

GULF SAHODAYA (SAUDI CHAPTER) EXAMINATION – 2015

Grade : XI

Max. Marks : 90

Subject : Accountancy

Time : 3 Hrs.

SET – A

INSTRUCTIONS :

- i) All questions are compulsory.
- ii) Marks for each question are indicated against it.
- iii) At places, alternate questions are provided.
- iv) Use / draw proper columns wherever required .
- v) Avoid overwriting/cutting.
- vi) Use of calculator is not allowed.

PART – A

FINANCIAL ACCOUNTING – I

- Q.1 Explain the term Obsolescence. 1
- Q.2 “Closing stock is valued at cost or market price whichever is lower”. Which concept of accounting is applied here? 1
- Q.3 Purchase of furniture for office has been debited to purchase account. It is an error of :
a) Commission b) Omission c) Principle d) None of the above 1
- Q.4 State the methods of preparing trial balance . 1
- Q.5 State the three parties involved in a bill of exchange. 1
- Q.6 Give one point of difference between cash discount and trade discount. 1
- Q.7 Explain the following terms : 3
a) Drawings b) goodwill c) Capital
- Q.8 Throw light on the significance of IFRS in today’s globalised business world. 3
- Q.9 Pass Journal entries for the following : 3
a) Interest paid on Bank loan Rs. 525
b) Interest on drawings Rs. 235
c) Interest accrued on investment Rs.163

- Q.10 Prepare double Three Cash Book from the following transactions : 3
2008 Jan.1 Commenced business with cash Rs.50,000
Jan.2 Deposited into bank Rs. 40,000
Jan.3 Bought goods by cheque Rs 25,000
Jan.5 Sold goods for cheque Rs.20,000 and deposited into bank the same day.
Jan.5 Paid to Arjun by cheque Rs.1,900 in full settlement of his account Rs. 2,000.
Jan.6 Drew from bank for office use Rs. 1,000.
- Q.11 Define Accounting. Explain any three advantages of Accounting. 4
- Q.12 Explain the following with examples: 4
- Business entity concept
 - Principle of Prudence
- Q. 13 Prepare Bank Reconciliation Statement of Sohan on 30th June, 2008 with the following particulars: 6
- Pass book showed an overdraft of Rs. 15,000 on 30th June,2008.
 - A cheque of Rs. 200 was deposited in bank but not recorded in cash book
 - Cheques of Rs.17,000 were issued but cheques worth Rs. 10,000 only were presented for payment upto 30th June.
 - Cheques of Rs. 2,000 were received, recorded in cash book but not sent to bank.
 - Cheques of Rs10,000 were sent to bank for collection.Out of these,cheques of Rs.2,000 and of Rs. 1,000 were credited respectively on 8th July and 10th July.
 - Rs.40 for bank charges were recorded two times in cash book.
- Q.14 Rectify the following errors : 6
- Supreeti was paid cash Rs.2,800 but Jyoti was debited by Rs. 2,000.
 - Tables and chairs purchased for Rs.5,000 debited to purchases account.
 - Machinery was written off by Rs. 1,000 has not been posted to depreciation a/c.
 - Wages amounting to Rs.7,000 for machinery erection was debited to purchases a/c.
 - Goods purchased for Rs. 1,000 for proprietors' use was debited to purchases a/c.
 - Goods purchased for Rs. 5,000 were posted as Rs. 500 to purchases account.
- Q.15 Mr. Mittal is an accountant in a company. He passed a dummy entry without transaction proof in order to match the trial balance of the company. He did not tell this to his boss. Which are the values missing in his behavior. Also explain what he should have done instead?

On Aug 01, 2012, Riya sold goods worth Rs 18,000 to Sohail. She drew upon him three bills of exchange of Rs 5,000 Rs 6,000 and Rs.7,000 payable after two, three and four months respectively. He accepted the bills and returned them to Riya. Riya discounts the first bill @ 6% p.a. with her banker. On 5th August, she endorsed the second bill to her creditor Mr. Rana in settlement of ` 6,200. On 25th November Riya sends the third bill to the banker for collection. On the due date the bank deposits the money in Riya's account after deducting charges of Rs.50.

Record necessary Journal entries in the books of Riya.

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OR

Mr. Satpal is an accountant in a company. He passed a dummy entry without transaction proof in order to match the trial balance of the company. He did not tell this to his boss. Which are the values missing in his behavior. Also explain what he should have done instead?

Karuna sold goods worth Rs.40,000 to Vandana on Jan.1, 2014. On the same date accepted a 3 months bill drawn by Karuna for the same amount. On Jan.4 Karuna discounted the bill with her bank @18% p.a. At the maturity, the bill was dishonored and the bank paid Rs.100 as noting charges. Vandana paid Rs.10,000 in cash and accepted a new bill for the balance at 3 months along with interest of Rs.250. Pass necessary journal entries in the books of Karuna.

- Q.16 A company whose accounting year is the calendar year, purchases on 1st April 2010 machinery costing Rs.3,00,000. It purchased further machinery on 1st Jan 2011 costing Rs.2,00,000. On 1st October 2012 one third of the machinery installed on 1st April 2010 became obsolete and was sold for Rs.30,000. On the same day it purchased another machinery for Rs.1,00,000. Show how **Machinery A/c and Provision for Depreciation A/c** would appear in the books of the company for the years 2010, 2011 and 2012. It being given that machinery was depreciated under **Fixed Installment Method @ 10% p.a.** Show your workings clearly.

OR

Raj and Company purchased a machinery costing Rs.2,00,000 on April 1, 2009. It further purchased machineries on 1st October 2009 for Rs.1,00,000 and on 1st July 2010 for Rs.50,000. On 1st April 2011 half of the machinery installed on 1st April 2009 became obsolete and was sold for Rs.30,000. Show Machinery A/c for 2009, 2010 & 2011 when the company closes its books of accounts on 31st December every year. Company follows **Written down Value method**, and depreciation is charged @ 10% p.a. Show your workings clearly.

Part – B

Financial Accounting – II

- Q.17 Write three Points of difference between Capital Expenditure & Revenue Expenditure. 3
- Q.18 Calculate stock of stationary consumed during 2010 – 11 from the extract of a Receipt and Payment Account for the year ended March 31,2011 : 3

Payments during the year : Rs.23,000

Additional Information :

Details	April 1,2010 (Rs.)	March 31, 2011 (Rs.)
Stock of stationary	4,000	3,000
Creditors for stationary	9,000	2,500

- Q.19 From the following details, Calculate the amount of subscription for the current year : 4
- | | 1.1.2014(Rs.) | 31.12.2014 (Rs.) |
|--|----------------|------------------|
| Outstanding Subscription | 9,500 | 10,000 |
| Subscription received in Advance | 6,200 | 8,700 |
| Subscription received during the year 2014 | Rs. 2,50,000 | |
- Q.20 Explain any 3 factors to be considered before sourcing an accounting software. 4
- Q.21 Damini commenced business on Jan.1, 2008 with a capital of Rs. 12,000. She Immediately bought furniture and fixture for Rs.2,000. On 30th June, 2008 she Borrowed Rs.5,000 from her husband @ 9% p.a.(interest not yet paid)and introduced a further capital of her own amounting to Rs.3,000. She withdrew Rs.500 in the end of every month for household expenses. On Dec.31,2008 her position was as follows: Cash Rs.3,800 , Debtors Rs.7,300 ,stock Rs.6,800 , B/R Rs. 1,600 , creditors Rs. 500, Owing for rent Rs.150, furniture & fixture to be depreciated by 10% . 4
- Ascertain the Profit or Loss made by Damini during 2008.

Q.22 a) Discuss any three limitations of computerized accounting system. (3+3)=6

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

Q.23 The following information has been extracted from the Trial Balance of M/S Ranjit and company .

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Debit balances	Amount(Rs.)	Credit balances(Rs.)	Amount(Rs.)
Opening stock	1,600	Capital	20,000
Rent	450	Creditors	2,600
Plant & Machinery	12,000	Bills Payable	2,350
Horse & Carts	2,600	Sales	4,200
Power	150		
Purchases	2,000		
Wages	800		
Salary	800		
Repairs	190		
Trade Expenses	160		
Debtors	3,600		
Bad Debts	500		
Drawings	1,700		
Cash	2,600		
	29,150		29,150

Adjustments :

1. Closing stock for the year was Rs.1,600
2. Depreciation charged on plant & machinery @ 10%.
3. Rs.150 is due for wages.
4. Paid rent Rs.50 in advance.

You are required to prepare Trading and Profit and loss account and a balance sheet on March 31, 2014.

Q.24 The following is a summary of the cash transactions of a club for the year ended 30th June, 2014.

Receipts and Payment Account for the Year ended June30,2014

Receipts	Amount (Rs.)	Payments	Amount (Rs.)
Balance b/d	320	Rent & Rates	170
Subscriptions and Entrance fee	4,860	Wages	240
Donations	120	Light, Repairs etc.	86
Life membership	250	Lecture fee	835
Interest on Investment	100	Table	40
Profit from Entertainment	40	Office Expenses	125
		Sundry Expenses	325
		National Certificates	475
		Balance c/d	3,394
	5,690		5,690

Additional Information :

At the beginning of the year , the club had investments worth Rs.3,251 and Musical Instruments worth Rs.870. There were 32 life members on that that, each of whom had paid Rs.50 as subscriptions. Ordinary subscriptions in arrears at the beginning of the year amounted to Rs.35 and at the end of the year Rs.45 and six months rent Rs.60 was due both at the beginning and at the end of the year. Capital Fund in the beginning of the year was Rs.2,816.

Prepare Income and Expenditure A/C of the Club for the year ended 30th June 2014 and Balance Sheet as on that date.