

GULF SAHODAYA (SAUDI CHAPTER) EXAMINATION -FEBRUARY 2014

SET-C

Subject: Accountancy

M.Marks: 90

Class : XI

TIME: 3Hrs.

General Instructions:

All questions are compulsory.

Draw proper format wherever required.

Marks are indicated against each question.

Use of calculator is not allowed.

PART-A (FINANCIAL ACCOUNTING)

1. State any two limitations of Accounting ? (1)
2. What are Accounting Standards ? (1)
3. Explain the following Accounting Terms : (Any three) (3)
 - (a) Capital
 - (b) Intangible assets
 - (c) Trade Receivables
 - (d) Profit
4. Prepare Accounting Equation for the following details : (3)
 - (i) Commenced business with cash Rs. 5,00,000 and Machinery Rs.1,50,000.
 - (ii) Bought goods for cash Rs. 35,000 and on credit Rs. 25,000.
 - (iii) Paid salary Rs.5,000 and outstanding Rs.3,000.
5. Record the following transactions in the Purchase Book of Excel Furnitures. 2013
Dec 3 Purchased from Anmol Furnitures (Invoice no. 1025)
 - 10 Chairs @ Rs. 300 each.
 - 4 Tables @ Rs. 800 each.
 - Less Trade Discount @ 10 %.
Dec 7 Purchased 3 Typewriters from M/s. Suhail Office Systems (Invoice no. 5001)
On credit for Rs. 3,000 each.
Dec 23 Purchased from Boman Furnitures (Invoice no. 3276)
 - 20 Chairs @ Rs.275 each.
 - 10 Wooden cabinets @ Rs. 150 each.
 - Delivery charges Rs. 100 (3)

6. Journalise the following transactions: (3)
- Goods worth Rs. 500 given as Charity.
 - Rent outstanding Rs. 5,000.
 - Paid salary to Sanjay Rs.4,000.
7. Write any four differences between Cash basis and Accrual basis of Accounting. (4)
8. Rectify the following errors: (4)
- Goods worth Rs. 3,400 returned to a Supplier but no entry was made in the books.
 - Total of Sales return book was overcast by Rs. 1,200.
 - Rs.2,000 recovered from Sujit previously written off as bad debts has been posted to his personal account.
 - Sale of goods to Kamal for Rs. 12,500 was wrongly passed through Purchase Book as Rs. 15,200.
9. Prepare Bank Reconciliation Statement as on 30th June , 2012 from the following : (4).
- Debit balance as per Pass Book Rs. 18,500.
 - A cheque of Rs. 500 entered in cash book but sent to bank in the month of July.
 - Out of Rs. 5,000 cheques deposited, Rs. 1,000 cheques were collected in July.
 - On our instructions banker paid electricity bill of Rs. 450, but no entry was made in cash book.
10. Enter the following transactions in Triple column Cash Book. (4)
- 2012
- | | |
|---------|--|
| April 1 | Cash Balance Rs. 15,000 ; Overdraft Rs. 3,600. |
| 2 | Drew from Bank Rs. 1,500 for business purpose. |
| 5 | Paid Salaries Rs. 3,000. |
| 14 | Cheque of Rs. 4,600 received from Manohar and discount allowed Rs.150. |
| 25 | Cheque issued to Nutan Rs. 3,000 and discount received Rs. 250. |
| 27 | Manohar's cheque got dishonoured. |
11. Explain the following Accounting Principles with suitable examples. (6)
- Money measurement
 - Materiality
 - Cost concept
12. On 1st July, 2012, A lent to B Rs.2,500 during a short-term financial crisis. In return, B agrees to accept two bills, one for Rs.1,500 for three months and another for Rs.1,000 for two months. On 3rd July, 2012 , A endorses the first bill to his creditor C in full settlement of his account of Rs.1,550 and discounts the second bill on 4th July with his banker @ 12%. The first bill is duly paid at maturity. But the second bill was dishonoured on due date and the noting charges of

Rs.15 was paid by the bank. On 5th September, A draws on B another bill for three months for Rs.1,054 in lieu of the dishonoured bill. B accepts the third bill. This bill is duly paid at maturity. Give the necessary journal entries in the books of A. State any two values observed in the above situation. (4+2=6)

13. A company purchased machinery on 1st May, 1991 for Rs. 90,000. On 1st July, 1992 it purchased another machine for Rs. 40,000. On 31st March, 1993 it sold the first machine purchased in 1991 for Rs. 58,000 and on the same date purchased a new machinery for Rs. 1,00,000. Depreciation is provided @ 20 % p.a. on Fixed installment basis. Accounts are closed each year on 31st December. Show Machinery Account for three years. Also, list any two values from the above case.

OR

On 1st October, 1991 a transport company purchased a Mini-bus for Rs. 4,00,000. On 1st April, 1993 this bus was involved in an accident and was completely destroyed and Rs. 3,00,000 were received from the Insurance company in full settlement. On the same date another minibus was purchased by the company for Rs. 5,00,000. The company writes off depreciation @ 20 % p.a. on written down value method. Prepare the Minibus account from 1991 to 1993. Also, list any two values from the above case. (6+2=8)

PART-B (FINANCIAL ACCOUNTING-II)

14. What are the end products of Financial Accounting ? (1)
15. Which accounting information reveals Surplus or deficit in case of Non-for-Profit Organisation? (1)
16. List any two main sources of income of Not-for-Profit organization. (1)
17. State the main categories of data models ? (1)
18. On the basis of the following information, calculate the amount that will appear against the item 'Stationery used' in the Income and Expenditure Account for the year ended 31st December, 2013. (3)

	1 st January, 2013 (Rs.)	31 st December, 2013 (Rs.)
Stock of Stationery	600	100
Creditors for Stationery	400	260
Advance for Stationery	40	60

Amount paid for stationery during 2013 was Rs.2,160.

19. Explain briefly the three steps involved in the process of creating Accounting Reports (3)

20. From the following information, calculate the amount of Subscription outstanding for the year 2011-12. (4)

A club has 200 members each paying an annual subscription of Rs. 1,000. The Receipts and Payments Account for the year showed a sum of Rs. 2,05,000 received as subscription. The following additional information is provided : (Rs.)

Subscriptions outstanding on 31 st March, 2011	30,000
Subscriptions received in advance on 31 st March, 2012	40,000
Subscriptions received in advance on 31 st March, 2011	14,000

21. A retail trader does not keep proper books of account. From the following information given by him, ascertain his profit or loss for the year ended 31st March, 2012. (6)

On 31st March, 2011 his position was as follows : Plant & Machinery Rs. 30,000; Stock Rs.5,000; Cash in hand Rs. 100; Debtors Rs. 17,000; Loan from Mr. Arun Rs.1,000 @ 4% interest; Bank Overdraft Rs. 1,100 and Creditors Rs. 12,120. *

On 31st March, 2012 he owed to his creditors Rs. 9,170 and had paid to Mr. Arun Rs. 500 in lieu of his loan on 1st October, 2011 but had not paid the interest. He had bought additional Plant and Machinery which costed Rs. 13,000. Debtors were Rs. 23,000 out of which Rs. 900 he would not be able to collect. The cash and Bank Balance was Rs. 4,100. Stock at the end was valued at Rs. 4,500.

The trader withdrew Rs. 8,300 for domestic purpose. He introduced a further capital of Rs. 10,000 during the year.

22. From the following Receipts and Payments account of Winners Club and from the information supplied, prepare an Income and Expenditure account for the year ended 31st December, 2011.

(6)

Receipts	Amount (Rs.)	Payments	Amount (Rs.)
To Balance b/d	250	By Salaries	1,200
To Subscription:		By General expenses	300
2010	250	By Electric charges	200
2011	1,000	By Books	100
2012	200	By Newspapers	400
To sale of old furniture (Costing Rs. 100)	60	By Postage	50
To rent received from use of hall	740	By Furniture	250
To Profit from entertainment	400	By Balance c/d	500
To sale of newspapers	100		
	<u>3,000</u>		<u>3,000</u>

Additional information:

- (i) The club has 50 members, each paying annual subscription of Rs. 25. Subscriptions outstanding on 31st December, 2010 were Rs. 300.
- (ii) On 31st December, 2011 salaries outstanding amounted to Rs. 100, salaries paid included Rs. 100 for the year 2010.
- (iii) On 1-1-2011, the club owned Land and Building valued at Rs. 10,000, furniture Rs. 600 and Books Rs. 500.

23. (a) Discuss the various advantages of computerized accounting system.

- (b) Differentiate between a 'ready-to-use' and 'tailored' accounting software.

(3+3=6)

24. Following is the Trial Balance of Mahendra Entreprises Ltd. as on 31st March, 2013 .You have to prepare the Financial Statements for the year ending 31st March, 2013. (8)

Name of the account	Dr. (Rs.)	Cr.(Rs.)
Capital		25,000
Building	30,000	
Furniture	2,640	
Motor car	4,000	
Return inward and outward	2,300	1,600
Stock on 1 st April, 2012	8,000	
Purchases and Sales	33,800	56,040
Bad debts	300	
Carriage	700	
General Expenses	1,200	
Bad debts Provision		700
Bank Loan		5,000
Interest on Bank Loan	300	
Commission		900
Insurance and Taxes	2,000	
Motor car Expenses	2,600	
Salaries	4,400	
Cash in hand	2,000	
Debtors and Creditors	3,000	8,000
	97,240	97,240

Additional information:

- (1) Closing stock on 31st March, 2013 was valued at Rs. 4,340.
- (2) Commission includes an amount of Rs. 300 as received in advance.
- (3) Salaries have been paid for 11 months.
- (4) Bank Loan has been taken at 10 % p.a. interest.
- (5) Depreciate building by 5% and Motor car by 15%.
- (6) Write off Rs.200 as further Bad debts and maintain bad debts Provision at 5 % on debtors.
- (7) Motor car is used for business as well as for household purpose equally.
