

**CBSE Class 11 Accountancy**  
**Sample Paper - 1**  
**For CBSE Examination March 2019**

**Time allowed: 3 hours**

**Maximum Marks: 90**

**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. Accounting is considered as backbone of the business. How would you define accounting in the context of a newly starting business?
2. What is meant by Invoice OR Bill in context of 'Source Documents'?
3. Give the meaning of Revenue with an example.
4. Give two examples of Fictitious Assets.
5. State any three differences between Provision and Reserve.
6. Explain any three internal users of Accounting Information.
7. Rectify the following errors by passing entries:
  - i. Credit sale of old furniture to Mohan for 1,500 was posted as 5,100.
  - ii. Goods purchased from David Rs.2,000 passed through sales book.
  - iii. Sales Book has been totaled Rs.2,000 short.
8. Write any three objectives of Accounting Standards (AS).
9. Explain Consistency assumption and Revenue Recognition principle of accounting.



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

- April 1 Cash in hand .....2,200
- Cash at Bank .....5,000
- April 15 Received a Cheque from Naresh..... 1,000
- April 18 Cheque received from Naresh endorsed to Suresh in full settlement. 1,050
- April 10 Paid Life Insurance premium of Mr.Mohan.....100
- April 13 Received and banked a cheque from Pawan in full settlement ..... 750
- April 16 Pawan's Cheque returned dishonoured by bank
- April 20 Deposited into Bank, Balance of Cash in excess of ..... 250

11. Complete the following journal entries of Vinod Bros.

Date	Particulars	L.F.	Debit	Credit
(i)	_____ A/c Dr. To _____ (Being goods costing Rs.2,000 was taken by proprietor for personal use the market value of these goods is Rs.2,500)		.....	.....
(ii)	_____ A/c Dr. To _____ (Being household furniture sold by Vinod for Rs.14,000 and introduced that money as capital)		.....	.....
(iii)	_____ A/c Dr. To _____ (Being Rs.800 due from Gaurav are bad debts)		.....	.....
(iv)	_____ A/c Dr. To _____ (Being goods costing Rs.1,000 and market price Rs.1,200 were destroyed by fire)		.....	.....

12. Prepare a Bank Reconciliation Statement on 31 May 2018 for the following:

- i. Cheques issued before May 31, 2018, amounting to Rs. 25,940 had not been presented for encashment.
- ii. Two cheques of Rs. 3,900 and Rs. 2,350 were deposited into the bank on May 31 but the bank gave credit for the same in June, 2018.
- iii. There was also a debit in the passbook of Rs. 2,500 in respect of a cheque dishonoured

on 31.5.2018. Prepare a bank reconciliation statement as on May 31, 2018.

13. Following transactions are of M/s. Vinod Kumar & Sons for the month of April, 2018.

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

14. On March 15, 2018 Ramesh sold goods for Rs. 8,000 to Deepak on credit. Deepak accepted a bill of exchange drawn upon him by Ramesh payable after three months. On April, 15 Ramesh endorsed the bill in favour of his creditor Poonam in full settlement of her debt of Rs. 8,250. On May 15, Poonam discounted the bill with her bank @ 12% p.a. On the due date Deepak met the bill. Record the necessary journal entries in the books of Ramesh.
15. M/s Vinod & Sons showing following transactions. Prepare 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.
16. Vinod Limited purchased a machinery of Rs.3,00,000 on 1st July, 2012 and Rs.3,00,000 on 1st November 2012. Company purchased one more machinery on 1st January 2013 for Rs.2,00,000. Company sold one machinery for Rs.2,10,000 on 31st March 2014 which was purchased on 1st 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 31st December every year.



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

OR

On 1st January, 2005, VK Ltd. Purchased machinery for Rs.2,40,000 and on 30th June 2006, it acquired additional machinery at a cost of Rs.40,000. On 31st March, 2007, one of the original machine (purchased on 1st January, 2005) which had cost of Rs.10,000 was found to have become obsolete and was sold as scrap for Rs.1,000. It was replaced on that date by a new machine costing Rs.16,000. Depreciation is to be provided @ 15% p.a. on the written down value. Show machinery account by following calendar year.

**Part – B Financial**

**Account - II**

- 17. What is a Contingent Liability? How is it shown in Final Accounts?
- 18. What is meant by a ‘Statement of Affairs’?
- 19. From the following information, find out profit:
  - 1. Capital at the end of the year ..... Rs.5,00,000
  - 2. Capital in the beginning of the year .....Rs.7,50,000
  - 3. Drawings made during the period ..... Rs.3,75,000
  - 4. Additional capital introduced .....Rs.50,000
- 20. What are the main disadvantages of computerized accounting?
- 21. The capital of Mr. Vinod Kumar on 1st April 2002 was Rs.50,000 and 31st March was Rs.48,000. He has informed you that he withdrew from the business Rs.800 per month for his private use. He paid Rs.2,000 for his income tax and the instalment of the loan of his personal house at the rate of Rs.1,500 per month from the business. He had also sold his shares of X Ltd. Costing Rs.10,000 at a profit of 20% and invested half of this amount in the business. Calculate profit/loss of the business.
- 22. Following is the extract from a Trial Balance:

Particulars	Amount (Dr.)	Amount (Cr.)
Debtors	84,000	--
Bad Debts	2,000	--

Adjustments:

- i. Write off Rs.4,000 as further bad debts.



ii. Create a provision for doubtful debts at 5% on Sundry Debtors.

Show the treatment of above items in final accounts.

23. Explain Readymade and Customized software with their advantages & limitations.

24. From the following Trial Balance of M/s.Vinod and Sons as on 31st March. 2002, prepare Trading and Profit & Loss Account and Balance Sheet.

Particulars	Amount	Particulars	Amount
Capital	50	Bank overdraft	2,850
Bank Balance	600	Creditors	2,500
Debtors	3,800	Capital	12,500
Bad debts	125	Provision for bad debts	200
Stock (opening)	3,460	Sales	15,450
Purchases	5,475	Purchase return	125
Sales return	200	Commission	375
Furniture & fittings	640		
Motor vehicles	6,250		
Buildings	7,500		
Advertisement	450		
Interest on bank overdraft	118		
Taxes & insurance	1,250		
General expenses	782		
Salaries	3,300		

**Adjustments:**

- i. Stock in hand on 31-3-2002 Rs.5,750.
- ii. Depreciate building @ 5%, furniture and fittings @ 10% and motor vehicles @ 20%.
- iii. Rs.85 is due for interest on bank overdraft.
- iv. Salaries Rs.300 and taxes Rs.120 are outstanding.
- v. One third of the commission received is in respect of work to be done next year.
- vi. Write off a further sum of Rs.100 as bad debts and provision for bad debts is to be

made equal to 10% on sundry debtors.

OR

From the following Trial Balance of M/s.Vinod and Sons as on 31st December. 2002, prepare Trading and Profit & Loss Account and Balance Sheet.

Particulars	Amount	Particulars	Amount
Trade expenses	800	Stock (opening)	15,000
Freight & duty	2,000	Plant & Machinery (on 1 Jan)	20,000
Carriage outwards	500	Additions to Plant & Mach. (1 July)	5,000
Sundry debtors	20,600	Drawings	6,000
Furniture & fixtures	5,000	Capital	80,000
Returns inwards	2,000	Reserve for doubtful debts	800
Printing & stationery	400	Rent for premises sublet	1,600
Rent, rates & taxes	4,600	Insurance charges	700
Sundry creditors	10,000	Salaries and wages	21,300
Sales	1,20,000	Cash in hand	6,200
Returns outwards	1,000	Cash at bank	20,500
Postage & telegrams	800		
Purchases	82,000		

**Adjustments:**

- i. A fire occurred on 5th December 2002 in the godown and stock of the value of Rs.5,000 was destroyed. It was insured and insurance company admitted full claim.
- ii. Insurance prepaid was Rs.100.
- iii. Depreciation on furniture & fixtures at 5% p.a. and on plant & machinery 20% p.a.
- iv. Reserve for doubtful debts is to be maintained at 5% on sundry debtors.
- v. Write off Rs.600 as bad debts.
- vi. Stock in hand on 31-12-2002 Rs.14,000.

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**For CBSE Examination March 2019**  
**Solutions**

1. Accounting is a process of identifying financial transactions, measuring them in monetary terms, and recording, classifying, summarizing, analyzing, interpreting them and communicating the results to the users.
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.
3. Revenue is sum of cash and credit sales which is earned as a result of sale of goods or rendering of services.
4. Two examples of fictitious assets are: (i) Preliminary Expenses (ii) Advertisement Suspense
5. Difference between provision and reserve:

BASIS	PROVISION	RESERVE
Meaning retain a future use.	It means to provide for a future expected liability.	Reserves means to part of profit for
Charge/Appropriation	It is a Charge against the profit.	It is appropriation of profit.
Provides For employed	It is provided for known liabilities.	Increase in capital

6. 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.

7. a. Furniture A/c Dr. 3,600 and Mohan Cr. Rs.3,600.
- b. Purchase A/c Dr.2,000; Sales A/c Dr.2,000 and David Cr.4,000.
- c. Suspense A/c Dr.2,000 and Sales A/c Cr.2,000.
8. i. Facilitates in better understanding of financial statements.
- ii. Adopts significant accounting policies.
- iii. Enhancing reliability of financial statements.
9. 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.

10. Cash Book

Date	Particulars	L.F	Cash	Bank	Date	Particulars	L.F	Cash	Bank
April	To Balance b/d		2,200	5,000	April				
1	To Pawan			750	10	By Drawings		100	
13	To cash	C		1,850	16	By Pawan			750
					20	By Bank	C	1,850	
					30	By Balance c/d		250	6,850
	To Balance b/d		2,200	7,600				2,200	7,600
May 1			250	6,850					

11. Journal Entries

Date	Particulars	L.F.	Debit	Credit
(i)	Drawing A/c Dr. To Purchase A/c (Being goods costing Rs.2,000 was taken by proprietor for personal use the market value of these goods is Rs.2,500)		2,000	2,000
	Cash A/c Dr.			





(ii)	To Capital A/c (Being household furniture sold by Vinod for Rs.14,000 and introduced that money as capital)		14,000	14,000
(iii)	Bad Debts A/c Dr. To Gaurav (Being Rs.800 due from Gaurav are bad debts)		800	800
(iv)	Loss by Fire A/c Dr. To Purchase A/c (Being goods costing Rs.1,000; market price Rs.1,200 were destroyed by fire)		1,000	1,000

12. **Bank Reconciliation Statement**

	Particulars	(+) Amount	(-) Amount
1	Balance as per passbook	45,000	
2.	Cheques deposited but not collected by the bank (Rs. 3,900+ Rs. 2,350)	6,250	
3.	Cheque dishonoured recorded only in passbook	2,2500	
4.	Cheques issued but not presented for payment		25,940
5.	Balance as per cash book		27,810
	<b>Total</b>	<b>53,750</b>	<b>53,750</b>

13. **Purchase Book**

April 13	<b>M/s Birla Mills:</b>		
	100 pieces long cloth @ Rs 80	8,0000	
	50 pieces shirting @ Rs.100	5,000	13,000
April 15	<b>M/s Arvind Mills:</b>		
	20 Pieces coating @ Rs.1000	20,000	
	10 Pieces shirting @ Rs.90	900	20,900



	<b>Purchase A/c Dr.</b>		<b>33,900</b>
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14. **Journal of Ramesh**

2018			
Mar. 15	Deepak A/c Dr.	8,000	
	To Sales A/c (Sold goods to Deepak on credit)		8,000
Mar. 15	Bills Receivable A/c Dr.	8,000	
	To Deepak A/c (Receivable Deepak's acceptance for three months)		8,000
April.15	Poonam's A/c Dr.	8,250	
	To Bills Receivable A/c		8,000
	To Discount Received A/c		250

15. **Accounting Equation**

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

16. **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			



		6,00,000			6,00,000
1/1/13	To Balance b/d	6,00,000	31 Dec	By Balance c/d	8,00,000
1/1/13	To Bank A/c	2,00,000			
		8,00,000			8,00,000
1/1/14	To Balance b/d	8,00,000	31/3/14	By Machinery Disposal	3,00,000
31/3/14	To Bank A/c	1,00,000	31 Dec.	By Bal. c/d	6,00,000
		9,00,000			9,00,000

**Provision for Depreciation Account**

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

**Machinery Disposal Account**

Date	Particulars	Amount	Date	Particulars	Amount



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

OR

**Machinery Account**

Date	Particular	Amount	Date	Particulars	Amount
2005 Jan 1	To Bank A/c	2,40,000	2005 Dec. 31	By Depreciation A/c	36,000
			Dec.31	By Balance c/d	2,04,000
		2,40,000			2,40,000
2006 Jan 1	To Balance b/d	2,04,000	2006 Dec 31	By Depreciation A/c	33,600
June 30	To Bank A/c	40,000	Dec 31	By Balance c/d	2,10,400
		2,44,000			2,44,000
2007 Jan 1	To Balance b/d	2,10,400	2007 March 31	By Bank (Sale)	1,000
March 31	To Bank A/c	16,000	March 31	By Depreciation A/c	270
			March 31	By P/L A/c	5,954
			Dec 31	By Depreciation A/c	32,276
			Dec 31	By Balance c/d	1,86,900
		2,26,400			2,26,400
2008 Jan 1	To Balance b/d	1,86,900			

- There are some possible liabilities which are not actual liabilities on the date of Balance Sheet, but which may become real liabilities after sometime on happening of certain contingency.
- Statement of Affairs: A Statement of affairs is a statement of assets and liabilities of a business as on a particular date. Under this method, profit is ascertained by comparing the capital at the beginning and at the end of the accounting period, and necessary



adjustments are made for drawings, fresh additional capital, and interest on capital.

19. Profit = 5,00,000 + 3,75,000 - 7,50,000 - 50,000 = 75,000

20. Following are the main limitations of computerised accounting:

- i. Very Expensive: The computerised accounting system is a very costly system. It includes the cost of computers, peripherals and network devices. It also includes the cost of software that is to be used to automate the system. Computerised accounting also includes the cost of media that has been used to take regular backups of data. For example, tape drives and compact disks are generally used for backup purposes.
- ii. Problem of Obsolescence: Obsolescence is the major problem of computerised accounting. The hardware and software industry is continuously growing at a rapid rate. Due to high speed developments, new hardware devices replace the older one and newer versions of software are being introduced on routine basis. Therefore, the organization has to spend a considerable amount of money to purchase new hardware and software.
- iii. Dependence on Computer Accountants: Computerised accountancy requires computer accountants to record and analyse the transactions. In a computerised accounting system, a computer illiterate person cannot do anything in the system. The company is completely dependent on computer accountant for all their accounting needs.
- iv. Problem of Security and Secrecy: The computers are not faithful machines. They just obey the commands of the person who is sitting in front of it. If a person manages to get access to the computer, he or she may harm the information stored in the computer. Several types of other problems like virus or failures may lead to data loss. Computer networks also cause security problems as the information of one computer can be accessed from the other. Very strict and careful handling of the information is needed in computerised accounting system.

21. Profit = closing capital + drawings – additional capital – opening capital

48,000 + (800 × 12 + 2,000 + 1,500 x 12) - 6,000 - 50,000 = 21,600

Note: Profit on sale of shares = 10,000 × 20/100 = 2,000

Additional capital = 10,000 + 2,000 = 12,000/2 = 6,000

22. Profit and Loss Account

Particulars	Amount	Particulars	Amount



Bad debts provision	10,000		
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Balance Sheet

Liabilities	Amount	Assets	Amount
		Sundry Debtors 84,000	
		Less : Bad debts 4,000	76,000
		Less : Provision 4,000	

23. 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 customised 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 type of software’s.
- ii. Costly.
- iii. Outdated software’s may cause problems.

24. Trading Account

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Particulars	Amount	Particulars	Amount
To Opening Stock	3,460	By Sales 15,450	
To Purchases 5,475		Less: Return 200	15,250
Less: Return 125	5,350	By Closing Stock	5,750
To Gross Profit	12,190		
	21,000		21,000

**Profit and Loss Account**

Particulars	Amount	Particulars	Amount
To Bad debts provision	395	By Gross Profit	12,190
To Advertisement	450	By Commission (375 - 125)	250
To Interest on Bank overdraft (118 + 85)	203		
To Taxes & Insurance (1,250 + 120)	1,370		
To General Expenses	782		
To Salaries (3,300 + 300)	3,600		
To Dep. on buildings	375		
To Dep. on furniture & fittings	64		
To Dep. on motor vehicles	1,250		
To Net Profit	3,951		
	12,440		12,440

**Balance Sheet**

Liabilities	Amount	Assets	Amount
Capital 12,500		Building less depreciation	7,125
Add: Profit 3,951	16,451	Motor vehicles less	5,000
Creditors	2,500	Depreciation	576



Bank overdraft (2,850 + 85)	2,935	Furniture & fitting less dep.	3,330
Advance commission	125	Debtors (3,800 - 100 - 370)	5,750
Salaries due	300	Stock	600
Taxes due	120	Cash at bank	50
	22,431		22,431

OR

**Trading Account**

Particulars	Amount	Particulars	Amount
To Opening Stock	15,000	By Sales 1,20,000	
To Purchases 82,000		Less: Return 2,000	1,18,000
Less Return 1,000		By Closing Stock	14,000
Less: Damaged 5,000	76,000		
To Freight & duty	2,000		
To Gross Profit	39,000		
	1,32,000		1,32,000

**Profit and Loss Account**

Particulars	Amount	Particulars	Amount
To Trade Exp.	800	By Gross profit	39,000
To Carriage outward	500	By Rent for Premises	1,600
To Printing & Stationery	400		
To Rent, Rates & Taxes	4,600		
To Postage & Telegrams	800		
To Insurance 700 + 100	600		
To Salaries	21,300		





To Bad debts	800		
To Depreciation on furniture	250		
To Depreciation on machinery	4,500		
To Net profit	6,050		
	40,600		40,600

**Balance Sheet**

Liabilities	Amount	Assets	Amount
Capital 80,000		Plant & machinery less dep.	20,500
Less: Drawings 6,000		Furniture less dep.	4,750
Add: Profit 6,050	80,050	Debtors less provision	19,000
Sundry Creditors	10,000	Stock	14,000
		Prepaid insurance	100
		Bank	20,500
		Cash	6,200
		Insurance claims	5,000
	90,050		90,050

**Book Recommended:** ULTIMATE BOOK OF ACCOUNTANCY CLASS 12 CBSE By VISHVAS PUBLICATIONS (This book is available at Amazon and Flipkart) Contact: authorcbse@gmail.com.