

## XI ACCOUNTS Examination – 2020-21

MM : 70

Time : 2:00 Hr

### Part - A

- Q1.** Name two examples of Current Assets. (1)
- Q2.** What is meant by Credit Transaction? (1)
- Q3.** What are the main classes of Liabilities? (1)
- Q4.** Indicate how Accounting Equation is affected if cash is received against services rendered? (1)
- Q5.** When is Capital Account debited? (1)
- Q6.** Ram started a business on 1-4-27 with a capital of ₹ 2,00,000 and a loan of ₹ 75,000 from the bank. During 2027 he had introduced additional capital of ₹ 60,000 and had withdrawn ₹ 36,000 for personal use. On 31<sup>st</sup> March, 2028 his asset were ₹ 3,80,000. Find out his Capital as on 31-3-2028 and Profit made or loss incurred during the year 2028. (2)
- Q7.** What is a Trial Balance. What is the main Objective of preparing a Trial Balance? (2)
- Q8.** During the financial year 2020-21, SAI had cash sales of ₹ 90,000 and credit sale of ₹ 60,000. His expenses for the Year were ₹ 70,000 out of which ₹ 30,000 is still to be paid. Find out SAI's Income for 2020-21 by Cash Basis. (2)
- Q9.** Give two examples of One-sides Error. (2)
- Q10.** Give any two points of distinction between Reserve and Provision. Also give two examples of Provisions. (3)
- Q11.** What is meant by Accrual Basis of Accounting? Give two advantages of Accrual Basis of Accounting. (3)
- Q12.** Explain any three terms: 1) Capital; 2) Receipt; 3) Stock; 4) Profit; 5) Trade Receivables. (3)
- Q13.** Rectify the following errors by means of Journal entries: (6)
- A Cheque of ₹ 5,000 received from Rytham was dishonoured and was debited to Discount Account.
  - Purchase of ₹ 540 from Tithi was written in sales book, but was correctly posted to correct side of Tithi A/c.
  - Salary paid to Mrs. Payal ₹ 1,000 was debited to her personal account as ₹ 900.
  - Furniture costing ₹ 500, purchased from Preet, was wrongly entered in Purchase book as ₹ 450.
  - Depreciation provided on machinery ₹ 3,000 was posted to Machinery A/c as ₹ 300.
  - Bills Receivable from X for ₹ 300 posted to the credit of Bills Payable A/c and credited to X's A/c
- Q14.** Mr. Gopal started business for buying and selling of readymade garments with ₹ 8,00,000 as an initial investment. Out of this he paid ₹ 4,00,000 for the purchase of garments and ₹ 50,000 for furniture and ₹ 50,000 for computers and the remaining amount was deposited into the bank. He sold some of the ladies and kids garments for ₹ 3,00,000 for cash and some garments for ₹ 1,50,000 on credit to Mr. Rajesh. Subsequently, he bought men's garments of ₹ 2,00,000 from Mr. Satish. In the first week of the next month, a fire broke out in his office and stock of garments worth ₹ 1,00,000 was destroyed. Later on, some garments which cost ₹ 1,20,000 were sold for ₹ 1,30,000. Expenses paid during the same period were ₹ 15,000. Mr. Gopal withdrew ₹ 20,000 from business for his domestic use. From the above, answer the following :-
- What is the amount of capital with which Mr. Gopal started the business?
  - What fixed assets did he buy?
  - Who is the creditor and state the amount payable to him?
  - Who is the debtor and what is the amount receivable from him?
  - What is the amount of drawings of Mr. Gopal?
  - What is the value of the goods purchased?
  - What is the total amount of expenses? (9)
- Q15.** Prepare the Accounting Equation on the basis of the following transactions of Sai Ltd with Balance Sheet.
- SAI Started business with Cash ₹ 75,000; Goods ₹ 30,000; Machinery ₹ 50,000 and Furniture ₹ 25,000
  - 1/3<sup>rd</sup> of the above Goods were sold at a profit of 10% on cost and 1/2 of the payment is received in cash.
  - Goods sold to Tithi for ₹ 5,000 and received a Bills Receivable for the same amount for three months.

4. Received ₹ 5,000 from Tithi against Bills Receivable on its maturity.
5. Paid rent to two months in advance @ ₹ 1,200 per month.
6. Sold goods on credit (a) to Rakshit for ₹ 3,000 (Cost ₹ 2,300) and  
(b) to Komal ma'am for ₹ 4,000 (Cost ₹ 3,000)
7. Take a loan of ₹ 5,000 from Mukesh sir.
8. Received ₹ 3,800 from Komal in full settlement and from Rakshit ₹ 1,000 on account.
9. Paid salaries amounting to ₹ 500 but salaries of ₹ 300 remained outstanding.
10. Charge depreciation on furniture and machinery to ₹ 500 and ₹ 600 respectively. (11+2=13)

**Part - B**

- Q16.** Net Profit of a firm Before charging Manager's Commission is ₹ 21,000. If a manager is entitled to 5% commission After charging such commission, Calculate the commission payable to the manager. (1)
- Q17.** What is meant by 'Single Entry System'? How can closing capital be ascertained from incomplete records? (2)
- Q18.** Identify the type of expenditure. (2)
- a) Legal expenses incurred to defend a suit for breach of contract to supply goods.
  - b) Heavy expenditure incurred on advertising a new product.
- Q19.** Find Gross Profit, if Gross Profit on Sale 20%. Opening stock ₹ 1,00,000, Freight ₹ 3,600, Purchase ₹ 2,80,000, Wages ₹ 2,000, Closing Stock ₹ 80,000, Carriage ₹ 1,000. (2)
- Q20.** The capital of Mr. Mukesh Sir on 1<sup>st</sup> April 2022 was ₹ 50,000 and 31<sup>st</sup> March 2023 was ₹ 48,000. He has informed you that he withdrew from the business ₹ 800 p.m. for his Private use. He paid ₹ 2,000 for his Income tax and the instalment of the loan of his personal house at the rate of ₹ 1,500 p.m. from the business. He had also sold his shares of X Ltd. costing ₹ 10,000 at a profit of 20% and Invested half of this amount in the business. Prepare a Statement of Profit or Loss of the business on Single Entry System. (3)
- Q21.** Following Trial Balance as on 31<sup>st</sup> March, 2021 extracted from the books of Mr. Mukesh Naagar:

Particulars	(₹)	Particulars	(₹)
Capital A/c	12,00,000	Drawings A/c	2,10,000
Stock	4,50,000	Plant & Machinery	2,40,000
Furniture	15,000	Purchases	29,50,000
Sales	43,50,000	Insurances	15,000
Purchases Return	40,000	Returns inwards	70,000
Rent	50,000	Trade Expenses	20,000
Salaries	2,40,000	Wages	4,00,000
Bad Debts	10,000	6% Investments	5,00,000
Sundry Debtors	4,00,000	Sundry Creditors	1,90,000
Bills Payable	8,000	Cash	1,22,000
Advertisement Expenses	60,000	Miscellaneous Income	12,000
Patents	48,000		

**Adjustments:**

1. Cost of Closing Stock ₹ 7,50,000. However, its market value was ₹ 7,10,000.
2. Prepaid Insurance ₹ 2,000. Outstanding Wages ₹ 30,000. Salary ₹ 20,000.
3. Additional Bad Debts ₹ 50,000. Reserve for Bad Debts at 5% and Reserve for Discount on Debtors at 2%.
4. Investments were made on 1<sup>st</sup> July, 2020 and no Interest has been received so far.
5. Depreciation is to be provided at 20% on Furniture and 10% on Plant and Machinery.
6. Goods costing ₹ 25,000 were taken by the Proprietor for his Personal use but entry was not passed in the books of A/c.
7. Manager is entitled to a Commission of 5% on Net Profit after charging his Commission.
8. A Fire occurred in the godown and stock of the value of ₹ 10,000 was destroyed. It was insured and the Insurance company admitted 50% Claim.

Prepare Trading A/c and Profit & Loss A/c and Balance Sheet for the year ended 31<sup>st</sup> March, 2021. (10)

*All the Best* 12<sup>th</sup>