



Anand Niketan

Maninagar Campus

Grade : XI	Subject : Accounts	Empower 2 Syllabus
Date : 27/01/2020	Practice Worksheet	

1. What is accounting?
2. Enumerate two objectives of accounting.
3. Why are the creditors interested in the Financial Statements?
4. Mention two limitations of accounting.
5. Name the term used for manipulation of accounting information?
6. What is 'Window Dressing'?
7. What do you mean by Double Entry System?
8. What are Fixed Assets?
9. What do you mean by Liabilities?
10. What do you mean by Drawings?
11. Who is a debtor?
12. Who is a creditor?
13. What do you mean by Expenditure?
14. What is meant by Goods?
15. What do you mean by Accounting Entity Assumption?
16. What is Money Measurement Assumption?
17. Give the meaning of Going Concern Assumption?
18. What do you mean by Accounting Period Concept?
19. What do you mean by Accrual Concept?
20. What is Dual Aspect Concept of accounting?
21. What do you mean by the accounting principle of Revenue Recognition?
22. What is meant by Verifiable Objective Concept?
23. State the Matching Principle of accounting.
24. What do you mean by Materiality Principle of accounting?
25. What is meant by the convention of Consistency?
26. State the meaning of Conservatism or Prudence Concept.
27. What do you mean by Accounting Standards?
28. What is the Voucher?
29. What is meant by accounting vouchers?
30. What is an invoice?
31. When is Cash Memo prepared?
32. What do you mean by Debit Note?
33. What is meant by Credit Note?
34. What is a Journal?
35. What are the two types of *Journal Entries*?
36. What is meant by Compound Entry?
37. What is meant by Opening Entry?
38. What is Trade Discount?
39. What is Cash Discount?
40. What do you mean by ledger?

Final Accounts

- Q1) What are financial statements? Enumerate the users of such statements.
- Q2) Explain with the help of an example, the meaning of contingent liability.
- Q3) Distinguish between:
- Trading and Profit and Loss A/c and Balance sheet
 - Tangible assets and intangible assets
 - Fixed assets and current assets
 - Trial balance and Balance sheet
 - Capital expenditure and revenue expenditure.
- Q4) Opening stock- Rs. 5,000; sales- Rs. 16,000; carriage inward- Rs.1,000; sales return- Rs.1,000; gross profit- Rs.6,000; purchases- Rs.10,000; purchase returns- Rs.900. Calculate the closing stock and the cost of goods sold.
- Q5) Following are the extracts of a trial balance as at 31st March, 2002

Particulars	Dr.(Rs.)	Cr.(Rs.)
Plant & Machinery	80,000	
Accumulated depreciation on plant & machinery		30,000
Wages	5,000	

A machinery costing Rs.20,000 was purchased on 1st October, 2001 but it was not recorded in the books as no

Payment was made for it. Wages Rs. 1,000 paid for its installation have been debited to wages A/c.

Provide

depreciation according to written down value method on plant and machinery @ 10% p.a.

Show how the above information will appear in the final accounts.

- Q6) Following are the extracts of a trial balance as at 31st March, 2002

Particulars	Dr.(Rs.)	Cr. (Rs.)
Debtors	2,06,000	
Bad debts	2,000	
Provision for doubtful debts		15,000

Show how these items will appear in the final accounts in each of the following alternative cases:

- Increase bad debts by Rs. 6,000 and provision for doubtful debts is no longer required.
- Bad debts increased to Rs. 16,000 and provision for doubtful debts is no longer required.
- Increase the bad debts provision by Rs. 1,000.
- Further bad debts amounted to Rs. 6,000. Maintain a provision for doubtful debts @ 5% on debtors.
- Further bad debts amounted to Rs. 6,000. Maintain a provision for doubtful debts @ 2% on debtors.
- Bad debts increased to Rs. 6,000. Bad debts provision to be increased by Rs. 6,000.

Q) From the following balances taken from the ledger of Shri Krishna on 31st March, 2002, prepare the Trading and

Profit and Loss Account for the year ended 31st March, 2002 and the Balance Sheet as at 31st March, 2002:

	Rs.		Rs.
Creditors	19,000	Bad debts	100
Building	15,000	Loan from Ram	2,500
Income tax	1,025	Sundry debtors	9,500
Loose tools	1,000	Investments	6,500
Cash at bank	16,200	Provision for doubtful debts	1,600
Sundry expenses	1,990	Rent and rates	850
Bank interest (Cr.)	75	Furniture	3,000
Purchases	1,57,000	Stock(1.4.2001)	27,350
Wages	10,000	Capital	47,390
Carriage inwards	1,120	Discount allowed	630
Sales	1,85,000	Dividends received	535
Motor Van	12,500	Drawings	2,000
Cash in hand	335	Bills Payable	10,000

Adjustments to be taken into account:

- Write off further Rs. 300 as bad out of Sundry Debtors and create a provision for doubtful debts (20% on debtors.
- Dividends accrued and due on investments is Rs.135. Rates paid in advance Rs.100 and wages owing Rs. 450.
- On 31st March, 2002, stock was valued at Rs. 15,000 and loose tools were valued at Rs.800.
- Write off 5% for depreciation on buildings and 40% on motor van.
- Provide for interest at 12% per annum due on loan taken on 1.6.2001.
- Income tax paid has to be treated as drawings.

Q) From the following figures extracted from the books of Shri Govind, you are required to prepare a Trading and

Profit and Loss Account for the year ended 31st March, 2002 and a Balance Sheet as on that date after making

the necessary adjustments:

Particulars	Amt.	Particulars	Amt.
Shri Govind's capital	2,28,000	Stock(1.4.01)	38,500
Shri Govind's drawings	13,200	Wages	35,200
Plant and machinery	99,000	Sundry Creditors	44,000
Freehold Property	66,000	Postage and Telegrams	1,540
Purchases	1,10,000	Insurance	1,760
Returns outward	1,100	Gas and fuel	2,970
Salaries	13,200	Bad debts	660
Office expenses	2,750	Office rent	2,860
Office furniture	5,500	Freight	9,900
Discount (Dr.)	1,320	Loose tools	2,200
Sundry debtors	29,260	Factory lighting	1,100
Loan to Shri Krishna @ 10% p.a.(balance on 1.4.01)	44,000	Provision for doubtful debts	880
Cash at bank	29,260	Interest on loan to Shri Krishna	1,100
Bills Payable	5,500	Cash in hand	2,640
		Sales	2,31,440

Adjustments:

- Stock on 31st March, 2002 was valued at Rs. 72,600
- A new machine was installed during the year costing Rs. 15,400 but it was not recorded in the books as no
Payment was made for it. Wages, Rs.1,100 paid for its erection have been debited to wages
Account.
- Depreciate Plant and machinery by 33-1/3%, furniture by 10% and freehold property by 6%.
- Loose tools were valued at Rs. 1,760 on 31.3.02.
- Of the sundry debtors Rs. 660 are bad and should be written off.
- Maintain a provision of 5% on sundry debtors for doubtful debts.
- The manager is entitled to a commission of 10% of the net profits after charging such
commission.

Bills of Exchange

Q5) A sold goods to B for Rs. 10,000 on 1st Jan 2011 and drew upon him a three months bill for the amount. B

accepted the bill and returned to A. At maturity, the bill was dishonoured. Pass the journal entries in the

books of A and B in each of the following alternative cases:

- a) When A retained the bill till the due date and paid noting charges of Rs. 100.
- b) When A got the bill discounted with his bankers @ 15% p.a. on 4th Feb. and the bank paid the noting charges of Rs. 100.
- c) When A endorsed the bill one month after the acceptance in favour of his creditor C in settlement of his debt for Rs. 10,200 and C paid the noting charges of Rs. 100.
- d) When A sent the bill to his bankers for collection and the bank paid the noting charges of Rs. 100.

Q6) Journalise the following transactions in the books of S Swamy:

- a) Swamy's acceptance to Pandey for Rs. 1,500 renewed for three months on the condition that Rs. 500 is paid in cash immediately and the remaining balance to carry interest @ 12% p.a.
- b) Pathak's promissory note for Rs. 1,200 endorsed in favour of Gupta returned dishonoured. Gupta paid Rs. 30 as noting charges. Swamy pays Gupta by cheque and accepts from Pathak another bill for the amount due along with interest Rs. 80.
- c) A bill payable accepted in favour of Modi for Rs. 4,000 returned unpaid due to lack of instructions to the bank. Modi claims Rs. 4050 (Rs. 50 as noting charges) which is paid by cheque.

Q7) Mr. Drought draws two bills of exchange on 1st Jan, 2011 for Rs. 3,600 and Rs. 6,000. The bills of exchange for

Rs. 3,600 is for two months while the bill of exchange for Rs. 6,000 is for three months. These bills are accepted

by Mr. Flood. On 4th March, Mr. Flood requests Mr. Drought to renew the first bill with interest at 18% p.a.

for a period of two months. Mr. Drought agrees to this proposal. On 20th March, Mr. Flood retires the

acceptance for Rs. 6,000, the rebate being Rs. 60. Before the due date of the renewed bill, Mr. Flood

becomes insolvent and only 50 paise in a rupee could be recovered from the estate. Give journal entries

in the books of Mr. Drought.

Q8) On 15th Jan, 2012, Sun sold goods to Sky for Rs. 1,800. Sky paid Rs. 360 in cash and for the balance accepted

three bills-I bill for Rs. 420 at one month, II bill for Rs. 480 at two months and III bill for Rs. 540 at three months.

Sun endorsed I bill to Moon, his creditor on 16th Jan. in full settlement of Rs. 426; discounted the II bill at his

Bank for Rs. 475 and retained the third bill till maturity.

The first bill is met at maturity. The second bill is dishonoured and Rs. 6 being paid as noting charges. Sun

charges Rs. 9 for interest and draws on Sky a fourth bill for the amount at three months. At maturity, the

third bill was renewed with interest @ 5% p.a. for three months. The fifth bill was duly accepted by Sky.

The fourth and fifth bills were met at maturity. Give journal entries in the books of Sun and Sky.

Bank Reconciliation Statement:

Q2) On comparing the cash book of Mr. Aggarwal with the Bank Pass Book, the following discrepancies were noted:

- a) Out of Rs.20,500 paid in cash, and by cheques into the bank on 27th March, cheque amounting to Rs.7,500 were collected on 7th April.
- b) Cheque and cash amounting to Rs.4,800 were deposited in bank on 26th March but credit was given for Rs.3,800 only.
- c) Out of cheques amounting to Rs.7,800 drawn on 26th March, a cheque for Rs.2,500 was encashed on 3rd April.
- d) Cheques issued to creditor amounting to Rs.20,000 on 25th March, of which cheques worth Rs. 3,000 were presented to bank upto 31st March.
- e) A cheque for Rs.1,000 entered in cash book but omitted to be banked on 31st March.
- f) A cheque for Rs.600 deposited into bank but omitted to be recorded in cash book and was collected by the bank on 30th March.
- g) A bill receivable for Rs.520 previously discounted(discount Rs.20) with the bank had been dishonoured but advice was received on 1st April.
- h) A bill for Rs.10,000 was retired /paid by the bank under a rebate of Rs.150 but the full amount of the bill was credited in the bank column of the cash book.
- i) A cheque of Rs.1,080 credited in the pass book on March 28 being dishonoured is debited again in the pass book on 1st April. There was no entry in the cash book about the dishonour of the cheque until 15th April.
- j) A cheque of Rs.200 drawn on his saving deposit account has been shown as drawn on current account in cash book.

Prepare a bank reconciliation statement as at 31st March, 2011 if the balance as per cash book on 31st March, 2011 was Rs.39,570.

Depreciation:

- 1 On 1.1.2010 an asset was purchased for ₹ 35000. The estimated life of the asset is 5 years after which its breakup value will be ₹ 5000 only. Prepare the asset account for the first three years, by straight line method assuming that the books are closed on 31st December.
- 2 Good Manufacturer Ltd. acquired a machine on 1st July 2011, at a cost of ₹ 25000 and spent ₹1000 on its installation. The firm writes off depreciation at 10% of the original cost every year. Show the machinery account for three years. The books are closed on 31st December.
- 3 A firm purchased machinery at a cost of ₹ 46000 on 1st October, 2011 and incurred ₹4000 as expenses on its purchase and installation. The rate of depreciation under straight line method is 10% p.a. The firm closes its books on 31st December, each year. On 1st July, 2012, another machine worth ₹ 20000 was purchased. Prepare Machinery account for 2011, 2012 and 2013.
- 4 A limited company purchased on 1st January 2010 a small plant for ₹10000. On 1st July, in the same year additional plant was purchased costing ₹5000. On 1st July, 2011, the plant purchased on 1st January 2010 having become obsolete is sold off for ₹4000. On 1st July 2012, a fresh plant was purchased for ₹12000 and the plant purchased on 1st July, 2011 was sold for ₹4200. Depreciation is provided at 10% p.a. on SLM every year. Show Machinery Account for 3 years.
- 5 On 1.4.2011, XYZ Ltd. purchased a second hand machine for ₹ 80000 and spent ₹ 20000 on its cartage, repairs and installation. The residual value at the end of its expected useful life of 4 years is estimated at ₹40000. On 30th Sept. 2012, repairs and renewals amounted to ₹2000. On 30th Sept. 2013, this machine is sold for ₹50000. Depreciation is to be provided according to straight line method. Prepare Machinery account for first three years assuming that the accounts are closed on 31st March each year.

Q1) Journalise the following transactions:

- 1) Sold goods for Rs.10,000.
- 2) Sold goods to Sachin for Rs.20,000.
- 3) Sold goods to Amit for Rs.30,000 and payment made by cheque.
- 4) Sold goods to Atul of the list price of Rs.30,000 at a trade discount of 10%.
- 5) Sold goods to Sunil of the list price of Rs.1,25,000 less 20% trade discount and received a cheque under a cash discount of 2%.
- 6) Sold goods to Sahil of the list price of Rs.1,25,000 less 20% trade discount and 2% cash discount and paid 40% by cheque.
- 7) Sold goods costing Rs.40,000 to Anita for cash at a profit of 25% on cost less 20% trade discount and charged 8% sales tax and paid cartage Rs.100 (not to be charged from customer)
- 8) Sold goods costing Rs.40,000 to Anil at a profit of 20% on sales less 20% trade discount and charged 8% sales tax and paid cartage Rs.100(to be charged from customer)
- 9) Sachin rejected and returned 10% of goods.
- 10) Bought goods of the list price of Rs.2,50,000 from Mohan less 20% trade discount and 2% cash discount and paid 40% by cheque.
- 11) Purchased machinery from Rajiv for Rs.5,000 and paid him by means of a bank draft purchased from bank for Rs.5020.
- 12) Paid rent of building Rs.12,000. Half of the building is used by the proprietor for residential use.
- 13) Paid life insurance premium Rs.2,000.
- 14) Charge depreciation on furniture @10% p.a. for one month(furniture Rs.12,000).
- 15) Provide interest on capital (Rs.60,000) at 15% p.a. for six months.
- 16) Charge interest on drawings (Rs.10,000) at 18% p.a. for six months.
- 17) Brokerage due to us Rs.500.
- 18) Proprietor withdrew for private use Rs.1,000 from office and Rs.800 from bank.
- 19) Purchased a cow for business Rs.20,000.
- 20) Paid Rs.250 in cash as wages on installation of a machinery.

Enter the following transactions in the Cash Book (Single column) of M/s Sonal enterprises :

2011

March 1 Cash in hand Rs. 18000

March 8 Purchase goods for cash Rs. 3200

March 15 Sold goods for Rs. 4800 to Y.

March 20 Received commission Rs. 650

March 28 Paid to sunil on account Rs. 7150 & discount received Rs. 50

March 29 Paid salaries Rs. 550

March 31 Paid office rent Rs. 600

5

Prepare Cash Book with Bank Column of Vinod from the following transactions:

March. 1 Cash in hand Rs. 70,000 and bank Rs. 30,000.

March. 6 Received cash form Mohan Rs.950 in full settlement of debt of Rs. 1,000.

March. 11 Bought goods for cash Rs. 10,000 and by cheque Rs. 8,000.

March. 16 Sold goods for Rs. 12,000 and deposited cash into bank on the same day.

March. 23 Withdrawn from bank for personal use Rs.600

