



# INDIAN SCHOOL AL WADI AL KABIR

## DEPARTMENT OF COMMERCE

SAMPLE PAPER-1 2023-2024

ACCOUNTANCY (055)

TIME: 3 Hours

MARKS: 80

**General Instructions:**

1. All questions are compulsory.
2. Read the questions carefully and attempt all the parts of the questions at one place.
3. While answering the MCQ's write the selected option number along with the answer.

1.	Identify the external user of accounting information that make use of financial data to calculate national income and assess the tax dues from the business concern. A.Management B.Owner C.Government D.Creditors	1										
2.	ASSERTION (A): Reliability, relevance, understandability, comparability are the qualitative characteristics of accounting information. REASON (R): Qualitative attributes make the accounting information useful to users.  A. Assertion and Reason are correct and Reason is the correct explanation of Assertion. B. Assertion and Reason are correct and Reason is not the correct explanation of Assertion. C. Assertion and Reason both are incorrect. D. Assertion is correct; Reason is incorrect	1										
3.	<table><tr><td>Terminology</td><td>Examples</td></tr><tr><td>1.Current assets</td><td>a. Long Term loans</td></tr><tr><td>2.Current liability</td><td>b. Closing Stock</td></tr><tr><td>3.Non-current liability</td><td>c. Trademarks</td></tr><tr><td>4.Intangible assets</td><td>d. Bank Overdraft</td></tr></table> Match the above terms with example: A. 1-b; 2-a; 3-d; 4-c B. 1-b; 2-d; 3-a; 4-c C. 1-c; 2-a; 3-d; 4-b D. 1-d; 2-c; 3-b; 4-a	Terminology	Examples	1.Current assets	a. Long Term loans	2.Current liability	b. Closing Stock	3.Non-current liability	c. Trademarks	4.Intangible assets	d. Bank Overdraft	1
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4.	Kamini purchased goods from Nisha on credit. After 2 weeks, Kamini settled the account by paying cash. Which document will be issued by Nisha to Kamini when she pays the amount due? A. Cash Memo B. Invoice C. Credit Note D. Receipt.	1										

5.	A jewellery shop purchases furniture and installs air conditioners for customers comfort. Identify the type of expenditure incurred by the shop. A. Revenue Expenditure B. Capital Expenditure C. Deferred Revenue Expenditure D. Recurring Expenditure	1
6.	Amar owns his business in Chennai (Tamil Nadu) sold the goods to Jeet who is from Kanpur (Uttar Pradesh) on 1 <sup>st</sup> January 2023 for ₹ 15,000 plus Goods and Services Tax.(GST) Name the GST to be collected by Amar for the above transaction. A. Input Central GST B. Output State GST C. Input Integrated GST D. Output Integrated GST	1
7.	A firm held stock which was purchased for ₹ 3,000 but due to heavy market demand the stock value is expected to be ₹ 3,300. The normal accounting procedure is to ignore the higher value because of the _____ concept. A. Money Measurement B. Verifiable objective C. Conservatism D. Dual aspect	1
8.	Which one of the following is not a feature of accounting principle? A. Rigid B. Man made C. Flexible D. Generally Accepted	1
9.	Fixed assets are maintained by the business for generating benefits in future. Identify the accounting principle from the above statement. A. Materiality B. Business entity C. Consistency D. Going Concern	1
10.	Which one of the following is an example of materiality concept? A. The method selected for depreciating fixed assets is followed year after year. B. Purchase of pen is treated as a revenue expenditure. C. Transactions are recorded based on source documents. D. Intelligence of the workforce cannot be recorded in the books of account.	1
11.	Paid rent for office building ₹ 10,000 in advance. What will be the journal entry? A. Rent A/c....Dr                      10,000 To Cash A/c                              10,000 B. Cash A/c....Dr                      10,000 To Rent A/c                              10,000 C. Prepaid Rent A/c....Dr 10,000 To Cash A/c                              10,000	1

	D. Outstanding Rent A/c....Dr 10,000 To Cash A/c 10,000	
12.	The process of transferring the transaction from journal to a ledger is called as _____. A. Posting B. Balancing C. Journalising D. Casting	1
13.	Which one of the following is shown as credit balance in the Trial Balance? A. Return Inward B. Carriage outward C. Outstanding Salary D. Trade Receivable	1
14.	The total of cash receipt is ₹ 12,000 and the cash payment ₹ 8,000 is recorded in a cash book. The accountant retained ₹ 1,000 and deposited the excess into bank A/c. What is the amount deposited? A. ₹ 4,000 B. ₹ 3,000 C. ₹ 7,000 D. ₹ 11,000	1
15.	Monika's Cash books shows a bank balance of ₹ 20,000. Her bank reconciliation shows cheques deposited but not credited ₹ 6,000 and interest provided by the bank ₹ 4,000. What will be balance as per pass book? A. ₹ 30,000 B. ₹ 22,000 C. ₹ 14,000 D. ₹ 18,000	1
16.	A motor car costing ₹ 2,00,000 is depreciated @ 5% p.a using written down value method. What will be net book value of the car after 2 years? A. ₹ 1,80,500 B. ₹ 1,80,000 C. ₹ 1,71,000 D. ₹ 1,90,000	1
17.	Suman sold goods to Prashant of 8,000 at a trade discount of 10%. This transaction will be recorded by Prashant in _____. A. Purchase Book B. Sales Book C. Purchase Return book D. Sales Return Book.	1
18.	Goods purchased from Seema for Rs.8,500 was not posted in Seema's A/c is an example of which type of error? A. Error of commission B. Error of principle	1

	C. Error of partial omission D. Casting error							
19.	Assertion (A): Balance sheet is a statement showing the assets and liabilities of a firm at a certain date. Reason (R):The purpose of Balance sheet is to determine the net profit or net loss of the firm. A. Assertion and Reason are correct and Reason is the correct explanation of Assertion. B. Assertion and Reason are correct and Reason is not the correct explanation of Assertion. C. Assertion is incorrect; Reason is wrong. D. Assertion is correct; Reason is wrong.	1						
20.	Commission received during the year ₹ 7,000 that includes and unearned amount of ₹ 1,500. What is the amount to be shown in Profit/loss A/c while preparing financial statement? A. ₹ 8,500 in credit side B. ₹ 5,500 in credit side C. ₹ 1,500 in credit side D. ₹ 5,500 in debit side.	1						
21.	Pass the journal entries in the books of Ranjeet, a retailer <table border="1"><tr><td>2023 Dec 1</td><td>Sold goods to Neha of list price ₹ 40,000 allowing her a trade discount of 10% and received half of the amount by cash.</td></tr><tr><td>Dec 4</td><td>Interest on capital charged @ 20% p.a on ₹ 1,00,000</td></tr><tr><td>Dec 8</td><td>Stock worth ₹ 15,000 (Market price ₹18,000) was stolen, the insurance company accepted the claim to compensate ₹9,000.</td></tr></table>	2023 Dec 1	Sold goods to Neha of list price ₹ 40,000 allowing her a trade discount of 10% and received half of the amount by cash.	Dec 4	Interest on capital charged @ 20% p.a on ₹ 1,00,000	Dec 8	Stock worth ₹ 15,000 (Market price ₹18,000) was stolen, the insurance company accepted the claim to compensate ₹9,000.	3
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22.	The following transactions are extracted from Anya’s books of account for the month of August 2021:  August 1. Balance due to Bimal ₹ 25,000. August 5. Purchased goods from list price ₹ 10,000 from Bimal, Trade discount @ 10%. August 8. Returned goods to Bimal of list price ₹ 2,000. August 16. Settled Alok’s A/c receiving a discount of ₹ 5,000. Prepare the Bimal’s A/c in Anya’s book.	3						
23.	Prepare a trial balance from the following list of balances: <table border="1"><tr><td>Trade Payable – ₹ 600</td></tr><tr><td>Discount Allowed – ₹ 200</td></tr><tr><td>Purchases – ₹ 2,000</td></tr><tr><td>Carriage inward – ₹ 300</td></tr><tr><td>Capital - ₹ 4,000</td></tr><tr><td>Return outward – ₹ 700</td></tr></table>	Trade Payable – ₹ 600	Discount Allowed – ₹ 200	Purchases – ₹ 2,000	Carriage inward – ₹ 300	Capital - ₹ 4,000	Return outward – ₹ 700	3
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24.	Prepare a Petty cash Book for Blue Sky Ltd, with an imprest amount of ₹ 900. 2023..	4						

	Oct 1 Balance with petty cashier ₹ 500. Oct 1 Received cash from head cashier. Oct 3 Send quotation to customers through registered post ₹ 100. Oct 4 Paid for printing invitation cards ₹ 50. Oct 5 Decoration of hall ₹ 300 Oct 6 Taxi fare for Manager ₹ 150 Oct 7 Refreshment ₹ 200																
25.	Sachin maintains his book under single entry system, He started his business on 1 <sup>st</sup> Apr'2022 with a capital of ₹ 25,000. During the year he sold his personal motorbike worth ₹ 14,000 at a profit of ₹ 1,000 and introduced the amount into business. He had paid the school fees of his son ₹ 2,000 using the business fund. On 31 <sup>st</sup> Mar' 2023, the total assets owned by his business was ₹ 52,000. Loan taken from brother was ₹ 9,000 and outstanding interest on loan ₹ 1,000 and creditors 2,000. Calculate the amount of profit/loss for Sachin's business.	4															
26.	Record the following transactions in a suitable cash book and derive the balances: <table border="1"><tr><td>2023</td></tr><tr><td>Apr 1. Cash at Office: ₹ 1,000; Cash at bank: ₹ 500 (Cr)</td></tr><tr><td>Apr 4. Received a cheque from customer ₹ 3,000 in full settlement of ₹ 3,600.</td></tr><tr><td>Apr 10. Interest debited by bank ₹ 200.</td></tr><tr><td>Apr 12. Purchased goods worth ₹ 1,200 and received a cash discount of ₹ 200. Paid half of the amount by cash and balance by cheque.</td></tr><tr><td>Apr 15. A customer directly deposited ₹ 2,000 into our bank A/c.</td></tr><tr><td>Apr 20. Received a cheque from Rohan of ₹ 1,800 in full settlement of ₹ 2,000</td></tr><tr><td>Apr 24. Endorsed Rohan's cheque in favour of Kumar to settle the due of ₹ 1,840.</td></tr></table>	2023	Apr 1. Cash at Office: ₹ 1,000; Cash at bank: ₹ 500 (Cr)	Apr 4. Received a cheque from customer ₹ 3,000 in full settlement of ₹ 3,600.	Apr 10. Interest debited by bank ₹ 200.	Apr 12. Purchased goods worth ₹ 1,200 and received a cash discount of ₹ 200. Paid half of the amount by cash and balance by cheque.	Apr 15. A customer directly deposited ₹ 2,000 into our bank A/c.	Apr 20. Received a cheque from Rohan of ₹ 1,800 in full settlement of ₹ 2,000	Apr 24. Endorsed Rohan's cheque in favour of Kumar to settle the due of ₹ 1,840.	6							
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27.	Prepare Sales book and Sales return book for a grocery store from the following details. Also prepare Sales A/c. <table border="1"><tr><td>2017</td></tr><tr><td>Jan 1</td><td>Sold 100 kg of rice to Angad @ ₹ 50 per kg at a trade discount of 10%, cash discount 3% and issued Invoice No.07561</td></tr><tr><td>Jan 4</td><td>Angad returned 5 kg of rice.</td></tr><tr><td>Jan 5</td><td>Sold 300 kg of rice to Gupta @ ₹ 80 at a trade discount of 10% and received the amount after a cash discount of 5%.</td></tr><tr><td>Jan 6</td><td>Sold 60 kg of sugar to Rakesh @ ₹ 25 per kg. Trade discount 10%. Packing charges separately added in the invoice ₹ 200.</td></tr><tr><td>Jan 7</td><td>Sold 120 kg of rice @ ₹ 150 per kg and 30 Kg of sugar @ ₹ 20 to Vidya at a trade discount of 10%, Invoice No. 00225</td></tr><tr><td>Jan 8</td><td>Sold the old delivery vehicle for ₹ 40,000 to Shyam Lal.</td></tr><tr><td>Jan 10</td><td>A credit note was issued to Vidya for 10 kg of sugar.</td></tr></table>	2017	Jan 1	Sold 100 kg of rice to Angad @ ₹ 50 per kg at a trade discount of 10%, cash discount 3% and issued Invoice No.07561	Jan 4	Angad returned 5 kg of rice.	Jan 5	Sold 300 kg of rice to Gupta @ ₹ 80 at a trade discount of 10% and received the amount after a cash discount of 5%.	Jan 6	Sold 60 kg of sugar to Rakesh @ ₹ 25 per kg. Trade discount 10%. Packing charges separately added in the invoice ₹ 200.	Jan 7	Sold 120 kg of rice @ ₹ 150 per kg and 30 Kg of sugar @ ₹ 20 to Vidya at a trade discount of 10%, Invoice No. 00225	Jan 8	Sold the old delivery vehicle for ₹ 40,000 to Shyam Lal.	Jan 10	A credit note was issued to Vidya for 10 kg of sugar.	6
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28.	From the following particulars, find out bank balance as per adjusted cash book and thereafter prepare Bank Reconciliation Statement as on 31 <sup>st</sup> December 2023 <table border="1"><tr><td>(i)Unfavourable Balance as per Cash Book is ₹ 15,000 as on 31st Dec 2023.</td></tr></table>	(i)Unfavourable Balance as per Cash Book is ₹ 15,000 as on 31st Dec 2023.	6														
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	<p>(ii) Cheques issued for ₹ 4,000 in December, out of which a cheque for ₹ 3,800 was presented for payment on 5<sup>th</sup>January 2024.</p> <p>(iii) Direct deposit by a customer of ₹ 6,000 is recorded in the cash book as ₹ 5,400</p> <p>(iv) Bank charged ₹ 100 as debit card fees, intimation of it was not received in December.</p> <p>(v) Cheque received of ₹ 2,000 entered twice in the cash book.</p> <p>(vi) The pass book showed a wrong debit of ₹ 5,000 for a withdrawal by a customer having same name as ours.</p> <p>(vii) Interest allowed by bank ₹ 1,000.</p> <p>(viii) A Bill receivable of ₹ 2,000 discounted with the bank for ₹ 1,900 was recorded in the ledger ignoring the discounting charge.</p>																																													
29.	<p>The trial balance for a business enterprise did not tally, it was excess debit by ₹ 400 and on inspection the following errors were identified. You are required to pass the journal entries to rectify the following errors and then prepare a Suspense A/c.</p> <p>(a) Goods sold to Shyam ₹ 3,200 are recorded in Purchase book.</p> <p>(b) The installation cost of ₹ 700 for machinery was debited to Office expenses A/c.</p> <p>(c) A credit purchase of ₹ ₹ 1,500 from Alia was posted in her account as ₹ 500.</p> <p>(d) The Return Outward book was found to be overcast by ₹ 350.</p> <p>(e) The balance of ₹ 2100 in Sales book was carried forward to the next page as ₹ 1200.</p> <p>(f) Goods withdrawn by proprietor for personal use ₹ 1,000 were credited to sales A/c.</p>	6																																												
30.	<p>Vinod Ltd., purchased a machine on 1. 4. 2020 for ₹ 10,000. It purchased another machine on 1.7.2021 costing ₹ 20,000.</p> <p>On 30.9.2022 the machine purchased on 1. 4. 2020 became useless and was sold for ₹ 4,600.</p> <p>The depreciation was charged @ 10% p.a on diminishing balance method.</p> <p>Show machinery for 3 years up to 31.3.2023.</p>	6																																												
31.	<p>From the following balances extracted for Delight Confectionery as on 31st Mar 2023, prepare a Trading and Profit &amp; Loss Account for the year ending 31.3.2023.</p> <table><tr><th>DEBIT BALANCE</th><th>₹</th><th>CREDIT BALANCE</th><th>₹</th></tr><tr><td>Stock</td><td>16,800</td><td>Sales</td><td>2,79,000</td></tr><tr><td></td><td></td><td>Return Outward</td><td>5,700</td></tr><tr><td>Wages &amp; salaries</td><td>9,300</td><td>Capital</td><td>72,000</td></tr><tr><td>Purchases</td><td>2,43,000</td><td>Bad debt recovered</td><td>4,000</td></tr><tr><td>Carriage</td><td>10,800</td><td>Rent from Sublet</td><td>2,600</td></tr><tr><td>Advertisement</td><td>14,600</td><td>15% Loan (Taken on 1.10.2022)</td><td>20,000</td></tr><tr><td>Trade Debtors</td><td>24,000</td><td>Discount</td><td>500</td></tr><tr><td>Freight outward</td><td>8,600</td><td></td><td></td></tr><tr><td>Rent</td><td>5,700</td><td></td><td></td></tr><tr><td>Interest on Loan</td><td>1,000</td><td></td><td></td></tr></table>	DEBIT BALANCE	₹	CREDIT BALANCE	₹	Stock	16,800	Sales	2,79,000			Return Outward	5,700	Wages & salaries	9,300	Capital	72,000	Purchases	2,43,000	Bad debt recovered	4,000	Carriage	10,800	Rent from Sublet	2,600	Advertisement	14,600	15% Loan (Taken on 1.10.2022)	20,000	Trade Debtors	24,000	Discount	500	Freight outward	8,600			Rent	5,700			Interest on Loan	1,000			6
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	Discount	1,340		
	General Expenses	3,610		
	Audit Fees	1,250		
	Insurance Premium	800		
	Bad debt	3,000		
	Depreciation	5,000		
	Goodwill	35,000		
		<b>3,83,800</b>		<b>3,83,800</b>
Additional Information: (i) Stock in hand on 31 <sup>st</sup> March 2023 was ₹ 12,000. (Market Price 15,000.) (ii) Unexpired Insurance ₹ 400 and outstanding wages & salaries ₹ 300. (iii) Goods costing ₹ 4,000 was lost due to theft, no claim was received for the theft. (iv) Manager is entitled for commission of 5% on the net profit. (v) <sup>1</sup> / <sub>3</sub> of the rent is carried forward to the next year.				
32.	The following balances are extracted from the books of M/s Ram on March 31, 2023. You are required to prepare profit and loss account and the balance sheet as on date :			
	Accounts	₹		
	Debtors	12,000		
	Apprenticeship premium	5,000		
	10% Investment	50,000		
	Provision for doubtful debt	10,000		
	Stationery	6,000		
	Bank overdraft	1,000		
	Factory wages	11,000		
	Sales	80,000		
	Salaries	9,000		
	Creditors	13,000		
	Rent	4,000		
	Office Equipment	9,900		
	Capital	31,000		
	Commission (Dr)	3,000		
	Trade expenses	500		
	Drawings	1,100		
	Bad debt	6,000		
	Office cleaning	500		
	Bank Charges	1,000		
	Machinery	5,000		
	Land and building	10,000		
	Reserve Fund	4,000		
The firm earned a gross profit of ₹ 56,000 Additional Information: (i) Closing Stock ₹ 2,000 (ii) Salaries prepaid ₹ 1,000 (iii) Commission due ₹ 600.				

	<p>(iv) Debtors of ₹ 2,000 proved to be irrecoverable and the provision for doubtful debt to be maintained @ 5%.</p> <p>(v) Machinery is depreciated @ 10% p.a and building depreciated @ 15% p.a.</p>	
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