

GULF SAHODAYA (SAUDI CHAPTER) EXAMINATION – 2008
SET – A

GRADE : XI

MAXIMUM MARKS: 100

Subject: ACCOUNTANCY

TIME: 3 HOURS

INSTRUCTIONS:

- Marks are indicated against each question;
- At places, alternate questions are provided;
- Draw proper & neat format;
- Write the correct number of the question against each answer
- Use of calculator not allowed.

PART A : FINANCIAL ACCOUNTING – I

- Q1:** Define Trial Balance. [1]
- Q2:** Express the terms of fundamental accounting equation. [1]
- Q3:** Name any two errors that are not disclosed by trial balance. [1]
- Q4:** What is meant by retiring of a bill. [1]
- Q5:** Calculate the due date of the bill, if the bill is drawn on 14th March 2007 & payable after 3 months. [1]
- Q6:** Answer in one word:
(i) A person who owes money to the firm.
(ii) The amount payable by the entity to the outsiders.
(iii) Monetary benefit earned from incidental to business transactions [3]
- Q7:** On June 30th 2007 the Bank Statement of Mr. Brown showed a favourable balance of Rs 9,050. From the following prepare a Bank Reconciliation Statement :
(i) Certain cheques valued at Rs 4,500 issued before June 30, were not cleared.
(ii) A hire purchase payment of Rs 950 made by a standing order was not entered in the cash book.
(iii) Cheques for Rs 8,500 were deposited in June but cheques for Rs 6,000 only were cleared by the bankers in the month of June.
(iv) There was a wrong debit in the pass Book for Rs 3,000. [3]
- Q8:** Prepare Accounting Equation on the basis of the following:
(i) Started business with cash Rs 70,000, goods Rs 30,000 and furniture Rs 40,000.
(ii) Bought goods for Rs 18,000 on credit and Rs 16,000 for cash.
(iii) Paid rent Rs 2000 and outstanding Rs 1,600. [3]
- Q9:** Enter the following transactions in two columnar Cash Book with Cash & Bank Columns and balance it.
1/04/07 : Cash in hand Rs 1,000 and Bank Overdraft Rs 500.
5/04/07 : Received payment of loan Rs 1,500 and deposited out of it Rs 1,000 in the Bank.
12/04/07 : Withdrew from Bank for private expense Rs 200.
26/04/07 : Paid for office stationery by cheque Rs 500. [4]
- Q10:** (a) Give four examples of provisions.
- (b) The amount of Sundry Debtors in trial balance is Rs 90,000. You are required to write off Rs 5,000 as bad debts & make a provision for doubtful debts @ 10% on sundry debtors. Pass necessary journal entries. [2 + 2]

Q11: Explain the qualitative characteristics of Accounting Information.

Q12: (a) Explain cash basis & accrual basis of accounting.

(b) State the assumption / accounting principle in the following cases:

- (i) Companies must prepare financial statements at least yearly.
- (ii) The assets are recorded in the books at the cost incurred in acquisition of such assets.
- (iii) The business will not be liquidated in the near foreseeable future.
- (iv) The benefits to be derived from accounting information should not exceed its cost. [2 + 4]

Q13: (a) Pass journal entries for the following:

- (i) Opened a Bank Account with ICICI Rs 50,000.
- (ii) Purchased goods from Kumar for cash Rs 6,000.
- (iii) Received Rs 2,400 from Sahil which were written off as bad debts in the previous year.

(b) From the following transactions write up a Purchase Book of Verma Brothers, wholesale cloth dealers.

April 1, 2007	Bought from M/s Birla Mills on credit : 100 pieces long cloth @ Rs 80 per piece 50 pieces shirting @ Rs 100 per piece
April 8, 2007	Purchased for cash from M/s Ambika Mills : 50 pieces muslin @ Rs 200 per piece.
April 15, 2007	Purchased on credit from M/s Aravind Mills : 20 pieces coating @ Rs 1,000 per piece 10 pieces shirting @ Rs 100 per piece Trade Discount 10%
April 20, 2007	Purchased 5 typewriters on credit from M/s Bharat Type writers Ltd @ Rs 15,000 each.

[3 + 3]

Q14: How would you rectify the following errors:

- (i) Rs 5,000 spent on extension of building have been debited to building repairs account.
- (ii) A sale of furniture amounting to Rs 3,000 had been credited to Sales Account.
- (iii) Rs 5,00,000 paid for purchase of car for one of the partners had been charged to trade expenses account.
- (iv) The total of purchase book was cast short by Rs 2,500.
- (v) An amount of Rs 375 posted in Debit side of Commission Account instead of Rs 275.
- (vi) Own business material Rs 8,000 were used for construction of building no, adjustment was made in the books. [6]

Q15: On 1st July 2007 Rohan draws a bill on Mohan for Rs 10,000 payable three months due for goods sold, duly accepted by Mohan. Rohan gets the bill discounted with his Bank on 4th August at a discount of 12% per annum. On due date bank returned the bill dishonoured with noting charges of Rs 100. Mohan paid Rs 2,100 in cash and requested to draw another bill on him for the balance amount for 2 months with interest @ 12%p.a. which Rohan did. Before due date Mohan became insolvent & his estate paid 50% as first & final instalment. Give journal entries in the books of Rohan.

OR

On March 1st 2007, Ravi drew upon Navin a bill of exchange for Rs 25,000 payable after one month, which the latter accepted. On the due date, Navin dishonoured his acceptance. Pass necessary journal entries in the books of Ravi in the following cases:

- When the bill was retained by Ravi with him till maturity;
- When the bill was discounted by Ravi immediately with his banker @ 6% p.a.;
- When the bill was endorsed to his creditor Ganesh
- When the bill was sent to his bank for collection a few days before maturity. [8]

Q16: Shakthi Cements purchased on 1st January 2004 a machinery for Rs 80,000. On 1st April 2005 it purchased additional machinery costing Rs 48,000. On 1st October, 2006 the machinery purchased on 1st January 2004 was sold for Rs 42,000 and on the same date a fresh machinery was purchased for Rs 75,000.

Depreciation is provided at 10% p.a. on the diminishing balance method Accounts are closed on 31st December every year. Show the Machinery Account for three years.

OR

The following balances appear in the books of Crystal Ltd on January 1st 2007:

Machinery Account Rs 15,00,000

Provision for Depreciation Account Rs 5,50,000

On 1st April 2007, a machinery which was purchased on January 1st 2004 for Rs 2,00,000 was sold for Rs 75,000. A new machine was purchased on 1st July 2007 for Rs 6,00,000. Depreciation is provided on machinery at 20%p.a. on straight line method and books are closed on 31st December every year.

Prepare the Machinery Account, Machinery Disposal Account & Provision for Depreciation Account for the year ending 31st December 2007. [8]

PART B : FINANCIAL ACCOUNTING – II

Q17: What is meant by DBMS? [1]

Q18: Sales during the year is Rs 2,00,000. Gross Profit is 25% on cost. Find out gross profit. [1]

Q19: What is meant by accounts from Incomplete Records? [1]

Q20: Explain any three terms:

(i) Reports

(ii) Entity

(iii) Relation

(iv) Attribute [3]

Q21: Mr. Kuldip tells you that his capital on 31/12/07 is Rs 18,700 and his capital on 31/12/06 was Rs 19,200. He informs you that during the year he gave a loan of Rs 3,500 to his brother on private account and withdrew Rs 300 p.m. for personal use. He also used a flat for his personal purpose, the rent of which @Rs 100 p.m. and electricity charges at an average rate of Rs 10 p.m. were paid from the business account. During the year he had sold his 7% Government Bonds of Rs 2,000 at 2% premium and brought that money into the business.

You are required to prepare a statement of profit. [4]

Q22: (a) Give any four items under the head current assets.

(b) What do you understand by Capital & Revenue Expenditure? [2 + 2]

Q23: Calculate the amount of gross profit, operating profit & net profit on the basis of the following balances extracted from the books of M/s Raj & Sons for the year ended March 31, 2007: Opening Stock – Rs 50,000; Closing Stock – Rs 70,000 ; Net Sales – Rs 11,00,000 ; Net purchases – Rs 600,000; Direct Expenses – Rs 60,000; Selling & Distribution Expenses – Rs 45,000; Administration Expenses – Rs 65,000; Loss due to fire – Rs 20,000. [4]

Q24: (a) Give any three advantages of Computerised Accounting system over the manual system.

(b) State the advantages & limitations of Ready to use accounting software [3 + 3]

Q25: Prepare Final Accounts from the following Trial Balance of Mr. Joshi as on 31st March, 2007:

Particulars (Debit Balances)	Amount (Rs)	Particulars (Credit Balances)	Amount (Rs)
Buildings	50,000	Capital	80,000
Furniture	8,000	Sales	1,15,000
Investments @ 10%(1/4/06)	10,000	Purchases Returns	2,000
Purchases	82,000	Sales Tax Collected	5,500
Prepaid Insurance	500	Interest on Investments	500
Opening Stock	15,000	Sundry Creditors	30,000
Sundry Debtors	20,000	Commission	2,000
Wages	1,800		
Rent	6,500		
Insurance	1,800		
Carriage on purchases	200		
Salaries	11,000		
Bad Debts	800		
Cash @ Bank	20,000		
Cash in Hand	7,400		
Total	2,35,000		2,35,000

Additional Information:-

- (i) Closing Stock was valued at Rs 20,000.
- (ii) Furniture of Rs 4,000 was purchased on 1st October 2006.
- (iii) Provide depreciation on building @ 5% and on furniture @ 10%.
- (iv) Salaries are paid for 11 months.
- (v) Provide for Manager's Commission @ 5% on net profit after charging such commission.

[16]

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