CLASS XI
ANNUAL EXAMINATION (2024- 25)
ACCOUNTANCY
SET B1

Time Allowed: 3 Hours **Max Marks :80**

GENERAL INSTRUCTIONS

1. This question paper consists of 9 printed pages.
2. There are 34 questions in the question paper. All questions are compulsory.
3. All parts of a question should be attempted at one place.
4. Write the serial number of the question before attempting it.

1	**Assertion (A):** Accounting information is sometimes based on estimates. **Reason (R):** The financial statements always reflect the true position of the business. a. Both A and R are true and R is the correct explanation of A. b. Both A and R are true but R is not the correct explanation of A. c. A is true but R is false. d. A is false but R is true.	1
2	A businessman dealing in ready-made garments sold the building having a book value of ₹10,00,000 for ₹12,00,000. In the above transaction, ₹2,00,000 and ₹12,00,000, respectively, will be termed as _____ and _____. a. Gain, Revenue Receipts b. Revenue Receipts, Profit c. Sales, Capital Receipts d. Gain, Capital Receipts	1
3	Which document is sent to a customer when he returns the goods which were sold to him on credit? (a) Credit Note (b) Cheque (c) Debit Note (d) Performa invoice	1
4	The 'X' Traders maintains a double column Cash Book. It received a cheque amounting to ₹1,000 from Y Traders. The cheque was not deposited into bank account on the same date on which it was received. The amount of the cheque would be written: (a) in the bank column on the debit side of the cash book (b) in the bank column on the credit side of the cash book (c) in the cash column on the debit side of the cash book (d) in the Journal Proper	1

5	Assertion (A): Assets are future economic benefits, the rights, which are owned or controlled by an organization or individual. Reason (R): These are the economic resources of an enterprise that cannot be usefully expressed in monetary terms. (a) Both (A) and (R) are true and (R) is the correct explanation of (A). (b) Both (A) and (R) are true and (R) is not the correct explanation of (A). (c) (A) is true, but (R) is false (d) (A) is false, but (R) is true.	1
6	Moon Ltd. distributed goods free of cost among its employees on account of new year. Which account will be debited in the corresponding journal entry for this? (a) Charity Account (b) Sales Promotion Expenses Account (c) Staff Welfare Expenses Account (d) Drawings Account	1
7	A soft drink manufacturing company incurred huge expenditure on advertisement, assuming that benefit will be availed during following years. The Expenditure incurred is: (a) Revenue expenditure. (b) Capital expenditure. (c) Deferred revenue expenditure. (d) Partial revenue and partial capital expenditure.	1
8	Shreya, the manager of Win Traders, was allowed a commission of 5% on the net profit after charging such commission. The net profit for the year ended 31st March, 2022 amounted to ₹ 84,000. Calculate the amount of commission to be paid to Shreya. (a) ₹ 4,000 (b) ₹ 4,200 (c) ₹ 8,400 (d) ₹ 7,636	1
9	Single Entry system can be adopted by: (a) Small Firms (b) Cooperative Societies (c) Joint Stock Companies (d) Partnership Firms	1
10	Priya sold goods to Arun of list price of ₹ 38,000. She allowed trade discount @ 10%. Arun paid ₹ 10,000 immediately. Soon, Arun was declared insolvent and only 25% of the amount due could be received from his estate. Calculate the amount of bad debts. (a) ₹ 28,000 (b) ₹ 6,050 (c) ₹ 18,150 (d) ₹ 7,000	1

<table>
<tr><td>11</td><td>Which of the following is not an example of Revenue Receipts?<table><tr><td>a) commission received</td><td>b) Amount received from sale of goods</td></tr><tr><td>c) Fees received from providing services</td><td>d) Loan taken from bank</td></tr></table></td><td>1</td></tr>
<tr><td>12</td><td>Mohan purchased goods for ₹15,00,000 and sold 4/5th of goods ₹18,00,000 and met expenditureof ₹2,50,000 during the year 2024. He counted net profit as ₹ 3,50,000. Which of the accountingconcepts was followed by him?
a) Entity
b) Periodicity
c) Matching
d) Conservatism</td><td>1</td></tr>
<tr><td>13</td><td>Anil purchased goods of ₹50,000 less 20% Trade Discount and 3% Cash Discount if payment is made within 30 days. Anil paid the full amount within 30 days. Purchases Account will be debited and Discount Received Account will be credited respectively with:
(a) ₹40,000, Nil
(b) ₹40,000, ₹300
(c) ₹40,000, ₹1,200
(d) ₹40,000, ₹900</td><td>1</td></tr>
<tr><td>14</td><td>A credit sale of ₹ 1,900 to Sita was recorded as sale to Rita ₹ 9,100. Which of the following entries will rectify this error?<table><tr><th>Date</th><th>Particulas</th><th></th><th>₹</th><th>₹</th></tr><tr><td>(a)</td><td>Sales A/c
To Rita A/c</td><td>Dr.</td><td>9,100</td><td>
9,100</td></tr><tr><td>(b)</td><td>Sita’s A/c
Rita’sA/c
To Sales A/c</td><td>Dr.
Dr.</td><td>1,900
9,100</td><td>

11,000</td></tr><tr><td>(c)</td><td>Sita A/c
SalesA/c
To Rita A/c</td><td>Dr.
Dr.</td><td>1,900
7,200</td><td>

9,100</td></tr><tr><td>(d)</td><td>Sita A/c
SalesA/c
To Rita A/c</td><td>Dr.
Dr.</td><td>1,900
9,100</td><td>

11,000</td></tr></table></td><td>1</td></tr>
<tr><td>15</td><td>A machinery which costs ₹2,00,000 is depreciated at 25% per year using the written Down Value Method. At the end of three years, it will have a net book value of:
(a) ₹1,50,000
(b) ₹1,00,000
(c) ₹84,375
(d) ₹1,12,500</td><td>1</td></tr>
</table>

<table>
<tr><td>16</td><td>Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R):
Assertion (A): The main difference between the Accounting Standards and Ind-AS is that Ind-AS are more comprehensive and provide more detailed guidelines for financial reporting.
Reason (R): AS is the older set of standards, which were issued by the Institute of Chartered Accountants of India (ICAI) whereas Ind-AS, on the other hand, are the newer set of standards that are based on the updated IFRS. Codes:
(a) Both (A) and (R) are true and (R) is the correct explanation of (A).
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A). (c) (A) is true, but (R) is false
(d) (A) is false, but (R) is true.</td><td>1</td></tr>
<tr><td>17</td><td><table><tr><td>Column A</td><td>Column B</td></tr><tr><td>(i) A permanent, continuing and gradual shrinkage in the book value of fixed asset</td><td>1. Straight Line Method</td></tr><tr><td>(i) Wear and tear of Fixed asset is charged on the book value of the asset</td><td>2. Written Down Value Method</td></tr><tr><td>(ii) Wear and tear of Fixed asset is charged on the cost price of the asset</td><td>3. Depreciation</td></tr></table>Choose the correct option: -
(a) (i)-3; (ii)-1; (iii)-2
(b) (i)-3; (ii)-2; (iii)-1
(c) (i)-1; (ii)-2; (iii)-3
(d) (i)-1; (ii)-3; (iii)-2</td><td>1</td></tr>
<tr><td>18</td><td>Sale is recognized as revenue
(a) when the contract for sale is entered into.
(b) at the point of sale or performance of service.
(c) after the expiry of credit period allowed to debtors.
(d) after the money collected from the customers.</td><td>1</td></tr>
<tr><td>19</td><td>Read the following statements carefully:
(i) Increase in Assets and Expenses are always debited
(ii) Decrease in Liabilities and Incomes are always credited
(iii) Decrease in Assets and Increase in Liabilities are always credited
(iv) Increase in Capital and Increase in Income are always debited.
Choose from the options given below:
(a) (i) and (ii) are correct
(b) (ii) and (iv) are correct
(c) (i) and (iii) are correct
(d) All are correct</td><td>1</td></tr>
</table>

20	Statement I: When a sales book is maintained, there is no need to open Sales account in the ledger Statement II: When a cash book is maintained, there is no need to open cash account in the ledger. a) Statement I is correct but statement II is incorrect. b) Both statements are incorrect c) Both statements are correct Statement I is incorrect but statement II is correct	**1**
21	Identify and explain the accounting principles to which each of the following statements are applicable: (a) Contingent liabilities are shown in the Balance Sheet. (b) The entire life of business should be divided into time intervals for the measurement of the profits of business.	3
22	Journalize in the books of Ganguli Traders of Gujarat assuming CGST@9% and SGST@9%: (i) Purchased goods of ₹2,00,000 from Suryakant of Jaipur, Rajasthan. (ii) Sold goods for ₹1,50,000 to Pawar of Mumbai, Maharashtra and banked the cheque on the same day. (iii) Purchased office furniture for ₹60,000 by cheque from local market.	3
23	Rujuta, a legal consultant, during the financial year 2023-24, earned ₹8,00,000, out of which she received ₹7,45,000. She incurred an expense of ₹3,00,000, out of which ₹50,000 are outstanding. She also received consultancy fee relating to previous year ₹45,000 and also paid ₹20,000 expenses of last year. You are required to determine her income of 2023-24, if: a. she follows Cash Basis of Accounting b. she follows Accrual Basis of Accounting. OR Distinguish between Cash and Accrual basis of accounting on the following basis: a. Recording of transactions b. Ascertainment of Profit or Loss c. Legal Position	3
24	Calculate Closing Stock from the following details: Opening Stock ₹ 20,000; Cash Sales ₹ 60,000; Credit Sales ₹ 40,000; Purchases ₹ 70,000. Rate of Gross Profit on Cost $33\frac{1}{3}$%.	3

<table>
<tr><td>25</td><td>Give Journal entries for the following adjustments in final accounts for the year ended March, 2024:
(a) Closing stock valued on 31st March, 2024: ₹80,000; Net realizable value ₹75,000.
(b) Loan of ₹10,000 was given to X @ 18% p.a. on 1st August, 2023. Interest collected so far ₹200.
(c) Debtors as on 31st March, 2024: ₹60,000; Provision for doubtful debts ₹2,000. Increase Provision for doubtful debts by 8%.</td><td>3</td></tr>
<tr><td>26</td><td>From the following transactions of Harish, a textile trader, prepare Purchases Book.

<table><tr><td>2022
January</td><td>Transactions</td></tr><tr><td>2.</td><td>Bought from Manan Bros., Punjab.100 metres of cotton cloth @ ₹ 400 per metre less 12% Trade Discount</td></tr><tr><td>8.</td><td>Mohan, Sonipat sold silk material worth ₹ 25,000 to us.</td></tr><tr><td>15.</td><td>Purchased Air Conditioner worth ₹ 55,000 for office from TK Electronics, Delhi.</td></tr><tr><td>22.</td><td>Karan, Mumbai purchased from us goods of list price of ₹ 32,000 less 10% Trade Discount.</td></tr><tr><td>25.</td><td>Purchased woollen garments worth ₹ 60,000 from AVR Garments, Gurgaon and paid half the amount by cheque immediately.</td></tr></table></td><td>3</td></tr>
<tr><td>27</td><td>(a)X, who keeps his books on Single Entry System, informs you that his capital on 31st December, 2024 is ₹18,700 and his capital on 1st January, 2023 was ₹19,200. He further informs that during the year, he withdrew for his household purposes ₹8,420. He sold his investment of ₹2,000 at 2% premium and brought that money in the business.
You are required to prepare a Statement of Profit or Loss.
(b) Classify the following transactions into capital expenditure and revenue expenditure:
(i) Legal expenses of ₹1,20,000 were spent for purchasing a piece of land.
(ii) ₹5,000 spent on repairs of an existing machine
(iii) ₹10,000 salary paid to an employee.
(iv) Cost of annual taxes paid and the annual insurance premium paid on company's car.</td><td>2+2=4</td></tr>
</table>

28 — 4

Pass journal entries to rectify the following errors detected while preparing the Trial Balance of Raghu Traders and prepare Suspense Account.

i) Goods worth ₹ 3,200 returned to Ram was recorded in Purchases Return Book but not posted to Ram's account.

ii) Cash paid to Parul ₹ 3,800 was debited to Rahul as ₹ 800.

iii) The total of one page of Purchases Book was carried forward to the next page as ₹ 17,300 instead of ₹ 13,700.

29 — 4

Vinod maintains his account on Single Entry System. Calculate his profit on 31st March, 2023 from the following information:

Particulars	April 1,2022	March 31,2023
Cash in hand	6,000	2,000
Bank balance	18,000	14,000
Furniture	8,000	8,000
Stock	4,000	12,000
Creditors	16,000	12,000
Debtors	12,000	16,000

During the year his drawings were ₹4,000 and additional capital invested ₹8,000.

OR

Differentiate between Single entry system and Double entry system on the basis of:

(i) Trial Balance

(ii) Financial Position

(iii) Authenticity

(iv) Suitability

30 — 3+3=6

(A) Prepare Ledger Accounts of Ramesh and Machinery from the following journal entries:

DATE	PARTICULARS		L.F.	DR. (₹)	CR. (₹)
	Purchases A/c	Dr		1,44,000	
	Input CGST A/c	Dr		12,960	
	InputSGST A/c	Dr		12,960	
	To Ramesh A/c				1,69,920
	Ramesh	Dr.		1,69,920	
	To Bank A/c				1,60,000
	To Discount Received A/c				9,920
	Machinery A/c	Dr.		50,000	
	Input IGST A/c	Dr.		9,000	
	To Lal & Sons				59,000
	Depreciation A/c	Dr.		5,000	
	To Machinery A/c				5,000

(B)Prepare a Trial balance from the following information as on 31st March,2024:

S.no.	Particulars	Amount (₹)
1	Cash in hand	5,000
2	Bank Overdraft	200
3	Creditors	4,000
4	Discount Received	1,000
5	Bills payables	5,000
6	Short term loan from bank	3,800
7	Carriage Outward	800
8	Trade Receivables	3,200
9	Salaries	15,000
10	Office Equipment	4,000
11	Furniture	6,000
12	Capital	20,000

31 On 31st March, 2023, the Bank Pass Book of Surya Enterprises showed a balance of ₹7,700. On the basis of the following particulars, prepare Bank Reconciliation Statement: 6

(i) Cheques issued before 31st March, 2023 but not presented for payment amounted to ₹3,500.

(ii) Cheques paid into the Bank but a cheque amounting to ₹ 2,600, has not been collected yet.

(iii) Interest on Loan amounting to ₹554, debited by the Bank was not recorded in the Cash Book.

(iv) A debtor deposited 4,800 directly into the bank but the information was received on 3rd April, 2023.

(v) Payment side of Cash Book was totalled 1,000 short.

32 Record the following transactions in Double Column Cash Book of Suresh 6

2022		₹
Feb. 1	Cash in hand	56,250
	Cash at bank	1,24,500
Feb. 5	Paid to Arun, a creditor, by cheque	21,600
	Discount received from Arun	400
Feb. 7	Purchased goods at list price ₹ 40,000. Trade discount 10%. Paid by cheque.	
Feb. 9	Withdrawn from bank	2,300
Feb. 16	Received a cheque from Varun, a debtor.	36,700
Feb. 17	Deposited Varun's cheque into bank	
Feb. 22	Sold goods to Ashok	20,000
Feb. 25	Paid salaries	13,000
	Paid rent	6,500
Feb. 28	Deposited into bank	25,000

33	On 1st April, 2019 a firm bought a second-hand machinery for ₹ 2,50,000 and spent ₹ 12,000 on its repairs and ₹ 8,000 on installation. In the same year, on 1st July, another machine was purchased for ₹ 50,000. On 31st March, 2022, the machine that was bought on 1st April, 2019 was sold at a loss of ₹ 32,000. A new machine for ₹ 80,000 was bought on the same date. Depreciation is provided @ 10% per annum on Written Down Value Method and the books are closed on 31st March every year. Show Machinery Account for three years ending 31st March, 2022. **OR** (A) Differentiate between Provisions and reserves on the basis of: Nature Purpose Investment (B) State any three advantages of straight-line method of charging depreciation.	6
34	Prepare Trading and Profit and Loss A/c for the year ending December31, 2023 Trial Balance for the year ending 31st Dec, 2023	6

Particulars	Dr.	Cr.
Stock	50,000	
Wages	3,000	
Salary	8,000	
Purchases	1,75,000	
Sales		1,80,000
Purchase Return		2,000
Sundry Debtors	82,000	
Discount Received		500
Rent, Rates and Taxes	4,300	
Sales Return	5,000	
Bills Receivable	45,000	
Building	1,10,000	
Bills payable		22,000
Bad Debts	5,000	
Capital		3,00,000
Commission received		6,000
Furniture	20,000	
Cash in hand	16,500	
Loan @ 5% p.a.		13,300
	5,23,800	5,23,800

Additional information:

a. Salary Outstanding ₹1,000 and wages outstanding ₹8,000
b. Closing stock ₹32,000
c. Depreciation on Building @6% and on Furniture @5%
d. Further bad debts ₹1,000 and provision for bad debts @5% on debtors.

Commission received in advance ₹700.