O P JINDAL SCHOOL, Savitri Nagar, Tammar

Annual Examination– 2025-26

SUBJECT: ACCOUNTANCY (055) **TIME ALLOWED: 3 HRS**

CLASS XI **MAX. MAKS- 80**

General Instructions:

1. This question paper contains 34 questions. All questions are compulsory.
2. This question paper is divided into two parts, Part A and B.
3. Question Nos.1 to 16 and 26 to 29 carries 1 mark each.
4. Questions Nos. 17 to 20 and 30 to 31 carries 3 marks each.
5. Questions Nos. 21, 32 and 33 carries 4 marks each.
6. Questions Nos. 22 to 25 and 34 carries 6 marks each.
7. There is no overall choice. However, an internal choice has been provided.

Part – A (Financial Accounting –I)

1. Mr. Y doesn't know accounting terms. You tell him correct accounting terms for underlined part of transactions: [1]

Y purchased goods worth Rs.10000 but he returned goods as it was not as per sample.

2. Mohan commenced business on 1st April, 2025 with a capital of ₹ 10,00,000. On 31st March, 2026 his assets were worth ₹ 12,00,000 and outside liabilities ₹ 50,000. Find out his closing capital. [1]

(a) 15,50,000 (b) ₹ 11,50,000 (c) ₹ 5,50,000 (d) None of these

3. The term 'Depletion' is used for which types of assets? [1]

(a) Liquid assets (b)Fixed Assets (c) Wasting assets (d)Intangible assets

4. On April 1, 2022, a company received ₹ 12,000 in advance for services to be rendered over the next 6 months. As of April 30, 2022, how much revenue should be recognized under the Accrual Basis of Accounting? [1]

(a) Rs. 12,000 (b) Rs.2,000 (c) Rs. 6,000 (d) Rs. 0

5. Which among the following is a correct difference between Provision and reserve? [1]

(a) Provision is created out of legal necessity whereas Reserve is created as a matter of prudence

(b) Provision is invested whereas reserve is not invested

(c) Provision is an appropriation to profit whereas reserve is a charge against profit

(d) Provision can be used as a distribution of dividend whereas a reserve cannot be allowed to be used for distribution of dividend.

6. The owner of the firm records his medical expenses in firms' income statement. Indicate the principle that is violated: [1]

(a) Cost Concept (b) Prudence (c) Full Disclosure (d) Business entity

7. A machine is purchased on 1st April, 2025 for Rs. 80,000. Expenses incurred on its installation is Rs. 20,000. The residual value at the end of its expected useful life of 4 years is estimated at Rs. 10,000. The amount of depreciation under Straight Line Method, for the year ended on 31st March, 2025 will be: **[1]**

(a) Rs. 22,500 (b) Rs. 20,000 (c) Rs. 17,500 (d) Rs. 13,125

OR

Original cost of an asset is Rs. 1, 26,000; Salvage value is Rs. 6,000; Useful life is 6 years. The rate of depreciation under Straight Line Method will be:

(a) 15.87% (b) 16.67% (c) 15.80% (d) 16.56%

8. If cost price of an asset is Rs.15,00,000 and depreciation is charged @20% p.a. on diminishing balance method, then book value at end of two years is- **[1]**

(a)Rs.3,20,000 (b) Rs 9,60,000 (c) Rs 2,40,000 (d)5,00,000

OR

On 1April 2025 a machinery purchased for Rs. 2,00,000. Depreciation is charged @ 10 % p.a. on original cost method and books are closed on 31 March each year. On 1st July 2025 the machinery is sold for Rs. 2,20,000.

Loss on sale will be:

(a)Rs. 1,70,000 (b) Rs.3,90,000 (c)Rs 8,40,000 (d)Rs. 85,000

Case Study: On the basis of given case study answer question 9 and 10.

Mr. X is known for his employee welfare. So, this year he has purchased a building as recreation center for employees on 1.4.2020 for Rs.10,00,000 and spent Rs.2,00,000 as legal fee to acquire building. On 1.7.2022 Mr. X spent Rs.15,000 on normal repairs of the building.

9. What is the total amount of capital expenditure? **[1]**

10. How will you show amount of repair in Financial Statement of Mr. X? **[1]**

11. Match the following: - **[1]**

(a) a-(i), b-(iii), c-(ii), d (iv.)

(b) a-(ii), b-(iii), c-(i), d (iv.)

(c) a-(iii), b-(iv), c-(ii), d (i.)

(d) a-(iv), b-(iii), c-(ii), d (i.)

(a.) Compensating Error	(i.) Goods purchased from Rajeshwar on credit Rs. 400 are recorded in Purchase Book as Rs. 4,000.
(b.)Error of Omission	(ii.) A repair of Machinery Rs. 6,000 debited to Machinery Account.
(c.) Error of Principle	(iii.) Shyam's Account was debited with Rs. 200 instead of Rs. 2,000 while Ram's Account was debited with Rs. 2,000 instead of Rs. 200.
(d.)Error of Commission	(iv.) Credit purchase from Somesh Rs. 14,000 were not recorded

12. Credit sales to Mahesh Rs.8,000 were recorded as Rs.800 in sales book. In rectification entry Mahesh A/c will be **[1]**

a) Dr by Rs.7,200 b) Cr by Rs.7,200 c) Dr by Rs.8,800 d) Cr by Rs.8,800

OR

Which of the following errors will be classified through suspense A/c

(a) Sales return by Madhav Rs.3,000 not recorded.

(b) Sales return by Madhav Rs.3,000 recorded as Rs.300.

(c) Sales return by Madhav Rs.3,000 recorded as Rs.3,300.

(d) Sales return by Madhav Rs.3,000 not posted to Madhav's A/c.

13. The term sales is used only for the sales of .... and is never used for the sale of .... **[1]**

(a) Assets, Investments (b) Assets, Goods (c) Intangible Assets, Goods (d) Goods, Assets

OR

Which of the following limitations of accounting states that accounts may be manipulated to conceal vital facts:

(a) Accounting is not fully exact.

(b) Accounting may lead to window dressing.

(c) Accounting ignores price level changes.

(d) Accounting ignores qualitative elements.

14. Find out the Bank balance as Cash Book from the following particulars: **[1]**

(i) Overdraft as per Pass Book Rs.5,000

(ii) Cheques deposited into bank but not credited Rs.2000

(a) Balance Rs.3,000 (b) Overdraft Rs.3,000 (c) Balance Rs.7,000 (d) Overdraft Rs. 7,000

OR

Which of the following transaction will result in higher balance in bank column of Cash book in comparison to Pass book?

(a) Cheques issued but not presented

(b) Interest allowed by bank

(c) Bank charges entered twice in cash book

(d) Cheques deposited into bank but yet not credited by bank

15. A company purchased a machine on 1.1.2019 for Rs.1,20,000 and spent Rs.10,000 on its installation. Its residual value after 10 years is Rs.5,000. On 1.3.2020 Rs.10,000 were spent on its repair. Depreciation is provided under straight line method and books are closed on 31st December each year. Amount of depreciation on 31st December, 2020 will be: **[1]**

(a) Rs.12,500 (b) Rs.13,000 (c) Rs.14,000 (d) Rs.13,500

16. **Assertion (A):** Accrual basis of accounting makes a complete record of all cash as well as credit transaction. It however does not follow matching principle. **[1]**

Reason (R): Accrual basis of accounting is superior to cash basis of accounting because it depict true profit and loss of the business and is recognized by Company Act 2013.

Choose the correct option:

(a) Both (A) and (R) are correct and (R) is not correct explanation of (A)

(b) Both (A) and (R) are correct and (R) is the correct explanation of (A)

(c) (A) is True but (R) is False

(d) (A) is False but (R) is True

17. Classify following as Capital Expenditure or Revenue Expenditure. Give reasons: **[3]**

i) Rs.500 spent on repair of second-hand machine before using it.

ii) Rs. 1500 spent on repair of furniture during the year.

iii) Rs. 1000 spent as insurance premium.

OR

Pass entries in each of the following cases:

1.Purchased computer from Arun & co for office use for Rs.50,000 plus IGST @ 12%, payment made by cheque.

2.Purchased computer from Arun & co for office use for Rs.50,000 plus IGST @ 12%, paid Rs.25,000 by cheque and balance to be paid after one month.

3.Paid telephone bill Rs.5,000 plus CGST and SGST @6% each.

4.Paid insurance premium Rs.10,000 plus CGST & SGST 8%.

18. **Prepare accounting equation from the following:** **[3]**

(a) Start business with cash Rs.50,000 and goods Rs.30,000

(b) Purchase goods for cash Rs.30,000 and from Karan Rs.20,000

(c) Goods sold costing Rs.40,000 at Rs.55,000

(d) Withdrew Rs.10,000

19. Journalize the following transactions: [3]

1) Allow Interest on Capital of Rs.50,000 @8% p.a.

2) Goods costing Rs.1,000 sales price Rs.1,250, stolen

3) Rent paid Rs.2,000 and still owing Rs.1,000

20. Prepare a Trial Balance from the following balance of Mr. Sachin as on dated 31st March 22 [3]

Name of Account	Amount	Name of Account	Amount
Drawing	60,000	Capital	4,40,000
Sales Return	10,000	Bill Receivable	52,000
Sundry Creditors	2,30,000	Discount Received	5,000
Purchase (Adjusted)	9,87,000	Plant and Machinery	45,000
Bill Payable	40,000	Rent	20,000
Sundry Debtors	5,00,000	Opening Stock	3,70,000
Trading Expenses	26,000	Bank Overdraft	60,000
Investment	46,000	Cash in Hand	9,000
Closing Stock	80,000	Sales	11,80,000
Building	25,000	Salaries	95,000

21. From the following particulars, prepare Sales Book of M/s. Gyan & Bros., Kolkata, dealer of furniture: [4]

2025 Jan.5	Sold to Hari & Co. Kolkata: 10 Tables @ Rs. 1,100 each 20 Chairs @ Rs. 1,000 each Less : Trade Discount @ 5%
Jan. 10	Sold to M/s. Sharma & Co., Delhi: 5 Almirahs @ Rs. 5,000 each 5 Stools @ Rs. 1,000 each
Jan. 20	Sold old printer for Rs. 600 to Raja & Co. , Kolkata
Jan. 25	Sold to M/s. Sohan Lal & Bros., Kolkata: 5 Tables @ Rs. 2,500 each 1 Revolving Chair @ Rs. 5,000 Less : Trade Discount @ 5%

22. Prepare Two-Column Cash Book from the following transactions: [6]

01	Cash in Hand Cash at Bank (Cr.)	1,354 7,560
03	Cash Sales	2,300
05	Purchase goods and paid cheque	6,000
10	Sold goods and received cheque	20,000
18	Purchase Motor Car by Cheque	15,000
20	Received Cheque from Manish	10,000

22	Cash Sales	7,000
25	Manish cheque returned dishonored	
28	Cash withdrew from personal use	500

23. Rectify the following errors by passing Journal entries: **[6]**

i) Rs. 10,800 received from Mohan was posted to the debit of his account.

ii) Rs. 2,000 being purchase return was posted to the debit of Purchase Account.

iii) Discount received Rs. 400 was posted to the debit of Discount Allowed Account.

iv) Rs. 11,480 paid for repairs of motor car were debited to Motor Car Account as Rs. 1,480.

v) A sale of Rs. 23,500 to Raman was entered in the Sales Book as Rs. 25,300.

vi) While carrying forward the balance on one page in Pawan's Account, the amount of Rs. 2,500 was written on the credit side instead of the debit side.

24. On 1st January 2021, A Ltd. Purchase a Machinery for Rs.2,40,000 and spent Rs.10,000 on its erection. On 1st July 2021 an additional machinery costing Rs.1,00,000 was purchased. On 1st July 2023 the machine purchased on 1st January 2021 was sold for Rs.1,43,000 and on the same date a new machinery was purchased at a cost of Rs.2,00,000. **[6]**

Show the Machinery a/c for the first three calendar year after charging 5% Dep. at original cost method.

OR

Raja Traders purchased on 1st April, 2021, a second-hand machinery for Rs. 1,80,000. Further expenses of Rs. 20,000 was incurred to improve its technical reliability. Useful life of the machinery is estimated to be 10 years. Maintenance during the year was Rs. 10,000.

On 1st July, 2022, additional machinery costing Rs. 1,00,000 was purchased. On 1st April, 2023, the machinery purchased on 1st April, 2021 having become obsolete was sold for Rs. 1,10,000 and on 1st October, 2022, new machinery was purchased at a cost of Rs. 1,50,000. Depreciation is charged @ 10% p.a. following Straight Line Method (SLM). Prepare the Machinery Account for three years ending on 31st March, 2024.

25. On 31st December, 2016 Pass Book showed a debit balance of Rs.1,000. From the following particulars, Prepare a Bank Reconciliation Statement: **[6]**

1. Cheques amounting Rs.800 were drawn on 25th December of which cheques worth Rs.300 only were cashed within 31st December.

2. Cheques paid into bank for collection amounted Rs.5,000 but cheques of Rs.2,280 were credited on 2nd January,2017

3. Items unticked in the passbook are:

i) Incidental charges Rs.25

ii) Dividend collected by bank Rs.35

4. A cheque for Rs.60 debited in cash book but omitted to be banked

5. A cheque of Rs.75 banked and credited but omitted to be recorded in cash book.

PART – B
FINANCIAL ACCOUNTING – II

26. Assertion (A): Single Entry System of accounting is not suitable for large businesses. **[1]**

Reason (R): Single Entry System does not provide a complete record of all financial transactions.

Which of the following options is correct?

(a) Both (A) and (R) are true and (R) is the correct explanation of (A).

(b) Both (A) and (R) are true and (R) is not the correct explanation of (A).

(c) (A) is true, but (R) is false.

(d) (A) is false, but (R) is true.

27. Trial Balance contains the following information: **[1]**

15% Bank Loan Rs. 40,000

Interest Paid Rs. 4,500

Interest debited to P/L A/c will be:

28. Net profit of a firm before charging manager's commission is Rs. 21,000. If the manager is entitled to 5% commission after charging such commission, how much manager will get as commission. **[1]**

(a) Rs. 1,050 (b) Rs. 1,000 (c) Rs. 2,100 (d) Rs. 2,000

29. Cost of goods sold Rs.3,00,000; Closing Stock Rs.80,000; Opening Stock Rs.1,20,000; Amount of purchase will be: **[1]**

(a) Rs.1,70,000 (b) Rs.2,60,000 (c) Rs.1,00,000 (d) Rs.3,80,000

30. Calculate Closing Stock from the following details: **[3]**

Opening Stock – Rs. 20,000;

Cash Sales – Rs. 60,000;

Credit Sales – Rs. 40,000;

Purchases – Rs. 70,000.

Rate of Gross Profit on Cost 33 1/3 %.

31. Calculate Gross Profit and Operating Profit: **[3]**

Particulars	Amount
Opening Stock	35,000
Sales (Net)	12,00,000
Purchase (Net)	5,00,000
Administrative Expenses	60,000
Selling and Distribution Expenses	75,000
Loss by Fire	30,000
Closing Stock	75,000
Rent Received	10,000

32. Following is the extract from the Trial Balance of a firm as at 31st March, 2023: [4]

TRIAL BALANCE as at 31st March, 2023

Heads of Accounts	Dr. (Rs.)	Cr. (Rs.)
Sundry Debtors	4,10,000	-
Provision for Doubtful Debts	-	20,000
Bad Debts	6,000	-

Additional Information:

i) Additional bad debts Rs. 10,000.

ii) Maintain the Provision for Doubtful Debts@ 10% on sundry debtors.

Show the treatment of the above adjustments in Profit & Loss Account and in Balance sheet as on 31st March 2023.

33. Kumaran, a trader, does not keep proper books of account. However, he furnishes you the following particulars: [4]

	31st March, 2024(Rs.)	31st March, 2025(Rs.)
Cash at bank	4,500	3,000
Cash in hand	300	4,000
Stock- in - Trade	40,000	45,000
Debtors	12,000	20,000
Office Equipment	5,000	5,000
Sundry Creditors	30,000	20,000
Furniture	4,000	4,000

During the year Kumaran introduced Rs. 6,000 as further capital and withdrew Rs. 4,000as drawings. Write off Depreciation on furniture at 10% and on office equipment at 5%. Prepare a statement showing the Profit or Loss made by him for the year ended 31st March, 2025.

OR

What is a Statement of Affairs? Differentiate between Statement of affairs and Balance Sheet on the basis of Objective, Accounting System and Reliability.

34. From the following balances of M/s Keshav Bros. You are required to prepare Trading and profit & loss account for the year ended March 31, 2025. [6]

Trial Balance

(As on 31st March, 2025)

	Dr. ₹	Cr. ₹
Plant & Machinery	1,30,000	
Cash on hand	22,500	
Cash at Bank	35,000	
Purchases and Sales	2,50,000	3,00,000
Return inwards	2,000	
Return outwards		2,500
Carriage inwards	500	
Carriage outwards	700	
Factory rent	1,450	
Stock as on 01-04-2024	60,000	
Bad debts	3,500	
Office rent	2,300	
Bad debts provision		1,550
Debtors	50,000	
Creditors		2,50,000
Capital		2,20,000
Insurance	780	
Rent received		10,380
Bills payable		70,000
Furniture	22,500	
Buildings	2,80,000	
Wages	1,200	
Salary	2,500	
Commission received		16,000
Commission paid	500	
Bills Receivable	3,000	
Interest	2,000	
	8,70,430	8,70,430

Additional information:

- Closing stock is valued at ₹ 70,000.
- Provision for bad debts @ 5% and further bad debts ₹ 2,000.
- Rent received in advance ₹6,000.
- Prepaid insurance ₹200.
- Depreciation on furniture @ 5%, plant and machinery @ 6%, building @ 7%.

OR

From the following balances of W Ltd and adjustments, Profit & Loss Account for the year ending 31.03.2025 and Balance Sheet as on that date if gross profit during the year Rs 66,000

Particulars	Amount	Particulars	Amount
Opening Stock	15000	Sales	180000
Purchases	109000	Interest on Loan to Manav	300
Manufacturing Wages	8000	Commission Received	4500
Fuel, power, light	12000	Rent Outstanding	600
Salaries	11000	Provision for Doubtful Debts	1000
Bad Debts	500	Bills Payable	1600
Income Tax	5500	Sundry Creditors	13000
Loan to Manav	5000	Capital	100000
Cash in hand	20000		
Rent	4000		
Furniture (Includes Purchased on 01.10.2024 for Rs 1,000)	5000		
Bills Receivable	6000		
Machinery	72000		
Sundry Debtors	28000		
	3,01,000		**3,01,000**

Adjustments:

(a) Closing Stock at cost was Rs. 35,000. Its net realisable value (market value) was ₹ 30,000.

(b) Write off further Rs. 500 as bad debt.

(e) Depreciate furniture by 10% p.a

(f) Salary for the month of March, 2025 was outstanding.

GOOD LUCK