DIRECTORATE OF EDUCATION, GNCT OF DELHI
MID TERM EXAMINATION (2026-27)
CLASS XI PRACTICE PAPER
ACCOUNTANCY (Code: 055)

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

General Instructions

1. This question paper contains **34** questions. **All** questions are **compulsory**.
2. *Section A carries objective type questions of 1 mark each.*
3. *Section B carries short answer questions of 3 marks each.*
4. *Section C carries long answer questions type I of 4 marks each.*
5. *Section D carries long answer questions type II of 6 marks each.*
6. Show working notes clearly wherever necessary.

SECTION A: OBJECTIVE TYPE QUESTIONS (1 mark x 20 = 20 marks)

Part I: Multiple Choice Questions (Q1 to Q8)

1. Which of the following is not a qualitative characteristic of accounting information?

A. Reliability B. Comparability C. Relevance D. Profitability

2. Which of the following is a current asset?

A. Goodwill B. Debtors C. Building D. Car

3. **(I)** Trade discount is:

A. Recorded in the books of account B. Not recorded in the books of account C. Shown separately in the balance sheet D. Treated as an indirect expense

OR

(II). Which of the following is correctly matched, with regard to the nature of the account under the traditional (British) approach to classification of accounts?

A. Building Account — Nominal Account B. Outstanding Salary Account — Real Account

C. Bank Overdraft Account — Personal Account D. Discount Allowed Account — Real Account

4. The concept of conservatism generally leads to:

A. Overstatement of assets B. Understatement of profit C. Overstatement of profit D. No effect on reported profit

5. Goods and Services Tax is a:

A. Direct tax B. Destination based indirect tax C. Origin based tax D. Wealth tax

6. Which of the following is a source document?

A. Ledger B. Trial Balance C. Invoice D. Journal

7. Under the dual aspect concept, every transaction affects:

A. Only one account B. At least two accounts C. Only the cash account D. No account at all

8. A petty cash book is generally maintained on the:

A. Double entry system only B. Imprest system C. Single entry system D. Accrual system only

Assertion-Reason Questions (Q9 to Q12)

For Q9 to Q12, choose the correct option:

A. Both Assertion (A) and Reason (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.

9. Assertion (A): Money measurement concept records only those transactions which can be expressed in monetary terms.

Reason (R): This concept ignores qualitative factors such as the skill and morale of employees.

10. Assertion (A): Business entity concept treats the business and its owner as two separate entities.

Reason (R): Capital introduced by the owner is treated as a liability of the business.

11. Assertion (A): Going concern concept assumes that the business will continue to operate for an indefinite period.

Reason (R): Fixed assets are valued at their current market price under this concept.

12. Assertion (A): A voucher is prepared before a transaction is recorded in the books of account.

Reason (R): Source documents provide evidence that a business transaction has taken place.

Matching Questions (Q13 to Q14)

13. Match the following accounting terms with their nature. Choose the correct combination. *[1]*

Column I	**Column II**
1. Drawings	A. Reduction in capital
2. Prepaid Insurance	B. Current asset
3. Goodwill	C. Intangible asset
4. Creditors	D. Current liability

14. Match the following subsidiary books with what they record. Choose the correct combination. *[1]*

Column I	**Column II**
1. Purchases Book	A. Credit purchase of goods
2. Sales Return Book	B. Goods returned by customers
3. Journal Proper	C. Transactions not covered elsewhere
4. Cash Book	D. Cash and bank transactions

15. The cheques issued by Meher that had not yet been presented for payment will cause the Pass Book balance, as compared with the Cash Book balance (both taken as favourable balances), to be:

A. Higher than the Cash Book balance B. Lower than the Cash Book balance C. Exactly equal to the Cash Book balance D. Unaffected.

16. A firm's total assets are ₹8,00,000 and total external liabilities are ₹3,00,000. The firm now takes an additional bank loan of ₹1,00,000 and immediately uses the entire amount to repay an existing creditor. The owner's capital immediately after this transaction will be:

A. ₹5,00,000 B. ₹6,00,000 C. ₹4,00,000 D. Cannot be determined from the information given

Fill in the Blanks (Q17 to Q19)

17. The document that provides evidence that a business transaction has taken place is called a __________. *[1]*

18. Under the __________ basis of accounting, revenue and expenses are recorded only when cash is actually received or paid. *[1]*

OR

Goods of list price ₹40,000 are sold at 15% trade discount, plus CGST and SGST @6% each. The total invoice value is ₹__________. [1]

19. The book in which goods returned by customers, who had earlier purchased on credit, are recorded is called the __________. *[1]*

20. The capital of ₹5,00,000 brought in by Meher on 1st April 2026 is recorded in the separate books of Meher's Corner, and not mixed with her personal assets, by applying:

A. The cost concept only. B. The business entity concept together with the dual aspect concept.
C. The matching concept only D. The realisation concept only

SECTION B: SHORT ANSWER QUESTIONS (3 marks x 6 = 18 marks)

21. Explain any three limitations of accounting. *[3]*

22. For the following, state which voucher is used, would be a Cash Voucher, a Non-Cash (Transfer) Voucher and prepare that: [3]

(a) A cheque is issued for equipment costing ₹40,000.

(b) Goods are purchased on credit from a supplier.

(c) Goods are given away as free samples for publicity..

23. Classify the following into capital expenditure and revenue expenditure: *[3]*

(a) Purchase of a computer

(b) Repairs to a computer

(c) Freight paid on machinery purchased

(d) Insurance premium paid for machinery

(e) Wages paid for installation of a new plant

(f) Annual maintenance contract charges

24. Give one example each, with a brief explanation, of any three of the following: *[3]*

(i) Increase in an asset and a liability

(ii) Decrease in an asset and a liability

(iii) Increase in assets and capital

(iv) Decrease in assets and capital

OR

Give one example each, with a brief explanation, of any three transactions that would have the following effect on the Accounting Equation:

(i) Total assets remain unchanged in amount, but the composition of assets changes

(ii) Total assets increase, and owner's capital increases by the same amount

(iii) Total assets decrease, and a liability decreases by the same amount (iv) An asset increases and a liability increases, but by different amounts, the difference affecting capital

25. Open a T shape account for Furniture and record the following transactions on the proper side: *[3]*

Jan 1: Purchased furniture for ₹80,000

Jan 10: Sold furniture for ₹15,000

Jan 20: Furniture discarded, book value ₹8,000

OR

Explain the importance of accounting for various users (any 3).

26. Prepare Bank Reconciliation Statement from the following particulars on 31st July 2022. (a) Balance as per Pass Book ₹ 500. (b) Three cheques for ₹170, ₹ 239.37, and ₹ 115.25 issued in July 2022 were presented her payment to the bank in August 2022 . (c) Two cheques of ₹ 850 and ₹ 765 sent to the bank for collection where not entered in the pass book by July 31st, 2022. (d) The Bank charged ₹ 116 for its commission not entered in the bank account. *[3]*

<u>SECTION C: LONG ANSWER QUESTIONS (4 marks x 3 = 12 marks)</u>

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27. Meera started a business with ₹4,00,000 as cash and ₹1,20,000 stock on 1st April 2025. During the first month she carried out the following transactions: *[4]*

Purchased goods for ₹1,80,000 (₹1,20,000 in cash and the balance on credit).

Sold goods for ₹2,40,000, which costing ₹1,50,000, receiving ₹1,60,000 in cash and the balance on credit.

Paid rent ₹8,000 and ₹1,200 as electricity charges.

Withdrew ₹6,000 for personal use.

Paid ₹25,000 to creditors.

From the above, answer the following:

(i) What was the amount of capital with which Meera started the business?

(ii) What is the amount of goods sold on credit?

(iii) What is the total amount of expenses?

(iv) What is the closing balance of cash?

OR

Read the following and answer the questions given below:

Ananya started 'Ananya Boutique' on 1st May 2026 with a capital of ₹4,50,000, out of which ₹3,50,000 was in cash and the rest in the form of a sewing machine. During the month, she purchased raw fabric for ₹1,80,000, paying ₹1,20,000 immediately and the balance being payable to Rukhsar Textiles. She stitched and sold finished garments, whose fabric had cost her ₹1,10,000, for ₹1,95,000, receiving ₹1,40,000 in cash immediately and the remaining amount from a customer, Naina, to be received after 15 days. Ananya also paid ₹9,000 as shop rent and withdrew ₹7,000 in cash for her personal expenses during the month. At the end of the month, she paid ₹60,000 to Rukhsar Textiles on account. Based on the above, answer the following:

(i) What was the total capital with which Ananya started her business, and in what form was it brought in?

(ii) What is the amount of gross profit earned during the month?

(iii) What amount is still receivable from Naina, and what amount is still payable to Rukhsar Textiles, at the end of the month? (iv) What was the total amount of Ananya's drawings for the month?

28. Show the effect of the following transactions on the accounting equation: *[4]*

(a) Started business with ₹2,50,000 in cash and stock worth ₹80,000.

(b) Purchased furniture worth ₹40,000 on credit.

(c) Paid ₹12,000 as advance rent.

(d) Sold goods costing ₹35,000 for ₹50,000, receiving ₹20,000 in cash and the rest on credit.

(e) Paid ₹8,000 to creditors in full settlement of ₹8,400.

29. Explain any two of the following basic accounting concepts, giving a suitable example of each: Business Entity, Money Measurement, Going Concern, Cost Concept, Dual Aspect, Matching, Consistency, Conservatism. *[4]*

SECTION D: COMPREHENSIVE QUESTIONS (6 marks x 5 = 30 marks)

30. Pass journal entries for the following transactions in the books of M/s Aarmorhi Traders: *[6]*

(a) Commenced business with ₹3,00,000 cash, goods worth ₹60,000 and furniture worth ₹40,000.

(b) Deposited ₹1,80,000 into the bank.

(c) Purchased goods worth ₹1,00,000, paying ₹70,000 by cheque and the rest on credit from Nitin.

(d) Sold goods costing ₹55,000 for ₹80,000, receiving ₹50,000 in cash and the rest on credit from Puneet.

(e) Paid ₹18,000 to Nitin in full settlement of ₹18,500.

(f) Received ₹25,000 from Puneet, allowing him a discount of ₹1,500.

31. From the following transactions in the books of Kabir, post the entries to the Cash Book , sales book and the Purchases book as on 31st August 2025: *[6]*

Aug 1: Started business with cash ₹1,50,000

Aug 5: Purchased goods i.e. 5 laptops for cash ₹40,000

Aug 12: sold goods i.e. 3 laptops @ ₹12,000 each on credit to Sameer.

Aug 20: Received cash from Sameer ₹28,000

Aug 25: Purchased goods i.e. 6 laptops form Akshay @ ₹9,000 each he allowed trade discount @ 10%.

Aug 30: paid to Akshay in full and got 5% cash discount.

32. Discuss any 3 advantages and limitations of accounting. *[6]*

OR

Prepare a Cash Book with a bank column from the following transactions of M/s Divya Enterprises for the month of July 2025:

July 1: Cash in hand ₹20,000, bank balance ₹60,000 (cr)

July 5: Cash sales ₹35,000

July 8: Deposited into bank ₹25,000

July 12: Paid rent by cheque ₹6,000

July 18: Received a cheque of ₹18,000 from Rohit and deposited the same day

July 25: Withdrew ₹10,000 from bank for office use

July 29: Paid salaries in cash ₹12,000

July 30: Fees of children paid by cheque from business account ₹6,000.

July 31: Cheque received from Raman and endorsed it to Saujata ₹ 4,500.

33. M/s Pritika Enterprises, Delhi, carried out the following transactions during September 2025. Pass journal entries for each, assuming GST rates as applicable: *[6]*

(a) Purchased goods worth ₹80,000 from M/s Bhandni Traders, located in the same state, with CGST @9% and SGST @9%.

(b) Sold goods worth ₹60,000 to M/s Punye Distributors of Pune with GST @18%.

(c) Paid freight charges of ₹8,000 to a registered transporter, GST applicable at CGST @2.5% and SGST @2.5%, already included in the amount.

(d) Purchased furniture worth ₹40,000 from M/s Gujarat Furnishings, an inter state purchase, with GST @18%.

(e) Received ₹56,640 from M/s Punye Distributors in full settlement after allowing a discount.

34. Prepare a Bank Reconciliation Statement as on 30th September 2025 from the following information: *[6]*

1. Balance as per Pass Book ₹35,000
2. Cheques issued of ₹18,000, out of which cheques worth ₹10,000 were not presented for payment till the above date
3. Cheques deposited of ₹40,000, out of which cheques worth ₹6,000 were not yet credited by the bank
4. Bank charges of ₹500 debited by the bank but cash book showed only 300.
5. Interest of ₹900 credited by the bank and cash book also credited it.
6. A cheque of ₹4,000 deposited was dishonoured but not yet recorded in the Cash Book.
7. A direct deposit of ₹8,000 by a customer, not yet recorded in the Cash Book.

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