



Paper: Accounting
Class: XI Commerce

Max. Marks. 100
Time: 2 Hours

SECTION "A" (MULTIPLE CHOICE QUESTION) (50 Marks)

Q1: Choose the correct answer for each from the given options:

- i) Which of the following accounting equation is correct
a) Asset = Capital – Liability
b) Capital – Liability = Asset
c) Assets = Liability + Capital
d) All of these
- ii) Which of the following account is debit balance
a) Assets
b) Expenses
c) a & b.
d) owner equity
- iii) Allowance for bad debt is
a) Expense
b) Contra assets
c) Revenue
d) Control account
- iv) Withdraw cash for personal use means
a) Drawing
b) Capital
c) Cash
d) Bank
- v) Which are both a book of prime entry and a ledger account?
a) Cash book
b) Ledger
c) Purchase journal
d) Sales journal
- vi) What is the nature of purchases account?
A) Assets
b) Liability
c) Income
d) Expense
- vii) Contra entries are recorded on:
a) Receipt side of a cash book
b) Both sides of a cash book
c) Payment side of cash book
d) None of these
- viii) Commission earned but not received means
A) Receivable
b) Unearned
c) a and b.
d) None of these
- ix) Balance sheet is prepared for
a) Performance of business
b) to know owner capital
c) to record profit only
d) None of these
- x) Credit balance on rent account means
A) Prepaid rent
b) Rent income
c) Rent receivable
d) Rent expense
- xi) Bank reconciliation is prepared
a) At the end of month
b) At start of the month
c) At organization need
d) All of these
- xii) Cash book is prepared
a) At the end of month
b) At start of the month
c) At organization need
d) All of these
- xiii) In which transaction are recorded in special journal
a) All purchase merchandise on account
b) All sale goods on credit
c) Both a and b
d) All of these
- xiv) Sales - cost of goods sold =
a) Gross profit
b) Cost of goods available for sale
c) Net profit
d) both a & c
- xv) Credit note issued is entered in
a) Sales account
b) Purchase journal
c) Sales return & all journal
d) All of these
- xvi) If salaries paid total 8000 at the end of the year unpaid salaries amount is 3000
a) 9000
b) 11000
c) 5000
d) 3000
- xvii) An Accounting book used for small expenses recording is called
a) Journal.
b) Cash book.
c) Ledger.
d) Petty cash book
- xviii) Accrued income is shown in
a) Income Statement
b) Balance Sheet
c) Trial Balance
d) General Journal

- xix) Posting means
 a) Pass entry in General journal
 c) Transaction an entry from a journal to ledger
 b) Making entry in special journal
 d) Determining balances of account
- xx) Accrued commission means
 a) Income receivable
 b) Unearned commission
 c) Income payable
 d) All of these
- xxi) Name the mathematician known as Father of Accounting
 a) Luca Fra Picolio
 b) Adam Smith
 c) D- Morgans
 d) Abdur Rehman
- xxii) All are the example of fixed assets except
 a) Building
 b) Vehicle
 c) Equipment
 d) Supplies
- xxiii) The another name of Journal is
 a) Ledger
 b) T-Account
 c) Day Book
 d) Cash Book
- xxiv) Journals are also called a book of
 a) Final Entries
 b) Original Entries
 c) Prime Entries
 d) None of these
- xxv) Cost of goods sold is a part of
 a) Income Statement
 b) Balance Sheet
 c) Trial Balance
 d) A&B both

SECTION "B" (SHORT-ANSWER QUESTIONS) (30 Marks)

Note: Attempt any Three questions from this section. All questions carry equal marks.

Q2. Journalize the following transactions in the books of ANUMTA ENTERPRISES.

2011.

- June 1 Started business with a capital of 60,000
 June 2 Cash Sales 30,000 of which 50% deposit in bank
 June 4 Purchased goods from Kamal on credit 10,000
 June 6 Paid to Kamal 4,920
 June 8 Sold merchandise for cash 8000 and on credit Rs 15000
 June 15 Receipt from services rendered Rs 6000
 June 18 Paid Salaries 4,000
 June 20 Received from customer 5000
 June 25 Withdrew from bank for office use 5,000
 June 28 Withdraw for personal use 1,000
 June 30 Received cash in advance from commission 2000

Q3. Ledger & trail balance:

The following is the trail balance of Ibrahim and company on June 30, 2010

Debit balances:

Cash 30,000, account receivable 60,000, merchandise inventory 40,000, furniture 20,000 office supplies 10,000

Credit balances:

Utilities bills payable 20,000, sales 50,000, accounts payable 10,000, capital?

The following transaction were performed during the month of July

July 1: Sold merchandise for cash 15,000 and on credit 35,000.

July 2: Receive 2/3 of account receivable.

July 12: Paid utility bills payable.

July 17: Owner withdrew cash 5000 from business for his private use.

July 29: Accounts payable paid 50%.

Required:

- 1) Prepare the ledger with opening balances on July and post the above transaction there-in foot balance the account and trail balance.

Q4. Accounting for cash

On January 1, 2016 Irfan Qureshi Stores cash book showed debit balance of cash \$1,550 and bank \$13,575. During the month of January following business was transacted.

2016

- Jan.1 Purchased office typewriter for cash \$750
- " 4 Received from A. Hussan a cheque for \$2,550 in part payment of his account
- " 6 Paid by cheque for merchandise purchased worth \$1,005
- " 8 Deposited into bank the cheque received from A. Hussan.
- " 10 Received from Hayat Khan a cheque for \$775 in full settlement of his account and allowed him discount \$15.
- " 12 Sold merchandise to Divan Bros. for \$1,500 who paid by cheque which was deposited in the bank.
- " 16 Paid Salman \$915 by cheque, discount received \$5
- " 27 Paid to Gulzar Ahmad by cheque \$650
- " 30 Paid salaries by cheque \$1,750
- " 31 Deposited into bank the cheque of Hayat Khan.
Drew from bank for office use \$250.

Required

You are required to enter the above transactions in three column cash book and balance it.

Q5. Special journal

Ayaz Stores completed the following transactions during the month

March 1	Purchased goods from Younus	4000
March 2	Sold goods to Hasan	1500
March 4	Return goods to Younus	1000
March 5	Sold goods to Umair	500
March 6	Goods return by Hasan	500
March 8	Sold goods from Seema	400
March 10	Bought goods from Mano	2500
March 12	Bought goods from Younus	2800
March 14	Return Good to Younus	800
March 15	Goods return to Mano	500

Required:

- i. Prepare Purchase journal and purchase return journal
- ii. Prepare sales journal and sales return journal
- iii. Set up Purchases, accounts payable and purchases return T account
- iv. Prepare subsidiary ledger in self balancing form of Younus or Hassan

Q6 A study of cash records and bank statement of Shabbir Corporation for the month of January 2010, revealed the following information:

- i) Balance as per Cash Book Rs.11,800/- on 31st January.
- ii) Balance as per Bank Statement Rs.13,200/- on 31st January.
- iii) Customer's cheques were deposited but not cleared Rs.2,500/-
- iv) Issued cheques to suppliers of Rs.1,700/- of which cheques amounted to Rs.900/- were not presented.
- v) Bank Commission charges Rs.300/- were not recorded in Cash Book.
- vi) Direct deposit by a customer Rs.2,800/- into the business bank account was not recorded in Cash Book.
- vii) Profit credited by Bank Rs.500/- was not shown in Cash Book.

Required: Prepare Bank Reconciliation Statement. And also pass necessary adjusting

Q7. For each of the following, determine the underline missing items:

- I. The Liabilities of business entity having Assets of 200000 and Owner's Equity of Rs. 90000.
- II. The Assets of the business entity having Liabilities of Rs. 50000 and Owner's Equity Rs. 100000.
- III. The Owners Equity of the business entity having Assets of Rs. 80000 and Liabilities of Rs. 40000.
- IV. The Revenue of business entity having Expenses of Rs. 60000 and Net Income of Rs. 15000.
- V. The Expenses of a business entity having Revenue of Rs. 90000 and Net Loss Rs. 8000.

OR

Transactions given below relate to the business of New Way Company. For each of the transactions, you are required to indicate the effects on the elements of accounting equation using (+) for increase, (-) for decrease and (0) for no change. Use the headings and follow the example given below

Serial No.	Transactions	ASSETS	LIABILITIES	OWNERS EQUITY
1	Invest cash to business.	+	0	+
2	Purchase furniture on account.			
3	Purchase office equipment for cash.			
4	Paid a liability.			
5	Received cash for service rendered.			
6	Paid salaries expenses in cash.			
7	Withdrew cash from the business for the personal use of the owner.			

SECTION "C" (DETAILED-ANSWER QUESTION) (20 Marks)**Note: Attempt the following questions which is compulsory.****Q8. Financial statement:**

The following is the Pre-closing Trial Balance of Abdur Rehman & Co. prepared on December 31,1990:

Debit Balances:

Cash	Rs. 10,000/-
Merchandise Inventory (1,1,09)	Rs. 8,000/-
Office Equipment	Rs. 30,000/-
Purchases	Rs. 51000
Transportation in	Rs. 1000
Salaries Expense	Rs. 5,500/-
Rent Expense	Rs. 5,000/-
Office Supplies	Rs. 500/-
Insurance Prepaid	Rs. 1,200/-
Accounts Receivable	Rs. 20,000/-
Sales Returns	Rs. 500/-
Furniture	Rs. 17,300/-
Kamran Drawings	Rs. 5,000/-

Rs. 155,000/-

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Credit Balances:

Sales Rs.	Rs. 75,000/-
Purchase Returns	Rs. 500/-
Kamran Capital	Rs. 60,000/-
Allowances for depreciation (Office Equipment)	Rs. 25,000/-
Accounts Payable	Rs. 17,000/-

Rs. 155,000/-

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Data For Adjustment on December 31,1990:

- Merchandise Inventory was valued at Rs.10,000/-.
- Salaries Payable Rs.500/-.
- Rent Accrued RS.1,000/-.
- Office Supplies unused Rs.200/-.
- Insurance Expired Rs.800/-.
- Depreciation on Office Equipment was Estimated at Rs.2,500/-.

Required: (Attempt any two parts)

- Prepare Income Statement in classified report form for the year ended December 31,1990.
- Prepare Balance Sheet in classified account form as of December 31,1990.
- Prepare Adjusting Entries in proper form.