 canvas suit cases @ Rs 30 each 200 school bags @ Rs 14 each. 100 holdalls @ Rs 50 each Trade discount allowed was 15% IGST @5%

Also make the posting of Sales Book.

25. Mr. Rokadiya maintains Cash Book with bank columns, Enter the following transactions of 21st May 2012 in the cash book and balance the same:

(i) Balance at the beginning of the day:

Cash	150
State Bank of India	25,000
Bank of India (Overdraft)	3,000

- (ii) Received a cheque of Rs 5,350 from Merwan Bros, in full settlement of invoice of Rs5,500. The cheque was deposited in Bank of India.
- (iii) Cash purchases Rs 10,000 paid bearer cheque on State Bank of India.
- (iv) Transferred Rs 5,000 from State Bank of India to Bank of India.
- (v) Withdrew Rs 5,000 from State Bank of India (Rs 3,000 for office use and Rs 2,000 for personal use).
- (vi) Paid advance salary to Manager Rs 1,200 by bearer cheque on Bank of India. Rokadia wants balance of cash ,SBI,BOI, to be equal. (6)

26. Journalise the following transactions in the books of Rajan of Delhi:

- (i) Sold goods to Krishna of Delhi at the list price Rs 20,000 less trade discount 10% add CGST and SGST @ 9% each, and allowed cash discount 5%. He paid the amount immediately.
- (ii) Supplied goods costing Rs 6,000 to Mohan of Kolkata issued invoice at 10% above cost less 5% trade discount plus IGST @ 18%.
- (iii) Goods valued at Rs 2,500 distributed from stock as samples, as part of an advertising campaign. These goods were purchased paying CGST and SGST @ 9% each.
- (iv) Sold goods costing Rs 1,00,000 to Anil of Delhi at a profit of 20% on sales less 20% Trade Discount plus CGST and SGST @ 9% each.
- (v) purchased goods of Rs 20,000 at 12% IGST for personal use (6)

27. Open a "T" shape account of creditor, 'Rakesh', and write the following transactions on the proper side: (3)

	Rs
(i) Goods purchased from Rakesh on credit	50,000
(ii) Goods returned to Rakesh for	5,000
(iii) Paid to Rakesh	20,000
(iv) Purchased goods from Rakesh on credit	10,000

28. The total of debit side of the Trail Balance of a large shoe repairing company as on 31st Dec. 2018 is Rs 1,66,590 and that of the credit side is Rs 42,470. After several checkings and re- checkings the following mistakes are discovered : (6)

Name of Accounts	Correct Figures (as it should be)	Figure as it appear in the Trial Balance
Opening Stock	14,900	14,800
Repairs	61,780	61,780
		(But appear on the debit side)
Rent and Rates	2,160	2,400
Sundry Creditors	6,070	5,900
Sundry Debtors	8,060	8,310

What will be the correct total of the Trail Balance?

29. Prepare the Accounting Equation on the basis of the following:

1. Started business with cash Rs 30,000; Goods Rs 12,000; Machinery Rs 20,000 and Furniture Rs 10,000.
2. 1/3 of the above goods sold at a profit of 10% on cost and half of the payment is received in cash.
3. Cash withdrawn for personal use Rs 2,000.
4. Interest on drawings charged @ 5%. (If total drawing till now is Rs 2,000)
5. Depreciation on Machinery provided @10%.
6. Goods sold to Rohan for Rs 2,000 and received a Bill Receivable for the same for 3 months.
7. Received Rs 2,000 from Rohan against the Bill Receivable on Maturity.
8. Rent received in advance Rs 1,000. (6)

30. The closing balance of the Petty Cash Book is

- | | | |
|-------------------------|-----------------|-----|
| (a) Expense/Expenditure | (b) Profit/Gain | |
| (c) Asset | (d) Liability | (1) |

31. Ramesh, a customer had placed an order for purchase of furniture of Rs. 50,000 against which he advances Rs. 5,000. The businessman wants to record it as sale. By doing so, which of the following accounting concepts will be violated?

- | | | |
|-------------------------------|---------------------------------|-----|
| (a) Money Measurement Concept | (b) Revenue Recognition Concept | |
| (c) Going Concern Concept | (d) Matching Concept | (1) |

32. During the life-time of an entity, accounting produce financial statements in accordance with which basic accounting concept:

- | | | |
|-----------------------|-----------------------|-----|
| (a) Conservatism | (b) Matching | |
| (c) Accounting Period | (d) None of the above | (1) |

33. When information about two different enterprises has been prepared and presented in a similar manner, the information exhibits the characteristics of

- | | | |
|-----------------|-------------------|-----|
| (a) Relevance | (b) Reliability | |
| (c) Consistency | (d) None of these | (1) |

34. The assumption that a business enterprise will not be sold or liquidated in the near future is known as the

- | | | |
|---------------------|-------------------|-----|
| (a) Economic entity | (b) Monetary unit | |
| (c) Conservatism | (d) None of these | (1) |
