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 (2.12.24)

**SECOND MIDTERM TEST NOVEMBER 2024**

**Class : 11**

**ACCOUNTANCY**

**MARKS: 45**

**1X10 = 10**

Answer all the questions.

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. 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
4. 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
5. Depreciation is caused by  
 (a) Lapse of time (b) Usage  
 (c) Obsolescence (d) a, b and c
6. A depreciable asset may suffer obsolescence due to \_\_\_\_\_  
 (a) Passage of time (b) Wear and tear  
 (c) Technological changes (d) None of the above.
7. 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.
8. Interest on bank deposits is  
 (a) Capital receipt (b) Revenue receipt  
 (c) Capital expenditures (d) Revenue expenditures
9. Pre-operative expenses are  
 (a) Revenue expenditure (b) Prepaid revenue expenditure  
 (c) Deferred revenue expenditure (d) Capital expenditure
10. Which method shall be efficient, if repairs and maintenance cost of an asset increases as it grows older.  
 (a) Straight line method (b) Reducing balance method  
 (c) Sinking fund method (d) Annuity method

Answer **FOUR** question only question No:16 is compulsory.

**2 x 4 = 8**

11. What is meant by error of principle?
12. What is meant by depreciation?
13. Give the formula to find out the amount and rate of depreciation under straight line method of depreciation.

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14. What is meant by revenue expenditure?
15. What is meant by deferred revenue expenditure?
16. A company purchased a building for ₹ 50,000. The useful life of the building is 10 years and the residual value is ₹ 5,000. Find out the amount under straight line method.

Answer **FOUR** question only **question no:22 is compulsory.**

**3 x 4 = 12**

17. 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
  - (d) Purchases returns book was overcast by ₹700
18. Give journal entries to rectify the following errors discovered after the preparation of trial balance:
  - (a) Purchases book was overcast by ₹ 10,000.
  - (b) Repairs to furniture of ₹ 500 was debited to furniture account.
  - (c) A credit sale of goods to Akilnilavan for ₹456 was credited to his account as ₹ 654
19. 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
20. An asset is purchased for ₹ 50,000. The rate of depreciation is 15% p.a. Calculate the annual depreciation for the first two years under diminishing balance method
21. Classify the following items into capital and revenue.
  - (i) ₹ 50,000 spent for railway siding.
  - (ii) Loss on sale of old furniture
  - (iii) Carriage paid on goods sold.
22. The following journal entries are to be passed in the books for  
For providing depreciation at the end of the accounting year, for closing the depreciation account.

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Answer all the questions.

5 x 3 = 15

23.

Rectify the following journal entries.

	Particulars	L.F.	Dr. ₹	Cr. ₹
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 To Sales A/c (Furniture sold for cash)	Dr.	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)

What are the causes for depreciation?

24. Ragul purchased machinery on April 1, 2014 for ₹ 2,00,000. On 1st October 2015, a new machine costing ₹ 1,20,000 was purchased. On 30th September 2016, the machinery purchased on April 1, 2014 was sold for ₹ 1,20,000. Books of accounts are closed on 31st March and depreciation is to be provided at 10% p.a. on straight line method. Prepare machinery account and depreciation account for the years 2014-15 to 2016-17.

(OR)

Distinguish between capital expenditure and revenue expenditure

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

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(OR)

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 ₹ 152 posted to his account as ₹125.
- (b) Bought goods from Lakshmi on credit for ₹ 550, credited to her account as ₹ 505.
- (c) Purchase of furniture from Abirupa for ₹ 404 on credit was debited to furniture account as ₹ 440.
- (d) Purchased machinery for cash ₹200 was not posted to machinery account.
- (e) The total of purchases book ₹ 89 was carried forward as ₹ 98.

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