

GULF SAHODAYA EXAMINATION (SAUDI CHAPTER)
FEBRUARY, 2009

STD. XI
SUBJECT: ACCOUNTANCY
MAX. MARKS: 100
TIME: 3 HOURS

General Instructions:

- 1. Marks are indicated against each question**
- 2. At places, alternate questions are provided**
- 3. Draw proper and neat format**
- 4. Write the correct number of the question against each answer**
- 5. Use of calculator not allowed**

PART - A
FINANCIAL ACCOUNTING - I

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|----|---|-----|
| 1. | The concept of _____ assumes that business has a distinct and separate entity from its owners. | [1] |
| 2. | Give any one example of error of commission. | [1] |
| 3. | What is a Trial balance. | [1] |
| 4. | What is meant by maturity of a bill of Exchange? | [1] |
| 5. | How will you treat noting charges in the books of drawer? If : the bill is retained by the drawer. | [1] |
| 6. | Explain the following terms briefly:
(a) Profit (b) Expenses (c) Creditors | [3] |
| 7. | Pass Journal Entries for the following:
(a) Received Cash for a bad debt written off last year Rs.1100
(b) Received Rs.975 from Hari Krishna in full settlement of his account Rs.1000
(c) Goods Costing Rs.11,000 was stolen in Transit | [3] |
| 8. | Prepare Accounting Equation on the basis of the following:
(i) Started business with cash Rs.60,000
(ii) Rent received Rs.2000
(iii) Accrued Interest Rs.500 | [3] |

9. Prepare a double column Cash Book from the following transactions. [4]
01-01-2007 : Opening balance: Cash : Rs.15000 Overdraft at Bank
Rs.10000
02-01-2007 : Cash received from Sale of goods Rs.30000 and deposited
the same into bank on 4-1-2007
10-1-2007 : Cash withdrawn from bank Rs.5000 for office use
10. Distinguish between 'Provision' and 'Reserve'. [4]
11. Describe the Accounting informational needs of external users. [4]
12. Explain the following with examples: [6]
(a) Money measurement concept
(b) Principle of full disclosure
(c) Principle of Consistency
13. On March 31, 2005, the bank column of the Cash Book of Agrawal traders [6]
showed a credit balance of Rs.1,18,100. On examining of the Cash Book
and the bank statement, it was found that:
1. Cheques received and recorded in the Cash Book but not sent to the
bank for collection Rs.12,400.
2. Payment received from a customer directly by the bank Rs.27300,
but no entry was made in the Cash Book.
3. Cheques issued for Rs.1,75,200 not presented for payment.
4. Interest of Rs.8800 charged by the bank was not entered in the
Cash Book.
Prepare Bank Reconciliation statement.
14. Rectify the following errors. [6]
1. Furniture Purchased for Rs.10,000 wrongly debited to purchase
account as Rs.4000.
2. Goods purchased from Masood for Rs.3000 was passed through
Sales book.
3. Rent amounting to Rs.900 paid was credited to Rent Account.
4. Returns outward book was overcast by Rs.1000.
5. A discount allowed to a customer has been credited to him as
Rs.136 in the place of Rs.154.
6. A sale of Rs.1188 was posted as Rs.990 in the Sales Account.
15. On 15th April, 2003 'B' accepted three Bills of Exchange for Rs.24,000 ; [8]
No.1 for Rs.7000 for one month ; No.2, Rs.8000 for two months ; and
No.3, for Rs.9000 for 3 months.
On 20th April 'A' endorsed Bill NO.1 to his creditor 'C' to clear his account,
discounted his Bill No.2 on 22nd April with his bankers for Rs.7920 and
retained the third bill till maturity.
Bill No. 1 was met on Maturity. Bill No.2 was dishonoured on due date ;
Rs.100 being paid for Noting charges. 'A' charged 'B' for Rs.150 for
interest and drew on him a fourth bill for Rs.8250 for three months and 'B'
accepted it and returned. Bill No.3 and 4 were met on due date.
Pass necessary journal entries in the books of A.

Record the following in the Journal

- (i) Ram's acceptance for Rs.20,000, renewed for three months, plus interest @ 5% per annum.
- (ii) Shyam's acceptance for Rs.4,500, due this day, returned dishonoured, Noting charges Rs.10.
- (iii) Before the due date of the bill for Rs.300 X, the acceptor approaches us and pays Rs.100 in Cash and asks us to draw on him another bill for Rs.215, Rs.15 being for interest, we agree to it:

16. On 1.1.2001, M/s Kushal & Bros, purchased 5 Washing Machines for Rs.15,000 each. They sold on January 1, 2002, one machine for Rs.12,500. They have decided to write off depreciation at 10% on straight line method.

[8]

Prepare Washing Machine a/c, Washing Machine Disposal Account and Provision for Depreciation a/c for two years. Accounts are closed on 31st December

-OR-

A Company whose accounting year is the calendar year purchased on 1st April, 2001 Machinery Costing Rs.30,000.

It further purchased Machinery on 1st October, 2001, Costing Rs.20,000 and on 1st July, 2002 Costing Rs.10,000.

On 1-1-2003, one – third of the Machinery which was installed on 1-4-2001 become obsolete and was sold for Rs.3000.

Show how the Machinery account would appear in the books of the company. The depreciation is charged @ 10% p.a. on Written Down Value Method.

PART - B
FINANCIAL ACCOUNTING - II

17. _____ Is the process of refining a data base through which the possibility of duplicate items is reduced or eliminated. [1]
18. Cash Sales of a business in a year were Rs.29,000 and Credit Sales Rs.31,000. Gross profit of the firm is Rs.8000. Find out the cost of goods sold. [1]
19. What practical difficulty encountered by a trader due to incompleteness of accounting records. [1]
20. What do you understand by database. How does it differ from DBMS? [3]
21. Mr. Mehta started his readymade garments business on 1st April, 2004 with a capital of Rs.50,000. He did not maintain his books according to double entry system. During the year he introduced fresh capital of Rs.1,5,000. He withdrew Rs.10,000 for personal use. On March 31, 2005, his assets and liabilities were as follows:
Total Creditors Rs.90,000 ; total debtors Rs.1,25,600, Stock – Rs.24,750
Cash at Bank Rs.24,980.
Calculate profit or loss made by Mr. Mehta during the first year of his business using the statement of affairs method. [4]

22. What is meant by Grouping and Marshalling of assets and liabilities. Explain the ways in which a balance Sheet May be Marshalled. [4]
23. Give the journal entries for the following adjustment? [4]
 (a) Outstanding Salary Rs.500.
 (b) Insurance prepaid Rs.400.
 (c) Closing Stock at the end of the year Rs.20,000.
 (d) Provision for bad debts Rs.5000 made.
24. Describe the various types of accounting Software along with their advantages and limitations. [6]
25. The following were the balance extracted from the books of Yogita as on March 31, 2005: [16]

Debit Balance	Rs. Amount	Credit Balance	Rs. Amount
Cash in hand	540	Sales	98780
Cash at Bank	2630	Returns outwards	500
Purchases	40675	Capital	62000
Returns in Wards	680	Sundry Creditors	6300
Wages	8480	Rent	9000
Fuel and Power	4730		
Carriage on Sales	3200		
Carriage on Purchases	2040		
Opening Stock	5760		
Building	32000		
Freehold land	10000		
Machinery	20000		
Salaries	15000		
Patents	7500		
General Expenses	3000		
Insurance	600		
Drawings	5245		
Sundry Debtors	14500		

Taking into account the following adjustments. Prepare Trading and Profit and Loss account and balance sheet as on March 31, 2005:

- a) Stock in hand on March 31st, 2005, was Rs.6800
- b) Machinery is to be depreciated at the rate of 10% and Patents @ 20%
- c) Salaries for the month of March, 2005 amounting to Rs.1,500 were outstanding
- d) Insurance includes a Premium of Rs.170 on a policy expiring on September 30, 2006.
- e) Further bad debts are Rs.725. Create a Provision @ 5% on debtors.
- f) Rent Receivable Rs.1,000.

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