



**INDIAN SCHOOL AL WADI AL KABIR
DEPARTMENT OF COMMERCE**

CLASS XI- ASSESSMENT I -2022-23

DATE: 25/09/2022

ACCOUNTANCY (055)

MARKS: 80

General Instructions:

- **Attempting all questions are compulsory.**
- **The question paper consists of 30 questions**
- **Attempt all parts of a question at one place**

Q. No.	SECTION A:	Marks
1	Once financial transactions are recorded, what is the next step in the accounting process? (a) Recording (b) Measurement. (c) Classifying (d) Communicating.	1
2	Purchase refers to the buying of _____ (a) Stationery for office use (b) Merchandise for resale (c) Investment (d) Assets for the factory	1
3	Accounting is concerned with: (a) Preparation of financial statements (b) Analysis of results (c) Interpretation of accounting information (d) All of these	1
4	Advertisement Expense is categorized as (a) Capital Expenditure (b) Revenue Expenditure (c) Deferred Revenue Expenditure	1
5	According to Going Concern Assumption: (a) The business is treated as a separate unit from its owners (b) Only monetary transactions are recorded (c) The business will not be liquidated in near future	1

	(d) All the assets should be recorded at historical cost	
6	The place where the items of similar nature are put up together is called	1
7	Name the basis of accounting which allows the firm to record outstanding expenses.	1
8	Current Liabilities include: (a) Long – term loan (b) Debentures (c) Bank overdraft (d) Bank Balance	1
9	IFRS are (a) Rule based accounting standards (b) Principle based accounting standards (c) Partially rule based and partially principle-based accounting standards (d) Principles based on global accounting standards.	1
10	Withdrawal of cash from business by the proprietor for personal use is credited to _____ (a) Drawings A/c (b) Capital A/c (c) Cash A/c (d) Bank A/c	1
11	According to which assumption, rules and practices being observed are applied constantly?	1
12	State the informational needs of employees.	1
13	State the difference between profit and gain.	1
14	“Manipulation of accounts in a way so as to conceal vital facts and present the financial statements to show a better position than what is actually is”. Which limitation of accounting is discussed here?	1
15	An investment company has been valuing its inventory of land at lower of market price or cost. It now wants to value its inventory at the current market price which is higher than the cost. Which accounting concept will be violated?	1
16	_____ is a source document prepared at the time of sales returns of goods.	1
17	Rahul, the proprietor of Star Ltd purchased an air-conditioner and installed it at his residence. The payment was made by issuing a cheque from the account of Star Ltd. The accountant debited the Drawings Account with the amount whereas Rahul is of the view that it should be debited to the Fixed Assets. In your view, who is correct and why?	1
18	If total assets of a business are Rs. 2,60,000 and the capital is Rs. 1,60,000, calculate the outside liabilities	1

19	Name the type of discount which is recorded in the books of account.	1
20	Name the qualitative characteristic which requires that the accounting information should help in decision making.	1
21	Differentiate between the cash basis & accrual basis of accounting (any two points).	2
22	Define: Pay in slip, Debit voucher, Transfer voucher	3
23	Explain any three limitations of accounting.	3
24	Distinguish between Accounting & Book keeping on the basis of Stage, Objective & Nature.	3
25	Briefly explain the Qualitative Characteristics of Accounting Information	4
26	Answer the following question: (i) Who are Sundry creditors? (ii) What is a capital expenditure? (iii) Give 2 examples of Liquid assets. (iv) Trade receivables are an example of _____ (v) Identify the liabilities and expenses from the given items Commission received in advance, Salary due to Ajay, Rent prepaid, Interest on investment.	5
27	Raman started a business of buying and selling of mobile phones and invested Rs.4,00,000 on 1 st April 2021. On 20 th April 2021, he paid Rs. 1,50,000 for the purchase of mobile phones Rs. 80,000 for computer & printer and Rs.50,000 for furniture. On 1 st May 2021, she purchased some stationery for Rs.20,000 in cash and sold some mobile phones for Rs. 50,000 to Sruthi. After a period of one month, she purchased mobile phones of Rs. 80,000 from Mr. Jitin. On 31 st July 2021, mobile phones worth Rs. 20,000 were stolen away. The business was doing well so Raman invested further capital of Rs. 3,00,000. During September 2021 to December 2021, a part of stock of mobile phones costing Rs. 30,000 were sold for Rs. 40,000. With the help of the above information, answer the following questions: (i) What is the amount of capital invested in to business by Raman. (ii) What is the total value of goods purchased? (iii) What is the value of closing stock? (iv) Who is/are debtors of the business? State the amount receivable from debtors. (v) State the amount of fixed assets owned by the business.	6
28	Explain the following principles/concepts of accounting with relevant examples: (i) Verifiable objective Principle (ii) Prudence Concept (iii) Accounting Period Concept (iv) Cost Concept	8

29	<p>Journalise the following transactions in the books of Ranjan for the month of August 2022;</p> <p>Aug 1st Ranjan commenced business with cash Rs. 90,000, cheque Rs. 1,50,000 and bank loan 20,000.</p> <p>Aug 3rd Rent paid in advance Rs. 3,000 by cheque.</p> <p>Aug 4th Received Rs. 9,500 from Salim in full settlement of his account for Rs. 10,000.</p> <p>Aug 5th Charge depreciation @ 20% p.a for 6 months on machine costing Rs.1,00,000.</p> <p>Aug 7th Wages Outstanding Rs. 5,000</p> <p>Aug 8th Karan who owed Rs. 10,000 became insolvent.</p> <p>Aug 10th Ranjan introduced Rs. 25,000 as additional capital.</p> <p>Aug 16th Salary paid Rs.30,000 to Rohan.</p> <p>Aug 17th Received Rs. 10,000 from Ram which was written off as bad debt earlier.</p> <p>Aug 19th Sold goods costing Rs. 8,000 for Rs. 10,000 to Nikhil; less 5% trade discount.</p> <p>Aug 24th Purchased machinery from Vivek and gave him a cheque for the amount Rs. 40,000</p>	12
30	<p>Show the accounting equation on the basis of the following transactions;</p> <p>(a) Prakash commenced business with cash Rs. 1,00,000, Machinery Rs. 50,000 and Creditors Rs. 20,000</p> <p>(b) Wages paid Rs. 4,000 and due Rs. 1,000.</p> <p>(c) Goods purchased for cash Rs. 10,000 and credit Rs. 15,000.</p> <p>(d) Computer purchased from Star Computers worth Rs. 30,000</p> <p>(e) Deposited Rs. 9,000 into the bank.</p> <p>(f) Sold goods to Hari (costing Rs. 6,000) for Rs.7,000</p> <p>(g) Received cash from Hari Rs. 6,500 in full settlement.</p> <p>(h) Allowed interest on capital @ 10% p.a.</p> <p>(i) Commission received in advance Rs. 4,000 by cheque.</p>	14