

BHATNAGAR INTERNATIONAL SCHOOL
PASCHIM VIHAR
MID-TERM EXAMINATION (2025-26)
FORM 11 - ACCOUNTANCY (055)- SET B

M.M: 80

GENERAL INSTRUCTIONS:

- This question paper contains 34 questions. All questions are compulsory.
- Draw proper formats and show your workings clearly
- Questions 1 to 20 carry 1 mark each.
- Questions 21 to 26 carry 3 marks each.
- Questions from 25 to 29 carry 4 marks each
- Questions from 30 to 34 carry 6 marks each
- There is no overall choice. However, an internal choice has been provided in 7 one-mark questions, 2 three-mark questions, 1 four-mark question, and 2 six-mark questions.

Q.1	Which of the following is included in the Qualitative characteristics of accounting information? a) Comparability b) All of these c) Relevance d) Reliability	(1)								
Q.2	Which of the following is not an user of accounting information? a) Government b) Long-term Creditors c) Public d) Debtors	(1)								
Q.3	Accounting is _____. a) life of business b) profit of business c) language of business d) objective of business	(1)								
Q.4	Which of the following is a characteristic of the cash basis of accounting? a) Revenues are recognised when earned b) Expenses are recognised when incurred c) Revenues and expenses are recognised when cash is received or paid d) The matching principle is followed <p style="text-align: center;">OR</p> As per this concept under accounting concepts/assumptions, the business is assumed to continue for a long period of time in the future and there is no intention of closing it. Which concept is highlighted here? a) Accrual concept b) Accounting period concept c) Going concern concept d) Consistency concept	(1)								
Q.5	Match the following. <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tbody> <tr> <td style="padding: 2px;">(a) Sold goods returned.</td> <td style="padding: 2px;">(i) Goods. <i>d.)</i></td> </tr> <tr> <td style="padding: 2px;">(b) Fall in value of Assets.</td> <td style="padding: 2px;">(ii) Sales return. <i>a.)</i></td> </tr> <tr> <td style="padding: 2px;">(c) Bank overdraft.</td> <td style="padding: 2px;">(iii) Depreciation. <i>b.)</i></td> </tr> <tr> <td style="padding: 2px;">(d) physical item of trade.</td> <td style="padding: 2px;">(iv) Short-term liability. <i>c.)</i></td> </tr> </tbody> </table>	(a) Sold goods returned.	(i) Goods. <i>d.)</i>	(b) Fall in value of Assets.	(ii) Sales return. <i>a.)</i>	(c) Bank overdraft.	(iii) Depreciation. <i>b.)</i>	(d) physical item of trade.	(iv) Short-term liability. <i>c.)</i>	(1)
(a) Sold goods returned.	(i) Goods. <i>d.)</i>									
(b) Fall in value of Assets.	(ii) Sales return. <i>a.)</i>									
(c) Bank overdraft.	(iii) Depreciation. <i>b.)</i>									
(d) physical item of trade.	(iv) Short-term liability. <i>c.)</i>									
Q.6	Current Liabilities do not include _____. a) Creditors b) Bill payables c) Debentures d) Outstanding Expenses <p style="text-align: center;">OR</p> Which of the following best describes the matching concept in accounting? a) Revenue is recognized when cash is received. b) Expenses are recognized when cash is paid. c) Expenses are matched with the revenues they help to generate. d) Assets are recorded at their historical cost.	(1)								
Q.7	Neeraj Ltd. is engaged in a laptop trading business the total assets of business are ₹ 10,40,000 and outside liabilities are ₹ 1,80,000. What will be the owner's equity? a) ₹ 12,20,000 b) ₹ 9,60,000 c) ₹ 8,60,000 d) Can't be determined <p style="text-align: center;">OR</p> _____ refers to the entire body of the theoretical knowledge of accounting. a) Accounting b) Book keeping c) Accountancy d) Measurement	(1)								

Q.8 Reem purchased furniture worth ₹ 50,000 for cash from M/s XYZ Ltd. The transaction will be shown in the journal as:

- a) Dr. XYZ Ltd A/c, Cr. Cash ₹50,000
 b) Dr. Furniture A/c, Cr. Cash A/c ₹50,000
 c) Dr. XYZ Ltd A/c, Cr. Furniture ₹50,000
 d) Dr. Furniture A/c, Cr. XYZ Ltd A/c ₹50,000

Q.9 What will be the correct Journal Entry for the following? (1)

- Opened a fixed deposit at bank by transferring from current account ₹2,500.
- a) Bank A/c Dr, To Current A/c ₹2,500
 b) Fixed Deposit A/c Dr, To Bank A/c ₹2,500
 c) Current A/c Dr, To Fixed Deposit A/c ₹2,500
 d) Fixed Deposit A/c Dr, To Current A/c ₹2,500

Q.10 Which source document is issued by a trader when he receives cash from the customer? (1)

- a) Cheque
 b) Receipt
 c) Pay - in - slip
 d) Cash memo

OR
 What is the primary purpose of a voucher in accounting?

- a) To record transactions in the ledger
 b) To prepare financial statements
 c) To provide evidence of a transaction and authorize payment
 d) To calculate depreciation

Q.11 Loss of goods by fire should be credited to: (1)

- a) Loss A/c
 b) Sales A/c
 c) Profit & Loss A/c
 d) Purchase A/c

Q.12 Match the transactions in column I with relevant subsidiary books in column II: (1)

Column I	Column II
(i) Credit purchases	(a) Return outward Book
(ii) Depreciation	(b) Sales Book
(iii) Goods returned to Anjali	(c) Journal proper
(iv) Trade discount allowed	(d) Purchase Book

- a) (i) - (d); (ii) - (c); (iii) - (a); (iv) - (b)
 b) (i) - (a); (ii) - (b); (iii) - (c); (iv) - (d)
 c) (i) - (d); (ii) - (c); (iii) - (b); (iv) - (a)
 d) (i) - (b); (ii) - (d); (iii) - (a); (iv) - (c)

Q.13 **Assertion (A):** Capital = Liabilities - Assets.
Reason (R): According to the dual aspect principle, every business transaction is recorded as having a dual aspect, one aspect is debit and the other aspect is credit.

- a) Both A and R are true and R is the correct explanation of A.
 b) Both A and R are true but R is not the correct explanation of A.
 c) A is true but R is false.
 d) A is false but R is true.

OR

Assertion (A): The prudence principle in accounting requires that anticipated losses be accounted for, but not anticipated gains.
Reason (R): This approach helps to avoid overstating profits and ensures a more conservative financial reporting.

Which of the following options is correct?

- a) Both A and R are true, and R is the correct explanation of A.
 b) Both A and R are true, but R is not the correct explanation of A.
 c) A is true, but R is false.
 d) A is false, but R is true.

Q.14 Which of the following accounts has a credit balance? (1)

- a) Discount Allowed
 b) Discount Received
 c) Carriage Inward
 d) Carriage Outward

Read the following case study and answer the subsequent Q15-17

On 31st December, 2025, the cash book of Mittal Bros showed a credit balance of ₹ 6,920. There is a stark difference in the balance as per pass book. A careful scrutiny points out that there was a debit by bank for ₹ 200 on account of interest on overdraft and ₹ 50 on account of charges for collecting bills. Cheques drawn but not encashed before 31st December, 2025 were for ₹ 4,000. The bank has collected interest and has credited ₹ 600 in pass book. A bill receivable for ₹ 700 previously discounted with the bank had been dishonoured and debited in the pass book. Cheques paid into bank but not collected and credited before 31st December, 2025 amounted to ₹ 6,000.

Q.15 Credit balance in cash book reflects (1)

- a) nil balance
 b) overdraft
 c) Excess balance
 d) favourable balance

	While preparing the bank reconciliation statement, bills receivable for ₹700 previously discounted with the bank now dishonoured, will a) decrease the credit balance of cash book c) increase the credit balance of cash book	b) decrease the Debit balance of cash book d) will not affect the credit balance of cash book	(1)
Q.17	While preparing the bank reconciliation statement, cheques drawn but not encashed before 31 st December, 2025 for ₹ 4,000 will be a) deducted from credit balance of cash book c) ignored	b) deducted from Debit balance of cash book d) added to credit balance of cash book	(1)
Q.18	Pick the odd one out. a) Building b) Stock c) Bills Receivable d) Cash		(1)
Q.19	Trade Discount allowed will be recorded in cash book in: a) Cash column on debit side c) None of these	b) Bank column on credit side d) Cash column on credit side	(1)
	OR		
	When a firm maintains two - column Cash Book, it does not maintain: a) Purchases Book c) Sales Book		
	b) Journal Proper d) Bank and Cash Account in the Ledger		
Q.20	A person who owes money to the firm is called _____. a) Purchaser b) Creditor c) Debtor d) Supplier		(1)
	OR		
	Cash purchase of goods is recorded in _____. a) Cash book b) Purchase book c) Sales book d) Journal proper		
Q.21	Explain the following terms with examples: 1. Revenue Expenditure 2. Current Assets		(3)
Q.22	From the following particulars, prepare the Proprietor's Capital A/c April 1 Started Business with cash ₹ 25,000 May 10 withdrew from business ₹ 5,000 Nov 30 Income Tax Paid ₹ 3,000 March 31 st Profit for the Year ₹ 20,000		(3)
Q.23	A company has assets worth ₹10,00,000 and liabilities of ₹2,00,000 at the beginning of the year. During the year, assets increased by ₹3,00,000 and liabilities decreased by ₹ 30,000. Calculate the Profit and Closing capital. OR Mr. Z's business has the following information. Calculate the Profit and Closing Capital. - Initial capital: ₹15,00,000 - Expenses during the year: ₹3,00,000 - Revenue during the year: ₹8,00,000 - Drawings during the year: ₹55,000		(3)
Q.24	The following transactions took place in the business of Mahender: a) Withdrew Cash ₹12,000 for personal use b) Depreciation charged on plant and machinery ₹2,000 Prepare Accounting Vouchers for recording the above transactions. OR The following transactions took place in the business of M/s Ram Furniture: a) Bought furniture for resale from M/s Amit Furniture for cash ₹15,000 b) Sold goods to Ajay ₹18,000 Prepare Accounting Vouchers for recording the above transactions.		(3)
Q.25	Income received in cash: ₹1,50,000; Expenses paid in cash: ₹60,000; Accrued income: ₹3,500; Outstanding expenses: ₹ 4,500; Income received in advance: ₹10,000; Prepaid expenses: ₹5,000. Calculate Net Income under: (a) Cash Basis (b) Accrual Basis		(3)
Q.26	Journalise the following transactions in the books of Arnav Traders: 1. Sold goods costing ₹ 60,000 to Chinki at a profit of $33\frac{1}{3}\%$ on cost less 10% Trade Discount. 2. Ghanshyam who owed us ₹18,000 has become insolvent, paid only 60 paise in a rupee. 3. Paid by cheque ₹ 12,000 as an insurance premium for a period of 12 months starting 1 st August 2025. The financial year closes on 31 st March every year.		(3)

Q.27 Prepare Ledger from the Following Journal Entries:

2025	Particulars	Amount (₹)	Amount (₹)
1 st April	Cash A/c To Capital A/c	Dr 80,000	80,000
5 th April	Purchases A/c To Cash A/c	Dr 1,50,000	1,50,000
16 th April	Shyam's A/c To Sales A/c	Dr 15,000	15,000

Q.28 The Accountant of Shyam prepared the following Trial Balance incorrectly. You are required to redraft the Trail Balance. (4)

TRIAL BALANCE
as on 31st March, 2025

Debit Balance	₹	Credit Balance	₹
Opening Stock	16,000	Sales	1,90,000
Purchases	1,60,000	Insurance Premium	6,000
Salaries	21,000	Equipment	25,000
Outstanding Salaries	14,000	Repairs to Building	5,000
Wages	10,000	Drawings	31,000
Wages Due	9,000	Sundry Receipts	15,000
Building	1,00,000	Bank Overdraft	93,000
Plant	80,000	Ground Rent	8,000
Interest Received	2,000	Returns Inward	16,000
Advertisement	12,000	Capital	2,00,000
Outstanding Expenses	17,000	Investments	44,000
Depreciation on Plant	8,000		
Prepaid Expenses	10,000		
Returns Outward	12,000		
Closing Stock	1,62,000		
	6,33,000		6,33,000

Q.29 Define the Following Assumption with an example. (4)

1. Going Concern

2. Accrual

OR

Explain the following with example.

1. Matching concept

2. Duality concept (Dual aspect concept)

Q.30 Prepare Accounting Equation from the following and also prepare a Balance Sheet: (6)

1. Arun started business with Cash ₹ 50,000.
2. Bought goods for cash ₹ 20,000 and on credit for ₹ 90,000.
3. Goods costing ₹ 90,000 sold at a profit of $33\frac{1}{3}\%$. One third the payment received in cash.
4. Purchased Motor Cycle for his son ₹ 20,000
5. Paid for Rent ₹ 2,000 and Outstanding Rent ₹ 4,000.
6. Goods costing ₹ 10,000 sold for ₹ 8,500 for Cash.

Date (2025)	Particulars	(6)
Jan 1	Bought from M/s. Rashmi, Mumbai: 500 Registers @ ₹ 80 each 150 Reams Paper @ ₹ 250 per ream Less: Trade Discount 25%	
Jan. 2	Sold to Shri Deepika, Bengaluru: 150 Registers @ ₹ 85 each 25 Reams Paper @ ₹ 300 per ream	
Jan. 8	Bought from Super Stationery In Cash Delhi: 100 Reams Ruled Paper @ ₹ 600 per ream Less: Cash Discount 15%	
Jan. 12	Sold to Sharma Bros., Delhi: 150 Registers @ ₹ 85 each 1000 Reams Ruled Paper @ ₹ 70 per ream Less: Trade Discount 5%	
Jan. 18	Sold to Ritik Doshan in cash 30 copies Double Entry Book Keeping @ ₹ 85 each	
Jan. 25	Bought from Himanshu, Delhi: Laptop for Business Purpose ₹10,000	
Jan. 31	Sold to Rajesh, Bengaluru: 200 Registers @ ₹ 90 each 150 Reams Ruled Paper @ ₹ 70 per ream 20 Reams Paper @ ₹ 300 per ream Less: Trade Discount 10%	
Q.32	<p>Prepare bank reconciliation statement as on 31st March, 2025.</p> <ol style="list-style-type: none"> Overdraft shown as per Pass book on 31st March, 2025, ₹80,000. Bank charges for the above period also debited in the passbook, ₹3000. Interest on overdraft for six months ending 31st March, 2025, ₹1,550 debited in the passbook. Cheques issued but not encashed prior to 31st March, 2025 amounted to ₹6,000. Interest on investment collected by the bank and credited in the passbook, ₹2,800. Cheques paid into bank but not cleared before 31st March, 2025 were ₹2,300. <p style="text-align: center;">OR</p> <p>On 31st March, 2025, the Cash Book of Anil showed an overdraft balance. From the following particulars, prepare Bank Reconciliation Statement</p> <ol style="list-style-type: none"> Cash Book of Anil showed an overdraft of ₹ 6,600 Cheques issued but not presented for payment before 31st March, 2025 amounted to ₹ 2,946. Cheques deposited into the bank but not credited before 31st March, 2025 amounted to ₹ 4,691. Cheque for ₹ 1,520 discounted with the bank had been dishonoured and bank charges debited by the Bank of ₹ 105. Debit is made in the Bank Pass Book for ₹ 220 on account of interest on overdraft. The bank has collected interest on investment and credited ₹ 560 in the Bank Pass Book. 	
Q.33	<p>Pass Journal entries for the following transactions.</p> <ol style="list-style-type: none"> Salaries due to staff ₹ 50,000. Out of the rent paid this year, ₹ 15,000 is for the next year. Provide 10% depreciation on Machinery costing ₹ 10,000 Goods used in making Furniture (Sales Price ₹ 8,000; Cost ₹ 5,000). Received commission of ₹ 12,000 by cheque, half of which is in advance. Allow interest on capital ₹ 8,000 	(6)

Q. 14 Prepare a two column cash book

2025	
Jan 1	Cash in hand ₹5,000 Bank overdraft ₹6,000
Jan 7	Goods Purchased from Shyam ₹12,000
Jan 8	Paid into bank ₹100
Jan 14	Supplier who owned us ₹1,200 has gone bankrupt and paid us ₹2000 per cheque
Jan 15	Withdrawal from Bank for private expenses ₹500
Jan 20	Received repayment of loan ₹8,000 and deposited out of it ₹5,000 in Bank
Jan 20	Paid Salary by Cheque ₹200
Jan 20	Bank Debited the Interest ₹1,000
Jan 22	Paid cheque to Shyam ₹10,500 in full settlement

OR

The transactions for the month of March 2025 of M/s. Subhash & Co. are furnished here as under. You are required to enter the same in an appropriate Cash Book:

2025	
March 1	Cash in hand ₹1,415 and Cash at Bank ₹3,530
March 2	Paid wages by cheque ₹350
March 5	Sold Goods to Shyam Lal ₹25,000
March 15	Receivable ₹430 by cheque from Krishna and allowed him discount ₹70
March 16	Paid cheque to Mohan ₹500 in full settlement of his account ₹515
March 18	Cash Sales amounted to ₹2,150
March 20	Bought furniture for ₹800, paid by cheque.
March 22	Bank credited the account with ₹1,200 for interest
March 30	Deposited cash into Bank ₹800