

INTERNATIONAL INDIAN SCHOOL RIYADH

ACCOUNTANCY WORK SHEET 6 – CLASS 11

CHAPTER: DEPRECIATION

- Q.1 Define Secret Reserve. Give two Examples. **(March 2011. Marks 1)**
- Q.2 Give two examples each of 'Revenue Reserve' and 'Capital Reserve'.
(March 2007. Marks 2)
- Q.3 Explain Specific reserve and give two examples. **(March 2011. Marks 2)**
- Q.4 Give four examples of Reserves. **(March 2008. Marks 3)**
- Q.5 Explain the meaning of the following.
- (a) Provision Revenue Reserve
 - (b) Capital Reserve
 - (c) Provision for Discount on Debtors. **(March 2005. Marks 4)**
- Q.6 On January 1st 2001 Jain & Sons purchased a second hand Machinery costing Rs. 210,000 and spent Rs. 5,000 on its transportation and installation. It was decided to provide for depreciation at 20% on written down value. On 1st July 2003 the machinery was sold for Rs. 50,000. Prepare machinery Account for the year 2001 to 2003. Account closes on 31st December every year.
(March 2007. Marks 4)
- Q.7 Distinguish between 'Provision and Reserve'. **(March 2010. Marks 4)**
- Q.8 Zircon Ltd. Purchased machinery on 01.01.1995 for Rs. 40,000 it purchased additional machinery on 01.07.1995 for Rs. 20,000 and another Machine worth Rs. 10,000 on 1st October, 1996. On 01.07.1996 the Machinery purchased on 1st July, 1995 was sold for Rs. 10,000 and on 1st October, 1997, it sold the first machinery purchased on 1.01.1995 for Rs, 25,000. On the same date it purchased new machinery worth Rs. 40,000. The company follows the diminishing balance method of depreciation @ 10% p.a. Show the machinery A/c from 1995 to 1997.
(March 2005. Marks 6)

Q.9 On April 1st, 2004 following balances appeared in the books of Messrs. Anil Traders.

Furniture A/c.....	Rs. 100,000
Provision for depreciation on Furniture	Rs. 44,000

On 1.4.2004, a part of furniture purchased for Rs. 40,000 on 1.4.2000 was sold for Rs. 10,000. On the same date, a new furniture costing Rs. 50,000 was purchased. The depreciation was provided @ 10% per annum on original cost of the asset.

Prepare Furniture Account & Provision for Depreciation on Furniture Account for the year ending 31st March 2005. **(March 2007. Marks 6)**

Q.10 A firm purchased 3 machines of Rs. 100,000 each on 01.01.2001. Depreciation is charged @ 10% p.a. of original cost and accumulated on depreciation provision account. On 01.01.2002 one machine was sold for Rs. 85,000 and a new one was purchased on 01.01.2002 for Rs. 200,000.

Show Machinery Account, Machinery Disposal Account and Provision of Depreciation Account.

(March 2006. Marks 7)