

SECOND MID TERM TEST - 2023**Standard XI
ACCOUNTANCY**Reg.No.

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Time : 1.30 hrs

Part - I

Marks : 50

10 x 1 = 10

I. Answer all the questions.

1. Errors not affecting the agreement of trial balance are
 - a) errors of principle
 - b) errors of overcasting
 - c) errors of undercasting
 - d) errors of partial omission
2. A transaction not recorded at all is known as an error of
 - a) principle
 - b) complete omission
 - c) partial omission
 - d) duplication
3. The total of purchases book was overcast. Which of the following accounts should be debited in the rectifying journal entry?
 - a) purchases account
 - b) suspense account
 - c) creditor account
 - d) none of the above
4. Depreciation is caused by
 - a) lapse of time
 - b) usage
 - c) obsolescence
 - d) (a),(b) and (c)
5. A depreciable asset may suffer obsolescence due to _____.
 - a) passage of time
 - b) wear and tear
 - c) technological changes
 - d) none of the above
6. Depreciation is to be calculated from the date when
 - a) asset is put to use
 - b) purchase order is made
 - c) asset is received at business premises
 - d) invoice of assets is received
7. Interest on bank deposits is
 - a) capital receipt
 - b) revenue receipt
 - c) capital expenditures
 - d) revenue expenditures
8. Revenue expenditure is intended to benefit
 - a) past period
 - b) future period
 - c) current period
 - d) any period
9. Pre-operative expenses are
 - a) revenue expenditure
 - b) prepaid revenue expenditure
 - c) deferred revenue expenditure
 - d) capital expenditure
10. If the rate of depreciation is same, then the amount of depreciation under straight line method vis-a-vis written down value method will be
 - a) equal in all years
 - b) equal in the first year but higher in subsequent years
 - c) equal in the first year but lower in subsequent years
 - d) lower in the first year but equal in subsequent years

Part - II

II. Answer any 5 questions. (Q.No.17 is compulsory)

5 x 2 = 10

11. What is meant by error of principle?
12. What is meant by error of complete omission?
13. List out the various methods of depreciation.
14. What is meant by depreciation?
15. What is meant by revenue expenditure?
16. What is capital expenditure?
17. On 1.1.2017, a firm purchased a machine at a cost of ₹1,00,000. Its life was estimated to be 10 years with a scrap value of ₹10,000. Compute the amount of depreciation to be charged at the end of each year.

Part - III

III. Answer any 5 questions. (Q.No.24 is compulsory)

5 x 3 = 15

18. Write a note on suspense account.
19. Rectify the following errors assuming that the trial balance is yet to be prepared.
 - a) Sales book was undercast by ₹400
 - b) Sales returns book was overcast by ₹500
 - c) Purchases book was undercast by ₹600
20. What are the causes for depreciation?
21. Furniture was purchased for ₹1,00,000 on 1.7.2016. It is expected to last 5 years. Estimated scrap at the end of five years is ₹10,000. Find out the rate of depreciation under straight line method.
22. Distinguish between capital expenditure and revenue expenditure.
23. Classify the following items into capital and revenue.
 - i) ₹50,000 spent for railway siding
 - ii) Loss on sale of old furniture
 - iii) Carriage paid on goods sold
24. Rectify the following journal entries.

| | Particulars | L.F. | Dr. (₹) | Cr. (₹) |
|----|--|------|---------|---------|
| a) | Purchases A/c Dr. To cash A/c (Furniture purchased for cash) | | 5,000 | 5,000 |
| b) | Nila A/c Dr. To cash A/c (Salary paid to Nila) | | 8,000 | 8,000 |
| c) | Cash A/c Dr. To sales A/c (Furniture sold for cash) | | 9,000 | 9,000 |

IV. Answer all the questions.

3 x 5 = 15

25. a) Pass journal entries to rectify the following errors located after the preparation of the trial balance. Assume that there exists a suspense account.
- The total of sales book was undercast by ₹2000
 - The purchases of machinery for ₹3000 was entered in the purchases book
 - A credit sale of goods for ₹45 to Mathi was posted in his account as ₹54
 - The purchases returns book was overcast by ₹200
 - The total of sales book ₹1,122 were wrongly posted in the ledger as ₹1,222

(OR)

- b) Identify the following items into capital or revenue.

- Audit fees paid ₹10,000
- Labour welfare expenses ₹5,000
- ₹2,000 paid for servicing the company vehicle
- Repair to furniture purchased second hand ₹3,000
- Rent paid for the factory ₹12,000

26. a) An asset is purchased on 1.1.2016 for ₹50,000. Depreciation is to be provided annually according to straight line method. The useful life of the asset is 10 years and its residual value is ₹10,000. Accounts are closed on 31st December every year. You are required to find out the rate of depreciation and give journal entries for first two years.

(OR)

- b) Rectify the following journal entries.

| | Particulars | L.F. | Dr. (₹) | Cr. (₹) |
|----|---|------|---------|---------|
| a) | Kumanan A/c Dr. To cash A/c (Salary paid to Kumanan) | | 10,000 | 10,000 |
| b) | Senguttuvan A/c Dr. To cash A/c (Rent paid to Senguttuvan) | | 6,000 | 6,000 |
| c) | Cash A/c Dr. To sales A/c (Furniture sold for cash) | | 2,000 | 2,000 |
| d) | Cash A/c Dr. To Kumararaja A/c (Goods sold to Kumararaja for cash) | | 10,000 | 10,000 |
| e) | Manimaran A/c Dr. To purchase A/c (Goods taken by the proprietor Mr. Manimaran for his personal use) | | 1,000 | 1,000 |

27. a) Classify the following receipts into capital and revenue.
- Sale proceeds of goods ₹75,000
 - Loan borrowed from bank ₹2,50,000
 - Sale of investment ₹1,20,000
 - Commission received ₹30,000
 - ₹1,400 wages paid in connection with the erection of new machinery.

(OR)

- b) An asset is purchased for ₹50,000. The rate of depreciation is 15% p.a. Calculate the annual depreciation for the first two years under diminishing balance method.

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