

Vidya Sagar Career Institute Ltd.
ACCOUNTANCY
Class - XI

General Instructions:

1. This question paper contains 34 questions. All questions are compulsory.
2. This question paper is divided into two parts, Part A and B.
3. Question Nos.1 to 15 and 25 to 29 carries 1 mark each.
4. Questions Nos. 16 to 18, 30 to 32 carries 3 marks each.
5. Questions Nos. 19, 20 and 33 carries 4 marks each
6. Questions Nos. 21 to 24 and 34 carries 6 marks each
7. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

Date : 18.12.2025

Time : 3 hours

1.	Which is the first step of accounting process?	1
	(A) Identification of business transaction (B) Posting to ledger	
	(C) Analysis and Interpretation (D) Communicating the results	
2.	Assertion: Under cash basis of accounting, transactions are entered when actual cash is received or paid out.	1
	Reason: This system of recording does not take into account outstanding expenses or accrued income for a current year.	
	(A) Both A and R are correct, and R is the correct explanation of A.	
	(B) Both A and R are correct, but R is not the correct explanation of A.	
	(C) A is correct, but R is incorrect.	
	(D) A is incorrect, but R is correct.	
3.	Consider the following statements with regard to the advantages of Cash basis of Accounting:	1
	(i) Accounting under this method is simple as adjustments for outstanding expenses, prepaid expenses are not required.	
	(ii) Recognized under the Companies Act and used more widely by business enterprises.	
	(iii) It is more objective as use of personal judgments and estimates are minimized.	
	Identify the correct statement/statements:	
	(A) (i) and (iii) (B) (ii) only	
	(C) (i), and (ii) (D) (i), (ii) and (iii)	

OR

The accounting concept that refers to the tendency of accountants to resolve uncertainty and doubt in favour of understating assets and revenues and overstating liabilities and expenses is known as _____.

(A) Matching	(B) Conservatism
(C) Revenue Realization	(D) Consistency

4.	It may be referred to as the amount (in terms of money or assets having money value) which is invested by the owner(s) in the business. A proprietor or partner can claim his share from the firm if the business is closed or a partner retires. What are we talking about?	1
	(A) Loan (B) Capital	

	(C) Bills Receivable	(D) Cash in Hand	
OR			
	A bill of exchange, when accepted by a debtor is called a _____.		
	(A) Bills Receivable	(B) Bills Payable	1
	(C) Both (A) and (B)	(D) Neither (A) nor (B)	
5.	Pick the odd one out:		1
	(A) Bank Loan	(B) Cash at Bank	
	(C) Creditors	(D) Bills Payable	
6.	A concept that a business enterprise will not be sold or liquidated in the near future is known as:		1
	(A) Going concern	(B) Economic entity	
	(C) Monetary unit	(D) None of the these	
OR			
	Consider the following statements:		
	(i) Accounting standards provide the norms on the basis of which financial statements should be prepared.		1
	(ii) Accounting standards ensure uniformity in the preparation and presentation of financial statements by removing the effect of diverse accounting practices.		
	(iii) Accounting standards provide a useful system to resolve potential financial conflicts of interest between various groups.		
	(iv) Accounting standards help auditors in the audit of accounts. Accounting standards raise standard of audit of accounts.		
	Identify the correct statements which state the purpose of accounting standards.		
	(A) (i),(iii) and (iv)	(B) (ii), (iii) and (iv)	
	(C) (i), (ii), (iii) and (iv)	(D) (I, (ii) and (iii)	
7.	Assertion: Accounting standards are needed to ensure uniformity in the preparation and presentation of financial statements.		1
	Reason: Accounting standards make accounting procedures universally acceptable by removing the diverse accounting practices and policies.		
	(A) Both A and R are correct, and R is the correct explanation of A.		
	(B) Both A and R are correct, but R is not the correct explanation of A.		
	(C) A is correct, but R is incorrect.		
	(D) A is incorrect, but R is correct.		
8.	What are the documents called which provide evidence of the transactions?		1
	(A) Source documents	(B) Voucher	
	(C) Both (A) and (B)	(D) None of the these	
OR			
	Outstanding rent is a _____ account.		
	(A) Real	(B) Nominal	1
	(C) Personal	(D) Expense	

Read the following hypothetical situation, answer question nos. 9 and 10.

The cash book of Ramesh showed the cash balance of ₹15,000 and a bank balance of ₹25,000 as on 30th April, 2019. On the 1st of May, he purchased goods worth ₹12,000 and paid it by cheque. He sold goods on 3rd of May for cash and deposited the proceeds into bank worth ₹10,000. On the 14th of May, he paid the electricity bill by cheque worth ₹9,000. On the 15th of May from Rashi, he purchased goods worth ₹10,000 at a discount of 20% and sold it to Juhi at a profit of 25%. Both the transactions were on credit. On the 26th of May, he withdrew ₹ 5,000 for office use. On 29th May, he received 70% of the cash from Juhi and paid 50% of it to Rashi and deposited the remaining in the bank. He also paid ₹1,500 as salaries to his employee on 31st of May. He also had the following transactions:

- He received a telephone bill worth 100.
- He withdrew ₹2,500 for his personal use.
- He gave ₹500 from the cash register to his nephew as a gift.
- Goods worth ₹100 were lost due to damages.

9. Where will the transaction of 1st of May recorded? 1
(A) Cash Column (B) Bank Column
(C) Discount Column (D) Petty Cash Book

10. There will be a contra entry for the transaction on which date? 1
(A) 3rd of May (B) 15th of May
(C) 26th of May (D) Both (A) and (C)

11. _____ are probable liabilities which are dependent on happening of a certain event. 1
(A) Contingent Liability (B) Current Liability
(C) Non-current Liability (D) Capital

12. Consider the following statements with regard to the imprest system of maintaining petty cash book: 1
(i) A fixed amount is advanced to the petty cashier to make the payments.
(ii) The amount given to the petty cashier is known as imprest amount'.
(iii) The amount is determined on the basis of past experience in such a way that it will be sufficient to meet the requirements for a given period.
(iv) The period is a month only.
Identify the correct statement/statements:
(A) (i) and (iii) (B) (i), (ii) and (iii)
(C) (i) and (iv) (D) (i), (ii) and (iv)

13. **Accrual concept applies equally to _____ and _____.** 1
(A) Revenue, Expenses (B) Income, Payments
(C) Receipts, Payments (D) All of the these

14. **Anu charges 10% depreciation on the computers, book value being ₹20,000.** 1
Pass the journal entry?
(A) Depreciation A/c Dr. 2,000
To Profit and Loss A/c 2,000
(Being depreciation charged on Computer)
(B) Machinery A/c Dr. 2,000
To Depreciation A/c 2,000

	(Being depreciation charged on computer)		
(C)	Depreciation A/c	Dr.	2,000
	To Computer A/c		2,000
	(Being depreciation charged on computer)		
(D)	Computer A/c	Dr.	2,000
	To Profit and Loss A/c		2,000
	(Being depreciation charged on computer)		

15. **What does the right side of the Cash Book show?**

1

(A) Payments in cash (B) Expenses and losses
 (C) Both (A) and (B) (D) None of these

OR

Consider the following statements with respect to the functions of Journal:

(i) Transactions are analyzed according to the debit and credit aspect, thereby finding out how each transaction will financially affect the business.
 (ii) Transactions are recorded with a brief narration that explains the transaction in simple language.
 (iii) It contains a chronological record of transactions on the basis of assumptions

Identify the correct statement/statements:

(A) (i) and (ii) (B) (ii) and (iii)
 (C) (1) and (iii) (D) (i), (ii) and (iii)

16. **Discuss the advantages or benefits of accounting standards.**

3

OR

Explain the following :

3

(i) Accounting Standards
 (ii) Matching Concept
 (iii) Going Concern Assumption.

17. Journalize the following transactions in the books of Harpreet Bros:

3

(i) ₹ 1,000 due from Rohit are now a bad debts
 (ii) Goods worth ₹ 2,000 were used by the proprietor.
 (iii) Charge depreciation @ 10% p.a. for two month on machine costing ₹ 30,000.
 (iv) Provide interest on Capital of ₹ 1,50,000 at 6% p.a. for 9 months.
 (v) Rahul became insolvent, who owed ₹ 2,000. A final dividend of 60 paise in a rupee is received from his estate.

18. Prepare a Cash Book with Cash and Bank Columns from the following transactions:

3

2017 Particulars

₹

Jan. 1	Cash in hand ₹ 5,000, Bank overdraft ₹ 1,000	
Jan. 2	Deposited into Bank	1,000
Jan. 3.	General Expenses paid	600
Jan. 7	Purchased goods from Mudit on credit	2,000
Jan. 10	Drew from Bank for personal use	1,200
Jan. 12	Paid to Mudit in full settlement	1,800
Jan. 15	Recovered from Sunny, who owes ₹ 3,000 and money	1,500

had been recorded as bad debts

19. **Rectify the following errors:** 4

- (i) Credit sales to Mohan ₹ 7,000 were not recorded.
- (ii) Credit purchases from Rohan ₹ 9,000 were not recorded.
- (iii) Goods returned to Rakesh ₹ 4,000 were not recorded.
- (iv) Goods returned from Mahesh ₹ 1,000 were not recorded.

20. **On 31st March, 2015 the pass book showed a credit balance of ₹ 9,000. Prepare a Bank Reconciliation Statement from the following particulars:** 4

- (i) Cheque issued but not yet presented for payment ₹ 7,000.
- (ii) Cheque issued but omitted to be recorded in cash book ₹ 3,800.
- (iii) Cheque paid into bank but not yet collected by the bank ₹ 2,600.
- (iv) Premium of life policy paid by bank on standing order ₹ 360
- (v) Payment received from customers directly by the bank ₹ 2,000.

21. **Enter the following transactions in Cash Book with bank column:** 6

2019	Particulars	₹
Sept. 01	Bank Balance	42,000
Sept. 01	Cash Balance	15,000
Sept. 04	Purchased goods by cheque	12,000
Sept. 08	Sale of goods for cash	6,000
Sept. 13	Purchased machinery by cheque	5,500
Sept. 16	Sold goods and received cheque (deposited on same day)	4,500
Sept. 17	Purchased goods from Mridula in cash	17,400
Sept. 20	Purchased stationery by cheque	1,100
Sept. 24	Cheque given to Rohit	1,500
Sept. 27	Cash withdrawn from bank	10,000
Sept. 30	Rent paid by Cheque	2,500
Sept. 30	Paid salary	3,500

OR

Post the following into the Ledger:

Returns Inward Book				
Date	Particulars	L.F.	Details (₹)	Amount (₹)
2013 Nov. 10	M/s Rama Book Co. 5 Copies Double Entry Book-keeping @ ₹ 90 <i>Less : Trade Discount @ 10%</i>		450.00	405.00
			45.00	
Nov. 20	M/s Ramesh & Co. 1 Copy Business Methods by S. R. Verma		50.00	50.00
Nov. 30	Returns Inward A/c	Dr.		455.00

22. On 1st January, 2011 Hari Om purchased 6 machines @ ₹ 15,000 each. His accounting 6

year ends on 31st December. Depreciation at the rate of 10% p.a. on original cost was to be charged. On 1st January, 2012 one machine was sold for ₹12,500 and on 1st January, 2013 a second machine was sold for ₹12,500. An improved model which cost ₹ 28,000 was purchased on 1st July, 2012. Show Machine Account till 2013.

OR

Rectify the following errors which were detected before making the Trial Balance:

- (i) Purchases Book has been overcast by ₹ 650.
- (ii) A discount of ₹ 100 allowed to Charu has not been posted to her account.
- (iii) Returns Inward of ₹ 2,500 has not been posted to Returns Inward A/c.
- (iv) A payment of ₹ 500 as repairs has been debited to Repairs A/c twice.
- (v) Goods purchased from Rakesh for ₹ 4,600 on credit has been correctly entered in the Purchases Book but it has been debited to his account as ₹ 460.
- (vi) Returns Outward of ₹ 3,560 has been posted to Returns Outward Account as ₹560.

23. Journalize the following transactions:

6

Date	Particulars	
2017		
Nov. 1	Business started with Cash	1,50,000
	Goods	50,000
Nov. 3	Purchased goods from Harish	30,000
Nov. 5	Sold goods for cash	12,000
Nov. 8	Purchase furniture for cash	5,000
Nov. 10	Cash paid to Harish on account	15,000
Nov. 13	Paid sundry expenses	200
Nov. 15	Cash sales	15,000
Nov. 18	Deposited into Bank	5,000
Nov. 20	Drew cash for personal use	1,000
Nov. 22	Cash paid to Harish in full settlement of account	14,700
Nov. 25	Goods sold to Nitesh	7,000
Nov. 26	Carriage paid	200
Nov. 27	Rent Paid	1,500
Nov. 29	Received cash from Nitesh	6,800
	Discount given	200
Nov. 30	Salary paid	3,000

24. Prepare the accounting equation on the basis of the following transactions:

- (i) Commenced business with cash ₹ 50,000 and goods ₹ 30,000
- (ii) Paid Salary ₹ 5,000
- (iii) Purchased goods for cash ₹ 10,000 and on credit ₹20,000
- (iv) Goods costing ₹ 25,000 sold at profit of 20% on cost out of which ₹ 10,000 received in cash.

Part - B

(Financial Accounting — II)

25. If the rent received in advance is ₹2,000, the adjustment entry will be:

1

- (A) Debit Profit and Loss Account and Credit Rent Account
- (B) Debit Rent Account Credit rent received in advance account
- (C) Debit rent received in advance account and Credit rent account

(D) None of these.

OR

If the insurance premium paid ₹1,000, prepaid insurance ₹300, the amount of insurance premium shown in Profit and Loss Account will be:

(A) ₹1,300 (B) ₹1,000
(C) ₹300 (D) ₹700

26. **Which of the following expenses means the expenses which have become due during the accounting year but have not been paid:** 1

(A) Capital Expenditure (B) Revenue Expenditure
(C) Outstanding expenses (D) Deferred Revenue expenses

27. **Statement I:** For the preparation of financial statements, it is necessary that all the adjustments arising on accrual basis of accounting are made at the end of the accounting period. 1

Statement II: Depreciation is the decline in the value of an asset, on account of wear and tear or passage of time.

(A) Both Statements are correct.
(B) Both Statements are incorrect.
(C) Statement I is correct and Statement II is incorrect.
(D) Statement I is incorrect and Statement II is correct.

OR

Which of the following entries are passed to correct the values of accounts shown in the Trial Balance: 1

(A) Rectification Entries (B) Adjusting Entries
(C) Both (A) and (B) (D) None of the above

28. **How will the commission given to the General Manager be adjusted in the Final Accounts?** 1

(A) Debit side of the Trading Account and in the Liability side of the Balance Sheet.
(B) Credit side of the Profit and Loss Account and in the Asset side of the Balance Sheet.
(C) Credit side of the Trading Account and in the Asset side of the Balance Sheet
(D) Debit side of the Profit and Loss Account and in the Liability side of the Balance Sheet.

29. **Credit sales can be ascertained as the balancing figure in the _____ account.** 1

(A) Creditors (B) Debtors
(C) Capital (D) Statement of Affairs

30. **From the following balances taken from the books of Aaron and Barun Ltd. for the year ending March 31, 2014, calculate the gross profit.** 3

	₹
Closing stock	3,50,000
Net sales during the year	42,00,000
Net purchases during the year	16,00,000
Opening Stock	16,00,000
Direct Expenses	1,80,000

Or

Operating profit earned by M/s Ashish and Diksha in 2013-14 was ₹27,00,000. Its non-operating incomes ₹11,50,000 and non-operating expenses were ₹13,75,000. Calculate the amount of net profit earned by the firm.

3

31. Hari maintains his books of account on single entry system. His books provide the following information. 3

Particulars	Jan. 1 2012 (₹)	Dec. 31, 2012 (₹)
Furniture	200	200
Stock	2,800	3,050
Sundry Debtors	2,100	3,400
Cash	150	200
Sundry Creditors	1,750	1,900
Bills Receivable	-	300
Loan	-	500
Investments	-	1,000

His drawings during the year was 500. Depreciate furniture by 10% and provide a reserve for bad debts at 10% on sundry debtors. Calculate profit.

32. The Trial Balance shows the following balances as at 31.3.2014 : 3

Particulars	Amount Dr. (₹)	Particulars	Amount Cr. (₹)
Purchases	60,000	Capital Account	1,13,075
Sales Returns	2,000	Sales	1,27,500
Plant and Machinery	90,000	Purchases Returns	1,275
Opening Stock	40,000	Discount Received	800
Discount Allowed	350	Sundry Creditors	25,000
Bank Charges	100		
Sundry Debtors	45,000		
Salaries	7,000		
Wages	10,000		
Freight Inward	1,000		
Freight Outward	1,200		
Rent, Rates an Taxes	2,000		
Advertisements	2,000		
Cash at Bank	7,000		

Cost of Closing Stock ₹40,000; but its market value was ₹35,000.

Prepare Trading and Profit & Loss Account for the year ended 31.3.2014.

33. Krishna Kulkarni has not kept proper books of accounts, prepare the statement of profit or loss for the year ending the following information: 4

Particulars	Jan. 1, 2013 (₹)	Dec. 31, 2013
Cash in hand	10,000	36,000
Debtors	20,000	80,000
Creditors	10,000	46,000
Bills Receivable	20,000	24,000
Bills Payable	4,000	42,000
Car	—	80,000
Stock	40,000	30,000
Furniture	8,000	48,000

Investment	40,000	50,000
Bank balance	1,00,000	90,000

The following adjustments were made:

- (i) Krishna withdrew cash ₹5,000 per month for private use.
- (ii) Depreciation @ 5 % on car and furniture @ 10 %
- (iii) Outstanding Rent ₹ 6,000.
- (iv) Fresh Capital introduced during the year ₹30,000.

OR

Shyam does not keep proper records. From the following information find out profit or loss and also prepare Statement of Affairs for the year ended December 31, 2013.

4

Particulars	Dec. 31, 2012 (₹)	Dec. 31, 2013 (₹)
Cash in hand	5,000	9,000
Stock	8,300	9,200
Sundry Creditors	70,000	90,000
Sundry Debtors	52,000	48,000
Bills Payable	16,000	35,000
Computers	20,000	20,000
Bills Receivable	—	800
Machinery	3,50,000	3,50,000

Shyam informs about his transactions: Drawings ₹ 5,000 p.m. for personal use, fresh capital introduce during the year ₹30,000.

Computers and Machinery are to be depreciated @ 10% p.a. A provision of 10% is to be made on debtors for doubtful debts. It was found that 5,000 is irrecoverable from debtors.

34. Prepare a Trading and Profit and Loss Account and Balance Sheet of M/s Green Club Ltd. year ending March 31, 2014, from the following figures taken from trial balance:

6

Particulars	Amount	Particulars	Amount
Opening Stock	35,000	Sales	2,50,000
Purchases	1,25,000	Purchases return	6,000
Return inwards	25,000	Creditors	10,000
Postage and Telegram	600	Bill Payable	20,000
Salary	12,300	Discount	900
Wages	3,000	Provision for bad debts	3,000
Rent and Rates	1,000	Interest received	1,000
Packing and Transport	500	Capital	81,000
General expenses	400		
Insurance	4,000		
Debtors	50,000		
Cash in hand	20,000		
Cash at bank	40,000		
Machinery	20,000		
Lighting and Heating	5,000		
Discount	3,500		
Bad debts	3,500		
Investment	23,100		
	3,71,900		3,71,900

Adjustments:

- (i) Depreciation charged on machinery @ 5% p.a.
- (ii) Further bad debts 1,500, discount on debtors @ 5% and provision on debtors @ 6%.
- (iii) Wages prepaid 1,000.
- (iv) Interest on investment @ 5% p.a.
- (v) Closing stock 10,000.