

Class : 11 SECOND MID TERM TEST - 2024

ACCOUNTANCY

Time Allowed : 1.30 Hours]



[Max. Marks : 50

PART - I

I. Choose the correct answer. **YouTube/ Akwa Academy**

10x1=10

- Errors not affecting the agreement of trial balance are
 - Errors of principle
 - Errors of overcasting
 - Errors of undercasting
 - Errors of partial omission
- Wages paid for installation of machinery wrongly debited to wages account is an error of
 - Partial omission
 - Principle
 - Complete omission
 - Duplication
- The total of purchases book was overcast. Which of the following accounts should be debited in the rectifying journal entry?
 - Purchases account
 - Suspense account
 - Creditor account
 - None of the above
- Under the written down value method of depreciation, the amount of depreciation is
 - Uniform in all the years
 - Decreasing every year
 - Increasing every year
 - None of the above

5. Match the following List I with List II and choose the correct option

LIST I

- Straight line method
- Diminishing balance method
- Depletion method
- Revaluation method

LIST II

- Live stock, Loose tools
- Mines and quarries
- amount of depreciation remains equal in all years
- amount of depreciation goes on decreasing year after year

	1	2	3	4
(a)	(ii)	(iv)	(iii)	(i)
(b)	(iii)	(iv)	(ii)	(i)
(c)	(i)	(iv)	(iii)	(ii)
(d)	(ii)	(iii)	(iv)	(i)

- Residual value of an asset means the amount that it can fetch on sale at the _____ of its useful life.
 - Beginning
 - End
 - Middle
 - None
- Amount spent on increasing the seating capacity in a cinema hall is
 - Capital expenditure
 - Revenue expenditure
 - Deferred revenue expenditure
 - None of the above.
- Interest on bank deposits is
 - Capital receipt
 - Revenue receipt
 - Capital expenditures
 - Revenue expenditures
- Revenue expenditure is intended to benefit
 - Past period
 - Future period
 - Current period
 - Any period
- Pick out the ODD one out
 - Purchase cost of fixed assets
 - Purchase cost of long term investments
 - Cost of acquisition of goodwill, copyright, trademark, etc.
 - Postage and stationery

II. Answer any 5 questions. (Q.No.18 is Compulsory.

5x2= 10

- Give the formula to find out the amount and rate of depreciation under straight line method of depreciation.
- What is meant by revenue expenditure? 13. What is meant by rectification of errors?
- State the account/s affected in each of the following errors:
 - Goods purchased on credit from Saranya for ₹ 150 was posted to the debit side of her account.
 - The total of purchases book ₹ 4,500 was posted twice.
- Classify the following expenses as capital or revenue.
 - The sum of ₹ 3,200 has been spent on a machine as follows:
 - ₹ 2,000 for additions to double the output.
 - ₹ 1,200 for repairs necessitated by negligence.
- A firm purchased a plant for ₹ 40,000. Erection charges amounted to ₹ 2,000. Effective life of the plant is 5 years. Calculate the amount of depreciation per year under straight line method.
- List out the various methods of depreciation. (any 4)
- Identify the type of error in the below transaction and give the meaning of it.
Sale of old furniture on credit for ₹ 500 was entered in the sales book.

III. Answer any 5 questions. (Q.No. 26 is Compulsory.

5x3=15

- Write a note on one-sided errors and two sided errors.
- What are the causes for depreciation? (any 3)
- Distinguish between capital receipt and revenue receipt

TPR / II / Acc / I

22. Write a note on suspense account.
23. Calculate the rate of depreciation under straight line method from the following information:
Purchased a second hand machinery on 1.1.2018 for ₹ 38,000.
On 1.1.2018 spent ₹ 12,000 on its repairs
Expected useful life of machine is 4 years
Estimated residual value ₹ 6,000
24. 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
25. State with reason whether the following is capital or revenue or deferred revenue expenditure:
(i) Advertisement expenses amounted to ₹ 10 crores to introduce a new product.
26. Machinery was purchased on 1st January 2015 for ₹ 4,00,000. ₹ 15,000 was spent on its erection and ₹ 10,000 on its freight charges. Depreciation is charged at 10% per annum on straight line method. The books are closed on 31st March each year. Calculate the amount of depreciation on machinery for the first two years.

IV. Answer all the questions.

3x5=15

27. (a) Rectify the following Journal entries.

	Particulars	L.F.	Dr. ₹	Cr. ₹
A	A Kumanan A/c To Cash A/c (Salary paid to Kumanan)	Dr.	10,000	10,000
B	Senguttuvan A/c To Cash A/c (Rent paid to Senguttuvan)	Dr.	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 To Kumararaja A/c (Goods sold to Kumararaja for cash)	Dr.	10,000	10,000
E	Manimaran A/c To Purchases A/c (Goods taken by the proprietor Mr. Manimaran for his personal use)	Dr.	1,000	1,000

(OR)

- (b) 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.
28. (a) M/s Ramco textile mills purchased machinery on 1st April 2014 for ₹ 2,00,000 on credit from M/s. Nila & Co. and spent ₹ 10,000 on its installation. Depreciation is provided at 10% per annum on the written down value method. Prepare machinery account and depreciation account for the first three years. Books are closed on 31st March every year.
(OR)
- (b) 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 erection of new machinery.
29. (a) On 1st April 2008, Sudha and Company purchased machinery for ₹ 64,000. To install the machinery expenses incurred was ₹ 28,000. Depreciate machinery 10% p.a. under straight line method. On 30th June, 2010 the worn out machinery was sold for ₹ 52,000. The books are closed on 31st December every year. Show machinery account.
(OR)
- (b) Distinguish between capital expenditure and revenue expenditure.

TPR/11/Acc/2