

CBSE Test Paper 05
Ch-11 Accounts Incomplete Records

1. State the common objective of single entry and double-entry system.
2. Calculate closing capital when Opening capital Rs 70,000, profit for the year Rs 20,000 drawings Rs 7,000. During the year proprietor sold ornaments of his wife for Rs 20,000 and invested the same in business.

3. Calculate Sales-

	Rs.
Cost of goods sold	Rs.2,00,000
Rate of Gross Profit 20% on Sales	

4. Name the accounting principle which is followed under double entry system but ignored in single entry system.
5. Creditors on 1st April, 2017 were Rs.15,000, Purchases on credit were Rs.30,000, Cash paid to Creditors during the 2017-18 was Rs.20,000, Return Outward (regarding credit purchases) were Rs.1,000 and Bills Payable accepted during the year were Rs.10,000. Find the balance of Creditors on 31st March, 2018.
6. Vikas maintains his books of accounts on single entry system. He provides following information from his books. Find out additional capital introduced in the business during the year 2017-18.

Opening capital	Rs.1,30,000	Drawing during the year	Rs.50,000
Closing capital	Rs.2,00,000	Profit made during the year	Rs.1,00,000

7. Following information is given below, calculate the closing capital

Items	1st January 2013(Rs)	31st December 2013
Creditors	5,000	30,000

Bills payable	10,000	-
Loan	-	50,000
Bills receivable	30,000	50,000
Stock	5,000	30,000
Cash	2,000	20,000

Calculate profit or loss and prepare statement of affairs at the end of the year (Opening balance is given).

8. Mrs Anu started a firm with a capital Rs 4,00,000 on 1st July, 2013. She borrowed from her friends a sum Rs 1,00,000 @ 10% per annum (interest paid) for business and brought a further amount to capital Rs 75,000 on 31st December, 2013, her position was

Items	Amt(Rs)
Cash	30,000
Stock	4,70,000
Debtors	3,50,000
Creditors	3,00,000

She withdraw Rs 8,000 per month for the year. Calculate profit or loss for the year and show your working clearly

9. From the following information supplied by X, who keeps his books on Single Entry System, you are required to calculate Total Purchases-

Opening balance of Bills Payable	5,000
Opening balance of Creditors	6,000
Closing balance of Bill Payable	7,000
Closing balance of Creditors	4,000
Cash paid to Creditors during the year	30,200

Bills Payable discharged during the year	8,900
Returns Outward	1,200
Cash Purchases	25,800

10. Mr Akshat keeps his books on incomplete records, following information is given below

Items	1st April, 2013(Rs)	31st March, 2014(Rs)
Cash in hand	1,000	1,500
Cash at bank	15,000	10,000
Stock	1,00,000	95,000
Debtors	42,500	70,000
Business premises	75,000	1,35,000
Furniture	9,000	7,500
Creditors	66,000	87,000
Bills payable	44,000	58,000

During the year, he withdrew Rs 45,000 and introduced Rs 25,000 as further capital in the business, compute the profit or loss of the business.

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Answer

1. The common objective of single entry and double entry system is to determine the profitability of a business. Only difference is the method of recording data.

2. Closing Capital = Opening Capital+ Additional Capital (Addition made during the year)+ Profit of the year - Drawings
= 70,000 + 20,000 + 20,000 - 7,000
= Rs 1,03,000

3. profit % on sales=20

Let sales= 100

Then profit= 20

Cost=100-20=80

$$\text{Sales} = \frac{\text{Cost of Sales} \times 100}{100 - \% \text{ Profit on Sales}}$$
$$= \frac{\text{Rs.} 2,00,000 \times 100}{100 - 20} = \text{Rs.} 2,50,000$$

4. Dual aspect concept is followed in double entry system but not in single entry system.

5. The term "Sundry" usually refers Small or infrequent customers/companies that are not assigned individual ledger accounts but are classified as a group. Sundry creditors are such small entities that the company owes money to. In this question the account is to be maintained as follows:-

Sundry Creditors A/c

Particulars	Rs.	Particulars	Rs.
To Cash A/c (Paid)	20,000	By Balance b/d	15,000
To Return outward	1,000	By Credit Purchase	30,000

To Bills Payable	10,000		
To Balance c/d (Bal. Fig.)	14,000		
Total	45,000	Total	45,000

6. **Capital addition** is the cost involved for adding new assets or improving existing assets within a business. **Capital** additions may take the form of adding new parts or features that are expected to increase the useful life of potential of an asset, or may involve adding new assets to increase production or capacity. Now in this question it is to be find as follows:-

CALCULATION OF ADDITIONAL CAPITAL

Particulars		Amount (Rs.)
Closing Capital		2,00,000
Add : Drawings		<u>50,000</u>
Balance		2,50,000
Less : Opening Capital	1,30,000	
Less : Profit during the year	<u>1,00,000</u>	2,30,000
Additional capital introduced		<u>20,000</u>

7. **Statement of Affairs**
(as on 1st January, 2013)

Liabilities	Amt(Rs)	Assets	Amt(Rs)
Creditors	5,000	Bills Receivable	30,000
Bills Payable	10,000	Stock	5,000
Capital(Balancing figure)	22,000	Cash	2,000
	37,000		37,000

Statement of Affairs
(as on 31st December, 2013)

Liabilities	Amt(Rs)	Assets	Amt(Rs)
Creditors	30,000	Bills Receivable	50,000
Loan	50,000	Stock	30,000
Capital(Balancing figure)	20,000	Cash	20,000
	1,00,000		1,00,000

Statement of Profit or Loss
(for the year ended 31st December, 2013)

Particulars	Amt(Rs)
Capital at the End i.e, 31st December, 2013	20,000
(-) Capital in the Beginning i.e, 1st January, 2013	22,000
Loss During the year 2013	(2,000)

Notes :

- When capital in the beginning of the year is more than the capital at the end of the year the result is loss and vice versa.
- Above is Net Worth Method of ascertaining the Profit/ Loss during a period.

8.

Books of Mrs. Anu

Statement of Affairs
(as on 31st December, 2013)

Liabilities	Amt(Rs)	Assets	Amt(Rs)
Sundry creditors	3,00,000	Cash	30,000
Loan from friends	1,00,000	Stock	4,70,000
Capital(Balancing figures)	4,50,000	Debtors	3,50,000

	8,50,000		8,50,000
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Statement of Profit or Loss
(for the year ended 31st December, 2013)

Particulars	Amt(Rs)
Capital at the End i.e, 31st December, 2013	4,50,000
(+) Drawings Made During in the year(8000 × 6 Months)	48,000
	4,98,000
(-) Additional Capital Introduced	75,000
Adjusted capital at the end	4,23,000
(-) Capital in the Beginning i.e, 1st July, 2013	4,00,000
Profit Made During the year 2011	23,000

Note : 1. Statement of Profit and loss is made to ascertain the Profit or Loss during the period in place of Profit/Loss Account.

2. Statement of Affairs is made to ascertain the Closing Capital.

9. Purchases reports the gross amount of **purchases** of merchandise.

Net **purchases** are the amount

of **purchases** minus **purchases** returns, **purchases** allowances,

and **purchases** discounts. Now, in this case, it is to be solved as follows:-

Bill Payable A/c

Particulars	Rs.	Particulars	Rs.
To Cash (B/P discharged)	8,900	By Balance b/d	5,000
To Balance c/d	7,000	By Sundry Creditors A/c (Bal. Fig.)	10,900
Total	15,900	Total	15,900

Sundry Creditors A/c

Particulars	Rs.	Particulars	Rs.
To Cash A/c (Paid)	30,000	By Balance b/d	6,000
To Return Outward	1,200	By Credit Purchase A/c (Bal. Fig.)	40,300
To B/P accepted	10,900		
To Balance c/d			
Total	46,300	Total	46,300

Total Purchase = (Credit + Cash)/Purchase
= Rs.[40,300 + 25,800] = Rs.66,100

10.

Statement of Affairs

as at 1st April, 2013

Liabilities	Amt(Rs)	Assets	Amt(Rs)
Creditors	66,000	Cash in hand	1,000
Bills Payable	44,000	Cash at Bank	15,000
Capital(Balancing figures)	1,32,500	Stock	1,00,000
		Debtors	42,500
		Business Premises	75,000
		Furniture	9,000
	2,42,500		2,42,500

Statement of Affairs

as at 31st March, 2014

Liabilities	Amt(Rs)	Assets	Amt(Rs)
Sundry Creditors	87,000	Cash in hand	1,500

Bills Payable	58,000	Cash at Bank	10,000
Capital(Balancing figures)	1,74,000	Stock	95,000
		Debtors	70,000
		Business Premises	1,35,000
		Furniture	7,500
	3,19,000		3,19,000

Statement of Profit And Loss
for the year ended 31st March, 2014

Particulars	Amt(Rs)
Capital at the end of year i.e, 31st March, 2014	1,74,000
Add: Drawings During the year	45,000
	2,19,000
Less: Additional Capital Introduced During the year	25,000
Adjusted capital at the end	1,94,000
Less: Capital in the beginning on 1st April, 2013	1,32,500
Profit Earned during the year	61,500

Statement of Affairs is a statement, which shows assets on one side and liabilities on the other. The difference between the totals of the two sides is taken as the capital. **Opening Capital** will be ascertained by preparing **Opening Statement of Affairs** and **Closing Capital** will be derived from **Closing Statement of Affairs**.