### **Directorate of Education, GNCT of Delhi**

## Mid Term Examination Practice Paper

Session: 2025-26

### Class XI

# **Accountancy (Code:055)**

Time: 3 Hours Maximum Marks: 80

### **General Instructions**

- All questions are compulsory.
- Internal choices are provided in select questions.
- Use proper formats for journal entries, ledgers, and statements.
- Show working notes wherever necessary.
- Answer to the point and adhere to word limits.

### Section A – Objective Type Questions (1 mark $\times$ 20 = 20 marks)

Instructions: Attempt all questions. Each question carries 1 mark. Formats include MCQs, Assertion-Reason, Matching, and Fill in the Blanks.

- Part I: Multiple Choice Questions (Q1–Q8)
  - 1. Which of the following is not a feature of the accrual concept?
    - A. Revenue is recorded when earned
    - B. Expenses are recorded when paid
    - C. Matching of income and expenses
    - D. Recognition of income before cash receipt
  - 2. Which of the following accounts will appear in the balance sheet?
    - A. Rent Account
    - **B. Capital Account**
    - C. Sales Account
    - D. Discount Allowed
  - 3. Identify, which of the following is not a real asset?
    - A. Goodwill
    - **B. Preliminary Expenses**
    - C. Debtors
    - **D. Patents**

- 4. Which of the following transactions will not affect the accounting equation?
  - A. Purchase of goods on credit
  - **B.** Payment of salary
  - C. Depreciation charged on machinery
  - D. Transfer from cash to bank
- 5. Which of the following is not a capital receipt?
  - A. Sale of fixed asset
  - **B.** Commission received
  - C. Capital introduced
  - D. Loan taken
- 6. Which of the following is not a function of accounting?
  - A. Recording
  - **B.** Budgeting
  - C. Summarizing
  - D. Communicating
- 7. Which of the following is not a current liability?
  - A. Creditors
  - B. Bank overdraft
  - C. Outstanding salary
  - D. Loan repayable after 5 years
- 8. The principle of Dual Aspect states:
  - (A) Every transaction has two effects.
  - (B) Only one account is affected.
  - (C) Transactions are recorded in cash only.
  - (D) None of the above.

Part II: Assertion-Reason Questions (Q9-Q12)

### **Option Meaning**

- 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): Trial Balance is prepared to check the arithmetical accuracy of books.

Reason (R): Trial Balance includes only nominal accounts.

Options: A, B, C, D

10.

Assertion (A): Cash Book serves the purpose of both journal and ledger.

Reason (R): It records only credit transactions.

Options: A, B, C, D

11.

Assertion (A): Capital expenditure increases the earning capacity of the business.

Reason (R): It is incurred for day-to-day operations.

Options: A, B, C, D

OR

Assertion (A): Journal is the book of original entry.

Reason (R): Transactions are first recorded in the journal.

**12.** 

Assertion (A): Depreciation is charged to match cost with revenue.

Reason (R): Depreciation is a cash expense.

Options: A, B, C, D

Part III: Matching Questions (Q13–Q16)

Q13. Match the following accounts with their nature:

Account Nature Option

- 1. Debtors A. Asset
- 2. Creditors B. Liability
- 3. Capital C. Owner's Equity
- 4. Commission Received D. Income

Choose the correct matching combination:

**Option Matching Combination** 

- A 1-D, 2-C, 3-B, 4-A
- B 1-B, 2-A, 3-D, 4-C
- C 1–C, 2–D, 3–A, 4–B
- D 1-A, 2-B, 3-C, 4-D

Q14. Match the following concepts with their implications:

**Concept** Implication Option

- 1. Conservatism A. Record all losses, ignore profits
- 2. Going Concern B. Business will continue

Concept Implication Option

3. Matching C. Expenses matched with revenue

4. Accrual D. Record when earned/incurred

Choose the correct matching combination:

**Option Matching Combination** 

A 1-A, 2-B, 3-C, 4-D

B 1-B, 2-A, 3-D, 4-C

C 1-C, 2-D, 3-B, 4-A

D 1-D, 2-C, 3-A, 4-B

Q15. Match the following books with their purpose:

**Book** Purpose Option

1. Journal A. Chronological record

2. Ledger B. Classification of accounts

3. Trial Balance C. Summary of balances

4. Cash Book D. Record cash transactions

**Choose the correct matching combination:** 

**Option Matching Combination** 

A 1-A, 2-B, 3-C, 4-D

B 1-B, 2-A, 3-D, 4-C

C 1–C, 2–D, 3–A, 4–B

D 1-D, 2-C, 3-B, 4-A

Q16. Match the following accounting terms with their correct descriptions:

Term Description Option

1. Accrual Basis

A. Records income when earned and expenses when incurred, regardless

of cash flow

2. Business Entity
Concept

B. Treats business and owner as separate entities

Term

**Description Option** 

3. Conservatism

**Principle** 

- C. Recognize all probable losses, but not unrealized gains
- 4. Cash Basis
- D. Records transactions only when cash is received or paid

Choose the correct matching combination:

**Option Matching Combination** 

- A 1-A, 2-B, 3-C, 4-D
- B 1-D, 2-C, 3-B, 4-A
- C 1-C, 2-A, 3-D, 4-B
- D 1-B, 2-D, 3-A, 4-C
- Part IV: Fill in the Blanks (Q17-Q20)
  - 17. The \_\_\_\_\_ concept states that business and owner are separate entities.
  - 18. \_\_\_\_\_ is the process of transferring journal entries to ledger accounts.
  - 19. The \_\_\_\_\_ account is debited when goods are purchased for resale.
  - 20. The \_\_\_\_\_\_ is prepared to reconcile differences between Cash Book and Pass Book.

Section B – Short Answer Questions (3 marks × 6 = 18 marks)

- 21. Explain the importance of accounting standards in financial reporting.
- 22. Record the following transactions in the journal of M/s Kavya Traders:
  - (a) Paid ₹20,000 to creditors by cheque and received ₹500 discount.
  - (b) Received ₹15,000 from debtors; allowed ₹1,000 discount.
  - (c) Purchased goods worth ₹30,000; paid ₹10,000 in cash and the rest on credit.

OR

Explain the classification of accounts with examples.

- 23. Classify the following into capital and revenue expenditures:
  - (a) Purchase of machinery
  - (b) Repairs to machinery
  - (c) Freight on machinery
  - (d) Insurance premium for machinery
  - (e) Wages paid for installation
  - (f) Annual maintenance contract
- 24. Give one example of each with explanation (any 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.
- 25. Open a 'T' shape account for Furniture and record the following transactions on the proper side:

Date Transaction Amount (₹)

Jan 1 Purchased Furniture 1,00,000

Jan 10 Sold Furniture 20,000

Jan 20 Furniture Discarded 10,000

OR

Explain the importance of accounting concepts.

- 26. Describe the objectives of preparing accounting for financial statements.
- Section C Long Answer Questions (4 marks × 3 = 12 marks)
  - 27. Ramesh started a business with ₹ 5,00,000 as initial capital. He made the following transactions during the first month:
  - Purchased goods for ₹ 2,00,000 (₹ 1,50,000 in cash and ₹ 50,000 on credit).
  - Sold goods for ₹ 3,00,000 (costing ₹ 1,80,000), out of which ₹ 2,00,000 was received in cash and the rest on credit.
  - Paid rent ₹ 10,000.
  - Withdrew ₹ 5,000 for personal use.
  - Paid ₹ 20,000 to creditors.

From the above, answer the following:

- (i) What is the amount of capital with which Mr. Ramesh started the business?
- (ii) What is the value of goods purchased?
- (iii) What is the amount of goods sold on credit?
- (iv) What is the total amount of expenses?
- (v) What is the closing balance of cash?
  - 28. Show the effect of the following transactions on the accounting equation:
    - (a) Started business with ₹2,00,000 cash and stock worth ₹1,00,000.
    - (b) Purchased machinery worth ₹50,000 on credit.
    - (c) Paid ₹10,000 as advance rent.
    - (d) Sold goods costing ₹40,000 for ₹60,000; received ₹30,000 in cash and rest on credit.
    - (e) Paid ₹5,000 to creditors in full settlement of ₹5,200.
  - 29. Explain the need and importance of maintaining proper books of accounts.

- 30. Pass journal entries for the following transactions in the books of M/s Zenith Enterprises:
  - (a) Commenced business with ₹2,50,000 cash, goods worth ₹75,000, and furniture worth ₹50,000.
  - (b) Deposited ₹1,50,000 into bank.
  - (c) Purchased goods worth ₹90,000; paid ₹60,000 by cheque and the rest on credit from
  - (d) Sold goods costing ₹50,000 for ₹75,000; received ₹40,000 in cash and the rest on credit to Monu.
  - (e) Paid ₹15,000 to Bali in full settlement of ₹15,500.
  - (f) Received ₹20,000 from Devilal; allowed discount ₹1,000.
- 31. Prepare a Trial Balance from the following ledger balances:

Capital ₹2,50,000, Cash ₹30,000, Bank ₹90,000, Furniture ₹50,000, Debtors ₹80,000, Creditors ₹45,000, Purchases ₹1,50,000, Sales ₹2,10,000, Rent Paid ₹15,000, Commission Received ₹8,000, Drawings ₹25,000, Outstanding Salary ₹4,000, Prepaid Insurance ₹3,000 OR

Explain the process of preparing a Trial Balance with steps and purpose.

32. Discuss the objectives and limitations of accounting.

OR

M/s Anujs Traders maintains a complete set of subsidiary books. On 1st August 2025, the following transactions were required to be recorded:

- a. Purchased goods worth ₹50,000 from M/s Kapoor & Sons on credit.
- b. Returned goods worth ₹5,000 to M/s Kapoor & Sons.
- c. Sold goods worth ₹60,000 to M/s Mehta Enterprises on credit.
- d. Received ₹58,000 from M/s Mehta Enterprises in full settlement.
- e. Paid ₹45,000 to M/s Kapoor & Sons by cheque.
- f. Purchased office furniture worth ₹20,000 in cash.
- g. Paid wages ₹5,000 in cash.
- h. Received a debit note from M/s Kapoor & Sons for ₹2,000 (undercharged earlier).
- 33. M/s Aryan Enterprises, Delhi carried out the following transactions during August 2025. Pass journal entries for each, assuming GST rates as applicable:
  - a. Purchased goods worth ₹1,00,000 from M/s Delhi Traders (located in the same state) with CGST @9% and SGST @9%.
  - b. Sold goods worth ₹80,000 to M/s Mumbai Distributors of Mumbai with GST @18%.
  - c. Paid freight charges ₹10,500 to a registered transporter and GST applicable: CGST @2.5% and SGST @2.5% already included.
  - d. Purchased machinery worth ₹50,000 from M/s Gujarat Machines (inter-state purchase) with IGST @18%.
  - e. Received ₹94,400 from M/s Mumbai Distributors in full settlement after allowing ₹1,600 discount.
- 34. Prepare a Bank Reconciliation Statement as on 31st August 202 from the following information:
- Balance as per Cash Book ₹40,000

- Cheques issued of ₹ 20000 but not presented of ₹12,000 till the above date
- Cheques deposited of ₹ 50000 but till now cheque not credited ₹8,000
- Bank charges ₹600 debited by bank
- Interest credited by bank ₹1,200
- A cheque of ₹5,000 deposited was dishonoured but not recorded in the Cash Book
- Direct deposit by customer ₹10,000 not recorded in Cash Book