

CLASS X1	VGR COACHING CENTER ACCOUNTS	MARK- 90
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**PART-A****CHOOSE THE CORRECT ANSWER**                      **20\*1=20**

1. The difference in trial balance is taken to
  - a. The capital account (b) The trading account (c) The suspense account (d) The profit and loss account
2. A transaction not recorded at all is known as an error of
  - a. Principle (b) Complete omission (c) Partial omission (d) Duplication
3. Wages paid for installation of machinery wrongly debited to wages account is an error of
  - a. Partial omission (b) Principle (c) Complete omission (d) Duplication
4. Which of the following errors will not affect the trial balance?
  - a. Wrong balancing of an account
  - b. Posting an amount in the wrong account but on the correct side
  - c. Wrong totalling of an account
  - d. Carried forward wrong amount in a ledger account
5. Goods returned by Senguttuvan were taken into stock, but no entry was passed in the books. While rectifying this error, which of the following accounts should be debited?
  - a. Senguttuvan account (b) Sales returns account (c) Returns outward account (d) Purchases returns account
6. Residual value of an asset means the amount that it can fetch on sale at the \_\_\_\_ of its useful life.
  - a. Beginning (b) End (c) Middle (d) None
7. 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
8. Depreciation is caused by
  - a. Lapse of time (b) Usage (c) Obsolescence (d) a, b and c
9. For which of the following assets, the depletion method is adopted for writing off cost of the asset?
  - a. Plant and machinery (b) Mines and quarries (c) Buildings (d) Trademark

10. A depreciable asset may suffer obsolescence due to \_\_\_\_
  - a. Passage of time (b) Wear and tear (c) Technological changes (d) None of the above.
11. 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
12. Interest on bank deposits is
  - a. Capital receipt (b) Revenue receipt (c) Capital expenditures (d) Revenue expenditures
13. 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
14. Revenue expenditure is intended to benefit
  - a. Past period (b) Future period (c) Current period (d) Any period
15. Pre-operative expenses are
  - a. Revenue expenditure (b) Prepaid revenue expenditure (c) Deferred revenue expenditure (d) Capital expenditure
16. Balance sheet shows the of the business.
  - a. Profitability (b) Financial position (c) Sales (d) Purchases
17. 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
18. Salaries appearing in the trial balance is shown on the
  - a. Debit side of trading account (b) Debit side of profit and loss account
  - b. Liabilities side of the balance sheet (d) Assets side of the balance sheet
19. Current assets does not include
  - a. Cash (b) Stock (c) Furniture (d) Prepaid expenses
20. Goodwill is classified as
  - a. A current asset (b) A liquid asset (c) A tangible asset (d) An intangible asset

**PART-B ANY-7 Q.NO IS COMPULSORY**

21. Name any two direct expenses and indirect expenses.
22. What is meant by error of principle?
23. What are compensating errors?
24. 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.
25. Classify the following expenses as capital or revenue.
  - (i) The sum of ` 3,200 has been spent on a machine as follows:
    - a) ` 2,000 for additions to double the output.
    - b) ` 1,200 for repairs necessitated by negligence.
  - (ii) Overhauling expenses of ` 25,000 for the engine of a motor car to get better fuel efficiency.
26. What is capital profit?
27. List out the various methods of depreciation
28. State the account/s affected in each of the following errors:
  - (a) Goods purchased on credit from Saranya for ` 150 was posted to the debit side of her account.
  - (b) The total of purchases book ` 4,500 was posted twice.
29. Mention any three differences between trial balance and balance sheet.

**PART-C****WRITE ANY 7 QUESTIONS Q.NO IS COMPULSORY**

30. Write a note on one-sided errors and two sided errors.
31. What are the causes for depreciation?
32. Distinguish between straight line method and written down value method of providing depreciation.
33. From the following information, calculate the amount of depreciation and rate of depreciation under straight line method.

Purchase price of machine ` 80,000

Expenses to be capitalised ` 20,000

Estimated residual value ` 35,000

Expected useful life 5 years

34. Ramu Brothers purchased a machine on 1st July 2016 at a cost of ` 14,000 and spent ` 1,000 on its installation. The firm writes off depreciation at 10% of original cost every year. The books are closed on 31st December every year. Give journal entries and prepare machinery account and depreciation account for 2 years.
35. Give journal entries to rectify the following errors discovered after the preparation of trial balance:
- Purchases book was overcast by ` 10,000.
  - Repairs to furniture of ` 500 was debited to furniture account.
  - A credit sale of goods to Akilnilavan for ` 456 was credited to his account as ` 654.
36. Distinguish between capital expenditure and revenue expenditure.
37. What is deferred revenue expenditure? Give two examples.
38. From the following balances extracted from the books of M/s. Lavanya and sons, prepare trading account for the year ended 31st March, 2017:

Particulars `		Particulars `	
Opening stock	16,500	Carriage inwards	1,200
Purchases	45,000	Wages	4,800
Sales	72,000	Fuel and power	3,200
Purchases returns	500	Sales returns	1,500
Closing stock	18,000		

**PART-D ANY 7**

39. Identify the following items into capital or revenue.
- Audit fees paid ` 10,000.

- (ii) Labour welfare expenses ` 5,000.
- (iii) ` 2,000 paid for servicing the company vehicle.
- (iv) Repair to furniture purchased second hand ` 3,000.
- (v) Rent paid for the factory ` 12,000

40. The book-keeper of a firm found that the trial balance was out by ` 922 (excess credit).

He placed the amount in the suspense account and subsequently found the following errors:

- (a) The total of discount column on the credit side of the cash book ` 78 was not posted in the ledger.
- (b) The total of purchases book was short by ` 1,000.
- (c) A credit sale of goods to Natarajan for ` 375 was entered in the sales book as ` 735.
- (d) A credit sale of goods to Mekala for ` 700 was entered in the purchases book.

You are required to give rectification entries and prepare suspense account.

41. Rectify the following journal entries.

Particulars	L.F.	Dr. `	Cr. `
a Kumanan A/c Dr.		10,000	
To Cash A/c			10,000
(Salary paid to Kumanan)			
b Senguttuvan A/c Dr.		6,000	
To Cash A/c			6,000
(Rent paid to Senguttuvan)			
c Cash A/c Dr.		2,000	
To Sales A/c			2,000
(Furniture sold for cash)			
d Cash A/c Dr.		10,000	
To Kumararaja A/c			10,000

(Goods sold to Kumararaja for cash)

e Manimaran A/c Dr. 1000

To Purchases A/c 1000

(Goods taken by the proprietor

Mr. Manimaran for his personal use)

42. The following errors were located after the preparation of the trial balance. Assume that there exists a suspense account. Pass journal entries to rectify them.

- (a) The total of purchases book was undercast by ` 100.
- (b) The total of the discount column on the debit side of cash book ` 575 were not posted.
- (c) The total of one page of the sales book for ` 5,975 were carried forward to the next page as ` 5,795.
- (d) Salaries ` 1,800 were posted as ` 18,000.
- (e) Purchase of goods on credit from Mukilan for ` 150 have been posted to his account as ` 1,500.

43. A manufacturing company purchased on 1 April, 2010, a plant and machinery for `4,50,000 and spent ` 50,000 on its installation. After having used it for three years, it was sold for ` 3,85,000. Depreciation is to be provided every year at the rate of 15% per annum on the fixed instalment method. Accounts are closed on 31st March every year. Calculate profit or loss on sale of machinery.

44. A boiler was purchased on 1st January 2015 from abroad for `10,000. Shipping and forwarding charges amounted to `2,000. Import duty ` 7,000 and expenses of installation amounted to ` 1,000. Calculate depreciation for the first 3 years @10% p.a. on diminishing balance method assuming that the accounts are closed 31st December each year.

45. Compute cost of goods sold from the following information:

Particulars `

Opening stock	8,000
Purchases	60,000
Direct expenses	5,000

Indirect expenses	6,000
Closing stock	9,000

46. From the following information, prepare profit and loss account for the year ended 31st December, 2017.

Particulars		` Particulars `	
Gross profit b/d	60,000	Interest received	2,100
Freight outward	15,000	Financial charges	4,000
Packing charges (on sales)	12,000	Repairs on vehicles used in office	8,000
Salesmen commission paid	1,300	Depreciation on vehicles used in office	3,000
Promotional expenses	10,200	Interest paid	9,000
Office telephone expenses	22,400	Rent received	7,000
Bad debts recovered	4,000	Carriage inwards	4,000

47. Prepare trading and profit and loss account and balance sheet in the books of Deri, a trader, from the following balances as on March 31, 2018.

Debit Balances		Credit Balances	
Stock	10,000	Sales	1,22,500
Cash	2,500	Creditors	5,000
Bank	5,000	Bills payable	2,000
Freight inwards	750	Capital	1,00,000
Purchases	95,000		
Drawings	4,500		
Wages	27,500		
Machinery	50,000		
Debtors	13,500		
Postage (office)	150		
Sundry expenses	850		
Rent paid	2,500		

Furniture	17,250		
	2,29,500		2,29,500

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