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GRADE: XI   **REVISION TEST - 1**   **MARKS: 90**

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I CHOOSE THE CORRECT ANSWER   20 X 1 = 20

1. Amount spent on increasing the seating capacity in a cinema hall is
    (a) Capital expenditure   (b) Revenue expenditure
    (c) Deferred revenue expenditure   (d) None of the above.

2. Expenditure incurred ₹20,000 for trial run of a newly installed machinery will be
    (a) Preliminary expense   (b) Revenue expenditure
    (c) Capital expenditure   (d) Deferred revenue expenditure

3. Interest on bank deposits is
    (a) Capital receipt   (b) Revenue receipt
    (c) Capital expenditures   (d) Revenue expenditures

4. Amount received from IDBI as a medium term loan for augmenting working capital
    (a) Capital expenditures   (b) Revenue expenditures
    (c) Revenue receipts   (d) Capital receipt

5. Revenue expenditure is intended to benefit

    (a) Past period   (b) Future period   (c) Current period   (d) Any period

6. Bank overdraft should be shown
    (a) In the trading account   (b) Profit and loss account
    (c) On the liabilities side   (d) On the assets side

7. Drawings appearing in the trial balance is
    (a) Added to the purchases   (b) Subtracted from the purchases
    (c) Added to the capital   (d) Subtracted from the capital

8. Salaries appearing in the trial balance is shown on the
    (a) Debit side of trading account   (b) Debit side of profit and loss account
    (c) Liabilities side of the balance sheet (d) Assets side of the balance sheet

9. Current assets does not include
    (a) Cash   (b) Stock   (c) Furniture   (d) Prepaid expenses

10. Goodwill is classified as
    (a) A current asset   (b) A liquid asset   (c) A tangible asset   (d) An intangible asset

11. A prepayment of insurance premium will appear in
    (a) The trading account on the debit side   (b) The profit and loss account on the credit side
    (c) The balance sheet on the assets side   (d) The balance sheet on the liabilities side

12. Net profit is
    (a) Debited to capital account   (b) Credited to capital account
    (c) Debited to drawings account   (d) Credited to drawings account

13. Closing stock is valued at
    (a) Cost price   (b) Market price
    (c) Cost price or market price whichever is higher
    (d) Cost price or net realisable value whichever is lower

14. Accrued interest on investment will be shown
    (a) On the credit side of profit and loss account   (b) On the assets side of balance sheet
    (c) Both (a) and (b)   (d) None of these

15. If there is no existing provision for doubtful debts, provision created for doubtful debts is
    (a) Debited to bad debts account   (b) Debited to sundry debtors account
    (c) Credited to bad debts account   (d) Debited to profit and loss account
16. Which one of the following is not a method of codification of accounts?
    (a) Access codes   (b) Sequential codes   (c) Block codes   (d) Mnemonic codes
17. TALLY is an example of
    (a) Tailor-made accounting software   (b) Ready-made accounting software
    (c) In-built accounting software   (d) Customised accounting software
18. People who write codes and programes are called as
    (a) System analysts   (b) System designers   (c) System operators   (d) System programmers
19. Which one is not a component of computer system?
    (a) Input unit   (b) Output unit   (c) Data   (d) Central Processing Unit
20. An example of output device is
    (a) Mouse   (b) Printer   (c) Scanner   (d) Keyboard

II ANSWER THE FOLLOWING (ANY 7) Q.No.30 is compulsory   7 X2 = 14

21. What is a computer?
22. Name any two accounting packages.
23. What is prepaid expense?
24. The trial balance prepared on 31st March, 2016 shows the value of buildings as ` 50,000.

Adjustment: Depreciate buildings @ 10% p.a. Give adjusting entry.

25. What is meant by purchases returns?
26. Write a note on trading account.
27.
    2. From the following balances taken from the books of Saravanan, calculate gross profit for
       the year ended December 31, 2017

Particulars	₹	Particulars	₹
Opening stock	1,50,000	Net sales during the year	4,00,000
Direct expenses	8,000	Net purchases during the year	1,50,000
Closing Stock	25,000		

28.
    10. From the following particulars, prepare balance sheet in the books of Bragathish as on
        31st December, 2017:

Particulars	₹	Particulars	₹
Capital	80,000	Cash in hand	20,000
Debtors	12,800	Net profit	4,800
Drawings	8,800	Plant	43,200

29. What is the need for preparing profit and loss account?
30. Name any two direct expenses and indirect expenses.

III ANSWER THE FOLLOWING (ANY 7) Q.No.40 is compulsory   7 X3 = 21

31. What are the advantages of preparing a balance sheet?
32. What are final accounts? What are its constituents?
33. Distinguish between capital receipt and revenue receipt
34. What is deferred revenue expenditure? Give two examples.

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35. From the following information, prepare profit and loss account for the year ending 31st December, 2016.

Particulars	₹	Particulars	₹
Gross loss	60,000	Printing and stationery (office)	2,000
Promotional expenses	5,000	Legal charges	5,000
Distribution expenses	15,000	Bad debts	1,000
Commission paid	7,000	Depreciation	2,000
Interest on loan paid	5,000	Rent received	4,000
Packing charges (on sales)	4,000	Loss by fire not covered by insurance	3,000
Dividend received	3,000		

36.

From the following information, prepare profit and loss account for the year ended 31st March, 2018.

Particulars	₹	Particulars	₹
Gross profit b/d	1,50,000	Advertisement expenses	3,800
Carriage outward	25,500	Bad debts	8,500
Office rent	7,000	Dividend received	9,000
Office stationery	3,500	Discount received	4,600
Distribution expenses	2,000	Rent received	7,000

37. The trial balance as on 31st December, 2016 shows sundry debtors as ₹ 1,02,000.
   Adjustment: Write off ₹2,000 as bad debts.
       Give adjusting entry and show how these item appear in final accounts.

38. Abstracts from the trial balance as on 31st December, 2016:

Particulars	Debit ₹	Credit ₹
Sundry debtors	1,04,000	
Bad debts	5,000	
Provision for bad and doubtful debts		2,000

Adjustments:
   (i)   Additional bad debts amounted to ₹4,000.
   (ii) Create a provision for bad and doubtful debts @ 5% on sundry debtors.
   Pass necessary adjusting entries and show how the different items appear in final accounts.

39. Explain how closing stock is treated in final accounts.
40. Mention any three limitations of computerised accounting system.

IV ANSWER THE FOLLOWING

7 X5 = 35

41.a) What are the various types of accounting software?   (OR)

b)   . From the following information, prepare trading and profit and loss account and balance sheet in the books of Sangeetha for the year ending 31st March, 2018.

Particulars	₹	Particulars	₹
Capital	20,000	Salaries	6,600
Bills receivable	8,000	Establishment expenses	4,500
Bills payable	10,500	Advertisement	2,300
Purchases	75,000	Furniture	10,000
Sales	95,000	Cash at bank	3,200
Opening stock	12,000	Miscellaneous receipts	600
Drawings	4,500		

Adjustments:
(a)   Stock on 31st March, 2018 ₹ 14,200
(b)   Income tax of Sangeetha paid ₹ 800
(c)   Provide interest on capital @ 10%
(d)   Provide managerial remuneration @ 10% of net profit before charging such commission.

42. a) For the following adjustments, pass adjusting entries:
(a) Outstanding wages ₹ 5,000.
(b) Depreciate machinery by ₹1,000.
(c) Interest on capital @ 5% (Capital: ₹20,000)
(d) Interest on drawings ₹50
(e) Write off bad debts ₹500   (OR)

b) Show necessary entries to adjust the following on 31st December, 2017.
(i) Outstanding salaries ₹1,200   (ii) Outstanding rent ₹300
(iii) Prepaid insurance premium ₹450   (iv) Interest on investments accrued ₹400
 (v) Bad debts written off ₹ 200
43.a) "Balance sheet is not an account"- Explain.   (OR)

b)   7. From the following details, prepare profit and loss account.

Particulars	₹	Particulars	₹
Gross profit	50,000	Interest received	2,000
Office rent	10,000	Discount received	3,000
Depreciation on office assets	8,000	Carriage outwards	2,500
Discount allowed	12,000	Insurance on office building	3,500
Advertisement	4,000	General expenses	3,000
Audit fees	1,000	Freight inwards	1,000

44. a)

9. From the following balances obtained from the books of Mr. Ganesh, prepare trading and profit and loss account.

Particulars	₹	Particulars	₹
Stock on 01.01.2017	8,000	Bad debts	1,200
Purchases for the year	22,000	Trade expenses	1,200
Sales for the year	42,000	Discount allowed	600
Expenses on purchases	2,500	Commission allowed	1,100
Financial charges paid	3,500	Selling expenses	600
Expenses on sale	1,000	Repairs on office vehicles	600

Closing stock on December 31.12.2017 was ₹ 4,500

(OR)

b)

Sundry debtors as per trial balance ₹ 26,000

Bad debts as per trial balance ₹ 1,000

Adjustment: Additional bad debts amounted to ₹ 2,500

Give adjusting entry and show how these appear in the final accounts on 31st March, 2016.

45.
a) Prepare trading account from the following ledger balances presented by P. Sen as on 31st March, 2016.

Particulars	₹	Particulars	₹
Stock (1-4-2015)	10,000	Sales	3,00,000
Purchases	1,60,000	Returns inward	16,000
Wages	30,000	Returns outward	10,000
Carriage inwards	10,000	Gas and Fuel	8,000
Freight inwards	8,000		

Additional information:
(a) Stock on 31st March, 2016 ₹ 20,000
(b) Outstanding wages amounted to ₹ 4,000
(c) Gas and fuel was paid in advance for ₹ 1,000

(OR)

b) State whether the following are capital or revenue items.
(i) ₹ 5,000 spent towards additions to buildings.
(ii) Second-hand motor car purchased for ₹ 30,000 and paid ₹ 2,000 as repairs immediately.
(iii) ₹ 10,000 was spent on painting the new factory.
(iv) Freight and cartage on the new machine ₹ 150, erection charges ₹ 200.
(v) ₹ 150 spent on repairs before using a second hand car purchased recently.

46. a) Classify the following receipts into capital and revenue.
(i) Sale proceeds of goods ₹ 75,000.
(ii) Loan borrowed from bank ₹ 2,50,000.
(iii) Sale of investment ₹ 1,20,000.
(iv) Commission received ₹ 30,000.
(v) ₹ 1,400 wages paid in connection with the creation of new machinery.

(OR)

b) Distinguish between capital expenditure and revenue expenditure.

47. a) What is meant by grouping and marshalling of assets and liabilities?   (OR)

b)   From the following balances obtained from the books of Siva, prepare trading and profit and loss account.

Particulars	₹	Particulars	₹
Stock on 01.01.2016	9,000	Bad debts	1,200
Purchases	22,000	Sundry expenses	1,800
Sales	42,000	Discount allowed	1,700
Expenses on purchases	1,500	Expenses on sale	1,000
Bank charges paid	3,500	Repairs on office furniture	600

Adjustments:
a)   Closing stock on, 31st December, 2016 was ₹ 4,500
b)   Manager is entitled to receive commission @ 5% of net profit after providing such commission.

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