



**Class: XI HIGHER SECONDARY SCHOOL CERTIFICATE EXAMINATION 2023**

**Time Allowed: 25 minutes SUBJECT : ACCOUNTING**

**Q1: SECTION "A"**

**Marks : 20**

**Note:** Attempt all question from this section. Each question carries one mark

1. GAAP stands for:
  - a. Generally Accepted Accounting Provisions
  - b. Generally Accepted Accounting Policies
  - c. Generally Accepted Accounting Principles.
  - d. General Associate Accounting Public.
2. Term Capital refers to:
  - a. Rent.
  - b. Sales.
  - c. Prepaid Account
  - d. Investment by proprietor.
3. Which of the following describe an accounting equation?
  - a. Assets = Capital – Liability
  - b. Liability = Assets + Capital.
  - c. Assets = Capital + Liabilities.
  - d. Liabilities = Assets + Capital.
4. Expenses of a business are Rs.80,000 while net loss is Rs. 30,000 then the revenue is
  - a. 110, 000.
  - b. 60,000
  - c. 50,000.
  - d. 40,000
5. The system of recording business transaction having two effects in books of accounts is known as;
  - a. Single entry System.
  - b. British accounting system.
  - c. Double entry system.
  - d. Compound entry.
6. A journal entry that requires more than two accounts is called
  - a. Double entry.
  - b. Single Entry
  - c. Compound Entry.
  - d. Adjusting Entry.
7. All cash receipts and cash payments are recorded in:
  - a. Sales book
  - b. Purchase book.
  - c. Cash book
  - d. Pass book.
8. Credit Balance of bank column of cash book shown
  - a. Bank Balance
  - b. Under draft
  - c. Overdraft
  - d. Cash Balance.
9. Credit sales of merchandise is recorded in
  - a. Cash Book.
  - b. General Journal.
  - c. Purchase Journal.
  - d. Sales Journal.
10. Bank Reconciliation statement is prepared to
  - a. Record receipts and payments
  - b. Record banking transactions
  - c. Equalize the cash book and Pass book
  - d. none of the above
11. Reconciliation helps us to tally company's records with:
  - a. Suppliers
  - b. Bank Statement
  - c. Customers
  - d. Income Statement
12. N.S. F. stands for:
  - a. National Studies Federation
  - b. Net Sufficient Fund
  - c. New Study Federation
  - d. Non-Sufficient Fund.
13. Expenses paid in advance before they have fallen due are called:
  - a. Prepaid expenses.
  - b. Outstanding expenses.
  - c. Accrued expenses.
  - d. Expenses payable.
14. The gradual and permanent decrease in the value of an asset is known as:
  - a. Reduction of assets
  - b. Revaluation of assets
  - c. Realization of assets
  - d. Depreciation
15. The entries which are prepared to adjust certain accounts or entries, are known as:
  - a. Closing entries
  - b. Reversing entries
  - c. Opening entries
  - d. Adjusting entries
16. Closing entries are recorded;
  - a. At start of an accounting period.
  - b. At quarter of an accounting period.
  - c. At middle of an accounting period.
  - d. At end of an accounting period.
17. Net profit is always:
  - a. Equal to gross profit
  - b. More than gross profit
  - c. Less than gross profit
  - d. Parallel to gross profit
18. Allowance for bad debts is an;
  - a. Current assets.
  - b. Fixed assets.
  - c. Contra assets.
  - d. Intangible assets
19. The debts which cannot recovered from the debtors, are called:



30: Purchased merchandise under credit terms of n/30 from Alfa Co.

Rs.15,600. A 10% quantity discount is allowed.

**Required:**

- a) Record the transactions listed above in a Purchase Journal and General Journal.
- b) Setup Purchase Journal and Accounts Payable in the General Ledger at April 30.

**6. Cashbook**

Majid, a trader, uses a three-column cash book. On September 01, 2021 he had cash on hand Rs.78,000 and cash at bank Rs. 109,000. During September, he completed the following transactions:

September:

01. Sold goods for cash Rs.30,000 and on account Rs.20,000.
07. Received a cheque for Rs. 17,500 from Jamal in full settlement of his account of Rs. 18,000.
11. Issued a cheque for Rs. 14,700 to Mubeen in full settlement of their account of Rs. 15,000.
18. Deposited into bank the cheque received on Sep. 7.
27. Withdrew cash from bank Rs.7,000 for personal use and Rs.5,000 for office use.

**Required:**

- a) Prepare a three-column cash book and record the above transactions.
- b) Balance the Cash Book on September 30. Bring down the balances on October 1, 2021.

**7. Petty Cash Book**

On May 1 2020, Sabahat and Co. established a petty cash fund on imprest system by Rs.20,000. Payments made during the month of May from the fund are listed below:

May:

1. Purchased typewriter ribbon and carbon papers Rs.200.
3. Paid rickshaw fare Rs.350.
6. Paid for telegram to Lahore Rs.110.
7. Paid for camel cart hire Rs.80.
8. Paid for lunch, offered to customers Rs.100.
11. Paid for postage stamps Rs.400.
15. Paid for postage and registration of postal parcel Rs.600.
17. Purchased gum, stamping, machine and pins Rs. 1500.
20. Paid for postal charges on registered parcel Rs.500.
23. Advanced to guard Rs.4500.
24. Paid for Uber fare Rs. 1200.
27. Paid for outstanding bill for repairs of typewriter Rs.1800.
29. Paid for cartage Rs.400.
31. Purchased duplicating papers Rs.700.

**Required:**

- a) Record the above transactions in Petty Cash Book having special columns for:
  - i) Stationary. (ii) Postage and Telegram. (iii) Cartage. (iv) Entertainment. (v) Conveyance. (vi) Sundries.
- b) Balance the Petty Cash Book on 31st May 2020 and enter the amount reimbursed on June 01st, 2020.

**Q3:**

**Section "C" DETAILED ANSWER QUESTIONS**

**40 Marks**

**Note:** Attempt any Two Question from this section. All question carry equal marks.

**8. Financial Statement**

The following balances were taken from the Pre-Closing Trial Balance of Fatima & Co. Prepared on December 31,2004.

S.no.	Head of Accounts	Debit	Credit
	Cash	6,400.	
	Account Receivable	40,000.	
	Merchandise inventory (Jan.01)	32,000.	
	Sales Equipment	30,000.	
	Prepaid insurance	800.	
	Sales Supplies	1,200.	
	Purchases	100,000.	
	Sales Salary Expenses	9,600.	
	Office Salary Expenses	4,000.	
	Advertising Expense	4,000.	
	Sales		156,000.
	Account Payable		24,000.
	Fatima Capital		48,000.
	<b>Total</b>	<b>22,8000/-</b>	<b>228,000/-</b>



Data for Adjustment on December 31:

1. Merchandise Inventory was valued at Rs.30,000.
2. Sales Supplies were Rs.200
3. Insurance expired Rs.400.
4. Unpaid Sales Salaries were Rs.500
5. Depreciation on Fixed Assets was estimated Rs.5,000.
6. Bad Debts on Account Receivable Rs.3,000.

**Required:**

- a. Prepare Income Statement for the year ended December 31, 2004.
- b. Prepare Report Form Balance Sheet as of December 31,2004.

9. The following balances are shown by Sky View CORPORATION on December 31, 2021.

**Debit Balance:**

Cash Rs. 50,000; Accounts Receivable Rs. 65,000; Merchandise Inventory Rs. 10,000; Equipment Rs. 100,000; Office supplies Rs. 18,000; Drawing Rs. 5,000; Sales Return & Allowance Rs. 2,000; Purchase Rs. 110,000; Transportation-in Rs. 5,000; Office salaries expense Rs.15,000; Salaries expense Rs. 20,000.

**Total=Rs. 400,000.**

**Credit Balance:**

Accounts payable Rs. 16,000; Sales Rs. 170,000; Purchase Discount Rs. 2,000; Purchase Return & Allowance Rs. 4,000; Allowance for Bad Debts Rs. 3,000; Allowance for Depreciation Rs. 5,000; Capital Rs. 200,000.

**Total=Rs. 400,000.**

Data for Adjustment on December 31, 2021.

- i) Merchandise Inventory on Dec. 31, 2021 Rs. 20,000.
- ii) Outstanding office salary Rs. 5,000.
- iii) Prepaid sales salaries Rs. 4,000.
- iv) Allowance for Depreciation on Equipment Rs. 3,000.
- v) Office supplies used Rs. 4,000.
- vi) Allowance for Bad debts increase by 2,000.

**Required:**

- a) Prepare necessary adjusting entries in the general journal form.
- b) Prepare closing entries in general journal form.

10. The following balances taken from the pre-closing trial balance of Raza Traders as on December 31, 2020:

Cash Rs.42,000, Accounts Receivable Rs.48,000, Merchandise Inventory (01-01-20)Rs. 18,000, Furniture Rs.130,000, Allowance for depreciation-furniture Rs. 13,000, Accounts Payable Rs. 17,000, Capital-Raza Rs.160,000, Sales Rs.210,000, Purchases Rs. 106,000, Prepaid Insurance Rs. 16,000, Salaries Expense 20,000, Sales returns Rs. 10,000, Drawing - Raza Rs. 10,000.

**Supplementary data for adjustments:**

1. Salaries outstanding Rs.4,000.
2. Insurance unexpired Rs. 10,000.
3. 10% Depreciation was estimated on furniture.
4. Provide bad debts @ 2% of net sales.
5. Merchandise Inventory on Dec. 31 Rs.14,000.

**Required:**

Prepare any two of the following:

- a) Income Statement. (b) Balance Sheet. (c) Closing Entries.

**End of Paper**