



V & C Patel English School
Mid-term Exam

Subject: Accountancy

Std: 11

Max. Marks: 90

Date: 15-09-2017

Time: 3hrs.

General Instructions:

- Number to the right in bold indicate the marks.
- All parts of the questions should be attempted at one place.

1. List out five users who have indirect interest in accounting. **1**
2. Is trial balance a statement or an account? **1**
3. Why are rules of debit and credit same for liability and capital? **1**
4. When following vouchers are prepared? **1**
 - a. Credit Voucher
 - b. Debit Voucher
 - c. Transfer Voucher
5. Explain the term Expenditure. **1**
6. Name the various books of original entries. **1**
7. Distinguish between Debtors and Creditors. **3**
8. Distinguish between Trade discount and Cash Discount. **3**
9. What is the difference between IFRS and Indian GAAP? **3**
10. Name the accounting concepts and convention associated with the following **3**
 - (i) Assets are recorded at cost, irrespective of the market price.
 - (ii) Life of a business should be divided into smaller periods.
 - (iii) Accounting transactions should be free from bias of accountants and others.
 - (iv) An accountant always charges depreciation on fixed assets @20% per annum.
 - (v) Stock is valued at cost price or market price whichever is lower.
 - (vi) In accountancy outstanding and prepaid expenses are taken into consideration.
11. What is IFRS? Explain any four benefits of it. **3**
12. Explain accounting process with the help of a diagram. **3**
13. From the following transactions of Mr. Jatin prepare accounting equations **4**
 - (i) Commenced business with cash ₹. 1,50,000.
 - (ii) Purchased machinery on credit ₹. 40,000.
 - (iii) Purchased goods for cash ₹. 20,000.
 - (iv) Purchased car for personal use ₹. 80,000.
 - (v) Paid to creditors in full settlement ₹. 38,000
 - (vi) Sold goods for cash costing ₹. 5,000 at ₹. 4,500

- (vii) Paid Rent ₹. 1,000.
(viii) Commission received in advance ₹. 2,000.

14. Use accounting equation to show the effect of the following transactions of M/S

Doshi Traders:

4

- (i) Started business with cash ₹. 1,20,000.
(ii) Purchased goods for cash ₹.10,000.
(iii) Rent received ₹. 5,000.
(iv) Salary Outstanding ₹. 2,000.
(v) Prepaid Insurance ₹. 1,000.
(vi) Received interest ₹.700
(vii) Sold goods for cash (Costing ₹.5000) ₹.7000
(viii) Goods destroyed by fire ₹. 500.

15. The following trial balance has been prepared by an inexperienced accountant. You are required to identify the errors and prepare the trial balance in a correct form. 4

Name of Accounts	LF	Debit Balance(₹.)	Credit Balance (₹.)
Cash in hand		10,000	-
Fixed Assets	-		12,500
Capital	-		38,600
Purchases	22,500	-	
Sales	10,250	-	
Discount Allowed	-		250
Return Inwards	-		500
Return Outwards	700	-	
Wages and Salaries	5,000	-	
Debtors	1,340	-	
Creditors	-		4,700
Drawings	-		1,000
Discount Received	-		350
Bills Receivable	1,170	-	
Bills Payable	-		2,160
Rent	1,500	-	
Interest Paid	-		1,000
Total		52,460	52,460