

**Directorate of Education, GNCT of Delhi**

**Practice Paper**

**Session: 2024-25**

**Class: XI**

**Accountancy (055)**

**Duration: 3 Hours**

**Maximum Marks: 80**

**General Instructions:**

- (i) This question paper contains 34 questions. All questions are compulsory.
- (ii) Question 1 to 20 carries 1 mark each.
- (iii) Questions 21 to 26 carries 3 marks each.
- (iv) Questions from 27 to 29 carries 4 marks each.
- (v) Questions from 30 to 34 carries 6 marks each.
- (vi) 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 and 2 questions of six marks.

<b>S. NO.</b>		<b>Marks</b>
1.	Ledger is related to : (A) Provide information to various parties who are interested in business enterprise. (B) Record transactions in the books. (C) To make summary in the form of financial statements. (D) To classify the transactions under separate heads in the ledger.	1
2.	Which of the following is not a current assets? (A) Stock in hand (B) Cash at Bank (C)Prepaid expenses (D)Long term investments	1
3.	Which of the following is not a business transaction? (A) Bought furniture of Rs. 10,000 for business (B) Paid for salaries of employees 15,000. (C) Paid sons fees from her personal bank account Rs.20,000. (D) Paid sons fees from the business Rs. 2,000 OR Which qualitative characteristics of accounting information are reflected when accounting information is clearly presented? (A) Relevance (B) Comparability (C) Reliability (D)Understandability	1

4.	<p>The excess of expenses of a period over its related revenues is termed as:</p> <p>(a) Profit  (b) Loss  (c) Gain  (d) Expenses</p> <p>OR</p> <p>Non-Current liabilities are liabilities that are payable:</p> <p>(a) After 11 months  (b) After 1 year  (c) After 6 months  (d) After 4 Months</p>	1
5.	<p>M/s S Ltd. has invested Rs. 10,000 in the shares of Reliance industries Ltd. Current market value of these shares is Rs. 10,500. Accountant of S Ltd. wants to show Rs. 10,500 as value of investment in the books of accounts, which accounting convention restricts him from doing so?</p> <p>(A) Full Disclosure  (B) Consistency  (C) Conservatism  (D) Materiality</p>	1
6.	<p>As per the Duality principle calculate the total outsider's equity if the raw materials cost Rs. 1,5000, machine cost Rs. 1,50,000, Furniture used in the firm cost Rs. 60,000, cash at bank is Rs. 90,000 and the owner's equity is Rs. 2,10,000.</p> <p>a) Rs. 1,05,000  b) Rs. 5,25,000  c) Rs. 2,10,000</p>	1

	d) Rs. 4,20,000	
7.	Calculate the Capital, If Assets=Rs.2,50,000, Liabilities= Rs. 1,40,000. a) Rs.1,85,000 b) Rs.1,60,000 c) Rs.1,10,000 d) Rs.3, 90,000	1
8.	The documentary evidence in support of a transaction is known as: (a) Debit note (b) Credit note (c) Voucher (d) Invoice OR A document given by the seller to the buyer for sale of goods or provision of service on credit, is known as: (a) Invoice (b) Debit note (c) Cash memo (d) Credit no	1
9.	Statement I: Outstanding salary is a personal account. Statement II: Bank overdraft is a real account. a) Both statements are true (b) Both statements are false (c) Statement I is true but Statement II is false (d) Statement II is true but Statement I is false	1
10	Rent paid for Rs. 5,000 was posted as 5,200 and carriage outwards paid for Rs.8,000 was posted as 7,800. Identify the type of error. a) Error of commission b) Error of omission c) Compensating errors d) Error of principle OR If Cash-Book (Bank Column) shows a balance of Rs. 10,000 and following were observed while comparing it with Pass-Book: A cheque of Rs. 1000 deposited in Bank but not recorded in Cash-Book and the payment side of Cash-Book was under cast by Rs. 100. The balance as per Pass-Book would be: (A) Rs. 11,000 (B) Rs. 10,900 (C) Rs. 9,100 (D) Rs. 8,900	1
11	In the books of Vandana Ltd. the machinery account shows a debit balance of Rs.48,000 as on April 1,2013.the original cost of which was Rs.75,000. The Machinery was sold on September 30, 2015 for Rs.42,000. The company charges depreciation @20% p.a. on Straight line Method. The depreciation for 2013-2014 is a. Rs. 15,000 b. Rs. 9,600 c. Rs. 4,800 d. Rs.7,500	1
12	Rs.2,000 received as commission correctly entered in the cash book is not posted to commission account. The _____side of trial balance will _____.	1

	<p>a) Debit, exceed  b) Credit, exceed  c) Debit, decrease  d) Credit, decrease</p>	
	<p>OR</p> <p>Which of the following is not a reason due to errors made by the business while preparing bank reconciliation statement?</p> <p>a) Uncollected cheques.  b) Receipt side of Cash Book overcast  c) Cheques debited in Cash Book but not banked.  d) Bank Charges recorded twice in Cash Book.</p>	
13	<p>Which of the following is not an error of principle?</p> <p>(a) Purchase of furniture debited to purchase account  (b) Repairs on the overhauling of second-hand machinery purchased debited to repairs account  (c) Cash received from XYZ posted to ABC  (d) Sale of old car credited to sales account</p>	1
14	<p>Which of the following is the example of the revenue reserve?</p> <p>(a) Profit on redemption of debentures  (b) Profit on revaluation of fixed  (c) Investment fluctuation fund  (d) Profit on re-issue of forfeited shares</p>	1
15	<p>On March 31, 2018 assets and liabilities of Mr. Shyam were Rs.10, 00,000 and Rs.1,50,000 respectively . On March 31, 2019 assets and liabilities are Rs.12,00,000 and Rs.50,000 respectively , Total Drawing during the year 2018-19 were Rs. 40,000 .Profit earned by shyam during the year is .....</p> <p>a. 3,40,000  b. 3,50,000  c. 3,00,000  d. 3,30,000</p>	1
16	<p>The Trial balance of a firm shows Debtor Rs. 30000, Bad debts Rs. 200 and Provision for doubtful debts at Rs. 1400. A 10% provision for doubtful debts is to be created on debtors. The profit and loss account for the current year is to be debited by</p> <p>a. Rs. 3200  b. Rs. 3000  c. 4600  d. 1800</p>	1

17	<p>Calculation of Operating profit</p> <p>a. Gross profit –(Office &amp; Administration exp. + Selling &amp; Distribution Exp.)</p> <p>b. Gross profit – (Office &amp; Administration exp. – Selling &amp; Distribution Exp.)</p> <p>c. Gross profit – (Factory exp. + Office &amp; Administration exp. + Selling &amp; Distribution Exp)</p> <p>d. Gross profit –(Office &amp; Administration exp.+ Selling &amp; Distribution Exp+ Direct Exp.)</p> <p>OR</p> <p>If Accrued Interest Rs. 2000 given in Trial balance. It will be shown in</p> <p>a. Liabilities</p> <p>b. Assets</p> <p>c. Profit &amp; Loss Account (Credit)</p> <p>d. Trading Account (Credit)</p>	1
18	<p>An amount of Rs.286 due from Bimla , written off as bad debt in a previous year, was recovered and credited to the personal account of Bimla. The rectifying entry is :</p> <p>a) Bank a/c debit to Bimla's a/c</p> <p>b) Bimla's a/c debit to Bank a/c</p> <p>c) Bank a/c debit to Bad debt Recovered a/c</p> <p>d) Bimla's a/c debit to Bad debt Recovered a/c</p>	1
19	<p>Given below are two statements: one labeled as Assertion A and the other labeled as Reason R.</p> <p>Assertion (A): Provision is the amount of any unknown liability to be determined with substantial accuracy.</p> <p>Reason (R) : Provision and Reserves cannot used interchangeably.</p> <p>In the light of the above statements, choose the most appropriate answer from the options given below:</p> <p>A) Both (A) and (R) are true and (R) is the correct explanation of (A)</p> <p>B) Both (A) and (R) are true and (R) is not the correct explanation of (A)</p> <p>C) (A) is true, but (R) is false</p> <p>D) (A) is false, but (R) is true</p>	1
20	<p>Which of the following statement is true?</p> <p>a. Depreciation is a charge against profit.</p> <p>b. Depreciation is an appropriation to profit</p> <p>c. Depreciation is provided only if there is a profit.</p> <p>d. In case of loss, depreciation should not be charged.</p> <p>OR</p> <p>Which among the following is a correct difference between Provision and reserve?</p> <p>a. Provision is created out of legal necessity whereas Reserve is created as a matter of prudence</p> <p>b. Provision is invested whereas reserve is not invested</p> <p>c. Provision is an appropriation to profit whereas reserve is a charge against profit</p> <p>d. Provision can be used as a distribution of dividend whereas a reserve cannot be allowed to be used for distribution of dividend.</p>	1

21	Record journal entries for the following transactions in the books of Anudeep of Delhi: (a) Bought goods Rs. 2,00,000 from Kanta of Delhi (CGST @ 9%, SGST @ 9%) (b) Bought goods Rs. 1,00,000 for cash from Rajasthan (IGST @ 12%) (c) Sold goods Rs. 1,50,000 to Sudhir of Punjab (IGST @ 18%)	3																
22	Journalise the following transactions: Business started with cash Rs.1,50,000 Goods purchased from Manisha Rs. 36,000 Stationery purchased for cash Rs. 2,200	3																
23	Describe how debits and credits are used to analyse transactions. OR Define the purpose of maintaining subsidiary journal.	3																
24	Prepare a double column cash book.  <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 20%; text-align: right;">Rs</th> </tr> </thead> <tbody> <tr> <td>01 Started business with cash</td> <td style="text-align: right;">1,20,000</td> </tr> <tr> <td>03 Cash paid into bank</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td>05 Purchased goods from Sushmita</td> <td style="text-align: right;">20,000</td> </tr> <tr> <td>06 Sold goods to Dinker and received a cheque</td> <td style="text-align: right;">20,000</td> </tr> <tr> <td>10 Paid to Sushmita cash</td> <td style="text-align: right;">20,000</td> </tr> <tr> <td>14 Cheque received on December 06, 2010 deposited into bank</td> <td></td> </tr> <tr> <td>18 Sold goods to Rani</td> <td style="text-align: right;">12,000</td> </tr> </tbody> </table>		Rs	01 Started business with cash	1,20,000	03 Cash paid into bank	50,000	05 Purchased goods from Sushmita	20,000	06 Sold goods to Dinker and received a cheque	20,000	10 Paid to Sushmita cash	20,000	14 Cheque received on December 06, 2010 deposited into bank		18 Sold goods to Rani	12,000	3
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25	What are closing entries? Give two examples of closing entries. OR Why is it necessary to record the adjusting entries in the preparation of final accounts?	3																
26	From the information given below ascertain the profit for the year : Capital at the beginning of the year 70,000 Additional capital introduced during the year 17,500 Closing Assets and Liabilities are as follows: Stock 59,500 Sundry debtors 25,900 Business premises 8,600 Machinery 2,100 Sundry creditors 33,400 Drawings made during the year 26,400	3																
27	What is matching concept? Why should a business concern follow this concept? Discuss? OR The accounting concepts and accounting standards are generally referred to as the essence of financial accounting'. Comment.	4																
28	Prepare accounting equation on the basis of the following: (a) Harsha started business with cash Rs 2,00,000 (b) Purchased goods from Naman for cash Rs 40,000 (c) Sold goods to Bhanu costing Rs 10,000/- Rs 12,000 (d) Bought furniture on credit Rs 7,000	4																

29	An extract from a Trial Balance as on December 31, 2010.	4								
	<table border="1" data-bbox="111 190 1021 392"> <tr> <td></td> <td style="text-align: right;">10,500</td> </tr> <tr> <td>Debtors</td> <td style="text-align: right;">1,000</td> </tr> <tr> <td>Provision for Doubtful Debts as on January 01, 2010</td> <td style="text-align: right;">1,500</td> </tr> <tr> <td>Bad Debts Account</td> <td></td> </tr> </table> <p><b>Adjustment:</b>  (i) Further bad-debts amount to Rs 500.  (ii) Create a provision for doubtful-debts at 5% on debtors.</p> <p>Prepare Bad debts and Provision for debtors account.</p>		10,500	Debtors	1,000	Provision for Doubtful Debts as on January 01, 2010	1,500	Bad Debts Account		
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30	<p>Carriage Transport Company purchased 5 trucks at the cost of Rs 2,00,000 each on April 01, 2011.  The company writes off depreciation @ 20% p.a. on original cost and closes its books on December 31, every year. On October 01, 2013, one of the trucks is involved in an accident and is completely destroyed. Insurance company has agreed to pay Rs 70,000 in full settlement of the claim. On the same date the company purchased a second hand truck for Rs 1,00,000 and spent Rs 20,000 on its overhauling. Prepare truck account and provision for depreciation account for the three years ended on December 31, 2013. Also give truck account if truck disposal account is prepared.</p> <p>OR</p> <p>Saraswati Ltd. purchased a machinery costing Rs 10,00,000 on January 01, 2011. A new machinery was purchased on 01 May, 2012 for Rs 15,00,000 and another on July 01, 2014 for Rs 12,00,000. A part of the machinery which originally cost Rs 2,00,000 in 2011 was sold for Rs 75,000 on April 30, 2014. Show the machinery account, provision for depreciation account and machinery disposal account from 2011 to 2015 if depreciation is provided at 10% p.a. on original cost and account are closed on December 31, every year.</p>	6								
31	<p>On comparing the cash book with passbook of Naman it is found that on March 31, 2017, bank balance of Rs 40,960 showed by the cash book differs from the bank balance with regard to the following:</p> <ol style="list-style-type: none"> <li>Bank charges Rs 100 on March 31, 2017, are not entered in the cash book.</li> <li>On March 21, 2017, a debtor paid Rs 2,000 into the company's bank in settlement of his account, but no entry was made in the cash book of the company in respect of this.</li> <li>Cheques totaling Rs 12,980 were issued by the company and duly recorded in the cash book before March 31, 2017, but had not been presented at the bank for payment until after that date.</li> <li>A bill for Rs 6,900 discounted with the bank is entered in the cash book with recording the discount charge of Rs 800.</li> <li>Rs 3,520 is entered in the cash book as paid into bank on March 31<sup>st</sup>, 2017, but not credited by the bank until the following day.</li> <li>No entry has been made in the cash book to record the dishonour or on March 15, 2017 of a cheque for Rs 650 received from Bhanu.</li> </ol> <p>Prepare a reconciliation statement as on March 31, 2017.</p>	6								
32	<p>Rectify the following errors and ascertain the amount of difference in trial balance by preparing suspense account:</p> <ol style="list-style-type: none"> <li>Credit sales to Mohan Rs 7,000 were not posted.</li> <li>Credit purchases from Rohan Rs 9,000 were not posted.</li> <li>Goods returned to Rakesh Rs 4,000 were not posted.</li> <li>Goods returned from Mahesh Rs 1,000 were not posted.</li> <li>Cash paid to Ganesh Rs 3,000 was not posted.</li> </ol>	6								

(f) Cash sales Rs 2,000 were not posted.



OR

Trial balance of Raju showed an excess debit of Rs 10,000. He put the difference to suspense account and discovered the following errors:

- (a) Depreciation written-off the furniture Rs 6,000 was not posted to Furniture account.
- (b) Credit sales to Rupam Rs 10,000 were recorded as Rs 7,000.
- (c) Purchases book undercast by Rs 2,000.
- (d) Cash sales to Rana Rs 5,000 were not posted.
- (e) Old Machinery sold for Rs 7,000 was credited to sales account.
- (f) Discount received Rs 800 from Kanan on playing cash to him was not posted. Rectify the errors and prepare suspense account.

33. State with reason whether the following are capital expenditure, revenue expenditure or deferred revenue expenditure?

1. ₹ 14,000 spent on white washing of a factory.
2. Advertisement expenditure incurred for launching a new product.
3. ₹ 30,000 custom duty paid on new imported machinery.
4. ₹ 40,000 spent on repairing of various machines during the year.
5. Payment of wages ₹ 10,000 for converting raw material into finished goods.
6. Payment of ₹ 25,000 annual fire insurance premium.

34. From the following Trial Balance and Adjustments for the year ended 31st March, 2019 answer the following questions:-

	Dr. (₹)	Cr. (₹)
Stock 1st April, 2018	22,300	
Purchases and Purchases Return	2,30,000	5,200
Freehold Premises	1,00,000	
Incidental Trade Exp.	11,200	
Insurance	1,850	
Audit Fees	800	
Commission Received		2,700
Interest		1,400
Debtors and Creditors	32,400	24,830
Wages	30,200	
Salaries	15,200	
Capital		1,50,000
Drawings	12,000	
Income-Tax	3,600	
Investments	8,000	
Discount allowed & received	7,500	4,200
Sales Return & Sales	6,400	3,17,400
B/R	5,200	

Office Furniture	9,000	
Rent		2,600
Cash in hand	5,080	
Bank Balance	7,600	
	5,08,330	5,08,330

Adjustments:-

1. Stock at 31st March 2019 is ₹ 70,000.
2. Write off 5% Depreciation on Freehold Premises and 20% on office furniture.
3. Commission earned but not received ₹ 500.
4. Interest earned but not received ₹ 600.
5. ₹ 200 for rent have been received in advance.
6. Charge interest on Capital @ 6% and ₹ 500 on Drawings.

(i)What is the amount of total direct expenses?

- a. Rs. 38,000
- b. Rs. 30,000
- c. Rs. 30,200
- d. Rs. 62,200

(ii)What is the amount of Gross Profit?

- a. Rs. 1,05,700
- b. Rs. 95,700
- c. Rs. 1,03,700
- d. Rs. 1,04,700

(iii)What is the amount of Interest on Capital?

- a. Rs. 2,000
- b. Rs. 7,500
- c. Rs. 8,500
- d. Rs. 9,000

(iv)What is the amount of total depreciation?

- a. Rs 5,000
- b. Rs. 1,800
- c. Rs. 5,800
- d. Rs. 6,800

(v)What is the amount of Net Profit?

- a. Rs. 71,350
- b. Rs. 81,250
- c. Rs. 63,650
- d. Rs. 69,150

(vi)What is the amount of Capital to be shown in new balance sheet after all adjustments?

- a. Rs. 2,09,250
- b. Rs. 2,06,050
- c. Rs. 2,02,950
- d. Rs. 2,06,550

