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## 11TH COMMERCE

### ALL INDIA COMMERCE TEST SERIES-2021

#### ACCOUNTANCY FULL-LENGTH TEST-01

**TIME ALLOWED: 3 HOURS**

**MAXIMUM MARKS: 80**

#### INSTRUCTIONS TO CANDIDATES

1. This question paper contains two parts A and B.
2. There are 32 questions in the question paper. All questions are compulsory.
3. Question no. 1 to 13 and 23 to 29 carry 1 mark each.
4. Question no. 14 to 30 carry 3 marks each.
5. Question no. 15 to 18 and 31 carry 4 marks each.
6. Question no. 19, 20 and 32 carry 6 marks each.
7. Question no. 21 and 22 carry 8 marks each.
8. There are no overall choice. However, an internal choice has been provided in 2 questions of three marks, 2 questions of four marks and 2 questions of eight marks.
9. The use of any unfair means by any candidate shall result in the cancellation of his/her candidature.

**SECTION - A**

**Objective Type Questions**

**(1 Mark)**

**Multiple choice questions (Q. 1 to Q.10)**

There are four options for each question, out of these, only one is correct. You have to identify the correct option.

1. Which accounting concept is applied when closing stock is valued at lower of cost (purchase cost) or market price of goods?
 

(a) Realisation Concept	(b) Accrual Concept
(c) Prudence Concept	(d) Matching Concept
  
2. A draws a bill on B for ₹ 60,000. A wants to endorse it to Z in settlement of ₹ 70,000 @ 2% discount with the help of B's acceptance and balance in cash. How much cash will A pay to B?
 

(a) ₹ 8,000	(b) ₹ 8,200	(c) ₹ 8,600	(d) ₹ 10,000
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3. X, a Chartered Accountant earned ₹ 1,20,000 during the financial year 2019-20. Out of which, he received ₹ 1,05,000. He incurred an expense of ₹ 51,000, out of which ₹ 12,000 are outstanding. He also received his fees relating to previous year ₹ 13,500 and also paid ₹ 6,000 expenses of last year. Find out X's income for 2019-20 following cash basis of accounting.
 

(a) ₹ 69,000	(b) ₹ 73,500	(c) ₹ 73,000	(d) ₹ 1,36,500
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4. Original cost = ₹ 1,26,000, salvage value = ₹ 6,000. From the information given, calculate depreciation for 2nd year @ 10% p.a. underwritten down value method.
 

(a) ₹ 10,800	(b) ₹ 11,340	(c) ₹ 15,000	(d) ₹ 14,000
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5. According to which principle, revenue is deemed to be realised at the time when sale is made?
 

(a) Matching principle	(b) Principle of full disclosure
(c) Principle of revenue recognition	(d) None of these
  
6. Which accounting standard deals with preparation and presentation of cash flow statement?
 

(a) AS 1	(b) AS 2	(c) AS 3	(d) AS 7
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7. Rent paid ₹ 56,000 through cheque. Out of which ₹ 16,000 treated as advance for the next year. Journalise.
 

(a) Rent A/c	Dr	16,000	
Prepaid Rent A/c	Dr	40,000	
To Bank A/c			56,000
(b) Prepaid Rent A/c	Dr	56,000	
To Bank A/c			56,000
(c) Rent A/c	Dr	40,000	
Prepaid Rent A/c	Dr	16,000	
To Bank A/c			56,000
(d) Rent A/c	Dr	56,000	
To Prepaid Rent A/c			56,000
  
8. Contra entry is passed when
  - (a) cash is withdrawn from bank
  - (b) cash is deposited in bank
  - (c) cheque previously received is deposited in bank
  - (d) All of the above

9. X sold goods to Y for ₹ 2,00,000. Half of the amount will be received in cash and balance in bills receivable. For what amount, X should draw the bill on Y?  
 (a) ₹ 1,00,000                      (b) ₹ 2,00,000                      (c) ₹ 50,000                      (d) ₹ 3,00,000
10. Errors of commission do not permit  
 (a) correct totalling of balance sheet                      (b) correct totalling of trial balance  
 (c) the trial balance to agree                      (d) None of these

**Fill in the blanks (Q.11 to Q.12):**

Here, each sentence is incomplete due to one missing word. You are required to fill that missing word correctly.

11. The amount of depreciation goes on..... every subsequent year under written down value method.
12. Rectifying entry of purchase book being undercasted is passed through ..... account.
13. A trial balance is only a prima facie evidence of the arithmetical accuracy of records." Do you agree with this statement?

**Short Answer Type I Question**

**(3 Marks)**

14. Briefly explain any three qualitative characteristics of accounting information.

Or

Define expenditure. Explain any two types of expenditure.

**Short Answer Type II Questions**

**(4 Marks)**

15. From the following information, complete the journal entries.

**JOURNAL**

Date	Particulars	LF	Amt (Dr)	Amt (Cr)
(i)	Machine A/c (New) ..... To Machine A/c (Old) To Machine Tools Ltd (Being a old machine having book value ₹ 4,40,000 valued at ₹ 1,50,000 by Machine Tools Ltd. for a new machine of ₹ 10,00,000)	Dr Dr	10,00,000 .....	4,40,000 .....
(ii)	..... To Bank A/c (Being the cheque from customer amounting to ₹ 8,750 deposited into bank was returned dishonoured)	Dr	8,750	8,750
(iii)	Rent A/c (2/3rd of ₹ 45,000) ..... To Cash A/c (Being ₹ 45,000 rent paid to landlord, and 1/3rd of the premises is occupied by the proprietor for personal residence)	Dr Dr		45,000
(iv)	..... To..... (Being the goods costing ₹ 19,150 given as charity)	Dr	19,150	19,150

16. Show how the accounting equation is satisfied in the following cases  
 (i) Mahesh started business with cash ₹ 80,000 and goods ₹ 40,000.  
 (ii) Sold half of the goods at a profit of 25% to Ramesh.  
 (iii) Sold remaining goods at a profit of 25% to Ramesh.  
 (iv) Paid salary ₹ 3,000

17. From the following particulars provided by Ramesh Chandra Bhalla, prepare a cash book with suitable column.

		Amt (₹)
2019		
Aug	1 Cash in hand	1,70,000
	Bank balance with PNB	5,00,000
	Overdraft with SBI	3,50,000
Aug	3 Cash sales	1,40,000
Aug	5 Paid salary to staff by cheque on PNB	2,00,000
Aug	8 Cheque received from Raj deposited with SBI	1,80,000
Aug	10 Cash deposited into PNB	1,00,000
Aug	12 Amount transferred from PNB to SBI by cheque	60,000
Aug	15 Cash withdrew from PNB	1,60,000

18. From the following information, complete the following journal entries.

Date	Particulars	LF	Amt (Dr)	Amt (Cr)
(i)	..... ..... (Being depreciation charged on machinery ₹ 13,250 was not recorded, now rectified)	Dr	13,250	13,250
(ii)	..... ..... (Being bad debts written-off ₹ 1,750 on debtors were not recorded, now rectified)	Dr	1,750	1,750
(iii)	..... ..... (Being discount allowed to debtor ₹ 63, on receiving cash was not recorded, now rectified)		63	63
(iv)	..... ..... (Being bills receivable ₹ 7,500 received from debtor not recorded, now rectified)	Dr	7 500	7,500

Or

From the following information, complete the following journal entries in the books of Rajeev.

Date	Particulars	LF	Amt (Dr)	Amt (Cr)
2020 Mar 4	..... To Cash A/c (Being ₹ 80,000 deposited in SBI)	Dr	80,000	80,000
Mar 9	..... To Cash A/c (Being furniture worth ₹ 1,60,000 and tools worth ₹ 32,000 purchased)	Dr Dr	1,60,000 32,000	1,92,000
Mar 10	..... To Cash A/c (Being cash sent to bank ₹4,00,000)	Dr	4,00,000	4,00,000

Date	Particulars	LF	Amt (Dr)	Amt (Cr)
Mar 12	Investment A/c To Bank A/c (Being investment in shares of Arihant Ltd for ₹ 40,000 and brokerage paid @ 2%, payment being made by cheque)	Dr		
Mar 15	(Being ₹ 64,000 paid for repairs of proprietor's residential house out of business funds)	Dr	64,000	64,000
Mar 19	Rohan A/c To Sales A/c (Being goods worth ₹ 96,000 sold to Rohan at 10% above cost and allowed 5% discount)	DR		
	Total		8,77,120	8,77,120

Date	Particulars	LF	Amt (Dr)	Amt (Cr)
Mar 12	Investment A/c Dr To Bank A/c (Being investment in shares of Arihant Ltd for ₹ 40,000 and brokerage paid @ 2%, payment being made by cheque)			
Mar 15	..... Dr (Being ₹ 64,000 paid for repairs of proprietor's residential house out of business funds)		64,000	64,000
Mar 19	Rohan A/c Dr To Sales A/c (Being goods worth ₹ 96,000 sold to Rohan at 10% above cost and allowed 5% discount)			
	Total		8,77,120	8,77,120

### Long Answer Type I Questions

(6 Marks)

19. (i) An accountant of a firm, maintaining its books under accrual basis, does not want to account salaries amounting to ₹ 30,000 for the month of March 2019, on the grounds, that it was not paid. The firm closes its books on 31st March every year. Is the accountant correct in doing so?
- (ii) Gayatri, a chartered accountant earned ₹ 12,00,000 during the financial year 2019-2020. Out of which, she received ₹ 10,50,000. She incurred an expense of ₹ 5,10,000 out of which ₹ 1,20,000 are outstanding. She also received her fees relating to previous year ₹ 1,35,000 and also paid ₹ 60,000 expenses of last year. Find out Gayatri's income for 2019-2020 following the cash basis and accrual basis of accounting.
- (iii) Write any two transactions of a business whose both effects are applied on capital
20. On comparing the cash book with pass book of Naman, it is found that on 31st March, 2020, bank balance of ₹ 1,40,960 (debit) showed by the cash book differs from the bank balance of pass book with regard to the following
- Bank charges ₹ 100 on 31st March, 2020, are not entered in the cash book.
  - On 21st March, 2020, a debtor paid ₹ 12,000 into the company's bank account in settlement of his account, but no entry was made in the cash book of the company in respect of this.
  - Cheques totalling ₹ 12,980 were issued by the company and duly recorded in the cash book before 31st March, 2020 but had not been presented at the bank for payment until after that date.
  - A bill for ₹ 6,900 discounted with the bank is entered in the cash book without recording the discount charge of ₹ 800.
  - ₹ 13,520 is entered in the cash book as paid into bank on 31st March, 2020 but not credited by the bank until the following day.
  - No entry has been made in the cash book to record the dishonour on 15th March, 2020 of a cheque for ₹ 650 received from Bhanu.
  - Bank column of debit side of cash book overcasted by ₹ 20,000.
- Prepare bank reconciliation statement as on 31st March, 2020.

**Long Answer Type | | Question**
**(8 Marks)**

21. On 1st April, 2017, X Ltd purchased a machinery for ₹ 12,00,000. On 1st October, 2019 a part of the machinery purchased on 1st April, 2017 for ₹ 80,000 was sold for ₹ 45,000 and a new machinery at the cost of ₹ 1,58,000 was purchased and installed on the same date. The company has adopted the method of providing 10% p.a. depreciation on the diminishing balance of the machinery.

Show the necessary ledger accounts assuming that provision for depreciation account and machinery disposal account is maintained. The accounting year ends on 31st March.

Or

M/s Lokesh Fabrics purchased a textile machine on 1st April, 2014 for ₹ 1,00,000.

On 1st July, 2015 another machine costing ₹ 2,50,000 was purchased. The machine purchased on 1st April, 2014 was sold for ₹ 25,000 on 1st October, 2018. The company charges depreciation @ 15% p.a. on straight line method.

Prepare machinery account and machinery disposal account for the year ended 31st March, 2019

**SECTION – B**
**Objective Type Questions**
**(1 Mark)**
**Multiple choice questions (Q.22 to Q.26):**

There are four options for each question, out of these, only one is correct. You have to identify the correct option.

22. Limitation of computer system is  
 (a) versatility (b) accuracy (c) decision-making (d) storage
23. Raw facts that form a logical meaning is known as  
 (a) Logical unit (b) Data (c) Performance (d) System
24. Net profit of a firm before charging manager's commission is ₹ 21,000. If manager is entitled to 5% commission after charging such commission, how much manager will get as commission?  
 (a) ₹ 1,050 (b) ₹ 1,000 (c) ₹ 2,100 (d) ₹ 2,000
25. Operating profit earned by Geet in 2019-20 was ₹ 8,50,000. Its non-operating incomes were ₹ 75,000 and non-operating expenses were ₹ 1,87,500. Calculate profit earned during the year.  
 (a) ₹ 7,37,500 (b) ₹ 9,62,500 (c) ₹ 9,25,000 (d) ₹ 7,75,000
26. Journal entry to record closing stock of ₹ 100 will be.
- |                         |    |     |     |
|-------------------------|----|-----|-----|
| (a) Trading A/c         | Dr | 100 | 100 |
| To Closing Stock A/c    |    |     |     |
| (b) Closing Stock A/c   | Dr | 100 |     |
| To Trading A/c          |    |     | 100 |
| (c) Closing Stock A/c   | Dr | 100 |     |
| To Profit and Loss A/c  |    |     | 100 |
| (d) Profit and Loss A/c | Dr | 100 |     |
| To Closing Stock A/c    |    |     | 100 |
27. CBIS stands for Computer Information System.
28. Which is the largest unit of storage?

**Short Answer Type I Question**
**(3 Marks)**

29. Calculate closing stock from the following details  
 Opening stock ₹ 80,000; cash sales ₹ 2,40,000; credit sales ₹ 1,60,000; purchases ₹ 2,80,000.  
 Rate of gross profit on cost  $33\frac{1}{3}\%$  %.

Or

Jofra states his capital on 31st December, 2019 as ₹ 1,10,000. He further informs that his capital on 1st January, 2019 was ₹ 1,20,000. He gave a loan of ₹ 40,000 to his brother on private account and withdrew ₹ 7,000.

He lives in a flat, the rent (₹ 1,500 per month) and the electricity charges (₹ 500 per month) being paid from business account.

During the year, he sold his 10% government bonds of ₹ 15,000 at 4% premium and brought that money into business. He asks you to ascertain his business profit or loss.

**Short Answer Type II Question**

**(4 Marks)**

30. Briefly discuss real time user interface, automated document production, quality reports and queries as advantages of computerised accounting system.

Or

"A computer system possesses some characteristics, which in comparison to human beings, turn out to be its capabilities." In the light of this statement, discuss the characteristics/capabilities of a computer system

**Long Answer Type I Question**

**(6 Marks)**

31. Manveer started his business on 1st January, 2019 with a capital of ₹ 4,50,000. On 31st December, 2019 his position was as under

Items	Amt (₹)
Cash	99,000
Bills receivable	75,000
Plant	48,000
Land and building	1,80,000
Furniture	50,000

He owed ₹ 45,000 from his friend Susheel on that date. He withdrew ₹ 8,000 per month for his household purposes. Ascertain his profit or loss for this year ended 31st December, 2019.

**Long Answer Type II Question**

**(8 Marks)**

32. Prepare a trading and profit and loss account for the year ending 31st December, 2018 from the balances extracted from M/s Rahul and Sons. Also prepare a balance sheet at the end of the year.

Name of Accounts	Amt (₹)	Name of Accounts	Amt (₹)
Stock	50,000	Sales	1,80,000
Wages	3,000	Purchase return	2,000
Salary	8,000	Discount received	500
Purchases	1,75,000	Provision for bad debts	2,500
Sales return	3,000	Capital	3,00,000
Sundry debtors	82,000	Bills payable	22,000
Discount allowed	1,000	Commission received	4,000
Insurance	3,200*	Rent	6,000
Rent, rates and taxes	4,300	Loan	34,800
Fixtures and fittings	20,000		
Trade expenses	1,500		
Bad debts	2,000		
Drawings	32,000		
Repair and renewals	1,600		
Travelling expenses	4,200		
Postage	300		
Telegram expenses	200		
Legal fees	500		
Bills receivable	50,000		
Building	1,10,000		
	5,51,800		5,51,800

**Adjustments**

- Commission received in advance ₹ 1,000.
- Rent received ₹ 2,000.
- Salary outstanding ₹ 1,000 and insurance prepaid ₹ 800.
- Further bad debts ₹ 1,000 and provision for bad debts @ 5% on debtors and discount on debtors @ 2%.
- Closing stock ₹ 32,000.
- Depreciation on building @ 6% p.a.

Or

Prepare trading and profit and loss account for the year ended 31 st March, 2019 and a balance sheet as on that date from the following trial balance.

Name of Accounts	Amt (₹)	Name of Accounts	Amt (₹)
Stock on 1st April, 2018	32,000	Sales (less returns)	2,20,000
Purchases (less returns)	76,000	Sundry creditors	30,000
Rajeev Khandelwal	3,000	Capital	67,800
Wages	15,400	Mortgage and interest to date	15,600
Carriage inwards	2,600	Rent outstanding	1,000
Carriage outwards	1,500		
Salaries	40,000		
Advertisements	9,000		
Trade expenses	4,800		
Rent	12,000		
Establishment	5,400		
Stable expenses	2,100		
Mortgage interest	600		
Sundry debtors	40,000		
Cash in hand	2,500		
Machinery	87,500		
	3,34,400		3,34,400

### Adjustments

- (i) Closing stock was ₹ 46,000.
- (ii) Provision for doubtful debts be created on sundry debtors @ 5% and a provision for discount on sundry debtors at 2%.
- (iii) Salary of ₹ 3,000 paid to Rajeev Khandelwal an employee of the firm, stands debited to his personal account and it is to be corrected.
- (iv) A stationery bill for ₹ 200 remains unpaid and unrecorded.
- (v) Write-off 1/3rd of advertisement expenses.
- (vi) Sundry creditors include ₹ 10,000 loan taken from Mr Kailash on 1st September, 2018 bearing interest @ 12% p.a.