** SINDHI HIGH SCHOOL, HEBBAL**

**Pre-Final Examination [2024-25]**

**Subject: Accountancy (055)**

**Class: XI Max Marks: 80**

**Date: 11.01.2025 Reading Time: 8:30 - 8:45 am  
No. of Sides: 06 Writing Time: 8:45 - 11:45 am** *General Instructions:*

1. *This question paper contains 33 questions. All questions are compulsory.*
2. *This question paper is divided into two parts: Part A & B.*
3. *Part – A: (Financial Statement - I).*

*Part – B: (Financial Statement - II).*

1. *Question Nos.1 to 16 & 26 to 29 carries 1 mark each.*
2. *Questions Nos. 17, 18, 30 & 31 carries 3 marks each.*
3. *Questions Nos. from 19 ,20 & 32 carries 4 marks each.*
4. *Questions Nos. from 21 to 25 & 33 carries 6 marks each.*
5. *There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks & 2 questions of six marks.*

**PART A**

**(Financial Statement - I)**

1. Which of the following is not a Current Liability: **(1)**a. Creditors b. Bank Overdraft c. Outstanding Expenses d. Prepaid Expenses
2. Which accounting concept you would follow in dealing with the situation given below:

“During the year, the company purchased Pencils worth ₹150. These had all been issued from stock and were still in use at the end of the year.”   
a. Money Measurement b. Materiality c. Accrual d. Going Concern  
 **OR (1)**  
IFRS are:   
a) rule-based accounting standards. b) principle-based accounting standards.   
c) partially rule based and partially principle-based accounting standards. d) None of the above.

1. Mahendra a customer from whom an amount was due, was declared insolvent & paid 60 paise in a rupee. Total bad debts from him were written off ₹7,200. What was the amount actually due from him?  
   A. ₹24,000 B. ₹18,000 C. ₹12,000 D. ₹15,000   
    **OR (1)**On intra-state sale of goods, which of the following account is credited:  
   a. Input IGST A/c b. Output CGST A/c

c. Output IGST A/c d. Output SGST A/c

1. Ledger is a principal book that contains: **(1)**   
   (a) Real accounts only (b) Personal accounts only   
   (c) All accounts (d) Nominal accounts only
2. A separate column is made for ‘Credit Note No.’ in: a. Purchase Book b. Sales Book c. Purchase Return Book d. None of the above  
    **OR** **(1)**Debit balances is shown by:

a. Profits and Incomes b. Liabilities and Incomes

c. Assets and Expenses d. Sales Return Book

1. . Out of the following assets which one is not an intangible asset? **(1)**a) Investment b) Patents c) Goodwill d) Trade Mark.
2. Bank Reconciliation Statement is: **(1)**a. A statement prepared by Bank b. A statement prepared by customer

c. A part of Cash Book d. A part of Pass Book

1. Depreciation is calculated from the date of \_\_\_\_\_\_\_\_\_\_\_\_ **(1)**

A. Purchase of Asset B. Receipt of asset at the business premises

C. Asset put to use D. Asset installed

1. Reserve is shown in: **(1)**  
   a) Trading A/c b) Profit & Loss A/c   
   c) Asset side of Balance Sheet d) Liability side of Balance Sheet.
2. The preparation of Trial Balance helps in:  
   a) Assessing the Financial Position. b) Locating Errors of all Types.   
   c) Preparation of Final Accounts. d) None of these **OR (1)**Preparation of a Trial Balance is:  
   a) compulsory. b) Optional. c) Compulsory or optional. d) None of these.
3. Given below are two statements, one labelled as Assertion(A) and the other labelled as Reason(R):

**Assertion (A)**: Suspense Account may show either a debit or a credit balance.

**Reason (R)**: Suspense Account always shows a debit balance.

In the context of the above statements, which one of the following is correct? **(1)**

1. Both (A) and (R) are correct and (R) is the correct explanation of (A).
2. Both (A) and (R) are correct but (R) is not the correct explanation of (A).
3. Only (R) is correct.
4. Both (A) and (R) are incorrect.
5. Which one is the advantage of accounting?  **(1)**  
   a. Window dressing b. Replacement of Memory

c. Shows the qualitative value of the business d. Shows the effect of price level changes

1. Following information is provided by Yashwant for the year ended March 31st 2024.   
   Credit Sales - ₹12,50,000; Cash Sales - ₹40,50,000;   
   Expenses (out of which ₹35,000 is still to be paid) ₹5,00,000  
   Net profit as per Cash Basis of Accounting will be:  
   a. ₹48,35,000 b. ₹57,65,000 c. ₹58,00,000 d. ₹35,85,000  
    **OR (1)**Which of the following statements correctly describes the Cost Concept?   
   a) Assets are shown in the books at the price at which it was purchased plus cost of improvement minus depreciation till date.   
   b) Assets are shown in the books at the price it was purchased.   
   c) Assets are shown in the books at the price it was purchased plus cost of improvement.   
   d) Assets are shown in the books at the price it was purchased or market price whichever is lower.
2. Which of the following is not a business transaction? **(1)**a) Withdrew ₹I0,000 from business for personal use by the proprietor.   
   b) Proprietor Withdrew ₹20,000 from the Bank Account of the firm to pay the school fees his son.   
   c) Proprietor withdrew ₹12,000 from his personal account to pay the school fees of his son.   
   d) Goods taken worth ₹3,000 for personal use.
3. According to which of the following accounting concepts, even the proprietor of a business is treated as creditor to the extent of his capital? **(1)**a) Money Measurement Concept b) Dual Aspect Concept   
   c) Cost Concept d) Business Entity Concept.
4. Given below are two statements, one labelled as Assertion(A) and the other labelled as Reason(R):

**Assertion (A)**: Accounting records only the transactions of financial nature.

**Reason (R)**: goods taken from the business by the proprietor for his personal use is not of financial character and hence not will be recorded.  
In the context of the above statements, which one of the following is correct? **(1)**

1. Both (A) and (R) are correct and (R) is the correct explanation of (A).
2. Both (A) and (R) are correct but (R) is not the correct explanation of (A).
3. (A) is true, but (R) is false.
4. (A) is false, but (R) is true
5. Pass Journal entries to rectify the following errors:
6. ₹350 paid is cash for a typewriter was charged to Office Expenses A/c.
7. Goods amounted to ₹660 sold to Wilson, were correctly entered in Sales Book but posted to Wilson’s Account as ₹760.
8. The total sales for the month were overcast by ₹1,000.  
    **OR (3)**  
   Trial Balance of a firm did not match and the difference was placed in Suspense Account. The following errors were subsequently identified: (a) Sales Book was overcast by ₹2000 (b) Goods sold to Prakash for ₹550 was posted as ₹5,500. (c) Purchases Book was overcast by ₹850. (d) Cash sale Rs. 2,000 were posted to commission account as Rs. 200 You are required to pass the Journal entries for rectification of the above errors
9. Draw a specimen of a Debit note with imaginary figures & details.  **OR (3)**Draw a specimen of a Credit note with imaginary figures & details.
10. Record the following transactions in a Petty Cash Book with suitable columns for the month of April 2024. The book is kept on imprest system, amount of imprest being ₹4,000. **(4)**

April 1 Petty cash in hand ₹540,   
Received cash to make-up the imprest.

Paid for office cleaning ₹100.

April 4 Paid railway fare ₹320, bus fare ₹280, wages ₹150.

April 5 Bought shorthand note books for office ₹370.

April 7 Paid carriage on parcels ₹150, paid for wages ₹220.

April 10 Bought stamps for ₹300, envelopes for ₹450 and an accounts register for ₹400.

April 12 Paid for repairs ₹200, gave tips to office peon ₹150.

April 13 Gave charity ₹100, served tea to customers ₹250.

April 15 Paid for wages ₹160, rewards to servant ₹100.

1. The passbook of Mr. Mohit current account showed a credit Balance of ₹20,000 on Dec 31, 2024.   
   (i) A cheque of ₹400 drawn on his saving account has been shown on current account.   
   (ii) He issued two cheques of ₹300 and ₹500 on of December 25, but only the Ist cheque was presented for payment.   
   (iii) One cheque issued by Mr. Mohit of ₹500 on December 25, but it was not presented for payment whereas it was recorded twice in the cash book. Prepare a Bank Reconciliation Statement with the following information. **(4)**
2. Green Limited purchased on 1st April, 2020 a plant for ₹80,000. On 1st July, 2021, it purchased additional Plant costing ₹48,000. On 1st December, 2022, the plant purchased on 1st April, 2020 was sold off for ₹42,000 and on the same date fresh plant was purchased at the cost of ₹75,000.

Depreciation is provided at 10% per annum on the Diminishing Balance Method every year. Accounts are closed each year on 31st March. Show the Plant Account for three years.

**OR (6)**

The following balances appear in the books of Zoo Ltd. As on 01-04-2022:

Machinery Account ₹5,00,000  
Provision for Depreciation Account ₹2,25,000

The machinery was depreciated at 10% p.a. on the Fixed Instalment Method; the accounting year ending 31st March every year.

On 1.10.2022, a machinery which was purchased on 01.07.2019 for ₹1,00,000 was sold for ₹42,000 and on the same date a fresh machinery was purchased for ₹2,00,000.

Prepare the Machinery Account and Provision for Depreciation Account for the year ended 2022-23.

1. . Create accounting equations on the basis of the following transactions: **(6)**  
   (i) Started business with cash ₹8,00,000 and goods ₹2,00,000.   
   (ii) Cash deposited into Bank ₹15,00,000.   
   (iii) Purchased machinery from Arjun ₹10,000.   
   (iv)Bought goods for cash ₹80,000.   
   (v) Paid to Arjun by cash ₹10,000.   
   (vi)Salary paid by cheque ₹20,000.
2. Prepare the 4 subsidiary books from the following transactions for the month February 2024 **(6)  
    ₹**

Feb 1 Goods sold to Sachin 5,000

Feb 4 Purchase from Kushal Traders 2,480

Feb 6 Sold goods to Manish Traders 2,100

Feb 7 Sachin returned goods 600

Feb 8 Return to Kushal Traders 280

Feb 10 Sold to Mukesh 3,300

Feb 14 Purchased from Kunal Traders 5,200

Feb 15 Furniture purchased from Tarun 3,200

Feb 17 Bought from Naresh 4,060

Feb 20 Return to Kunal Traders 200

Feb 22 Return to inwards from Mukesh 250

Feb 24 Purchased goods from Kirit & Co, for list price   
 & 10% trade discount received 5700

Feb 25 Sold to Shri Chand goods   
 and trade discount allowed 5% 6600

Feb 26 Sold to Ramesh Brothers 4,000

Feb 28 Return outwards to Kirit & Co 1,000

Feb 28 Ramesh Brothers returned goods 500

1. Journalise the following transactions: **(6)**

|  |  |  |
| --- | --- | --- |
| 2024 | Particulars | Amount (₹) |
| Dec.01 | Hema started business with cash | 1,00,000 |
| Dec.02 | Open a bank account with SBI | 30,000 |
| Dec.04 | Purchased goods from Ashu | 20,000 |
| Dec.06 | Sold goods to Rahul for cash | 15,000 |
| Dec.10 | Bought goods from Tara for cash | 40,000 |
| Dec.13 | Sold goods to Suman | 20,000 |
| Dec.16 | Received cheque from Suman | 19,500 |
| Discount allowed | 500 |
| Dec.20 | Cheque given to Ashu on account | 10,000 |
| Dec.22 | Rent paid by cheque | 2,000 |
| Dec.23 | Deposited into bank | 16,000 |
| Dec.25 | Machine purchased from Parigya | 10,000 |
| Dec.26 | Trade expenses | 2,000 |
| Dec.28 | Cheque issued to Parigya | 10,000 |
| Dec.29 | Paid telephone expenses by cheque | 1,200 |

1. Enter the following transactions in a Cash Book with Cash and Bank Columns: **(6)**

|  |  |  |
| --- | --- | --- |
| 2024 | Particulars | ₹ |
| Jan 1 | Bank overdraft | 12,000 |
| Cash-in-hand | 2,300 |
| 5 | Purchased goods for ₹40,000; Trade discount 15% |  |
| 6 | Sold goods for ₹30,000; Trade discount @10% |  |
| 7 | Cheque received from Apex Furniture | 4,000 |
| Discount allowed | 200 |
| 9 | Cheque received from Apex furniture deposited in bank |  |
| 12 | Cheque paid to Nimesh Bros. | 2,500 |
| Discount received | 50 |
| 15 | Apex furniture cheque dishonored |  |
| 20 | Money withdrawn from bank for office use | 3,400 |
| 23 | Fees of children paid by cheque | 75 |
| 25 | Cheque received from Hemendra and endorsed it to Sanjana | 4,500 |
| 27 | Bank Charges | 20 |
| 31 | Paid into Bank the entire balance after retaining ₹700 at office |  |

**PART B**

**(Financial Statement - II)**

1. The correct sequence for preparation of Final Accounts is:

1. Preparation of Trial Balance

2. Balancing of Accounts.

3. Preparation of annual financial Statements.

4. Passing Adjusting Entries.

Select the correct answer from the code given below:

a. 4, 2, 1, 3 b. 2, 4, 3, 1 c. 2, 1, 4, 3 d. 4, 2, 3, 1 **(1)**

1. Balance Sheet is prepared with the balances of which of the following:

a. All balances in ledger b. Balances of Personal Accounts

c. Balances of Real Accounts d. Balances of Personal and Real Accounts  
 **OR (1)**which of the following will be treated as drawings of the proprietor:

a. Income Tax b. Life Insurance Premium

c. Both a & b d. Neither a nor b

1. Manohar’s Profit & Loss Account shows net profit of ₹1,76,000 before charging commission to manager. Provide for manager’s commission at 10% on the net profit after charging such commission. Net profit and managers commission is …  
   a. ₹1,76,000 and ₹17,600 b. ₹1,58,400 and ₹17,600

c. ₹1,60,000 and ₹16,000 d. None of the above  
 **OR (1)**Indirect Expenses are transferred to:  
a. Trading Account b. Profit & Loss A/c

c. Balance Sheet d. All of the above

1. Opening capital ₹70,000; Profit for the year ₹20,000; Drawings ₹7,000. During the year proprietor sold ornaments of her mother for ₹22,000 and invested the same in the business.   
   Closing Capital is: **(1)**  
   a. ₹1,03,000 b. ₹1,05,000 c. ₹1,09,000 d. ₹75,000
2. . State with reason whether following are capital expenditure or revenue expenditure (**3)**
3. Second-hand car was purchased for ₹1,35,000. ₹15,000 were spent on its overhauling.
4. ₹25,000 spent on whitewashing of old factory building.
5. ₹22,500 paid for the installation of a new machine.
6. Give any three differences between Statement of affairs and Balance Sheet. **(3)**
7. While preparing final accounts, where the following items will be shown when they are given inside the trial balance?  
   a) Outstanding salary b) Prepaid rent c) Bad debt   
   d) Depreciation e) Interest on drawing f) Commission received in advance g) Closing stock h) Interest on capital   
    **OR (4)**Calculate Gross profit and Operating profit:   
   Opening stock ₹35,000; Sales (Net) ₹12,00,000; Purchase (Net) ₹5,00,000;   
   Administrative Expenses ₹60,000; Selling and Distribution Expenses ₹75,000;   
   Loss by fire ₹30,000; Closing Stock ₹75,000; Rent Received ₹10,000;
8. Prepare Trading and Profit & Loss Account for the year ended on 31st March, 2024 from the following:   
    Trial Balance as on 31st March, 2024

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Dr. ₹** | **Cr. ₹** |
| Cash on hand | 2,000 |  |
| Cash at Bank | 18,000 |  |
| Purchases and Sales | 2,20,000 | 3,50,000 |
| Return inwards and Return outwards | 6,000 | 7,500 |
| Carriage inwards | 4,400 |  |
| Carriage outwards | 2,100 |  |
| Fuel and Power | 15,500 |  |
| Stock as on 01-04-2023 | 36,000 |  |
| Bad debts | 6,200 |  |
| Bad debts provision |  | 2,500 |
| Debtors and Creditors | 82,000 | 30,000 |
| Capital |  | 2,17,000 |
| Investments | 20,000 |  |
| Interest on investments |  | 2,000 |
| Loan from X @ 18% |  | 10,000 |
| Repairs | 1,520 |  |
| General Expenses | 10,600 |  |
| Land and Buildings | 1,80,000 |  |
| Wages and Salaries | 18,000 |  |
| Sundry receipts |  | 120 |
| Bills Payable |  | 5,200 |
| Stationery | 2,000 |  |
|  | **6,24,320** | **6,24,320** |

Additional information:

* 1. Closing stock is valued at ₹50,000.
  2. Entire stationery was used by the proprietor for own purpose.
  3. Write-off ₹2,000 as bad debts and provision for Doubtful Debts is to be maintained at 5% on Debtors.
  4. Loan from X was taken on 1st August 2023. No interest has been paid so far.
  5. Included in general expenses is insurance premium ₹1,200 paid for one year ending 30th June 2024.
  6. **⅓rd** of Wages and Salaries is to be charged to Trading Account and balance to P/L A/c.

**OR (6)**

Prepare Profit & Loss Account and Balance Sheet as on 31st March, 2023 from the following:

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Dr. ₹** | **Cr. ₹** |
| Capital |  | 3,20,000 |
| Building | 4,00,000 |  |
| Motor Bike | 40,000 |  |
| Gross Profit |  | 2,83,000 |
| Bad debts | 3,000 |  |
| Bad debts provision |  | 7,000 |
| Bank loan |  | 50,000 |
| Interest on Bank loan | 3,000 |  |
| Commission |  | 9,000 |
| Motor Bike expenses | 4,000 |  |
| Salaries | 44,000 |  |
| Cash on hand | 29,200 |  |
| Debtors and Creditors | 30,000 | 20,000 |
| Income Tax | 12,000 |  |
| Income Tax paid in advance | 4,000 |  |
| Interest on advance payment of income tax |  | 200 |
| Closing Stock | 1,20,000 |  |
|  | **6,89,200** | **6,89,200** |

Additional information:

1. Commission includes ₹3,000 received in advance.
2. Salaries have been paid for 11 months.
3. Bank loan has been taken at 10% p.a. interest.
4. Depreciate building by 5% and Motorbike by 15%.
5. Write-off ₹2,000 as bad debts & provision for Doubtful Debts is to be maintained at 5% on Debtors.