

**BCM SCHOOL,
BASANT AVENUE, DUGRI ROAD, LUDHIANA
ASSIGNMENT
ACCOUNTANCY (XI)**

1. Reserve created by undervaluation of closing stock is called (1)
(a) Secret reserve (c) specific reserve
(b) General reserve (d) capital reserve
2. Single entry system is adopted by: (1)
(a) Sole trader
(b) Partnership firm
(c) Joint stock company
(d) All of these
3. Following information is given in the trial balance: (1)
Bad debts: 3,000
Provision for Bad debts: 3,500
Debtors: 40,000
Additional information:
It is desired to make a provision for doubtful debts @10% on debtors. The amount debited to P & L a/c is
(a) Rs 4,000 (b) Rs 5,000
(c) Rs 6,500 (d) Rs 3,500
4. Pass book is a copy of: (1)
(a) Customer account
(b) Bank column of cash book
(c) Cash column of cash book
(d) Copy of receipts and payments
5. **Assertion (A):** General reserves are also called "Free Reserves" (1)
Reasons (R): General reserves are not created for any specific purpose and can be freely used for any purpose.
(a) Assertion (A) and Reasons (R) are correct but the reasons (R) is not the correct explanation of Assertion (A).
(b) Both Assertion (A) and Reasons (R) are correct but the reasons (R) is the correct explanation of Assertion (A).
(c) Assertion is not correct but the reason (R) is correct.
(d) Both, Assertion (A) and Reason (R) are incorrect.
6. Trail balance contains the following information: (1)
15% bank loan: 40,000
Interest paid: 4,500
Interest debited to Profit and loss account will be:
(a) Rs 6,000
(b) Rs 3,000
(c) Rs 4,500
(d) Rs 1,500
7. When closing capital is more than opening capital then result will be:
(a) Profit
(b) Loss
(c) No profit no loss
(d) Profit if there no additional capital is introduced (1)
8. Overdraft as per cash book is Rs 10,000. Cheques deposited but credited Rs 2500. Cheques issued but not encashed Rs 3500. What is the balance as per Pass book?
(a) Balance Rs 9,000
(b) Overdraft Rs 9,000
(c) Overdraft Rs 11,000
(d) Balance Rs 11,000 (1)
9. _____ is maintained to provide for any known liability. (1)

- (a) General reserve
- (b) Capital reserve
- (c) Provisions
- (d) Revenue reserve

10. Heavy amount spent by Airtel on Advertisement for brand positioning in the market will fall under which category

- (a) Revenue Expenditure
- (b) Capital Expenditure
- (c) Deferred Revenue Expenditure
- (d) Both (a) and (b)

(1)

11. Distinguish between single system and double entry system.

(3)

12. Following are the extracts of a Trial balance as at 31st March, 2014

Particular	Debit	Credit
Plant and Machinery	50,000	
wages	5,000	

A machine costing Rs 20,000 was purchased during the year 2013-14. Wages Rs 1,000 paid for the erection have been debited to wage account. Write off depreciation on plant and machinery @ 10% p.a. show how these appears in the final accounts.

(3)

13. Distinguish between revenue reserve and capital reserve.

(4)

14. A company has the following balances on 1st January, 2018.

(4)

Machinery Rs 2,50,000
 Provision for depreciation Rs 1,20,000

Depreciation was provided @ 20% p.a. on original cost method and accounts were closed on 31st December each year. On 30th September, 2018 a part of machinery bought for Rs 1,00,000 on 1st July, 2015 was sold at a profit of 20% and a new machinery was purchased for Rs 2,00,000 on the same date. Prepare machinery account and provision for depreciation account.

15. Following is the extract of trial balance as on 31st March, 2019

(4)

Particular	Debit	Credit
Debtors (including Mohan for dishonoured bill of Rs 1,200)	61,000	
Bad Debts	3,000	

Additional information: half of the amount of Mohan's Bills is irrecoverable. Create provision for doubtful debts @ 10% on other debtors. Show the relevant extract from the profit and loss account and the balance sheet.

16. Panwar commenced business on 1st January, 2005, with a capital of Rs 10,000 which he paid into bank account opened for that purpose. On the same date, he bought furniture which cost Rs 2,000 and made purchases of goods worth Rs 6,500. He kept his books on Single Entry basis.

On December, 2005, stock was valued at Rs 8,300. There were book debts amounting to 3200. Creditors amounted to Rs 3,600 and bank pass book showed a balance of Rs 1,450.

Panwar withdrew three times from business for his private expenses, each time he withdrew Rs 600 and in addition, he used Rs 500 worth of goods from his shop. He took Rs 1,000 as loan from his wife during the year. He gave Rs 200 to his son from business, which he omitted to enter.

You are required to prepare a statement showing Profit or Loss in the business for the year ending 31st December, 2005, from the above information.

(4)

17. From the following particulars prepare a Bank Reconciliation Statement of Govil as on 31st March:

(a) Balance as per Pass Book on 31st March is 8,500.

(b) Cheques for 5,100 were issued during the month of March, but of these cheques for Rs 1,200 were presented in the month of April, and one cheque for 200 was not presented for payment.

(c) Cheques and cash amounting to 4,800 were deposited in bank on 27th March but credit was given for 3,800 only.

(d) A customer has deposited 800 into the bank directly.

(e) The bank has credited the merchant for 200 as interest and has debited him for 30 as Bank Charges, for which there are no corresponding entries in Cash Book. **(6)**

18. X Ltd. purchased on April 1, 2011 a second-hand plant for 60,000 and immediately spent 40,000 in putting the same in working condition. On Oct. 1, 2011 additional machinery costing 40,000 was purchased. On April 1, 2013 the plant purchased on April 1, 2011 became obsolete and was sold for 50,000. On Oct. 1, 2013 new machinery was purchased at a cost of Rs 1,20,000. The firm provided depreciation on straight line method at 10% per annum on the original cost of the asset. Show Machinery Account for the years ending 31st March, 2014. **(6)**

19. Prepare a Trading and profit & loss account for the year ending 31/3/14 and a balance sheet also. **(6)**

<i>Particulars</i>	₹	<i>Particulars</i>	₹
Cash	10,000	Sales	1,79,700
Stock	40,800	Returns	195
Wages	22,525	Loans at 12% (on 1.7.2013)	20,000
Purchases	1,30,295	Creditors	30,305
Returns	2,400	Discount	530
Repairs	1,675	Capital	37,500
Bad debts	2,310		
Interest on Loan	600		
Salaries	8,000		
Octroi	500		
Insurance	1,000		
Charity	125		
Rent	2,000		
Machinery	16,000		
Debtors (including Shyam for dishonoured bill of ₹ 800)	30,000		
	2,68,230		2,68,230

Adjustments:

- Wages include Rs 2,000 for erection of new machinery
- Closing stock is valued Rs 40,925
- Provide depreciation on machinery @ 5% p.a.
- Salaries unpaid Rs 800. Create provision at 5% on debtors
- Half the amount of shyam's Bill is irrecoverable.
- Rent paid up to 30th June, 2014. Insurance unexpired Rs 300