

## Half Yearly Examination 2016-2017

Std. : XI  
Subject : ACCOUNTS

Full Marks : 80  
Time : 3 Hrs.+15min.

### Part A (Answer all the question briefly)

[10x2=10]

- QI
- Define trial balance ? Why is it prepared.
  - State four causes of difference in the cash book and pass book balances.
  - Distinguish between the straight line method and written down value method of providing depreciation.
  - What are outstanding expenses ? What is its adjusting entry.
  - What is the purpose of preparing a provision for the doubtful debts account.
  - What are transfer entries.
  - Pass the journal entry for the following :—
    - Distributed free samples worth Rs. 1000.
    - Goods lost by fire worth Rs. 5000, Insurance claim received by cheque for Rs. 3000.
  - Distinguish between trade discount and cash discount.
  - What are the objective of accounting.
  - Explain tangible assets and intangible assets with examples.

### Part B (Any five) [12x5=60]

QII From the following balances and information prepare trading and profit & loss Account for the year ended 31-3-2011 and make a balance sheet as at that date :—

Debit	Amount	Credit	Amount
Opening stock	45000	Capital A/c	90000
Plant & Machinery	85000	Sundry Creditors	40000
Fixtures & fittings	7500	Discount received	3500
freehold premises	75000	Bank overdraft	20000
Purchases	150000	Provision for bad debts	3000
Salaries	14000	Purchases return	1500
Sundry debtors	55000	Sales	337070
Manufacturing Expenses	15000		
manufacturing wages	30000		
carriage inward	2000		

carriage outward	2100
factory expenses	10000
Bad debts	750
insurance	1500
Interest & bank charges	625
Discount allowed	750
Cash at bank	695
Cash in hand	150
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**495070**

The following adjustments are required.

1. Closing stock as on 31-3-2011. was 60000/-
2. Depreciate plant & machinery @ 5% fixtures and fittings @ 10%.
3. Outstanding interest on overdraft Rs. 1000.
4. The provision for bad debts is to be maintained at 5% on the Sundry debtors.
5. Manager will get a commission of 10%. on net profit after charging such commission.
6. Goods worth 2000/- were taken by the proprietor for personal use.

**QIII** A company has imported a machine on 1st July 2009 for Rs. 160,000, paid customs duty and freight Rs. 80000 and incurred erection charges Rs. 60000. Another local machine costing Rs. 100000 was purchased on 1st January 2010. On 1st July 2011 a portion of the imported machine (valued 1/3rd) got out of order and was sold for Rs. 34800. Another machine was purchased to replace the same for Rs. 50000 on the same date. Depreciation is to be calculated at 20% p.a. by the fixed instalment method. Show the machine account for 2009, 2010 & 2011 assuming books are closed on 31-12 every year.

**QIV** Compile a triple column cash book.

2012

- Feb 1 Cash in hand Rs. 7500, cash at bank Rs. 8000.
- Feb 3 Discounted a bill receivable for Rs. 6000 at 2% through bank.
- Feb 5 Settled Mohan's account by issuing a cheque of 3900 in full settlement of Rs. 4000.
- Feb 8 Goods sold to pawan for Rs. 6000. He paid the amount in cash immediately after deducting 2½ discount.
- Feb 15 Cash sales to date Rs. 50000 of which Rs. 40000 banked.
- Feb 20 Received two cheques from Kalpana each of Rs. 10000.
- Feb 22 First cheque of Rs. 10000 endorsed to Sumita in full settlement of Rs. 10200; second cheque is sent to bank for collection.
- Feb 24 Bank informed that the cheque sent for collection was dishonoured and bank debited our account with Rs. 20 for bank charges.
- Feb 25 Cash sales worth Rs. 60000 less trade discount 15% and cash discount 5%.

- Feb 28      Effected a cash purchase of Rs. 4000 by a bearer cheque.
- Feb 29      Deposited into bank Rs. 5000.
- Feb 29      Withdraw from bank for office use Rs. 2000.

**QV** A book keeper prepared a Trial Balance on 31-3-2013 which showed a difference of Rs. 3715. The difference was placed to the debit of a suspense A/c. The undermentioned errors were subsequently discovered.

1. Rs. 710 the total of sales return book has been posted to the credit of the purchases return account.
2. A B/R for Rs. 500 received from Gopal was passed through bills payable book. However, the personal A/c was correctly credited.
3. An item of Rs. 626 written off as a bad debt from Chanderkant has not been debited to Bad debts A/c.
4. Goods sold to X and Y for Rs. 1600 and Rs. 1200 respectively, but were recorded in the sales book as to X Rs. 1200 and Y as Rs. 1600.
5. Goods of Rs. 850 were returned to Bhardwaj it was recorded in purchase book as Rs. 580.
6. An amount of Rs. 675 for a credit sale to Govind, although correctly entered in the sales book has been wrongly posted as Rs. 756.
7. A sum of Rs. 375 owed by Ravi has been included in the list of Sundry creditors.
8. An amount of Rs. 750 spent on the repairs of an old machinery has been debited to general expenses A/c.

Pass journal entries to rectify the errors and prepare a suspense Account.

**QVI** From the following list of balances extracted from the books of R. Dravid, prepare a Trial Balance as at 31.3.2015

	Rs.	Rs.		
Purchases	18,20,000	Debtors		360000
Stock 1-4-2014	350000	Sundry creditors		120000
Sales	40,00,000	Bad debts		10000
Sundry Expenses	15000	Investments @ 10%		200000
Lease hold prenaises	18,00,000	Interest on investments		20000
Return inwards	25000	Long term borrowings		600000
Furniture pictures	2,90,000	Loan from bank		800000
Equipment	8,00,000	Interest on loan		65000
Repairs	5000	Petty cash		400
Depreciation	80000	Balance at bank		34600
Drawings	60000	Capital		875000

Adjustments :—

1. Credit purchases and credit sales not recorded Rs. 5000 each.
2. Proprietor has withdrawn goods worth 2000/- for personal use.
3. Further bad debts Rs. 5000.
4. Received a cheque of 20000 from a debtor in full settlement of his account of Rs. 22000.
5. Rent payable Rs. 2000.
6. Goods amounting Rs. 2000 were returned by a customer.

**QVII** The bank statement of lizard Ltd. for the period ended 31-8-2015 showed an overdrawn balance of Rs. 4792 which did not agree with the co's cash book the following discrepancies came to light...

1. Two credit transfers amounting to Rs. 1490 and Rs. 5260 had been posted to the bank statement on 19th August from sources unknown to the company, Which belong to another customer of the bank.
2. A deposit Rs. 2906 had been sent to the bank on 28th August, but not credited by the bank until 1st September 2015.
3. An annual subscription to a trade association amounting Rs. 270 had been paid by the bank, not entered in the cash book.
4. The bank had credited the company's a/c with Rs. 6790 being the proceeds of a foreign bill, not recorded in the cash book.
5. A debit of Rs. 260 appeared on the bank statement for an unpaid customers signature required. The cheque signed by the customer on 3rd September.
6. Cheque issued amounting to Rs. 4972 had not been presented to the bank for payment until after 31-8-2015.
7. Bank charges amounting to Rs. 16 had not been entered in the cash book.
8. Dividends amounting to Rs. 326 had been credited by the bank but not entered in the cash book.
9. A cheque issued to a supplied for Rs. 1670 had been entered twice in the cash book. You are required to adjust the cash book and prepare a bank reconciliations statement as on that date.

**QVIII** B. Biswal has the following transactions with P. Perhar.

- Jan. 2016
1. Balance due from P. Perhar Rs. 2280.
  3. credit given for goods returned Rs. 360. Cheque received on settlement of account less 2½% cash discount.
  7. Sold goods for Rs. 7840.
  9. Cheque received in settlement of account, less 2½% cash discount.
  14. Sold goods for Rs. 8000.
  15. P. perhar accepted a bill for 3 months drawn on him per Rs. 8000.

21. Sold goods for Rs. 580.
24. Received cheque for Rs. 560 and allowed cash discount Rs. 20
27. P. Perhar's cheque for Rs. 560 returned by bank marked refer to drawer.
31. Attended meeting of creditors of P. Perhar, where it was estimated that only 40 paise in the rupee would be paid to the creditors. Show the account of perhar as it would appear in the ledger of B. Biswal.

**QIX** Pass journal entries to record the following transactions :—

1. Sold goods to K for Rs. 8000 less 5% trade discount.
2. Paid 'B' Rs. 460 in full settlement of the account of Rs. 500.
3. Rs. 700 paid towards freight on purchase of machinery.
4. Life insurance premium paid by bank Rs. 290.
5. Withdrawn from bank for household expenses Rs. 500.
6. Sold goods to D to the value of Rs. 6000, less 33 $\frac{1}{3}$ % trade discount, half the money received immediately.
7. Goods returned to customer worth Rs. 1000.
8. Cash sales paid into bank Rs. 8000.
9. Purchased machinery on credit for Rs. 8000 from Ltd.. paid freight Rs. 1000 and installation Rs. 1000 in cash.
10. Goods distributed as free samples Rs. 700.
11. Proprietor has withdrawn goods worth Rs. 750 and cash 250/- for personal purpose.
12. Motor Vehicle for Rs. 75000 bought for business purpose.