

CBSE Class 11 Accountancy
Sample Paper - 2
For CBSE Examination March 2019

General Instructions:

- i. This question paper contains Two parts A & B. Both the parts are compulsory for all.
- ii. All parts of questions should be attempted at one place.
- iii. Part A contains 16 Questions of which. Question 1 to 4 are carry 1 marks each. Question 5 to 9 are carry 3 marks each. Question 10 and 13 are carry 4 marks each. Question 14 to 15 are carry 6 marks each. Question 16 are carry 8 marks each.
- iv. Part B 17 to 24 question of which. Question 17 and 18 are carry 1 marks each. Question 19 are carry 3 marks each. Question 20 are carry 4 marks each. Question 21 to 23 are carry 6 marks each. Question 24 are carry 8 marks each. All parts of a question should be attempted at one place.

Part – A Financial
Account - I

1. What is the role of Book Keeping in a Business firm?
2. What is meant by a source document in context of accounting?
3. Give some examples of Liquid Assets which are shown under Current Assets.
4. Closing stock is valued at lower of cost or market price. Which principle of accounting is applied here?
5. Give three examples each of Provisions and Reserves.
6. Explain any three advantages of Double Entry System.
7. Give Journal entries for the following:
 - i. Interest due but not received Rs.5,000
 - ii. Rent due to landlord Rs.4,000.
 - iii. Out of the rent paid this year, Rs.6,000 relates to next year.
8. Write any three objectives of International Financial Reporting Standards (IFRS).
9. Explain the following Accounting Principles/Assumption:
 - i. Going Concern Assumption and



ii. Matching Principle

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

Jan. 1 Cash in hand Rs.100 and Bank Balance Rs.2,000

Jan. 5 Purchased goods by Cheque Rs.1,200.

Jan. 6 Drew Cheque for office use Rs.50.

Jan. 7 Purchased Stationery for Cash Rs.10

Jan. 8 Received cheque from Mr.X Rs.125.

Jan. 10 Carriage paid in cash Rs.33.

Jan. 12 Z paid us cheque Rs.175

Jan. 12 Paid Mr. A by cheque Rs.195

Jan. 27 Received cheque for sales Rs.200.

11. Complete the following journal entries of Vinod Bros.

Date	Particulars	L.F.	Debit	Credit
(i)	_____ A/c Dr.		.....
	To _____			.....
	To _____ (Being goods Purchased from Virraaj Rekhi Rs.20,000 and paid 40% through Net Banking)			.....
(ii)	_____ A/c Dr.		.....
	_____ A/c Dr.		.....
	To _____ (Being Goods sold to Mrs. Mundra for Rs.15,000 and received 1/3rd amount in cash)			.....
(iii)	_____ A/c Dr.		.....
	To _____ (Being Rent paid to Ramesh Rs.4,000 by cheque)			.....
(iv)	_____ A/c Dr.		.....
	To _____ (Being commission received Rs.3,000 in cash)			.....



12. Vinod has the following transactions. Show the accounting equation for the same:
- Commenced business with cash Rs.3,00,000.
 - Purchased goods for cash Rs.80,000.
 - Purchased machinery on credit Rs.1,25,000.
 - Purchased old car for personal use for Rs.1,00,000.
13. On 1st January, 2014, A drew a bill on B for Rs.10,000 payable after 3 months. B accepted the bill and returned it to A. After 10 days, A endorsed the bill to his creditor, C. On the due date, the bill was dishonoured and C paid Rs.200 as noting charges. Record the transactions in the books of A, B and C.
14. Prepare a Bank Reconciliation Statement on 31 March 2004 for the following when debit balance of pass book is Rs.10,000:
- Cheque amounting to Rs.8,000 drawn on 25th of March of which cheques of Rs.5,000 cashed in April 2004.
 - Cheques paid into Bank for collection to Rs.5,000 but cheques of Rs.2,200 could only be collected in March 2004..
 - Bank charges Rs.25 and dividend of Rs.350 on investment collected by bank could not be shown in cash book.
 - A cheque of Rs.600 debited in cash book omitted to be banked.
15. Give Rectified Entries for the following errors:
- Cash paid to Vinod Rs.3,800 is recorded as Rs.8,300
 - Rs.6,600 paid to Mohan is debited to Rohan's Account
 - Sold goods to Vinod Rs.950 entered in sales book as Rs.590
 - Rent paid to Landlord Rs.2,000 is debited to Landlord's account
16. "Vinod" Engineering Works purchased a machine on 1st April 2001 for Rs.1,80,000 and spent Rs.20,000 on its installation.
- On 1st January 2002, it purchased another machine for Rs.2,40,000. On 1st July 2003, the machine purchased on 1st April, 2001 was sold for Rs.1,45,000. On 1st October, 2003 another machine was purchased for Rs.4,00,000.
- Prepare Machinery Account from 2001 to 2003 after charging depreciation @ 10% p.a. by diminishing balance method. Accounts are closed on 31st December every year.

OR

Vinod Ltd., purchased a Plant on 1st April, 2005 for Rs.15,000. It purchased another plant



on 1st October, 2005 costing Rs.20,000 and on 1st July, 2006 costing Rs.30,000. On 1st January, 2007 the Plant purchased on 1st April, 2005 became useless and was sold for Rs.2,000. Show Plant Account charging 10% p.a. depreciation by fixed instalment method for four years. The plant purchased on 1st October, 2005 was sold for Rs.8,000 on 1st January, 2008. Accounts of the company are closed on 31st December each year.

**Part – B Financial
Account - II**

17. Can a limited company maintain its accounts under single entry system?
18. Mention any two examples of capital expenditure.
19. Vinod who keeps his books on single entry, tells you that his capital on 31 Dec.2017 was Rs.18,700 and his capital on 1-1-2018 was Rs.19,200. He further informs you that during the year he withdrew for his household purposes Rs.8,420. He once sold his investments of Rs.2,000 at 2% premium and brought that money into the business. You are required to prepare a statement of profit & loss.
20. What are the main advantages of computerized system over manual system?
21. Vinod maintains his account on Single Entry System. Calculate his profit on 31st March, 2013 from the following information:

Particulars	1 April 2012	31 March 2013
Cash in hand	3,000	1,000
Bank Balance	9,000	7,000
Furniture	4,000	4,000
Stock	2,000	6,000
Creditors	8,000	6,000
Debtors	6,000	8,000

During the year his drawings were Rs.2,000 and additional capital invested Rs.4,000.

22. How will you treat the following while preparing final accounts:

Debtors	80,000
Bad Debts	2,000
Provision for doubtful debts	5,000



Adjustments:

Bad Debts Rs.500 and Provision on debtors @ 5%.

- 23. Explain the main functions of a computer system.
- 24. From the following Trial Balance of M/s.Vinod and Sons as on 31st March 2010, prepare Trading and Profit & Loss Account and Balance Sheet.

Particulars	Amount	Particulars	Amount
Cash at Bank	6,000	Capital	50,000
Cash in hand	900	Sales	1,77,000
Advertisement	2,000	Creditors	25,000
Rent, Rates and Taxes	10,000	Rent Received	525
Carriage on sales	1,200	Purchase Returns	750
Carriage on purchase	750		
Manufacturing wages	10,000		
Salaries	6,000		
Sundry debtors	45,000		
Bank charges	75		
Discount	350		
Opening stock	30,000		
Returns	1,000		
Purchases	60,000		
Plant and machinery	60,000		
Loan to Ram	20,000		

Adjustments:

- i. Stock in hand at the end.35,000.
- ii. Charge 20% of the advertisement this year.
- iii. Charge interest on loan given to Ram @ 9% p.a.
- iv. Create 5% provision for bad and doubtful debts.



OR

From the following Trial Balance of M/s.Vinod and Sons as on 31st December. 2009, prepare Trading and Profit & Loss Account and Balance Sheet.

Particulars	Amount	Particulars	Amount
Opening Stock	11,300	Capital	20,000
Purchases	40,000	Loan	5,000
Sales Return	300	Creditors	8,000
Gas and Water	480	Sales	55,000
Cash in hand	1,000	Purchase return	580
Cash at bank	5,700	Commission	500
Salaries and wages	800	Bill Payable	1,500
Rent, Rate & Taxes	700		
Wages	1,250		
Insurance	1,000		
Carriage	750		
Discount	300		
Debtors	10,000		
Machinery	7,000		
Building	10,000		

Adjustments:

- i. Stock in hand on 31-12-2009 Rs.12,300.
- ii. Outstanding wages Rs.200 and Salaries Rs.100.
- iii. Accrued Commission Rs.300.
- iv. Create 5% provision for bad and doubtful debts.
- v. Charge 10% depreciation on Machinery.

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Solutions

1. Book keeping is a part of accounting which is concerned with identifying the financial transactions, measuring them in terms of money, recording and classifying the same.
2. A source document is a written document which is treated as an evidence in support of a financial transaction.
3. Examples of Liquid Assets are: Cash In hand, Bank Balance and Cheques in hand etc.
4. Closing stock is valued at lower of cost or market price due to the Prudence Principle of Accounting.
5.
 - i. Examples of Provisions: (i) Provision for Tax (ii) Provision for doubtful debts (iii) Provision for depreciation
 - ii. Example of Reserves: General Reserve, Capital Reserve, Contingency Reserve etc.
6. Advantages of Double Entry System are:
 - a. It helps to keep a complete and systematic record of all business transactions.
 - b. Since both the aspects of a transaction are recorded under this system, it facilitates a check on the arithmetical accuracy of the accounting books.
 - c. It reveals the results of business activities. By preparing trading and profit and loss account, profit earned or loss suffered by the business is ascertained.
7. Journal Entries
 - i. Accrued Interest A/c Dr. 5,000 and Interest A/c Cr. 5,000.
 - ii. Rent A/c Dr. 4,000 and Rent outstanding A/c Cr. 4,000.
 - iii. Prepaid Rent A/c Dr. 6,000 and Rent A/c Cr. 6,000.
8. Objectives of IFRS:
 - i. To develop accounting standard of high quality which are understandable, transparent, comparable and enforceable.
 - ii. To promote the use and rigorous application of those standards.
 - iii. To provide help and support to the small and medium size entities.
9. Going Concern Assumption: This assumption assumes that every business has a long and indefinite life. Since financial statements are prepared on the basis of this assumption, all fixed assets are shown in the books at their cost ignoring their market value. In fact



market value of a fixed asset has no relevance under this assumption, since these assets are acquired for continuous use in the business and not to sell them at a profit. It is a gain even though they may be unsaleable.

Matching Principle: This principle states that it is necessary to charge all the expenses incurred to earn revenue during the accounting period against that revenue, in order to ascertain the net income or trading results of the business. The matching principle which is so closely related to accrual principle and accounting period principle helps a businessman in realising his objective i.e. in ascertaining the trading results or profit or loss from the business.

10. Cash Book

Date	Particulars	L.F	Cash	Bank	Date	Particulars	L.F	Cash	Bank
Jan 1	To Balance b/d		100	2,000	Jan 5	By purchase			1,200
6	To Bank	C	50		6	By cash	C		50
8	To X			125	7	By stationery		10	
12	To Z			175	10	By freight		33	
27	To Sales			200	20	By A			195
					31	By Bal. c/d		107	1,055
			150	2,500				150	2,500
Feb 1	To Balance b/d		107	1,055					

11. Journal Entries

Date	Particulars	L.F.	Debit	Credit
(i)	Purchase A/c Dr.		20,000	
	To Bank A/c			8,000
	To Viraj Rekhi (Being goods Purchased from Viraj Rekhi Rs.20,000 and paid 40% through Net Banking)			12,000
(ii)	Mr. Mundra's A/c Dr.		10,000	
	Cash A/c Dr.		5,000	



	To Sales A/c (Being Goods sold to Mr. Mundra for Rs.15,000 and received 1/3rd amount in cash)			15,000
(iii)	Rent A/c Dr.		4,000	
	To Bank A/c (Being Rent paid to Ramesh Rs.4,000 by cheque)			4,000
(iv)	Cash A/c Dr.		3,000	
	To Commission Received A/c (Being commission received Rs.3,000 in cash)			3,000

12. Accounting Equation

Particulars	Assets =	Liabilities
	Cash + Stock + Machinery =	Creditors + Capital
(i) Commenced Business	3,00,000 + 0 + 0 =	0 + 3,00,000
(ii) Purchased goods	(80,000) + 80,000 + 0 =	0 + 0
New Equation	2,20,000 + 80,000 + 0 =	0 + 3,00,000
(iii) Purchased Machine	0 + 0 + 1,25,000 =	1,25,000 + 0
New Equation	2,20,000 + 80,000 + 1,25,000 =	1,25,000 + 3,00,000
(iv) Purchased car	(1,00,000) + 0 + 0 =	0 + (1,00,000)
Final Equation	1,20,000 + 80,000 + 1,25,000 =	1,25,000 + 2,00,000

13. A's Journal

2011 Jan.1	Bills Receivable A/c Dr.	10,000	
	To B (Being acceptance received)		10,000
Jan. 11	C Dr.	10,000	
	To Bills Receivable A/c		10,000
April 14	B Dr.	10,200	



	To C (Being bill dishonoured and noting charges paid by C)		10,200
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B's Journal

2011 Jan 1	A Dr.	10,000	
	To Bills Payable (Being acceptance given)		10,000
April. 4	Bills payable A/c Dr.	10,000	
	Noting Charges A/c Dr.	200	
	To A (Being bill dishonoured and noting charges paid)		10,000

C's Journal

2011 Jan. 11	Bills Receivable Dr.	10,000	
	To A (Being bills received from A)		10,000
April 4	A Dr.	10,200	
	To Bills Receivable		10,000
	To Cash A/c (Being bill dishonoured and noting charges paid)		200

14. Bank Reconciliation Statement

	Particulars	(+) Amount Rs.	(-) Amount Rs.
1.	Balance as per passbook (overdraft)		10,000
2.	Cheque drawn not presented		5,000
3.	Cheque deposited but not cleared	2,800	
4.	Bank charges	25	
5.	Dividend on investment		350
6.	Cheque debited in cash book	600	



	Balance as per cash book (overdraft)	11,925	
	Total	15,350	15,350

15. i. Cash Dr 4,500 and Vinod Cr 4,500
 ii. Mohan Dr 6,600 and Rohan Cr 6,600
 iii. Vinod Dr 360 and Sales Cr 360
 iv. Rent Dr 2,000 and Landlord Cr 2,000

16. **Machinery Account**

Date	Particulars	Amount	Date	Particulars	Amount
2001 April 1	To Bank	2,00,000	2001 Dec. 31	By Depreciation A/c	15,000
				By Balance c/d	1,85,000
		2,00,000			2,00,000
2002 Jan. 1	To Balance b/d	1,85,000	2002 Dec. 31	By Depreciation A/c	42,500
Jan. 1	To Bank A/c	2,40,000	Dec. 31	By Balance c/d	3,82,500
		4,25,000			4,25,000
2003 Jan. 1	To Balance b/d	3,82,500	2003 July 1	By Bank	1,45,000
Oct. 1	To Bank A/c	4,00,000		By Depreciation A/c	8,325
				By P/L A/c	13,175
			Dec. 31	By Depreciation A/c	31,600
				By Balance c/d	5,84,400
		7,82,500			7,82,500

OR

Machinery Account

Date	Particulars	Amount	Date	Particulars	Amount



2005 April 1	To Bank	15,000	2005 Dec. 31	By Depreciation A/c	1,625
Oct 1	To Bank	20,000		By Balance c/d	33,375
		35,000			35,000
2006 Jan. 1	To Balance b/d	33,375	2006 Dec 31	By Depreciation A/c	5,000
July 1	To Bank A/c	30,000		By Balance c/d	58,375
		63,375			63,375
2007 Jan. 1	To Balance b/d	58,375	2007 Jan. 1	By Bank	2,000
				BY P/L A/c	10,375
			Dec. 31	By Depreciation A/c	5,000
				By Balance c/d	41,000
		58,375			58,375
2008 Jan. 1	To Balance b/d	41,000	2008 Jan. 1	By Bank	8,000
				By P/L A/c	7,500
			Dec 31	By Depreciation A/c	3,000
				By Balance c/d	22,500
		41,000			41,000
2009 Jan. 1	To Balance b/d	22,500			

17. No, companies prepare their accounts according to the guidelines of new companies Act.
18. i. Purchase of machinery
ii. Wages paid to workers for setting-up new machinery.
19. Net profit = 18,700 + Drawings 8,420 - Additional capital 2,040 - 19,200 = 5,880
20. i. Speed : It refers to the amount of time taken for accomplishing a task. Computer requires far less time than human beings in performing a task. Human beings takes second or minute as unit of time whereas computer has such a fast speed that the relevant unit of time is fraction



of a second.

- ii. Accuracy : Manual system can never be perfect, it can make some mistakes always but the computers are extremely accurate. This operations are error free. Most of the errors in computer system occur because of bad programming erroneous data and deviation from procedures. These errors are caused by manual system and not by computer system.
- iii. Reliability : A man may fell mental and physical fatigue after long working hours but a computer never get tired like a human being. It can work continuously and does not suffer from lack of concentration and can perform the joys of repetitive nature any number of times, in exactly the same way.
- iv. Versatility : Manual system also has the versatile nature but in comparison with computer it is very less. Computer is capable of performing a wide variety of tasks of different nature, at the same time. It can be used in business, industry, scientific, statistical technological, communication and so on. Human being can do only limited no. of tasks.
- v. Storage or Memory : It comparison of manual system, computer system has large memory, it can store any volume of information or data for being processed. It can be stored in it on permanent basis. The information stored in it can also be recalled at any time when required.
- vi. Scientific System : A Computer operates scientifically and never gets emotional while solving the problems like human beings. Thus, it is clear from the above discussion that computer systems outperform the manual system.

21. Statement of Affairs (opening)

Liabilities	Amount	Assets	Amount
Creditors	8,000	Cash in hand	3,000
Capital (Bal. fig)	16,000	Bank Balance	9,000
		Furniture	4,000
		Stock	2,000
		Debtors	6,000
	24,000		24,000

Statement of Affairs (closing)

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Liabilities	Amount	Assets	Amount
Creditors	6,000	Cash in hand	1,000
Capital (Bal. fig)	20,000	Bank Balance	7,000
		Furniture	4,000
		Stock	6,000
		Debtors	8,000
	26,000		26,000

Calculation of profit.

Capital at the end + Drawings - Additional capital - opening capital

$$20,000 + 2,000 - 4,000 - 16,000 = 2,000$$

22. Profit & Loss Account

Particulars	Amount	Particulars	Amount
To Bad Debts			
Add: Further bad debts 500	2,500		
Debtors 80,000			
Less: Bad debts 500	79,500		
79, × $\frac{3975}{6475}$			
Less: old provision 5,000	1,475		

Balance Sheet

Liabilities	Amount	Assets	Amount
		Debtors	80,000
		Less: Bad debts	500
			79,500
		Less: new provision	3,975
			75,525

23. Main functions of the computer system:

1. **Storage:** It can store a large amount of information within it and can make it available to use when required.



2. **Data processing:** The Computer can do various operations on the data, technically it is known as 'data processing'. This involves:
- Performing calculations, such as addition, subtraction, multiplication, division etc.
 - Performing: Logic functions/comparing data: The computer can perform logic functions and can compare two numbers or alphabets and arrange them in a desired sequence.
 - Editing of Text: In application of word processing, the business documents can be prepared easily and efficiently.
 - Graphic action: The computer can draw maps, pictures, designs, etc., for planning and designing.
 - Production of data : Result can be stored on various devices like tapes, disks etc., can be printed on paper or can be displayed.

24. Trading Account

Particulars		Amount	Particulars		Amount
To Opening Stock		30,000	By Sales	1,77,000	
To Purchases	60,000		Less : Return	1,000	1,76,000
Less : Return	750	59,250	By Closing Stock		35,000
To Carriage inwards		750			
To Manufacturing wages		10,000			
To Gross Profit		1,11,000			
		2,11,000			2,11,000

Profit and Loss Account

Particulars	Amount	Particulars	Amount
To Advertisement written off	400	By Gross Profit	1,11,000
To Rent, Rates & Taxes	10,000	By Rent	525
To Carriage on sales	1,200	By Accrued interest on	1,800
To Salaries	6,000	Ram's Loan	
To Bank Charges	75		



To Discount	350		
To Provision for bad debts	2,250		
To Net Profit	93,050		
	1,13,325		1,13,325

Balance Sheet

Liabilities	Amount	Assets	Amount
Capital 50,000		Plant & Machinery	60,000
Add: Profit 93,050	1,43,050	Loan to Ram 20,000 + 1,800	21,800
		Closing Stock	35,000
Creditors	25,000	Debtors 45,000 – 2,250	42,750
		Cash at Bank	6,000
		Cash in hand	900
		Advertisement 2,000 - 400	1,600
	1,68,050		1,68,050

OR**Trading Account**

Particulars	Amount	Particulars	Amount
To Opening Stock	11,300	By Sales 55,000	
To Purchases 40,000		Less: Return 300	54,700
Less : Return 580	39,420	By Closing Stock	12,300
To Gas & Water	480		
To Wages 1,250 + 200	1,450		
To Carriage	750		
To Gross Profit	13,600		
	67,000		67,000



Profit and Loss Account

Particulars	Amount	Particulars	Amount
To Salaries & wages 800 + 100	900	By Gross Profit	13,600
To Rent & Rates	700	By Commission 500 + 300	800
To Insurance	1,000		
To Discount	300		
To Depreciation on Machinery	700		
To Provision for doubtful debts	500		
To Net profit	10,300		
	14,400		14,400

Balance Sheet

Liabilities	Amount	Assets	Amount
Capital 20,000		Building	10,000
Add : Profit 10,300	30,300	Machinery less depreciation	6,300
		Debtors less provision	9,500
Loan	5,000	Closing stock	12,300
Creditors	8,000	Cash at bank	5,700
B/P	1,500	Cash in hand	1,000
Outstanding wages	200	Accrued Commission	300
Outstanding salaries	100		
	45,100		45,100

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