

Accountancy Class 11th Practice Paper-4

Time: 3hrs.

M.M.100

General instructions: All the questions must be attempted in serial order. Working notes should be given neatly with the solutions.

- Q1.** Why are employees interested in accounting information? (1)
- Q2.** Write the main demerit of single entry system of accounting? (1)
- Q3.** What is the utility of accounting standards? (1)
- Q4.** What is the full form of IFRS? (1)
- Q5.** Give any two examples of fixed asset? (1)
- Q6.** What do you understand by residual value of an asset? (1)
- Q7.** What do you mean by Noting charges ? (1)
- Q8.** Under which cases contra entry is recorded? (1)
- Q9.** Is Trial Balance the conclusive evidence of accuracy of accounting records? (1)
- Q10.** What is renewal of bill? (1)
- Q11.** Give two examples of contingent liability. (2)
- Q12.** Write any three limitations of financial accounting. (3)
- Q13.** Explain the Accounting Period Concept. (3)
- Q14.** Prepare Gupta's s capital account, as on 31.12.2017, from the following information:
- (a) Jan.1, 2017, Balance of capital account ` 35,000.
 - (b) Jan.25, 2017, brought additional capital ` 12,000.
 - (c) Feb.19, 2017 Withdrawn ` 8,000 for his son's birthday party.
 - (d) He spent ` 6,000 for various business expenses during the year.
 - (e) Earned ` 15,000 profit during the year 2017. (3)
- Q15.** What is the difference between provision and reserve? (3)

Q16. Write three cases of errors that are not disclosed by Trial Balance. (3)

Q17. Distinguish between Trial Balance and Balance Sheet on the basis of purpose, compulsion and types of accounts included. (3)

Q18. From the following find out the additional capital introduced during the year:

Opening capital..... `2,60,000
Closing capital..... `4,00,000
Drawings made during the period..... `1,00,000
Profit made during the year..... `2,00,000 (3)

Q19. Enter the following transactions in a cash book with cash and bank columns:

2017		₹
Jan.1	Cash in hand.....	3, 800
Jan.1	Bank Overdraft.....	4,500
Jan.5	Received a cheque from Ram Kumar.....	2,450
Jan.7	Deposited Ram Kumar's cheque into bank.	
Jan.8	Ram Kumar's cheque returned dishonoured.	

(3)

Q20. On 1st July 2017, Aman drew a bill for ` 2,000 on Bittu payable after three months. After one month A endorsed this bill to his creditor Chintu, who immediately discounted this bill with his bankers, at 6% p.a. On the due date the bill was dishonored and the bank had to pay ` 40 as noting charges. You are required to show journal entries in the books of Aman. (3)

Q21. Journalize the following transactions in the books of Vijaya carrying on a small business:

(a)Vijaya received ` 8,000 from Abhay which he had written off as bad last year.

(b)A fire occurred in his godown and goods worth `20,000 were damaged. The stock was not insured.

(c)Rent due to his landlord Mr. Ganesh ` 4,000.

(d)Vijay took away the goods worth `1,000 for his personal use.

(e)He paid Income Tax `4,000 by cheque.

(f) He deposited into bank a cheque received from Jatin ₹ 2,000, but it was dishonored. (6)

Q22. Prepare a Bank Reconciliation Statement from the following particulars:

(a) On 31.3.2017, the cash book showed a credit bank balance of ₹ 4,000.

(b) Out of the total cheques amounting to ₹ 12,000 drawn, cheques aggregating ₹ 3,000 were encashed in March, cheques aggregating ₹ 4,000 were encashed in April and the rest have not been presented at all.

(c) Out of the total cheques amounting to ₹ 8,000 deposited, cheques aggregating ₹ 2,500 were credited in March, Cheques aggregating ₹ 3,000 were credited in April, and the rest have not been collected at all.

(d) The bank has debited ₹ 800 on account of interest on overdraft and ₹ 200 as bank charges.

(e) The bank has credited ₹ 900 on account of interest collected on securities. (6)

Q23. (a) What is Depreciation? (2)

(b) On 1st July, 2015 a machine was purchased for ₹ 9,50,000. An amount of ₹ 8,000 were spent for carrying this machine to the place of its installation and an amount of ₹ 12,000 were spent on its installation and other incidental expenses. On 31st Dec.2010 this machine was sold at a loss of ₹ 10,000. Another machine was purchased for ₹ 6,00,000 on the same day. Prepare machinery account for 2015-16 and 2016-17, assuming that the accounting books are closed on 31st March every year. Depreciation is to be charged at 10% p.a. on written down value. (6)

Q24. (1) What is suspense account? (2)

(2) Rectify the following errors by opening a Suspense account:

(a) The sales returns book has been cast ₹ 2,000 short.

(b) Goods worth ₹ 2,500 returned by Rajesh have not been recorded anywhere.

(c) Goods purchased worth ₹ 1,500 have been posted to the debit of the supplier, Gupta & Co.

(d) Machinery purchased from Gulzar & Co. worth ` 11,000 has been entered in Purchases day Book.

(e) Cash received from Akshat ` 3,500 have not been posted in his account. (6)

Q25. (a) What is the main difference between promissory note and bill of exchange? (2)

(b) On 1st January, 2017 Joginder sold goods to Sheetal valuing ` 8,000. On 4th January, 2017 Joginder received from Sheetal ` 3,000 and drew a bill of exchange 2 months after date for the balance. On the same date Joginder endorsed the accepted bill to Shyama in full settlement of a debt of ` 5,100. On the due date the bill was dishonoured and Sheetal having become insolvent met 60% of his acceptance. Give the journal entries in the books of Joginder and Sheetal. (6)

Q26.(a) What is the difference between Single Entry System and Double Entry System? (4)

(b) TK Traders maintain his books of Accounts on Single entry system. His books provide the following information.

Particulars	April 1, 2017(`)	March 31, 2018(`)
Furniture	3,400	3,400
stock	2,800	3,800
Debtors	2,100	3,400
cash	150	200
Creditors	1,750	1,900
Bill Receivables	nil	300
Loan Given	nil	500
Investments	nil	1,000

His drawings were ` 500. Prepare the Statement showing profit for the year. (4)

Q27. (a) What do you mean by 'grouping' and 'marshalling' in Balance Sheet? (2)

(b) From the following Trial Balance prepare Trading A/c, Profit & Loss A/c and Balance Sheet as on 31st Dec. 2017

Name of the Account	`	`
Opening stock	22,000	-

Purchases and sales	20,500	26,400
Debtors and Creditors	2,400	6,200
Plant and Machinery	14,000	-
Bank Overdraft	-	3,000
B/R, B/P	2,000	8,000
Capital	-	43,600
Wages	9,000	-
Returns	400	500
Buildings	15,000	-
Carriage	150	-
Discount	400	-
Manufacturing Expenses	800	-
Office expenses	200	-
Salaries	700	-
Repairs	50	-
Bad Debts	100	-
	87,700	87,700

Additional information:

(a) Closing stock on 31st Dec. 2017 was valued at ` 6,500.

(b) Allow interest on capital at 6% p.a.

(c) Further bad debts amounted to ` 500 .Provide 5% for doubtful debts.

(d) Charge depreciation on machinery at 8% p.a.

(e) Outstanding wages ` 600.

(15)

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