

Madurai District

05.11.2024

SECOND MID TERM TEST - 2024**CLASS : 11****ACCOUNTANCY****TIME ALLOWED : 1.30 HRS.****MAXIMUM MARKS : 45****PART - I****ANSWER ALL THE QUESTIONS : CHOOSE THE MOST APPROPRIATE ANSWER : (15 X 1 = 15)**

- 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 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
- 4 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
- 5 Which of the following errors will be rectified using suspense account?
(a) Purchases returns book was undercast by Rs. 100 (b) Goods returned by Narendran was not recorded in the books
(c) Goods returned by Akila Rs. 900 was recorded in the sales returns book as Rs. 90
(d) A credit sale of goods to Ravivarman was not entered in the sales book.
- 6 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
- 7 Under straight line method, the amount of depreciation is
(a) Increasing every year (b) Decreasing every year (c) Constant for all the years (d) Fluctuating every year
- 8 Depreciation is caused by
(a) Lapse of time (b) Usage (c) Obsolescence (d) a, b and c
- 9 A depreciable asset may suffer obsolescence due to _____
(a) Passage of time (b) Wear and tear (c) Technological changes (d) None of the above.
- 10 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
11. If the rate of depreciation is same, then the amount of depreciation under straight line method vis-à-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.
- 12 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.
- 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 Interest on bank deposits is
(a) Capital receipt (b) Revenue receipt (c) Capital expenditures (d) Revenue expenditures
- 15 Pre-operative expenses are
(a) Revenue expenditure (b) Prepaid revenue expenditure (c) Deferred revenue expenditure (d) Capital expenditure

PART - II**ANSWER ANY 4 QUESTIONS. QUESTION NO.21 IS COMPULSORY.****(4 X 2 = 8)**

- 16 What is meant by error of principle?
- 17 List out the various methods of depreciation.
- 18 Write a short note on revenue receipt.
- 19 The following errors were detected before the preparation of trial balance. Rectify them.
(a) Purchases book is undercast by Rs. 500
(b) Sales return book is overcast by Rs. 800
(c) The total of rent received account is carried forward Rs. 1,000 excess.
(d) The total of salary account is carried forward Rs. 1,100 short.
- 20 Find out the rate of depreciation under straight line method from the following details:
Original cost of the asset = Rs. 10,000

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Estimated life of the asset = 10 years

Estimated scrap value at the end = Rs. 2,000

21 State whether they are capital and revenue.

(i) Pulling down the old building and rebuilding Rs. 4,00,000

(ii) White-washing the building Rs. 80,000

PART – III

ANSWER ANY 4 QUESTIONS. QUESTION NO.27 IS COMPULSORY.

(4 X 3 = 12)

22 Rectify the following journal entries.

	Particulars	L.F	Dr. Rs.	Cr. Rs.
a	Kumanan A/c Dr. To Cash A/c (Salary paid to Kumanan)		10,000	10,000
b	Manimaran A/c Dr. To Purchases A/c (Goods taken by the proprietor Mr. Manimaran for his personal use)		1,000	1,000
c	Cash A/c Dr. To Sales A/c (Furniture sold for cash)		2,000	2,000

23 A manufacturing company purchased on 1 April, 2010, a plant and machinery for Rs.4,50,000 and spent Rs. 50,000 on its installation. After having used it for three years, it was sold for Rs. 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.

24 State with reasons whether the following are capital or revenue or deferred revenue expenditure:

(i) Advertisement expenses amounted to Rs. 10 crores to introduce a new product.

(ii) Expenses on freight for purchasing new machinery.

(iii) Freight and insurance on the new machinery and cartage paid to bring the new machinery to the factory.

25 Write a note on suspense account.

26 What are the causes for depreciation?

27 What is deferred revenue expenditure? Give two examples.

PART – IV

ANSWER ALL THE QUESTIONS.

(2 X 5 = 10)

28 (a) Classify the following items into capital and revenue.

(i) Registration expenses incurred for the purchase of land.

(ii) Repairing charges paid for remodeling the old building purchased.

(iii) Carriage paid on goods purchased.

(iv) Legal expenses paid for raising of loans

(v) Renewal of factory licence

(OR)

(b) The following errors were located after the preparation of the trial balance. Assume that there exists a suspense account. Rectify them.

(a) Sale of goods on credit to Arun for Rs. 152 posted to his account as Rs. 125.

(b) Bought goods from Lakshmi on credit for Rs. 550, credited to her account as Rs. 505.

(c) Purchase of furniture from Abirupa for Rs.404 on credit was debited to furniture account Rs.440.

(d) Purchased machinery for cash Rs. 200 was not posted to machinery account.

(e) The total of purchases book Rs. 89 was carried forward as Rs. 98.

29 (a) The following errors were located before the preparation of the trial balance. Rectify them.

(a) Paid Rs. 500 to Angappan were wrongly debited to Angannan's account.

(b) Sale of furniture for Rs. 750 was credited to sales account.

(c) Purchase of goods from Bagya for Rs. 2,100 was wrongly passed through sales book.

(d) Wages Rs. 1,000 paid on erection of machinery were debited to wages account.

(e) Sale of goods to Mani on credit for Rs. 475 has been wrongly entered in the sales book as Rs. 745.

(OR)

(b) Anand bought a machinery for Rs. 1,00,000 on 1-1-2015. On 1-6-2016, he bought another machine for Rs. 50,000. On 1-10-2017, he purchased another machine for Rs. 20,000. Provide depreciation at 10% p.a. on straight line method. Prepare machinery account for the years 2015 to 2017 by using accounts by assuming accounts are closed on 31st December every year.

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