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11TH COMMERCE

ALL INDIA COMMERCE TEST SERIES-2021

ACCOUNTANCY FULL-LENGTH TEST - 02

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. If total assets of a business at the end of the year are ₹ 20,00,000, capital is ₹ 8,00,000 and drawings are ₹ 60,000, calculate creditors.
 (a) ₹ 28,00,000 (b) ₹ 12,00,000 (c) ₹ 11,40,000 (d) ₹ 18,00,000
2. Find the total assets of the firm, if the capital is ₹ 1,60,000 and liabilities are ₹ 40,000.
 (a) ₹1,20,000 (b) ₹2,00,000 (c) ₹1,60,000 (d) ₹40,000
3. Which of the following is not a specific reserve?
 (a) Dividend equalisation reserve (b) Capital reserve
 (c) Debenture redemption reserve (d) Capital redemption reserve
4. Identify the qualitative characteristic of accounting information which is reflected when the information is free from errors.
 (a) Relevance (b) Reliability (c) Comparability (d) None of these
5. Which stakeholder would be interested in knowing the long-term solvency position of the firm?
 (a) Investors (b) Government (c) Society (d) Creditors
6. Trader sells goods of list price ₹ 10,000 @ 5 % trade discount and 2 % cash discount. Calculate the net amount, if the payment will be made in cash.
 (a) ₹ 10,000 (b) ₹ 9,500 (c) ₹ 9,390 (d) ₹ 9,310
7. Binod owed us ₹ 10,000. He is declared as insolvent and 70 paise in a rupee is received from his estate. Calculate the amount to be debited in Cash A/c.
 (a) 10,000 (b) 7,000 (c) 3,000 (d) None of these
8. Pass journal entry to record dishonour of bill of exchange in the books of the drawer, when the same has been discounted by the bank.

(a)	Debtor (Drawee) To Bank A/c	Dr
(b)	Bank A/c To Debtor	Dr
(c)	Drawer T Bank A/c	Dr
(d)	Creditor To Bank A/c	Dr
9. Journal entry to record 'Salaries paid' will be

(a)	Salaries A/c To Cash A/c	Dr
(b)	Capital A/c To Cash A/c	Dr
(c)	Cash A/c To Salary A/c	Dr
(d)	Salary A/c To Creditors A/c	Dr

10. When a firm maintains a single column cash book, it need not maintain
(a) Sales journal (b) Purchase journal (c) Cash account (d) Bank account

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. Bank reconciliation statement is prepared by the
12. If original cost is ₹ 1,36,000, salvage value is ₹ 10,000 and useful life is 6 years. Depreciation will be.....under straight line method.
13. Due to a labour strike in a factory, the production had to stop for a week. The accountant estimated the loss of production and likely loss of profit and recorded it in the books of accounts. Is the accountant correct?

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.

15. Define bills of exchange and briefly explain parties to a bills of exchange.
16. 'Trial balance is a link between the ledger and final accounts'. Explain. Also give any two advantages of trial balance.
17. From the following transactions, prepare the purchases returns book of Karim & Co., a saree dealer.
2019
- | | |
|--------|---|
| Jan 4 | Returned to Mohan Mills, Kerala, 10 polyester sarees @ ₹ 1,600 each (-) Trade discount @ 10% (Debit note no. 101) |
| Jan 8 | Srimala Mills, Kota accepted the returns of goods (which were purchased for cash) from us, 8 Kota sarees @ ₹ 640 each (Debit note no. 102). |
| Jan 12 | Returned to Sonica Mills, Bombay, 12 silk sarees @ ₹ 1040 each (-) Trade discount @ 10% (Debit note no. 103). |
| Jan 30 | Returned one typewriter (being defective) @ ₹ 7,200 to Vishaka & Co. |
18. On 31st December, 2019, the cash book of Subhash Bros showed an overdraft of ₹ 19,890. From the following particulars, prepare a bank reconciliation statement and ascertain the balance as per pass book.
- (i) Debited by bank ₹ 315 on account of interest on overdraft and ₹ 75 on account of charges for collecting bills.
 - (ii) Cheques drawn but not encashed before 31st December, 2019 for ₹ 6,500.
 - (iii) The bank has collected interest and has credited ₹ 925 in pass book.
 - (iv) A bill receivable for ₹ 825 previously discounted with the bank had been dishonoured and debited in the pass book.
 - (v) Cheques paid into bank but not collected and credited before 31st December, 2019 amounted ₹ 7,250.
 - (vi) Debit side of cash book (bank column) over casted by ₹ 1,000.
- Or Differentiate between source documents and vouchers.

Long Answer Type I Questions

(6 Marks)

19. Why is it important to adopt a consistent basis for the preparation of financial statements? Explain.
20. You are presented with a trial balance showing a difference which has been carried to suspense account and the following errors are revealed.
- (i) ₹ 17,000 paid in cash for a typewriter was charged to office expenses account.
 - (ii) A cash sale of ₹ 50,000 to Pluto, correctly entered in the cash book, was posted to the credit of Pluto's account in the sales ledger.
 - (iii) Goods amounting to ₹ 8,000, returned by Sky, were entered in the sales book and posted therefrom to the credit of Sky's account.

- (iv) Bills receivable from Star for ₹ 30,000 posted to the credit of bills payable account and credited to Star's account.
 (v) Goods amounting to ₹ 1,00,000 sold to Sun were correctly entered in sales book but posted to Sun's account for ₹ 1,80,000.
 (vi) Sales returns book was overcast by ₹ 1,000.
 Journalise the necessary corrections.

Long Answer Type II Question

(8 Marks)

21. You are given the following balances as on 1st April, 2018.

	Amt (₹)
Machinery account	50,00,000
Provision for depreciation account	11,60,000

Depreciation is charged on machinery at 20% p.a. by the diminishing balance method. A piece of machinery purchased on 1st April, 2016 for ₹ 10,00,000 was sold on 1st October, 2018 for ₹ 6,00,000.

Prepare the machinery account and provision for depreciation account for the year ended 31st March, 2019.

Also prepare machinery disposal account.

Or

Lipakshi sold goods worth ₹ 19,000 to Ipshita on 2nd March, 2019. ₹4,000 were paid by Ipshita immediately and for the balance, she accepted a bills of exchange drawn upon her /by Lipakshi payable after 3 months. Lipakshi discounted the bill immediately with her bank @ 10% p.a. On the due date, Ipshita dishonoured the bill and the bank paid ₹ 30 as noting charges.

Record the necessary journal entries in the books of Lipakshi and Ipshita.

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. The process of storing and processing the accounting data is called
 (a) operating environment (b) operating software
 (c) output data (d) activation process
23. Which software is responsible to perform MS-Word, MS-Excel, etc.
 (a) Application Software (b) System software
 (c) Operating system (d) Language processor

24.

Extract of Trial Balance

Name of Accounts	Amt (Dr)	Amt (Cr)
Debtors	30,000	

After creating a provision for doubtful debts @ 5% on debtors, at what value the debentures will be shown in the balance sheet ₹

- (a) ₹ 30,000 (b) ₹ 28,500 (c) ₹ 31,500 (d) Nil

25.

Extract of Trial Balance

Name of Account	Amt (Dr)	Amt (Cr)
Machinery	1,00,000	

Machinery is to be depreciated at 10% p.a. At what value will the machinery account be shown in the balance sheet?

- (a) ₹ 1,00,000 (b) ₹ 1,10,000 (c) ₹ 10,000 (d) ₹ 90,000

26. Modern computerised accounting system is based on the concept of
 (a) database level (b) operating level (c) system level (d) working level
27. An example of output device is.....
28. Give two examples of current assets.

Short Answer Type I Question

(3 Marks)

29. From the following information, calculate capital at the beginning

Particulars	Amt (₹)
Capital at the end of year	8,00,000
Drawings made during the year	1,20,000
Fresh capital introduced during the year	2,00,000
Profit of the current year	1,60,000

Or

Raja Ram keeps his books under single entry system. His assets and liabilities were as under

Particulars	31st March, 2019 Amt(₹)	31st March, 2020 Amt (₹)
Cash	2,000	1,800
Sundry debtors	78,000	90,000
Stock	68,000	64,000
Plant and machinery	1,20,000	1,60,000
Sundry creditors	30,000	29,800
Bills payable	—	10,000

Prepare statement of affairs for year ending 31st March, 2019 and 2020.

30. What is a management information system?

Or

Briefly discuss the four elements/components of a computer system.

Long Answer Type I Question

(6 Marks)

31. Virat sports equipment provides the following information

Particulars	31st December, 2018 (₹)	31st December, 2019 (₹)
Cash in Hand	3,000	12,000
Bank Overdraft	15,000	—
Stock	25,000	40,000
Sundry Creditors	13,000	20,000
Sundry Debtors	30,000	70,000
Bills Payable	3,000	6,000
Furniture	20,000	30,000
Bills Receivable	4,000	14,000
Machinery	25,000	50,000
Investment	15,000	40,000

Drawings are ₹ 5,000 per month for personal use, fresh capital introduced during the year ₹ 1,00,000. Abad debts ₹ 1,000 and a provision of 5% to be made on debtors. Outstanding salary ₹ 1,200, prepaid insurance ₹ 350, depreciation charged on furniture and machinery @ 10% per annum. You are required to calculate profit and loss for the year ended 31st December, 2019.

Long Answer Type II Question
(8 Marks)

32. Tarak Mehta starts business on 1st April, 2019 with a capital of ₹ 3,00,000. The following trial balance was drawn up from his books at the end of the year.

Particulars	Amt (₹)	Particulars	Amt (₹)
Drawings	45,000	Capital	4,00,000
Plant and fixtures	80,000	Sales	16,00,000
Purchases	11,60,000	Sundry creditors	1,20,000
Carriage inward	20,000	Bills payable	90,000
Returns inward	40,000		
Wages	80,000		
Salaries	1,00,000		
Printing and stationery	8,000		
Advertisement	12,000		
Trade charges	6,000		
Rent and taxes	14,000		
Sundry debtors	2,50,000		

Particulars	Amt (₹)	Particulars	Amt (₹)
Bills receivable	50,000		
Investments	1,50,000		
Discount	5,000		
Cash at bank	1,60,000		
Cash in hand	30,000		
	22,10,000		22,10,000

The value of stock as at 31st March, 2020 was ₹ 2,60,000. You are required to prepare trading and profit and loss account for the year ended 31st March, 2020 and a balance sheet as on that date after taking the following facts into account.

- (i) interest on capital is to be provided at 6% p.a.
- (ii) An additional capital of ₹1,00,000 was introduced by Tarak Mehta on 1st October, 2019.
- (iii) Plant and fixtures are to be depreciated by 10% per annum.
- (iv) Salaries outstanding on 31st March, 2020 amounted to ₹ 5,000.
- (v) Accrued interest on investments amounted of ₹ 7,500.
- (vi) ₹ 5,000 are bad debts and a provision for doubtful debts is to be created at 5 percent of the balance of debtors.
- (vii) Interest charged on drawings at 10%.

Or

From the following balances extracted from the book of M/s Raj Chakravarthy on 31st March, 2020 you are requested to prepare the trading and profit and loss account and a balance sheet as on this date.

Name of Accounts	Amt (Dr)	Amt (Cr)
Opening stock	20,000	—
Purchase and sales	80,000	1,60,000
Returns	400	1,200
Wages	12,000	—
Dock and clearing charges	8,000	—
Lighting	1,000	—
Miscellaneous income	—	12,000
Rent	—	4,000
Capital	—	80,000
Drawings	4,000	—
Debtors and creditors	12,000	14,000
Cash	6,000	—
Investment	12,000	—
Patent	8,000	—
Land and machinery	86,000	—
Donations and charity	1,200	—
Sales tax collected	—	2,000
Furniture	22,600	—
	2,73,200	2,73,200

Additional Information

- (i) Closing stock was ₹ 4,000.
- (ii) Interest on drawings @ 7% and interest on capital @ 5%.
- (iii) Land and machinery is depreciated at 5%.
- (iv) Interest on investment @ 6%.
- (v) Unexpired rent ₹ 200.
- (vi) Charge 5% depreciation on furniture.