

# AMBITION ACADEMY

## Model Questions

### SET A

Class: XI Subject: **Principle of Accounting**  
Full Marks: 75

Time: **3 hours**

**All questions are compulsory.**

#### Group A

#### Very Short Question

1. Give the meaning of accounting in two to three effective sentences. 1
2. Mention any three important of booking. 1
3. Write the meaning of business entity concept. 1
4. Differentiate between journal and ledger. 1
5. Write the meaning of e-banking. 1
6. Write in brief about error of compensation with an example. 1
7. Write the meaning of retrospective effect on depreciation. 1
8. Define provision. 1
9. Differentiate between capital expenditure and revenue expenditure. 1
10. Write any two objective of Government accounting. 1
11. Write the meaning of budget expenditure. 1

#### Group B

#### Short Question (5×8=40)

12. **A.** Describe any three objective of accounting. 3
- B.** Following transactions are given you to prepare **Accounting Equation:** 2
  - a) Business started with cash Rs 50,000 and Stock Rs 20,000
  - b) Goods sold costing Rs 12,000 for Rs 10,000 on credit.
  - c) Paid insurance Rs 4,000 and still due Rs 500
  - d) Goods purchase from Ram for Rs 15,000.

13.

#### **A. Following cash and banking transactions are given:**

Bhadra 1 Cash balance Rs.45, 000 and Bank balance Rs. 80,000

Bhadra 7 Goods purchase for Rs. 40, 000.

Bhadra 11 Paid electricity charges by cheque Rs. 1,000.

Bhadra 20 Withdrawn from bank for official use Rs 10,000.

**Required: Triple column cash book.**

**(3)**

#### **B.** A Retailer provides the following information.

Chaitra 5 Sales to Hareramsuppliers, Kalanki

12 dozen eggs @ Rs 10 each

25 Kg Basmati Rice @Rs 100 per kg

(10% trade discount only on egg)

Chaitra 14 Sales to Sita Ram suppliers, Kalimati

10 kg flour @Rs 40 per kg

5Kg MungDaal @ Rs 90 per kg

(10% trade discount)

**Required: Sales book**

**2**

#### 14. Following information is given:

- a. Cash book shows debit bank balance Rs 18,000

- b. Various cheque were issued for Rs 20,000 but not in cashed in bank Rs 12,000
- c. Interest on overdraft charged by bank RS 3,000
- d. Cheque deposited into bank for collection Rs 38,000 but bank credited cheque of Rs 28,000 only.
- e. A customer directly deposited into bank Rs 8,000
- f. Credit side of pass book over casted by Rs 1,000

**Required: Bank reconciliation statement**

15. **A. Rectify the following errors before preparing trial balance. (3)**

- a. Furniture purchased for Rs 20,000 was recorded in purchase book.
- b. Wages paid to Ram Rs 10,000 was debited to Ram's account.
- c. Goods sold for Rs 2,000 was not recorded at all.

**B.** The following information is extracted from the trial balance of a business

Particulars	Debit Rs	Credit Rs
Sundry debtors	82,000	
Provision for bad debt		12,000

Additional information

- a) Further Bad debt written off Rs 7,000
- b) A provision for bad debt is created @ 10%

**Required: Provision for bad debt account**

**2**

**OR**

Write any five differences between capital expenditure and revenue expenditure. **(5)**

16.

An adjusted trial balance of a trading concern is given below

Particulars	Dr.	Particulars	Cr.
Land and building	400,000	Capital	425,000
Debtors	225,000	Creditors	120,000
Bank balance	145,000	Sales	515,000
Salary	80,000	Loan	250,000
Office expenses	40,000		
Purchase	380,000		
Bills receivable	25,000		
Rent	15,000		
Total	13,10,000		13,10,000

Additional information

- a) Prepaid Rent Rs 3,000
- b) Land appreciated by 10%
- c) Salary outstanding Rs. 1500.

**Required: Adjusted Trial balance**

17. A company purchases Machinery for Rs 400,000 on 1<sup>st</sup> January 2018. The company purchases another machine for Rs 300,000 on 1<sup>st</sup> July 2019. On 1<sup>st</sup> January 2020 machine purchase on 1<sup>st</sup> Jan 2018 sold for Rs. 240,000 and on the same date another machine purchase for Rs 200,000. The company closes the account on end of December each year and depreciation was charged on 10% p.a underwritten down method.

**Required: Machinery account for 2018 to 2020**

**5**

18. A social club provides you the following balance sheet and receipt & payment account to you.

**A Football club**

**Balance sheet As on 1<sup>st</sup> Jan. 2020**

Liabilities	Amount	Assets	Amount
Capital fund	56,000	Cash balance	5,000
Salaries due	4,000	Outstanding Subscription	2,500
		Furniture	24,000
		Building	28,500
Total	60,000	Total	60,000

**A Football club**

**Receipt and Payment account**

**For year ending 31<sup>st</sup> Dec. 2020**

Receipts	Amount	Payments	Amount
To balance b/d	5,000	By salaries	30,000
To subscription	32,000	By News paper	3,500
To life membership fees	8,000	By Administrative expenses	5,000
To sale of grass	5,000	By insurance	5,500
To donation	20,000	By Investment	10,000
		By Training expenses	6,000
		By balance c/d	10,000
Total	70,000		70,000

**Additional information**

- Subscription due for the year 2015 is Rs 6,000
- Furniture and building depreciated by 10%
- Half of donation is capitalized
- Salary prepaid Rs 5,000

**Required: a) Income and Expenditure A/C b) Balance Sheet**

**(3+2)**

19.

**A.** Mr. Ram Shankar started business investing cash Rs2500,000. He keeps his books under single entry book keeping system. His position at the end of Chaitra 2075 was as follows.

Machinery Rs 90,000                      Bills payable Rs 15,000

Furniture Rs 25,000                      Debtors 60,000

Creditors Rs 10,000                      Cash balance Rs 11,000

He invested additional capital Rs 20,000 and withdraw Rs24,000 during the year.

**Required: a) Closing statements of affairs b) Statement of profit and loss (1+1)**

**B.** The following transaction of District education office of Sindhuli. The office submitted payment order from to the DTCO Sindhuli and DTCO made all payment through cheque.

Falgun 1 Issued a cheque of Rs 40,000 to purchase furniture

Falgun 10 Machinery bill of Rs. 18,000 submitted by Officer Mr. Krishna was cleared against machinery advance of Rs. 12,000 and balance was paid.

Falgun 25 Out of Total Employee Remuneration for the month of falgun of Rs 2,20,000, Rs 40,000 P.F., Rs 10,000 for P.F. loan and Rs 5000 for income tax were deducted and rest paid by cheque.

**Required: Journal Vouchers**

**1+1+1**

**Or**

Explain the parts of budget sheet.

**(5)**

Group C

**Long Question (3×8=24)**

20. Following information is given below.
- Ram started a business by cash Rs. 100,000
  - Purchased goods from Sita of Rs. 10,000
  - Sold goods on cash Rs. 25,000.
  - Goods return to Sita of Rs. 1000
  - Wages and salary paid Rs. 2,000.
  - Paid to Sita Rs. 8500 in full settlement of her account.

**Required:-**

- Journal entries**
- Necessary ledger**
- Trial balance**

**(3+4+1)**

21. The following trial balance of Lovely Trader on chaitra 30, 2076 is given below.

Particulars	Dr. amount	Particulars	Cr. amount
Purchases	90,000	Sales	150,000
Opening stock	10,000	Capital	50,000
Selling expenses	5,500	Interest on investment	2000
Interest on bank loan	3,500	Bank loan	16,000
Debtors	25,000	Creditors	8,000
Bad debt	2,000	Commission	4,000
Insurance	1000		
Salaries	20,000		
Wages	16,000		
investment	20,000		
Rent	4,000		
Cash balance	9,000		
Machinery	24,000		
Total	230,000	Total	230,000

Additional information

- Closing stock Rs 30,000
- Depreciation on machinery 10% p.a
- Salary payable Rs 4,000
- Commission earn but not received Rs 2,500
- Further bad debt Rs 1,000.

**Required:**

- Income statement**
- Balance sheet.**

**(4+4)**

22.

- A.** Following transactions are taken from government office. Assuming that the all expenditures payment orders are submitted to DTCO and DTCO paid the expenditure at the end of the month.
- Magh 2: Paid rent for the month of Magh and Falgun @ Rs 10,000 per month with advance.
- Magh 3: Received bank order Rs 180,000 and budget order release Rs. 230,000
- Magh 25: TADA advance of MrDayaram of Rs.12, 000 is cleared as he submitted the bill of Rs 15000 for actual expenditure.
- Magh 30: Issued a cheque of Rs1,65,000 for the payment of employee remuneration for the monthafter deducting provident fund of Rs40,000, income tax of Rs 5,000 and providenloan of Rs 10,000

**Required: - Bank Cash Book.**

**B.**

The following transaction of a government office is provided to you.

Budget head	Annual budget	Budget balance	Expenses of Chaitra
Employee remuneration	420,000	65,000	12,000
Allowances	70,000	42,000	6,000
Travelling expenses	26,000	11,000	9,000
House Rent	60,000	15,000	5,000
Dress	15,000	4,000	1,000
Furniture	29,000	5,000	1,000
<b>Total</b>	<b>620,000</b>	<b>142,000</b>	<b>33,000</b>

Additional information:

i)Uncleared advance of furniture Rs 500

**Required: Statement of expenditure for the month of Chaitra showing closing Bank balance (4)**

**Or**

What is government accounting? Explain any five features of it.(3+5)

**Set B**

Subject: Principle of Accounting

Class – XI

F.M -75

All questions are compulsory.

**Group- A**

Give very short answer to the following questions. (1\*11=11)

1. Give the meaning of book keeping and mention it's any two objectives. 1
2. Write in brief about the scope of accounting. 1
3. Write the clear meaning of going concern concept with suitable example. 1
4. Explain about the types of accounts. 1
5. What do you mean by contra entry? 1
6. Write in brief about two sided errors. 1
7. Write the meaning of prospective effects on depreciation. 1
8. What is dividend equalization fund? 1
9. Differentiate between capital reserve and revenue reserve. 1
10. What do you mean by treasury single account? 1
11. Write the meaning of 'budget transfer'. 1

**Group B**

Give short answer to the following questions. (5\*8=40)

12A. Write in brief about accounting cycle with figure. 3

B. following transactions are given to you to prepare Accounting Equation. 2

- a. Started business with cash RS. 100000 and Bank RS. 300000.
- b. Purchased goods worth RS. 100000 from A&B suppliers.
- c. Sold goods worth RS.50000 in cash.
- d. Paid wages RS. 12000, Rs. 10000 by cheque & RS. 2000 by cash.

13. A. Following cash and banking transaction are given

Pouch 1: Cash in hand RS. 11000 and balance at bank RS. 17500.

Pouch 5: Sold goods and received the payments in cash RS.4000 and by cheque Rs. 6500.

Pouch 10: Cash deposited into bank Rs. 3000.

Pouch 20: Received cash Rs. 2800 from Neema after deduction discount of Rs. 200.

Required: Triple column cashbook. 3

B. Following information is provided:

2078/03/01 Purchased books from pustakBhandar

- 200 units accountancy @ Rs.250 each.
- 300 units mathematics @ Rs.225 each.

2078/03/05 Purchase books from Books Distributor of Rs. 15500 at 10% trade discount.

2078/03/08 Purchase stationery from SagoonStationery for cash Rs.14000.

Required: Purchase Book. 2

14. following information are given:

- a. On Chaitra 30, Balance as per PassBook is Rs.180000.
- b. Cheque deposited into the Bank Rs.4000 was recorded in cash Book Rs.400 only.
- c. Cheques were issued for Rs. 25000 but cheque of Rs.20000 only were presented for payment.
- d. Bank charges charged by the Banks Rs. 500.
- e. Interest credited by Bank Rs. 200 but debited in cash book Rs. 2000.
- f. Rs. 6000 directly deposited in to the bank by a customer, but not recorded in cash book.

Required: Bank Reconciliation Statement. 5

15. A. The following errors were located before the preparation of trial balance:

- Purchase of Rs. 3000 from Mr. A was recorded as sales to him.
- Salary paid Rs. 2500 to Prakash has been wrongly debited to his account.
- Purchase book was overcast by Rs. 2000.

Required: Entries for rectification. 3

B. Following transaction are given:

- Bad debts Rs. 5000.
- Opening balance of provision for bad debts Rs. 6000.
- Closing debtors Rs. 120000.
- Provision for bad debts to be maintained @5%.

Required: Provision for bad debts account. 2

16. An unadjusted trial balance of a company is given below:

Particulars	Debit (Rs)	Credit (Rs)
Capital		200000
Sales		300000
Purchases	150000	
Purchase return		10000
Sales return	20000	
Plant and Machinery	130000	
Wages	70000	
Debtors	30000	
Creditors		180000
Salaries	90000	
Furniture	120000	
Cash at bank	73000	
Insurance	7000	
Total	690000	690000

Adjustments:

- Outstanding wages Rs. 10000.
- Depreciation on plant and furniture @ 5%.
- Prepaid insurance: Rs. 2000.

Required: Trial Balance Adjusted. 5

18. Nepal Cotton Mills purchased a machinery on 1<sup>st</sup> January, 2018 for Rs. 100000 on 1<sup>st</sup> July, 2019 it purchased another machine for Rs. 40000 on 31<sup>st</sup> march, 2020 it sold off the first machine (purchased in 2018) for Rs. 53000 and on the same date purchased new machinery for Rs. 100000. Depreciation is provided at 20% p.don the straight-line method. Accounts were closed each year on 31<sup>st</sup>December.

Required: Machinery account for the first three years. 5

18. Red cross provides following information Balance sheet as on 1|1|2020

Capital& Liabilities	Amount	Assets	Amount
Capital fund	4,00,000	Fixed	3,00,000
Loan	60,000	Investment	1,00,000
		Cash at bank	60,000
Furniture	80000	Machinery	100000
Total	4,60,000	Total	4,60,000

Receipt & payment account as on 31/12/2020

Receipts	Amount	Payments	Amount
To balance b/d	60,000	By tournament expenses	10,000
To subscriptions	50,000	By wages	20,000
To Entrance fees	30,000	By printing	7,500
To interest on investment	5,000	By general expenses	12,000
To sale of news paper	5,000	By telephone charges	2000
		By balance c/d	98,500
Total	1,50,000	Total	1,50,000

Additional Information

a) Subscription due Rs 5,000

b) Prepaid wages Rs 2,000

Required: a) Income & Expenditure A/c (2)

b) Balance sheet (3)

19. A. The position of Mr. Ganesh as on 31<sup>st</sup> Chaitra 2077 is as below:

Particulars	Amount (Rs)
Cash in hand	6,000
Cash at bank	25,000
Equipment	30,000
Inventory	4,000
Account receivable	12,000
Bills payable	20,000
Opening capital	27,000

Required:

a) Closing statement of affairs. (1)

b) Statement of profit & loss account assuming Rs 5,000 drawing and Rs 2,000 additional capital. (1)

B. The following transactions of District education office Bara. The office submitted payment order form to the DTCO Bara and DTCO made all payments through cheque.

Magh 5: Purchase of furniture Rs 10,000.

Magh 20: Travelling expenses advance of Mr. Giri Rs 17,000 has been cleared against the bills of Rs 19,500 by issuing cheque for balance amount.

Magh 28 Out of the total remuneration to employee of the month Rs 33,000 (including Government contribution to PF) and local allowances of Rs 1,500 were distributed after deducting Rs 6,000 for PF Rs 3,00 for social security tax and Rs 700 income tax.

Required: Journal Voucher (3)

OR;

Explain the accounts involved in the bank cash book (5).

Group C

Answer the following question in long. (3\*8=24)

20. Following transactions are given:

2078\1\1 Started business with cash Rs 50,000

1\5 Purchased goods for cash Rs 20,000

1\10 Purchase furniture for Rs 10,000



1\30 Paid salary Rs 3000

1\31 Received commission Rs 1,000

Required:

- a. Journal entries (3)
- b. Necessary ledger (4)
- c. Trial balance (1)

21. The following trial balance is related to Sangita Enterprises as on 31<sup>st</sup> Chaitra 2077.

Accounts Titles	Dr (Rs)	Cr (Rs)
Cash	15,000	
Prepaid insurance	5,000	
Office supplies	8,000	
Office equipment	60,000	
Drawing	4,000	
Accumulated depreciation		10,000
Account payable		12,000
Share capital		45,000
Service revenue		60,000
Utility expenses	15,000	
Salaries	20,000	
Total	1,27,000	1,27,000

Additional information:

- i. Outstanding salaries Rs 4,000
- ii. Supplies in hand Rs 3,000
- iii. Prepaid insurance expired Rs 1,000
- iv. Depreciation on equipment Rs 4,000
- v. Provision for tax @ 25%

Required:

- a. Statement of profit or loss. (4)
- b. Statement of financial position. (4)

22. A. The following Transactions are taken from government office. The office submitted payment order to DTCO and DTCO paid the expenditure at the end of Chaitra.

Chaitra 6 Paid Rs 15,000 as Travelling expenses in advance to Mr. Acharya.

Chaitra 8 Paid Rs 20,000 to purchase office materials.

Chaitra 15 Mr. Acharya's advance cleared on the basis of documents submitted by him.

Chaitra 28 After deducting Rs 10,000 for PF contribution (including government contribution) social security tax Rs 500 and Rs 1,000 for income tax at source, the rest amount was distributed as employee remuneration.

The deducted amounts were deposited into the concerned office on the same day

Required: Bank Cash Book (4)

B. The following particulars are given:

Annual Budget (Rs)	Budget items	Expenditure up to Bhadra (Rs)	Expenditure of Aswin (Rs)
4,26,000	Employee Remunerations	66,000	63,000
24,000	Local allowances	4,000	2,000
40,000	Office related	8,000	4,000

	expenses		
60,000	Miscellaneous expenses	16,000	10,000
48,000	Furniture & fixtures	20,000	8,000
8,000	Contingencies regular	-	-
6,060,000	Total	1,14,000	87,000

Additional information:

Unclear furniture advance Rs 8,000

Required: Statement of Expenditure (4)

OR;

What do you mean by government accounting system? Describe 7 features of new accounting system in detail. (8)