O. P. JINDAL SCHOOL, SAVITRI NAGAR

Periodic Test – I (Round – I) 2026–2027

Class / Section: XI Commerce MM: 20

Subject: Accountancy Time: 1Hrs.

Name: _____ Roll No.:_ _

General Instructions: All questions are compulsory.

Q.1 Answer the following Questions-1x4= 4

a. If A Ltd. imports two machines, one for resale and one for production, how are they treated?

(A) Both are fixed assets.

(B) Both are goods.

(C) First is 'Goods', second is 'Fixed Asset'.

(D) First is 'Fixed Asset', second is 'Goods'.

b. An investor wants to compare the profit of 'Company A' with 'Company B' before buying shares. To do this accurately, both companies must follow the same accounting policies year after year. Which qualitative characteristic is being sought here?

(A) Reliability (B) Understandability (C) Comparability (D) Relevance

c. Assertion (A): Book-keeping is considered a clerical task and does not require specialized skills.

Reason (R): It involves identifying, measuring, and recording financial transactions in the books of accounts.

(A) if both are true and R is the correct explanation,

(B) if both are true but R is not the explanation,

(C) if A is true but R is false,

(D) if A is false but R is true.

d. Mr. Sharma started a business. He feels that since he is the owner, his personal house rent paid from his personal bank account should be shown in the business accounts to show his "total expenses." Is Mr. Sharma correct? Give a reason based on your understanding of accounting.

Q.2 Aman runs a grocery store (Aman Provisions). During the month, he purchased the following:

1. 200 kg of Basmati Rice to sell to customers.

2. A Delivery Van to deliver groceries to homes.
3. An Air Conditioner for his shop to keep the products cool.
4. Stationery (Pens, Files) for keeping records.

Identify:

- Which of these will be treated as 'Purchases' (Goods)?
- Which of these will be treated as 'Fixed Assets' (Non-Current Assets)?
- Which of these is an 'Operating Expense'?

Q.3 Mr. Rohan started a business, "Rohan Electronics," with ₹5,00,000 cash. During the first month, the following transactions took place:

1. Investment: Started business with ₹5,00,000 cash.
2. Asset Purchase: Bought furniture worth ₹50,000 for cash.
3. Credit Purchase: Purchased goods (stock) worth ₹1,00,000 on credit from M/s Gupta Traders.
4. Expense: Paid ₹20,000 for shop rent.
5. Revenue (Sales): Sold goods costing ₹60,000 for ₹80,000 in cash.
6. Drawings: Withdrew ₹10,000 cash from the business for personal use.

Questions:

(a) Identify the "Creditor" and the "Liability" amount.

(b) Calculate the final "Cash Balance" of the business.

© What is the value of "Stock" (Inventory) remaining in the warehouse?

(d) Calculate the " Profit" earned by Mr. Rohan.

Q.4 Choose the correct term for the following situations:

(a) A debt that is definitely not going to be recovered from a customer. (_____)

(b) The amount by which the value of a machine decreases due to constant use. (_____)

© A person who owes money to the business for goods sold on credit. (_____)

(d) The reduction in price given by a manufacturer to a retailer for buying in bulk. (_____)

Q.5 "Accounting is the language of business." In the light of this statement, explain any four main objectives of accounting.