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**CBSE SAMPLE PAPER- 01 (Solved) for March 2016**  
**ACCOUNTANCY**  
**Class – XI**

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Time allowed: 3 hours

Maximum Marks: 90

**General Instructions:**

1. This question paper contains Two parts A & B.
  2. Both the parts are compulsory for all.
  3. All parts of questions should be attempted at one place.
  4. Marks are given at the end of each question.
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**Part – A (Financial Accounting – I)**

1. What is meant by Book Keeping? (1)
  2. What is meant by Invoice or Bill? (1)
  3. Define Capital Receipts with example. (1)
  4. Give two examples of Liquid Assets. (1)
  5. Explain any three internal users of Accounting Information. (3)
  6. Rectify the following errors by passing entries:
    - (a) A credit sale of Rs.2,000 to Ram was posted to Raman's Account.
    - (b) Goods costing Rs.1,000 (Market Price Rs.1,500) were taken by proprietor for personal use, not recorded anywhere.
    - (c) Sales Book was overcast by Rs.600. (3)
  7. Write any three objectives of Accounting Standards (AS). (3)
  8. Explain Consistency assumption and Revenue Recognition principle of accounting. (3)
  9. Give any two differences between Reserve and Provision. (4)
  10. Prepare Trial Balance from the following information:

Bank Overdraft .....	Rs.80,000
Purchase .....	Rs.3,90,000
Outstanding expenses .....	Rs.20,000
Sales .....	Rs.4,20,000
Rent paid in advance .....	Rs.30,000
Purchase Return .....	Rs.10,000
Opening Stock .....	Rs.1,10,000
Fixed Assets .....	Rs.2,00,000
Interest Received .....	Rs.15,000
Bank Loan .....	Rs.1,85,000

(4)
  11. On 1<sup>st</sup> April, 2015 Vinod sold goods to Mohan worth Rs.60,000. Mohan accept the bill for Rs.60,000 for two months. The Bill is payable at ICICI Bank Delhi, on the same day Vinod gives
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bill to the bankers for the collection (after two months). On the due date bill was honoured and Vinod received the due amount. Give entries in the books of Vinod and Mohan. **(4)**

12. Prepare Cash Book with Bank Column of Vinod from the following transactions:

April 1	Cash in hand .....	10,000
	Bank Overdraft.....	5,000
April 3	Received cash from Ashish (debtor).....	6,000
April 4	Received a cheque from Ram Rs.1,000 and sent to bank.	
April 5	Received a cheque from Mohan.....	2,000
April 8	Cheque of Mohan was endorsed to Sohan.	
April 11	Paid life insurance premium of Sh. Vinod Kumar in cash.....	500
April 15	Paid Rent .....	500
April 30	Deposited into Bank, Balance of Cash in excess of .....	2,000

**(4)**

13. Following transactions are of M/s. Vinod Kumar & Sons for the month of April, 2014. Prepare their Purchases Book:

April 5	Purchase on credit from M/s. Birla Mills: 100 pieces long cloth @ Rs.80 50 pieces shirting @ Rs.100
April 8	Purchased for cash from M/s. Ambika Mills: 50 pieces muslin @ Rs.120
April 15	Purchased on credit from M/s. Arvind Mills: 20 pieces coating @ Rs.1,000 10 pieces shirting @ Rs.90
April 20	Purchase on credit from M/s. Bharat Typewriters Ltd: 5 typewriters @ Rs.1,400 each

**(4)**

14. Prepare a Bank Reconciliation Statement of Mr. Divij Jain on 31 May 2012 from the following:

- Dr. Balance as per Pass Book Rs.50,000.
- Cheque issued to Mr. Himesh Rohatgi for Rs.2,000 not entered in Cash Book.
- Mr. Dhanraj (debtor) deposited an amount of Rs.1,000 directly into the bank account of Mr. Divij Jain.
- Cheque received from Mr. Dhruv Guleria for Rs.6,000 entered in cash book but not sent to bank.
- There was a credit in the pass book for Rs.600 and another credit of Rs.200 for interest.
- Bank charges Rs.500 entered twice in the cash book.

**(6)**

15. Vinod Limited purchased a machinery of Rs.3,00,000 on 1<sup>st</sup> July, 2012 and Rs.3,00,000 on 1<sup>st</sup> November 2012. Company purchased one more machinery on 1<sup>st</sup> January 2013 for Rs.2,00,000. Company sold one machinery for Rs.2,10,000 on 31<sup>st</sup> March 2014 which was purchased on 1<sup>st</sup> July 2012. Company purchased on second hand machinery on the same day for Rs.1,00,000. Rate of Depreciation is 10% by Straight Line Method and closes its accounts on 31<sup>st</sup> December every year.

Prepare Machinery A/c, Machinery Disposal A/c and Provision for Depreciation A/c.

OR

Vinod started a business with a capital of Rs.5,00,000. At the end of the year his position was as follows:

Particulars	Amount
Plant and Machinery	3,00,000
Office furniture	1,00,000
Stock	2,80,000

Sundry debtors	1,50,000
Bank balance	80,000
Cash in hand	20,000

During the year Vinod introduced further capital of Rs.1,00,000 and withdrew for personal use Rs.40,000. Sundry creditors at the end were Rs.90,000. Calculate profit or loss. **(8)**

### Part – B (Financial Accounting – II)

16. What is Single Entry System? **(1)**
17. Where will you record a specific donation received, while preparing accounts for a Non-profit organization. **(1)**
18. In 2014 the subscriptions received were Rs.50,000. These subscriptions include Rs.300 for 2013 and Rs.400 for 2015. On 31<sup>st</sup> December, 2014 subscription due but not received were Rs.500. The corresponding figure on 1<sup>st</sup> January, 2014 was Rs.600. What amounts should be credited to the Income and Expenditure account as subscription for the year 2014? **(3)**
19. Fill in the blanks and complete the Journal Entries. **(3)**

Fill in the blanks and complete the Journal Entries.

Cash A/c Dr. ?

Discount Allowed A/c Dr. 25

To Mr. Peter Sidhu ?

(Being cash received from Mr. Peter Sidhu after a cash discount of 2.5%)

Cash A/c Dr. ?

To Mohan's A/c ?

(Being 60% amount received from a debtor Mohan on his account of Rs.10,000)

Cash A/c Dr. ?

Bad Debts A/c Dr. ?

To Ram ?

(Being 70% amount received from official receiver of Ram on his account of Rs.800)

Vinod's A/c Dr. ?

To Cash A/c ?

To Discount Received A/c 20

(Being amount paid to Vinod in full settlement and received 4% cash discount)

20. Give one example for each of the following types of transactions: **(6)**
  - (a) Increase in Liabilities, decrease in owner's capital.
  - (b) Increase in one asset and increase in liability.
  - (c) Decrease in one asset and decrease in owner's capital.
  - (d) Increase in owner's capital and decrease in owner's capital.
21. Identify Personal Real and Nominal Account from the following: **(6)**
  - (a) Purchase A/c
  - (b) Cash A/c
  - (c) Rent Outstanding

- (d) Prepaid Salary  
(e) Bank Overdraft  
(f) Capital

22. Explain Readymade and Customized software with their advantages & limitations. (6)

23. Given below is the Receipts and payments Account of Vinod Sports Club for the year ended 31.12.2008.

Receipts	Amount	Payments	Amount
Balance of Cash	400	Salaries	10,000
Balance of Bank	3,600	Billiard Table	8,000
Subscriptions	11,000	Office Expenses	3,400
Life Membership Fee	8,000	Stationery	2,700
Tournament Fund	15,000	Tournament Expenses	16,000
Locker Rent	2,000	Furniture purchased	5,000
Sale of old sports material	3,000	Sports equipment purchased	6,000
(costing 5,000)	2,000	Fixed Deposit on 1.1.2008 @ 12% p.a.	5,900
Sale of old newspapers	10,000	Balance of Cash	200
Legacy	5,000	Balance of Bank	2,800
Entrance Fee			
	60,000		60,000

Additional information:

- (a) On 1.1.2008 subscriptions outstanding were Rs.800 and on 31 December 2008 Rs.900.  
(b) On 1.1.2008 the club had Building Rs.50,000; Furniture Rs.20,000 and Sports Equipment Rs.14,000. Charge depreciation @10% on these items (including purchases).

Prepare Income and Expenditure Account.

(6)

24. From the following Trial Balance of M/s. Vinod and Sons as on 31st March. 2015, prepare Trading and Profit & Loss Account and Balance Sheet.

Particulars	Amount	Particulars	Amount
Opening stock	10,000	Capital	5,00,000
Purchases	1,05,000	Sales	2,02,000
Sales return	2,000	Creditors	80,000
Interest on bank loan	300	B/P	20,000
Import duty	700	Outstanding expenses	5,000
Cash in hand	4,000	10% Bank Loan (1 Dec.2014)	15,000
Cash at bank	22,000	Purchase Return	5,000
Manufacturing expenses	6,000		
Expenses on purchase	2,000		
Expenses on sales	3,000		
Salaries & wages	8,000		
Land & building	2,64,000		
Plant & machinery	1,80,000		
Investments	1,50,000		
Debtors	70,000		
	8,27,000		8,27,000

**Adjustments:**

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- (a) Stock at the end was Rs.60,000 (cost) and Rs.80,000 market price.  
(b) Bad debts Rs.2,000.  
(c) Make provision for doubtful debts 5% on debtors.  
(d) Depreciate plant & machinery @ 10% p.a.  
(e) Manager is entitled for a commission on net profit @ 10% after charging such commission.

OR

Vinod Bros. providing you following information on 31<sup>st</sup> March 2015. Show the treatment of following items in related accounts without doing calculation of profit or loss:

Particulars	Amount	Amount
Debtors	51,000	--
Bad debts	1,500	--
Provision for doubtful debts	--	800
Prepaid salaries	300	--
Outstanding rent	--	400
Commission received	--	6,000

Additional Information:

- (a) Further bad debts were Rs.1,000.  
(b) Bad debts recovered Rs.600.  
(c) Make provision for doubtful debts @ 5%.  
(d) Commission received includes 1/3 for the next year.

**(8)**

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### SOLUTION – Sample paper 1

Ans. 1 Book Keeping is one part of accounting. It is mainly concerned with identifying financial transactions, measuring these transactions in terms of money and recording them in the books of accounts and classifying them. Book keeping is the primary stage of accounting.

Ans. 2 When a seller sells goods on credit, he prepares an invoice or bill with the details of party to whom goods are sold with the quantity of goods and total amount.

Ans. 3 Capital receipts are those which are shown in the balance sheet and they are of capital nature (for long term). Example of capital receipts: Donations for building, donations for stadium etc.

Ans. 4 (i) Cash in hand (ii) Cheques or drafts in hand

Ans 5. Internal users of Accounting Information:

- (i) **Proprietors** : The proprietors or owners of the business need accounting information to Estimate the trading results of the business, its financial position towards the end of the accounting period and future prospects of the business.
- (ii) **Management** : Management requires accounting information for planning and controlling Purposes. By proper use of this information, management can help to improve efficiency and thereby increase profits of the enterprise.
- (iii) **Employees**: Good results of the business provide a great satisfaction to employees as their bread and butter depends on these results. In those business concerns in which profit sharing schemes are introduced, employees become very much interested in knowing how the profit has been ascertained.

Ans. 6 **Rectifying Entries**

Date	Particulars	L.F.	Amount Dr.	Amount Cr.
	Ram's A/c Dr. To Raman's A/c (Being credit sale to Ram was posted to Raman, now rectified)		2,000	2,000
	Drawings A/c Dr. To Purchase A/c (Being goods taken by proprietor for personal use)		1,000	1,000
	Sales A/c Dr. To suspense A/c (Being error of sales book rectified)		600	600

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Ans. 7 (i) Facilitates in better understanding of financial statements.

(ii) Adopts significant accounting policies.

(iii) Enhancing reliability of financial statements.

Ans. 8 Consistency Assumption: Accounting practices/method once selected and adopted should be applied consistently year after year. Consistency helps in eliminating personal bias in accounting and makes it comparable. The accounting practices may be changed if necessary or required by the law or accounting standards.

Revenue Recognition Principle: According to this principle revenue is considered to have been realised when transaction has been entered into and the obligation to receive the amount has been established.

Ans. 9 Differences between Reserve and Provision:

Reserve	Provision
1. Reserve is an appropriation of profit.	1. A provision is a charge on profit.
2. Main purpose of creating a reserve is to strengthen the financial position and to meet the unforeseen losses or liabilities.	2. Main purpose of provision is to meet the known liability.

Ans. 10

### **Trial Balance**

Particulars	Amount Dr.	Amount Cr.
Bank Overdraft	--	80,000
Purchase	3,90,000	
Outstanding Expenses	--	20,000
Sales	--	4,20,000
Rent paid in advance	30,000	
Purchase Return	--	10,000
Opening Stock	1,10,000	
Fixed Assets	2,00,000	
Interest Received	--	15,000
Bank Loan	--	1,85,000
	7,30,000	7,30,000

Ans. 11

### **Vinod's Journal**

Date	Particulars	L.F.	Amount Dr.	Amount Cr.
	Mohan's A/c Dr. To Sales A/c		60,000	60,000

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(Being goods sold)			
B/R Dr. To Mohan's A/c (Being B/R received from Mohan)		60,000	60,000
Bill Sent for collection A/c Dr. To B/R (Being Bill sent for collection)		60,000	60,000
Bank A/c Dr. To Bill sent for collection A/c (Being amount received)		60,000	60,000

### Mohan's Journal

Date	Particulars	L.F.	Amount Dr.	Amount Cr.
	Purchase's A/c Dr. To Vinod's A/c (Being goods purchased)		60,000	60,000
	Vinod's A/c Dr. To B/P A/c (Being B/P Accepted)		60,000	60,000
	B/P A/c Dr. To Bank A/c (Being amount paid)		60,000	60,000

Ans. 12

### Cash Book

Date	Particulars	L.F.	Cash	Bank	Date	Particulars	L.F.	Cash	Bank
1/4/15	To Bal. b/d		10,000	--	1/4/15	By Bal. b/d		--	5,000
3/4/15	To Ashish		6,000	--	11/4/15	By		600	--
4/4/15	To Ram		--	1,000	15/4/15	Drawings		500	--
30/4/15	To Cash	C	--	12,900	30/4/15	By Rent	C	12,900	--
					30/4/15	By Bank		2,000	8,900
						By Bal. C/d			
			16,000	13,900				16,000	13,900



Ans. 13

**Purchase Book**

April 3	<b>M/s. Birla Mills :</b>		
	100 pieces long cloth @ Rs 80	8,000	
	50 pieces shirting @ Rs.100	<u>5,000</u>	13,000
April 15	<b>M/s Arvind Mills :</b>		
	20 pieces coating @ Rs.1,000	20,000	
	10 pieces shirting @ Rs.90	<u>900</u>	20,900
<b>Purchase A/c Dr.</b>			<b>33,900</b>

14.

**Bank Reconciliation Statement**

<b>Particulars</b>	<b>Amount Rs.</b>	<b>Amount Rs.</b>
Balance as per passbook		50,000
Add : Direct deposit by customer	1,000	
Add : Credit in pass book 600 + 200	800	
Add: Bank charges	<u>500</u>	<u>2,300</u>
		47,700
Less: Cheque of Mr. Himesh Rohtagi	2,000	
Less: Cheque received not sent to bank	<u>6,000</u>	<u>8,000</u>
<b>Balance as per cash book (Cr.)</b>		<b>39,700</b>

Ans. 15

**Machinery Account**

Date	Particulars	Amount	Date	Particulars	Amount
1/7/12	To Bank A/c	3,00,000	31 Dec	By Balance c/d	6,00,000
1/11/12	To Bank A/c	3,00,000			
		<b>6,00,000</b>			<b>6,00,000</b>
1/1/13	To Balance	6,00,000	31 Dec	By Balance c/d	8,00,000
1/1/13	b/d	2,00,000			
	To Bank A/c				
		<b>8,00,000</b>			<b>8,00,000</b>
1/1/14	To Balance	8,00,000	31/3/14	By Machinery	3,00,000
31/3/14	b/d	1,00,000	31 Dec.	Disposal	6,00,000
	To Bank A/c			By Bal. c/d	
		<b>9,00,000</b>			<b>9,00,000</b>

### Provision for Depreciation Account

Date	Particulars	Amount	Date	Particulars	Amount
31 Dec.	To Bal. c/d	20,000	31 Dec	By Depreciation (i) (ii)	15,000 5,000
		<b>20,000</b>			<b>20,000</b>
31 Dec	To Bal. c/d	1,00,000	1 Jan 31 Dec	By Bal. b/d By Depreciation (i) (ii) (iii)	20,000 30,000 30,000 20,000
		<b>1,00,000</b>			<b>1,00,000</b>
31 March 31 Dec	To Machinery disposal To Bal. c/d	52,500 1,12,500	1 Jan 31 Dec	By Bal. b/d By Depreciation (i) (ii) (iii) (iv)	1,00,000 7,500 30,000 20,000 7,500
		<b>1,65,000</b>			<b>1,65,000</b>

### Machinery Disposal Account

Date	Particulars	Amount	Date	Particulars	Amount
31 March	To Machinery A/c	3,00,000	31 March	By Bank A/c By Provision for Dep. By P/L A/c	2,10,000 52,500 37,500
		<b>3,00,000</b>			<b>3,00,000</b>

OR

### Statement of affairs at the end

Liabilities	Amount	Assets	Amount
Creditors	90,000	Plant and machinery	3,00,000
Capital (Bal. fig.)	8,40,000	Office furniture	1,00,000
		Stock	2,80,000
		Sundry debtors	1,50,000
		Bank balance	80,000
		Cash in hand	20,000
	<b>9,30,000</b>		<b>9,30,000</b>

### Calculation of Profit or loss:

Profit/loss = Capital at the end + drawings – additional capital – opening capital

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$$2,80,000 = 8,40,000 + 40,000 - 1,00,000 - 5,00,000$$

Ans. 16 Under Single Entry System only personal accounts and cash book are maintained.

Ans. 17 It is shown in the Liabilities side of Balance Sheet.

Ans. 18 **Analytical Statement**

Subscription Already received	50,000	
Less : Relating to year 2013	300	
Received in advance for 2015	<u>400</u>	<u>700</u>
	50,700	
Add: Subscriptions due for the year 2014		<u>200</u>
Subscription to be credited to Income & Exp. A/c	50,900	

Note: Subscription due for the year 2014 is only Rs.200 (500 – 300).

Ans. 19 **Journal Entries**

Cash A/c Dr. 975  
Discount Allowed A/c Dr. 25  
To Mr. Peter Sidhu 1,000  
(Being cash received from Mr. Peter Sidhu after a cash discount of 2.5%)

Cash A/c Dr. 6,000  
To Mohan's A/c 6,000  
(Being 60% amount received from a debtor Mohan on his account of Rs.10, 000)

Cash A/c Dr. 560  
Bad Debts A/c Dr. 240  
To Ram 800  
(Being 70% amount received from official receiver of Ram on his account of Rs.800)

Vinod's A/c Dr. 500  
To Cash A/c 480  
To Discount Received A/c 20  
(Being amount paid to Vinod in full settlement and received 4% cash discount)

Ans. 20 (i) Outstanding Expenses

(ii) Purchase asset on credit

(iii) Drawings

(iv) Interest on capital

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Ans. 21 Personal, Real and Nominal Accounts:

- (i) Purchase A/c ----- Nominal A/c
- (ii) Cash A/c ----- Real A/c
- (iii) Rent Outstanding ----- Personal A/c
- (iv) Prepaid Salary ----- Personal A/c
- (v) Bank Overdraft ----- Personal A/c
- (vi) Capital ----- Personal A/c

22. Readymade Software: These software's are ready to use, easy to handle or easy to operate. These software's save time and cost. The best example for accounting software is 'Tally'

***Advantages of Readymade Software's***

- (i) Suitable for small business firms.
- (ii) Easily available.
- (iii) Affordable (Less expensive)
- (iv) User friendly (No special training required)

***Limitations of Readymade Software's***

- (i) Knowledge of computer is required (as well as knowledge of accounting is also required).
- (ii) Costly and installation problems.
- (iii) Not safe.

Customized Software: Readymade software's are modified as per the requirement. It is known as customized Software's. The cost of customised software is higher than the readymade software cost and this cost is paid by the user.

***Advantages of Customised Software's***

- (i) Suitable for medium and large business houses.
- (ii) All transactions are recorded in a systematic manner.
- (iii) Software is customised according to the requirement.
- (iv) Reliable.

***Limitations of Customised Software's***

- (i) Special training is required to handle these types of software's.
- (ii) Costly.
- (iii) Outdated software's may cause problems.

Ans. 23

**Income and Expenditure Account**

Expenditure	Amount	Income	Amount
To Salaries	10,000	By Subscriptions 11,000 + 900	11,100
To Office Expenses	3,400	– 800	2,000
To Stationery	2,700	By Locker Rent	2,000
To Loss on sale of sports material	2,000	By Sale of old newspapers	5,000
To Depreciation on Building	5,000	By Entrance Fee	708
To Depreciation on Furniture	2,500	By Accrued interest	7,792

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To Depreciation on Sports Equipment	2,000 1,000	By Deficit	
To Tournament Expenses			
	28,600		28,600

Ans. 24 Gross Profit Rs.1,41,300; Net Profit Rs.1,06,400 before manager commission and Rs.96,727 after manager's commission; Balance Sheet Rs.7,26,600.

OR

**Profit and Loss Account (Extract)**

Particulars	Amount	Particulars	Amount
Bad Debts 1,500		Bad debts recovered	600
Add : Further bad debts 1,000	2,500	Commission 6,000	
Provision for bad debts:		Less : 1/3 2,000	4,000
Debtors 51,000			
Less : <u>1,000 (new bad debts)</u>			
<u>50,000</u>			
Now; 50,000 x 5/100 = 2,500	1,700		
Less : Old provision <u>800</u>			

**Balance Sheet (Extract)**

Liabilities	Amount	Assets	Amount
Commission (advance)	2,000	Debtors 51,000	
Outstanding Rent	400	Less : Bad debts 1,000	
		Less : Provision 2,500	47,500
		Cash (bad debts recovered)	600
		Prepaid Salaries	300