

**I MID TERM TEST – ANSWER KEY – AUG.2024**  
**XI STANDARD – ACCOUNTANCY – ENGLISH MEDIUM**

**DR.A.VENNILA**

**PRINCIPAL**

MYDEEN MATRIC. HR.SEC. SCHOOL  
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**Time Allowed : 1.30 Hours**

**Maximum Mark : 50**

**I. Choose the most suitable from the given four alternatives and write the option code and the corresponding answer** **10 x 1 = 10**

|   |   |   |    |   |             |
|---|---|---|----|---|-------------|
| 1 | B | Employee  | 6  | A | Dual Aspect |
| 2 | C | Language  | 7  | B | Posting     |
| 3 | D | The Institute of Chartered Accountants of India | 8  | C | Capital A/c |
| 4 | C | Business Entity Concept                         | 9  | D | A, b and c  |
| 5 | D | Rs.40,000                                       | 10 | A | Statement   |

**II. Answer any five questions.** **5 x 2 = 10**

**11) Parties interested in accounting information**

- Internal users:** Owners, Management and Employees.
- External users:** Creditors, Investors, Customers, Tax authorities, Government, Researchers and General Public.

**12) Note on 'Consistency' assumption:**

- ✗ The consistency convention implies that the accounting policies must be followed consistently from one accounting period to another.
- ✗ The results of different years will be comparable only when same accounting policies are followed from year to year.

**13) Real Account:**

All accounts relating to tangible and intangible properties and possessions are called real accounts.

**14) Accounting Equation:**

|     | Assets =<br>Rs. | Capital +<br>Rs. | Liabilities<br>Rs. |
|-----|-----------------|------------------|--------------------|
| (a) | 3,00,000        | <b>1,80,000</b>  | 1,20,000           |
| (b) | <b>80,000</b>   | 60,000           | 20,000             |
| (c) | 2,00,000        | 90,000           | <b>1,10,000</b>    |

**15) Journal Entry**

| Date | Particulars  | L.F. | Debit Rs.     | Credit Rs.    |
|------|--|------|---------------|---------------|
|      | <u>Purchase A/c</u> <span style="float: right;"><b>Dr.</b></span><br><u>To Cash A/c</u><br>(Goods purchased for cash Rs. 20,000) |      | <u>20,000</u> | <u>20,000</u> |

**16. Posting – Meaning:**

- ♣ The process of transferring the debit and credit items from the journal to the ledger accounts is called posting.

**17. Trial Balance is prepared in the following methods:**

1. Balance method
2. Total method
3. Total and Balance method

**III. Answer any five questions.****5 x 3 = 15****18. The main branches of accounting are:**

- 1. Financial Accounting:** It involves recording of financial transactions and events.
- 2. Cost Accounting:** It involves the collection, recording, classification and appropriate allocation of expenditure for the determination of the costs of products or services and for the presentation of data for the purpose of cost control and managerial decision making.
- 3. Management Accounting:** It is concerned with the presentation of accounting information in such a way as to assist management in decision making and in the day – to – day operations of an enterprise.

**19. Short note on Accounting Standards:**

- 1.** Accounting Standards provide the framework and norms to be followed in accounting so that the financial statements of different enterprises become comparable.
- 2.** It is necessary to standardise the accounting principles to ensure consistency, comparability, adequacy and reliability of financial reporting.
- 3.** Thus, Accounting Standards are written policy documents issued by the expert accounting body or by government or other regulatory body covering the aspects of recognition, measurement, treatment, presentation and disclosure of accounting transactions and events in the financial statements.

**20. Classification of Personal, Real and Nominal Accounts**

| Sl. No. | Items               | Classification          |
|---------|---------------------|-------------------------|
| (a)     | Capital             | <b>Personal account</b> |
| (b)     | Building            | <b>Real account</b>     |
| (c)     | Cash                | <b>Real account</b>     |
| (d)     | Commission received | <b>Nominal account</b>  |
| (e)     | Carriage Inwards    | <b>Nominal account</b>  |
| (h)     | Chandru             | <b>Personal account</b> |

**21.****Journal Entry**

| Date  | Particulars  | L.F. | Debit<br>Rs. | Credit<br>Rs. |
|-------|--|------|--------------|---------------|
| 2018  |  |      |              |               |
| Jan 1 | Cash A/c Dr.   |      | 40,000       |               |
|       | Stock A/c Dr.  |      | 50,000       |               |
|       | Debtors A/c Dr.                                      |      | 20,000       |               |
|       | Machinery A/c Dr.                                    |      | 40,000       |               |
|       | To Creditors A/c                                     |      |              | 10,000        |
|       | To Capital A/c                                       |      |              | 1,40,000      |
|       | (Balances of assets and liabilities brought forward) |      |              |               |

**22) Solution:**

| S.No. | Name of account   | Debit balance | Credit balance |
|-------|-------------------|---------------|----------------|
| (i)   | Carriage outwards | Debit         | ---            |
| (ii)  | Sales             | ---           | Credit         |
| (iii) | Purchases         | Debit         | ----           |
| (iv)  | Carriage inwards  | Debit         | ----           |
| (v)   | Bad debts         | Debit         | ----           |
| (vi)  | Capital           | ----          | Credit         |

**23)****Trial balance**

| S. No. | Name of account | L.F. | Debit<br>balance<br>Rs. | Credit<br>balance<br>Rs. |
|--------|-----------------|------|-------------------------|--------------------------|
| 1      | Purchases       |      | 1,00,000                | --                       |
| 2      | Bank Loan       |      | --                      | 75,000                   |
| 3      | Debtors         |      | 1,50,000                | --                       |
| 4      | Stock           |      | 35,000                  | --                       |
| 5      | Sales           |      | --                      | 1,50,000                 |
| 6      | Creditors       |      | --                      | 50,000                   |
| 7      | Cash            |      | 90,000                  | --                       |
| 8      | Capital         |      | --                      | 1,00,000                 |
|        | <b>Total</b>    |      | <b>3,75,000</b>         | <b>3,75,000</b>          |

**24.****The golden rules of double entry accounting system**

|                  |                               |                              |
|------------------|-------------------------------|------------------------------|
| Personal account | Debit the receiver            | Credit the giver             |
| Real account     | Debit what comes in           | Credits what goes out        |
| Nominal account  | Debit all expenses and losses | Credit all incomes and gains |

**IV. Answer all the questions.****3 x 5 = 15****25. a. Accounting Equation**

| Transaction                      | Assets         |                |                  | =        | Liabilities    |                  |
|----------------------------------|----------------|----------------|------------------|----------|----------------|------------------|
|                                  | Cash<br>Rs.    | Stock<br>Rs.   | Furniture<br>Rs. |          | Capital<br>Rs. | Creditors<br>Rs. |
| (i) Started business with cash   | +80,000        | --             | --               | =        | +80,000        | --               |
| <b>Equation</b>                  | <b>+80,000</b> | <b>--</b>      | <b>--</b>        | <b>=</b> | <b>+80,000</b> | <b>--</b>        |
| (ii) Credit purchases            | --             | +10,000        | --               |          | --             | +10,000          |
| <b>Equation</b>                  | <b>+80,000</b> | <b>+10,000</b> | <b>--</b>        | <b>=</b> | <b>+80,000</b> | <b>+10,000</b>   |
| (iii) Cash purchase of furniture | -6,000         | --             | +6,000           |          | --             | --               |
| <b>Equation</b>                  | <b>+74,000</b> | <b>+10,000</b> | <b>+6,000</b>    | <b>=</b> | <b>+80,000</b> | <b>+10,000</b>   |
| (iv) Paid creditors by cash      | -8,000         | --             | --               |          | --             | -8,000           |
| <b>Equation</b>                  | <b>+66,000</b> | <b>+10,000</b> | <b>+6,000</b>    | <b>=</b> | <b>+80,000</b> | <b>+2,000</b>    |
| (v) Purchased goods for cash     | -2,000         | +2,000         | --               |          | --             | --               |
| <b>Equation</b>                  | <b>+64,000</b> | <b>+12,000</b> | <b>+6,000</b>    | <b>=</b> | <b>+80,000</b> | <b>+2,000</b>    |

**[OR]****25. b.****Journal entries**

| Date              | Particulars   | L.F | Debit<br>Rs. | Credit<br>Rs. |
|-------------------|---|-----|--------------|---------------|
| 2016<br>June<br>1 | Cash A/c Dr.<br>To Capital A/c<br>(Commenced business with cash)  |     | 1,10,000     | 1,10,000      |
| 10                | Cash A/c Dr.<br>To Capital A/c<br>(Additional Capital introduced) |     | 5,000        | 5,000         |
| 28                | Drawings A/c Dr.<br>To Cash A/c<br>(Withdraw for personal use)    |     | 20,000       | 20,000        |

**Ledger Accounts****Dr.****Cash Account****Cr.**

| Date          | Particulars    | J.F. | Amount<br>Rs. | Date            | Particulars     | J.F. | Amount<br>Rs. |
|---------------|----------------|------|---------------|-----------------|-----------------|------|---------------|
| 2016<br>June1 | To Capital A/c |      | 1,10,000      | 2016<br>June 28 | By Drawings A/c |      | 20,000        |
| 10            | To Capital A/c |      | 5,000         | 30              | By Balance C/d  |      | 95,000        |
|               |                |      | 1,15,000      |                 |                 |      | 1,15,000      |
| July1         | To Balance b/d |      | 95,000        |                 |                 |      |               |

**26. a.****Ledger Accounts**

| <b>Dr.</b>          |                               |      |                | <b>Furniture Account</b> |                                |      |               | <b>Cr.</b> |  |  |  |
|---------------------|-------------------------------|------|----------------|--------------------------|--------------------------------|------|---------------|------------|--|--|--|
| Date                | Particulars                   | J.F. | Amount<br>Rs.  | Date                     | Particulars                    | J.F. | Amount<br>Rs. |            |  |  |  |
| 2016<br>Jan. 1<br>1 | To Balance b/d<br>To Cash A/c |      | 2,000<br>4,000 | 2016<br>Jan. 30<br>30    | By Sales A/C<br>By Balance C/d |      | 400<br>5,600  |            |  |  |  |
|                     |                               |      | 6,000          |                          |                                |      | 6,000         |            |  |  |  |
| <b>Feb. 1</b>       | <b>To Balance b/d</b>         |      | <b>5,600</b>   |                          |                                |      |               |            |  |  |  |

**[OR]****26.b.****Distinguish between Journal and Ledger**

| Basis  | Journal  | Ledger   |
|--|--|--|
| 1. Order of recording                        | Entries are made in the chronological order, i.e., date wise in the order of occurrence. | Entries are made account wise.                                     |
| 2. Process                                   | The process of recording in journal is called journalising                               | The process of recording in the ledger is called posting.          |
| 3. Facilitating preparation of trial balance | Amount from the journal does not serve as the basis for preparing trial balance.         | Ledger balances serve as the basis for preparing trial balance.    |
| 4. Basis of entries                          | Entries in the journal are made on the basis of source documents.                        | Posting is done in ledger on the basis of journal entries.         |
| 5. Net position                              | Net position of an account cannot be ascertained from journal.                           | Net position of an account can be ascertained from ledger account. |

**27) a.****In the books of Babu  
Trial balance as on 31<sup>st</sup> March, 2016**

| Name of account  | L.<br>F. | Debit<br>balance<br>Rs. | Credit<br>balance<br>Rs. |
|------------------|----------|-------------------------|--------------------------|
| Cash in hand     |          | 7,000                   | --                       |
| Sundry debtors   |          | 5,400                   | --                       |
| Salaries         |          | 6,800                   | --                       |
| Bad debts        |          | 200                     | --                       |
| Opening stock    |          | 15,400                  | --                       |
| Bills receivable |          | 7,000                   | --                       |
| Sundry creditors |          | --                      | 11,800                   |
| Capital          |          | --                      | 25,000                   |
| Purchases        |          | 45,000                  | --                       |
| Sales            |          | --                      | 50,000                   |
| <b>Total</b>     |          | <b>86,800</b>           | <b>86,800</b>            |

27) b.

Ledger

Dr.

Anand Account

Cr.

| Date    | Particulars       | J.F. | Rs.    | Date   | Particulars     | J.F. | Rs.    |
|---------|-------------------|------|--------|--------|-----------------|------|--------|
| 2017    |                   |      |        | 2017   |                 |      |        |
| July 15 | To Cash A/c       |      | 2,000  | July 1 | By Balance B/d  |      | 4,000  |
| 20      | To Cash A/c       |      | 3,960  | 18     | By Purchase A/c |      | 8,000  |
| 20      | To Commission A/c |      | 40     | 25     | By Purchase A/c |      | 5,000  |
| 31      | To Balance C/d    |      | 11,000 |        |                 |      |        |
|         |                   |      | 17,000 |        |                 |      | 17,000 |
|         |                   |      |        | Aug. 1 | By Balance B/d  |      | 11,000 |

\*\*\*\*\* All the Best \*\*\*\*\*