



# DELHI PUBLIC SCHOOL, FARIDABAD

Accountancy Assignment - 2016 - 17

Semester I , Unit - I

CLASS - XI

## Topic : Introduction to Accounting.

- Q.1 Define Book keeping.
- Q. 2 Name any two branches of accounting.
- Q. 3 List any two demerits of accounting.
- Q. 4 Name any two external users of accounting.
- Q. 5 Distinguish between loss and expense.
- Q. 6 Define the following accounting terms with example :
- i. Capital                      ii. Assets                      iii. Liability
- Q. 7 What is a source document?
- Q. 8 Give an example of a 'Source document'.
- Q. 9 What is the value involved in recording transactions on the basis of source document?
- Q. 10 What do you understand by 'debit' or 'credit'? Do you think debit always stands for decrease in amount and credit for increase?
- Q. 11 Define Accounting.

## Topic: Accounting Equation.

### Objective Type Questions

- Q.1. **Give an imaginary transaction that will lead to:**
- a. Increase in one asset and decrease in another asset.
- b. Decrease in an asset and decrease in a liability.
- c. Increase in liabilities and decrease in owner's capital.
- d. Increase in asset and increase in owner's capital.
- e. Increase and decrease in capital only.
- Q.2 **Calculate total equity if:**
- a. Owner's equity is ₹ 1,80,000
- b. Creditors equity is ₹ 1,50,000
- c. Revenue earned during the period ₹ 2,00,000
- d. Expenses during the period , ₹ 80,000.
- Q.3 "Accounting equation is true under all circumstances". Justify this statement with the help of few illustrations.
- Q.4 What do you mean by external equity.
- Q.5 Calculate the amount of external equities as on 31st March ' 2015:
- Amit started a business with a capital of ₹ 20,000 on 1st April,2014.On the same day, he also borrowed ₹ 5,000 from a friend to invest in business. During 2014-15, he earned a profit of ₹ 10,000, introduced an additional capital of ₹ 12,000 and had withdrawn ₹ 6,000 for his personal use. One 31st March, 2015, the total assets were ₹ 1,00,000.
- Q.6 Rajan started a business on 1st Jan, 2015 with a capital of ₹ 2,00,000 and loan ₹ 1,00,000 from the bank. On 31st Dec. 2015 his assets were ₹ 3,50,000. Find out capital as on 31st Dec. 2015 and profit earned during the year.

**Q. 7** Suresh has the following assets and liabilities as on 31st March 2015. Ascertain his capital : Cash ₹ 25000, Bank ₹ 47500, Debtors ₹ 18000, Creditors ₹ 22000, Plant and Machinery ₹ 80,000, Building ₹ 2,00,000, Furniture ₹ 24000, Bill Receivable ₹ 56500, Bill Payable ₹ 23500. **(Ans. ₹ 4,05,500)**

**Q.8** If total assets of a business are ₹ 5,00,000 and net worth is ₹ 2,40,000. Calculate total liabilities.

**Practical Questions:**

**Q.9** Which of the following equations are correct?

- i. Assets = Capital + Liabilities
- ii. Assets = Capital – Liabilities
- iii. Assets = Liabilities – Capital
- iv. Capital = Assets – Liabilities
- v. Capital = Assets + Liabilities
- vi. Liabilities = Capital + Assets

**Q.10** What will be the effect of the following on the Accounting Equation :

- i. Purchased goods for ₹ 80,000 from Amit on Credit.
- ii. Sold goods to Kamal costing ₹ 16,000 for ₹ 20,000 in cash.
- iii. Paid wages ₹ 1000.
- iv. Withdrew in cash for personal use ₹ 3,000.
- v. Paid to creditors ₹ 10,000.

**Q.11** Prepare accounting equation from the following:

- i. Nimish started business with cash ₹ 2,50,000.
- ii. Bought goods for cash ₹ 1,80,000 and on credit for ₹ 40,000.
- iii. Goods costing ₹ 75000, sold at a profit of 10%, half of the payment received in cash.
- iv. Goods costing ₹ 10,000 sold for ₹ 12000 on credit.
- v. Paid for rent ₹ 2000 and for salaries Rs 4000.
- vi. Accrued commission, ₹ 500.

**Q.12** Jatin has the following assets and liabilities :

Cash ₹ 3,000; Furniture ₹ 2,000; Deepak (Debtors for goods sold) ₹ 4,000; Stock of Goods ₹ 6,000, Prakash (creditors for goods purchased) ₹ 1,000.

- i. Prepare the Accounting equation and find out his capital.
- ii. Amend the Accounting Equation on the basis of the following :
  - a. Goods worth ₹ 2,000 sold for ₹ 2,500.
  - b. Paid to Prakash ₹ 500.
  - c. The proprietor took goods for personal use ₹ 500.
  - d. Nitin made part payment of ₹ 2,000.

**[Ans. Capital ₹ 14,000 in old equation (ii) Cash ₹ 6,500 + Furniture ₹ 2,000 + Deepak ₹ 2,000 + Stock ₹ 4,000 = Prakash ₹ 500 + Capital ₹ 14,000.]**

**Q.13** Develop accounting equation from the following transactions :

	₹
i. Varun commenced business with cash	1,50,000
ii. Purchased goods for cash	30,000
iii. Purchased goods on credit	20,000
iv. Sold goods (cost ₹ 10,000) for	12,0000
v. Bought furniture on credit	5,000
vi. Paid cash to a creditor	15,000

- Q.14** Harsh started a real estate agency business with cash investment of ₹ 7,000 the following business transactions have been recorded:-
- Paid three months advance rent for office accommodations ₹ 2100.
  - Purchased office furniture ₹. 7,000
  - Bought office typewriter from standard supply company ₹ 3000.
  - Sold extra office furniture at cost to Aman for ₹ 1,000. Aman paid ₹ 600 in cash and accepted a bill at three months for the balance.
  - Jiwan paid the amount of the bill at maturity and Ashok paid half the amount he owed to standard supply company.
  - Collected ₹ 6000 as commission.
- Q.15** Show the effect of the following:- transactions on assets, liabilities and capital using the accounting equation. Also prepare a balance sheet.
- Started business with cash ₹ 60,000.
  - Rent received ₹ 1500.
  - Outstanding wages ₹700.
  - Accrued interest ₹ 550.
  - Commission received in advance ₹ 1,000.
  - Invested in shares (personal), ₹ 1500.
  - Invested in shares (for business purposes), ₹ 1000.
- Q.16** Show the accounting equation on the basis of following transactions:-
- Twinkle commenced business with cash, ₹ 2,00,000.
  - Purchased machinery worth ₹ 10,000.
  - Depreciation on machinery 5%.
  - Bought car for personal use ₹ 3000.
  - Interest on drawings charged @ 10%.
  - Introduced fresh capital ₹ 25000.
  - Purchased goods on credit ₹ 50000.
  - Raised a bank loan of ₹ 70,000 from 'IDBI' Bank, Delhi.
  - Paid interest on loan ₹ 2000 and instalment of ₹ 20000.
  - Paid to creditors in full settlement ₹ 49500.
- Q.17** Show the accounting equation on the basis of the following transactions :
- Started business with cash ₹ 60,000, Goods ₹ 30,000 and Furniture ₹ 10,000.
  - Purchased goods for cash ₹ 40,000 and on credit ₹ 25,000.
  - Goods costing ₹ 48,000 sold at a profit of  $33\frac{1}{3}\%$ . Three-fourth payment received in cash.
  - Goods costing ₹ 20,000 sold at a loss of 5%, out of which ₹ 12000 received in cash.
  - Nitin who was a debtor of ₹ 6000 was declared insolvent and only 50% could be recovered from his estates.
  - Stationary purchased for ₹ 200.
  - Provide 10% depreciation on furniture.
  - Withdrew goods for personal use costing ₹ 5000.
  - Rent outstanding ₹ 2000.
  - Advance commission received ₹ 500.



# DELHI PUBLIC SCHOOL, FARIDABAD

Accountancy Assignment - 2016 - 17

CLASS - XI

## Topic: Journal & Ledger

- Q.1** Is Journal a book of original entry? Discuss.
- Q.2** What are compound journal entries. Give an example.
- Q.3** What is an opening entry? Give an example.
- Q.4** What is the difference between cash discount and trade discount?
- Q.5** State with reasons whether the following statements are true or false :
- Withdrawal of money by the owner is an expense for the business.
  - Balancing of ledger is necessary.
  - Furniture purchased for cash is debited to purchases a/c.
  - Goods distributed as charity decreases the purchases a/c.
- Q.6** Select the best answer :
- The amount brought in by the owner in the business should be credited to  
a. Cash Account                      b. Capital Account                      c. Drawings Account
  - The amount of Salary paid to Kamlesh should be debited to  
a. The account of Ramesh      b. Salaries Account                      c. Cash Account
  - The return of goods by a customer should be debited to  
a. Customer's Account      b. Return inward Account      c. Goods Account
  - Sales made to Tej for Cash should be debited to  
a. Cash Account                      b. Tej                                      c. Sales Account
  - The rent paid to the landlord should be credited to  
a. Landlord's Account      b. Rent Account                      c. Cash Account
  - The cash discount received from a supplier should be debited to  
a. Discount Account                      b. Supplier's Account                      c. Sales Account
  - In case of a debt becoming bad, the amount should be credited to  
a. Debtor's Account                      b. Bad Debtors Account                      c. Sales Account

- Q.7** Enter the following transactions in the journal of Darbari Lal :

2008		₹
March 1	Sunder started business with cash	90,000
2	Purchased furniture for cash	10,000
4	Purchased goods for cash	25,000
5	Bought goods from Vimal	15,000
6	Sold goods for cash	40,000
8	Sold goods to Hari	30,000
10	Paid cash to Vimal	15,000

14	Received cash from Hari	18,000
16	Purchased goods from Ramesh	6,000
18	Purchased goods from Ramesh for cash	8,000
20	Paid rent for the office	1,000
26	Received Commission	750
27	Paid Salary to Narender	1,000
29	Withdrew cash from office for private use	3,000
30	Wages paid	7,200
30	Bought Furniture for Cash	8,000

**Q.8** Following balances appeared in the books of Komal Traders as on 1st April, 2015 :

**Assets :** Cash-in-hand ₹ 8,000; Bank Balance ₹ 7,000; Inventory ₹ 30,000

**Debtors :** Mohan ₹10,000; Sohan ₹12,000; Dinesh ₹14,000; Furniture ₹5,000; Building ₹25,000.

**Liabilities:** Creditors – X ₹ 5,000; Y ₹ 6,000.

In January, 2014 the following transactions took place :

2015		₹
April 2	Bought goods of the list price of ₹ 6,000 from Nirmal Brothers less 15% trade discount and 2% cash discount and paid 40% price at the same time	
3	Received a draft from Mohan in full settlement and deposited it into Bank	9,750
5	Purchased goods from Suresh of the list price of ₹ 8,000 at 20% trade discount and paid him by cheque.	
8	Sold goods for Cash and received a cheque	25,000
10	Deposited the above cheque into Bank	
12	Sohan deposited in our Bank A/c	4,000
16	Paid Life insurance premium	5,600
20	Received a cheque from Sohan and sent to Bank	7,800
	Discount allowed	200
21	Withdrew from Bank – for office	2,000
	for private use	4,000
23	Sent a cheque to X in full settlement of his A/c	4,900
27	Cheque of Sohan returned by the bank as dishonoured.	
28	Dinesh was declared insolvent and a payment of 60 paise in a rupee received from his estate.	
30	Bank allowed Interest	350
	Paid for Rent by cheque	1,500
	Paid for travelling expenses by cheque	500

Pass Journal entries for the above transactions.

**Q.9** Give the journal entries corresponding to the narration given below :

S.No.	Particulars	L.F.	Amount Dr.	Amount Dr.
(i)	Dr. Dr.  To (For goods of the list price of ₹ 5,000 sold at 10% trade discount and 2% cash discount)		₹	₹
(ii)	(For the purchase of Motor Car for ₹ 80,000 and and the payment of ₹ 5,000 is repair charges on it)			
(iii)	Dr.  To Cash A/c To (For Chaturvedi's account settled, cash discount three (percent)			4,850
(iv)	Cash A/c Dr. Dr.  To (For 30 paise per rupee received from the estate of Ashok on his insolvency)		2,520	
(v)	Dr.  To (For goods used by proprietor for personal use)		3,000	3,000
(vi)	Dr.  To (For rent due to landlord)		2,000	2,000

**Q.10** The following entries have been passed by a student. You have to state whether these entries are correctly passed. If not so, pass the correct journal entries.

		L.F.	₹	₹
(i)	Cash Account Dr. To Interest Account (Being interest paid)		7,000	7,000
(ii)	Mohan Dr. To Purchases Account (Being purchase of goods from Mohan)		10,000	10,000
(iii)	Hari Dr. To Sales Account (Being cash sale of goods to Hari)		5,000	5,000
(iv)	Mukesh Dr. To Bank Account (Being salary paid to Mukesh)		1,000	1,000
(v)	Freight Account Dr. To Cash Account (Being freight paid)		1,000	1,000
(vi)	Repairs Account Dr. To Cash Account (Being charges paid for overhauling an old machine purchased)		1,000	1,000

(vii)	Cash Account To Rakesh (Being an amount of debt which was written off as bad debt last year, is received during the year)	Dr.		200	200
(viii)	Purchases Account To Hari (Being goods sold to Hari earlier, now returned by him)	Dr.		1,000	1,000

**Q.11** Write up the following transactions in the Journal of Dharam.

2016		₹
April 1	Commenced business with cash	40,000
April 2	Deposited in bank	30,000
April 5	Bought goods for cash	5,000
April 7	Sold good to Kunal	2,500
April 9	Bought goods from Jai	5,100
April 12	Received cash from Kunal	1,950
	Discount allowed	50
April 13	Paid cash to Jai	3,900
	Discount allowed to him	100
April 14	Received cash for goods sold	2,750
April 15	Bought goods from Dinesh	2,350
April 16	Withdrew cash for private expenses	1,000
April 17	Received cash from Kunal and deposited into bank	500
April 20	Paid sundry trade expenses	250
April 25	Paid rent	450
April 28	Paid cash to Dinesh	2,300
	Discount allowed	50
April 29	Goods sold to Romy	4,750
April 30	Paid for carriage	50

**Q.12** Journalise the following transactions :

- Paid rent of building ₹ 12000. Half of the building is used by the proprietor for residential use.
- Paid the insurance of the above building, ₹ 1000.
- Paid Income Tax premium, ₹ 2000.
- Received commission ₹ 1000, half of which is in advance.
- Brokerage due to us ₹ 500.
- Purchased goods from King of the list price of ₹ 30000 at a trade discount of 10%.
- Mita who owed us ₹ 1000 became insolvent. Received first and final dividend of 60. paise in the rupee from his official receiver.
- Recovered an old amount written off as bad debt in 2012, ₹ 150.
- Sold goods to Ram at the list price of ₹ 60,000 less 20% trade discount and 2% cash discount and paid 50% by cheque.
- Cash embezzled by employee ₹ 1000.
- Goods given to proprietor's daughter ₹ 5000.
- Purchased furniture for cash ₹ 90,000 and for credit ₹ 60,000.
- Received interest on loan from the debtor, ₹ 600.

**Q.13** Journalise the following transactions :

2015

1 April Purchased a machine costing ₹ 50,000 and ₹ 1000 spent on installation and ₹ 1000 spent on carriage of same.

30 June ₹ 200 spent on the repair of machine.

2015

1 Jan ₹ 1200 paid for the insurance of building. The insurance policy would last for 12 months.

31 March Provide 10% depreciation on machine.

31 March Machine was sold for ₹ 45000.

**Topic : Ledger and Trial Balance**

**Q.1** What do you understand by Ledger? What is its utility & Importance?

**Q.2** Enumerate four advantages of ledger.

**Q.3** Should a transaction be first recorded in a journal or ledger? Why?

**Q.4** Journalise the following transactions, post them into Ledger, balance the accounts

**2016**

		₹
March 1	Narender commenced business with cash	80,000
2	Purchased goods for cash	36,000
3	Machinery purchased for cash	4,000
4	Purchased goods from : Raghu	22,000
	Dilip	30,000
6	Returned goods to Raghu	4,000
8	Paid to Raghu, in full settlement of his account	17,500
10	Sold goods to Mahesh Chand & Co. for ₹ 32,000 at 5% trade discount	
13	Received cash from Mahesh Chand & Co.	19,000
	Discount allowed	200
15	Paid cash to Dilip	14,850
	Discount received	150
20	Sold goods for cash	25,000
24	Sold goods for cash to Sudhir Ltd.	18,000
25	Paid for Rent	1,500
26	Received for Commission	2,000
28	Withdrew by Proprietor for his personal use	5,000
28	Purchased a fan for Proprietor's house	1,200

**Q.5** On 1st April, 2016, following were Ledger balances of M/s. Rohtash & Co. :

Cash in Hand ₹ 300; Cash at Bank ₹ 7,000; Bills Payable ₹ 1,000; Manish (Dr.) ₹ 800; Stock ₹ 4,000; Gobind (Cr.) ₹ 2,000; Kapil (Dr.) ₹ 1,500; Ram Lal (Cr.) ₹ 900; Capital ₹ 9,700. Transactions during the month were :

2016		₹			₹
April 2	Bought goods of Gobind	900	April 18	Received from Kapil by cheque	2,000
April 3	Sold goods to Kapil	1,000		Allowed him discount	50
April 5	Bought goods of Ram Lal	1,200	April 20	Sold goods to Kapil	800
April 8	Sold goods to Manish	500	April 20	Paid rent by cheque	150
April 15	Paid Gobind by cheque	1,500	April 25	Sold goods to Manish	1,000
			April 30	Paid salaries in cash	300

Post the above transactions to the Ledger and take out a Trial Balance on 30th April, 2016.

[Trial Balance Total (Balance Method) - ₹ 17,500]



**Q.6** Following balances appeared in the books of Radha Raman on January 1, 2016.

**Assets :** Cash in hand ₹ 30,000; stock ₹ 36,000; Lal Chand ₹ 7,600; Mukesh Khanna ₹ 16,200; Furniture ₹ 8,000.

**Liabilities :** Shiv Das ₹ 6,000; Vinod ₹ 8,000.

Following transactions took place during Jan. 2002 :

**2016**

- Jan. 2 Purchased Typewriter for ₹ 7,500.
- 4 Sold goods for Cash of the list price of ₹ 25,000 at 20% trade discount and 5% Cash discount.
- 6 Sold goods to Gopal Seth for ₹ 10,000.
- 8 Gopal Seth returned goods for ₹ 1,500.
- 12 Purchased goods from Arun ₹ 12,000; and from Varun ₹ 15,000.
- 13 Settled Arun's account in full after deducting 5% as discount.
- 14 Paid cash to Shiv Das in full settlement of his account.
- 16 Received ₹ 7,500 from Lal Chand in full settlement of his account.
- 17 Purchased a Scooter for office use ₹ 18,000.
- 20 Sold goods for cash ₹ 20,000.
- 22 Received from Gopal Seth ₹ 4,850 and discount allowed ₹ 150.
- 26 Paid for Wages ₹ 7,000 and Salaries ₹ 3,000.
- 28 Withdrew goods for ₹ 2,000 and Cash ₹ 1,500 for private use.
- 29 Paid for Life Insurance Premium of the Proprietor ₹ 1,600.

Journalise the above transactions, post them into Ledger, balance them.

Also prepare a trial balance.

**Q.7** Journalise the following transactions, post them to the ledger.

**2016**

- Apr 1 Commenced business with cash ₹ 80,000.
- Apr 2 Bought goods for cash ₹ 20,000.
- Apr 3 Bought furniture on credit from Raja Furniture ₹ 6000.
- Apr 5 Bought goods from J.K Ltd. ₹ 20,000.
- Apr 6 Paid to Raja Furniture ₹ 5000 in full settlement.
- Apr 7 Paid rent of building ₹ 1500 Only 1/3rd of the building is used for office purposes. 2/3rd is for private use.
- Apr 8 Sold household furniture ₹ 9000, and amount invested in the business.
- Apr 9 Sold goods to Jay Ram, costing ₹ 20000, at 10% profit on cost.
- Apr 11 Received from Jay Ram, a cheque of ₹ 2000.
- Apr 17 Paid rent ₹ 2000, half of which is paid in advance.
- Apr 20 Commission received ₹ 8000.
- Apr 21 Paid cash for stationery ₹ 200.
- Apr 22 Paid for carriage ₹ 150.
- Apr 23 Cheque issued for insurance premium ₹ 500.
- Apr 24 Received in cash, the balance due from Jay Ram.
- Apr 26 Paid sundry trade expenses ₹ 250.
- Apr 28 Additional cash invested in business ₹ 50000.
- Apr 30 Paid to J.K. Ltd. ₹ 19500, in full settlement.

**Q.8** On 1st January, 2016, the following were the ledger balances of Shyam & Co.

Cash in hand ₹ 900; Cash at bank ₹ 21,000; Soni (Cr.) ₹ 3,000.

Zahir (Dr.) ₹2,400; Stock ₹ 12,000; Pritam (Cr.) ₹ 6,000

Sharma (Dr.) ₹ 4,500; Lall (Cr.) ₹ 2,700; Ascertain capital, Transactions during the month were:

2016		₹
Jan. 2	Bought goods of Pritam	2,700
3	Sold to Sharma	3,000
5	Bought goods for cash, paid by cheque	3,600
7	Took goods for household purpose	200
13	Received from Zahir in full settlement	2,350
17	Paid to Soni in full settlement	2,920
22	Paid cash for stationary	50
29	Paid to Pritam by cheque	2,650
30	Discount allowed by him	50
30	Provide interest on capital	100
30	Rent due to landlord	200

Journalise the above transactions and post to the ledger and prepare a Trial Balance.

**Q.9** Kumar started a new business. During the first month of operations, the following transactions took place.

**2016**

April 1 Raj Kumar paid ₹ 5,00,000 in cash as capital.

April 1 Deposited in bank ₹ 4,50,000.

April 1 Paid Cheque for purchase of office equipment for ₹ 60,000.

April 2 Purchased a second hand car for ₹ 1,60,000 for office use, Amount paid by cheque.

April 3 Paid by cheque ₹ 9000 for a one year insurance policy on the car.

April 8 Purchased goods on account for a total of ₹ 1,10,000.

April 15 Sold goods for ₹ 72,000, amount received by cheque.

April 17 Paid by cheque to creditors ₹ 80,000, for supply of goods.

April 28 Sold goods on credit for ₹ 40,000.

April 30 Cash withdrawn ₹ 5000 for private use.

April 30 Paid by cheque ₹ 7500 as salary to an assistant.

Record the transactions in the Journal, post them to ledger accounts and balance the accounts.

**Q.10** Journalise the following transactions; post them into ledger accounts; balance the accounts and prepare a Trial Balance :

2016		₹
Jan. 1	Started business with : Cash	50,000
	Furniture	30,000
Jan. 3	Purchased goods	15,000
Jan. 7	Sold goods	20,000
Jan. 9	Cash deposited into bank	12,000
Jan. 15	Purchased Machinery	18,000
Jan. 18	Purchased goods by means of cheque	5,000
Jan. 21	Purchased goods from Ishawar	25,000

Jan. 24	Sold goods to Amar	40,000
Jan. 27	Paid Salary	3,000
Jan. 29	Received Loan from Bimal and deposited into bank	38,000
Jan. 30	Withdrawn from bank for personal use	15,000
Jan. 31	Received Rent	2,500

**[Ans. Balances of A/cs. : ₹ Cash 24,500 (Dr.), Furniture (Dr.) ₹ 30,000; Capital (Cr.) ₹ 50,000; Purchases (Dr.) ₹ 45,000; Sales (Cr.) ₹ 60,000; Bank (Dr.) ₹ 30,000; Machinery (Dr.) ₹ 18,000; Ishwar (Cr.) ₹ 25,000; Amar (Dr.) ₹ 40,000; Salary (Dr.) ₹ 3,000; Bimal's Loan (Cr.) ₹ 38,000; Drawings (Dr.) ₹ 15,000; Rent (Cr.) ₹ 2,500; Total of Trial Balance ₹ 1,75,500.]**

**Q.11** Prepare a correct Trial Balance from the following Trial Balance in which there are certain mistakes:

	Debit ₹	Credit ₹
Cost of Goods Sold	2,50,000	.....
Closing inventory	.....	40,000
Customers	.....	60,000
Suppliers	.....	30,000
Fixed Assets	50,000	.....
Opening Stock	60,000	.....
Expenses	.....	20,000
Sales	.....	3,00,000
Capital	90,000	.....
	4,50,000	4,50,000



# DELHI PUBLIC SCHOOL, FARIDABAD

Accountancy Assignment - 2016 - 17

CLASS - XI

## Topic: Cash Book

- Q.1** "Cash book is both Journal & Ledger". Elucidate.
- Q.2** a. Why is journal subdivided?  
b. Can the total of discount allowed column exceed the total of discount received column? Give reason.
- Q.3** Give the meaning of imprest system of petty cash book.
- Q.4** Define Bank Overdraft.
- Q.5** What are the advantages of Petty Cash Book?
- Q.6** Name any five items/accounts each appearing on the debit side and the credit side of the cash book.
- Q.7** What is contra entry? Why contra entries are not posted into ledger?
- Q.9** What is three columner cash book?
- Q.10** Mr. Mangla started business on 1st Jan 2016 with a capital of ₹ 20,000. From the following transactions prepare single column cash book for the month ended 31st Jan'2016.

<b>2016</b>		<b>₹</b>
Jan. 1	Opened a bank account by depositing cash	7000
Jan. 2	Bought furniture	500
Jan. 4	Bought goods for cash	7000
Jan 5	Sold goods for cash	1000
Jan 7	Bought goods for cash	2000
Jan 8	Received cash from Anil	500
Jan 10	Paid cash to M/s Amrit & Sons for goods purchased from them	1500
Jan 11	Paid for stationery	200
Jan 13	Borrowed money from Kotak Mahindra	3500
Jan 15	Goods sold for cash	1300
Jan 19	Paid rent	100
Jan 21	Paid wages	300
Jan 27	Paid telephone bill	100
Jan 31	Paid interest to Kotak Mahindra	50
Jan 31	Deposited into the bank	1000

- Q.11** Mr. Sanjeev is a medium level trader, trading in Hand blender spare parts. Some of his transactions for the period of 15 days are given as under : - Prepare single column cash book -

<b>April 2016</b>		<b>₹</b>
1	Cash balance	200
	Bank balance	2875
	Cash withdrawn from bank	1000
2	Paid for goods purchased, less trade discount of ₹ 30	470
4	Goods sold for cash,	670
	Trade discount allowed	30
5	Cash received from Yash Pal	880
	Cash discount allowed to him	16

7	Cash deposited into bank	1200
9	Goods sold to Bajaj, who promised to pay on 30.08.06	805
10	Paid for postage	18
12	Wages given to workers	300
13	Cash used for personal use	105
14	Received from Ram, on behalf of Mohan	1000
15	Received money order from Shyam	500

**Q.11** Prepare a single column cash book from the following transactions held :  
2016

July 1	Cash in hand	877
July 7	Paid for postage	17
July 7	Received cash from Yash Kumar	200
July 9	Paid to Kanshi Ram in full settlement of his account of ₹ 400	370
July 13	Goods purchased for cash	155
July 15	Goods sold for cash	357
July 20	Goods purchased (payment to be made on 07.09.07)	211
July 25	Goods sold on credit	550
July 28	Paid for advertisement	52
July 29	Received cash from Gurmeet	340
July 31	Cash sales	200
July 31	Wages & Salaries paid	253

**Q.12** Enter the following transactions in a Cash Book with Cash and Bank Columns :

**2016**

April 1	Balance of Cash in hand ₹ 400, overdraft at Bank ₹ 5,000.
4	Invested further capital ₹ 10,000 out of which ₹ 6,000 deposited into the Bank.
5	Sold goods for cash ₹ 3,000.
6	Received from Ghanshyam ₹ 8,000; discount allowed to him ₹ 200.
10	Purchased goods for Cash ₹ 5,500.
11	Paid to Ram Vilas, our creditor ₹ 2,500; discount allowed by him ₹ 65.
14	Office furniture purchased from Keshav in cash ₹ 200.
14	Rent paid ₹ 50.
14	Electricity charges paid ₹ 10.
16	Drew cheque for personal use ₹ 850
17	Cash sales ₹ 2,500.
18	Collection from Atul ₹ 4,000, deposited in the bank on 19th April.
19	Drew from the bank for office use ₹ 500.
24	Dividend received by cheque ₹ 50, deposited in the bank on the same day.
25	Commission received by cheque ₹ 230, deposited in the bank on 28th April.
29	Drew from the bank for salary of the office staff ₹ 1,500.
29	Paid salary of the manager by cheque ₹ 500.
30	Deposited cash in the bank ₹ 1,000.

**Q.13** Enter the following transactions in a two column Cash Book :

- (i) Commenced business with cash ₹ 1,50,000
- (ii) Deposited in Bank ₹ 80,000
- (iii) Received cash from Malik ₹ 1,950 in full settlement of a debt of ₹ 2,000.
- (iv) Bought goods for cash ₹ 20,000.
- (v) Bought goods by cheque ₹ 5,000
- (vi) Sold goods for cheque for ₹ 20,000 and deposited in Bank on the same day

- (vii) Paid to Arun by cheque ₹ 2,900 in full settlement of his account of ₹ 3,000.
- (viii) Drew from Bank for office use ₹ 1,000.

**Q.14** Sudhir submits following information about his business transactions. You are asked to write from the same his Cash book.

**2016**

- Jan. 1 He commenced business with ₹ 5,000 of which ₹ 2,000 were borrowed from Mangesh.
- Jan. 3 Deposited into Bank ₹ 4,700.
- Jan. 4 Purchased goods worth ₹ 2,000 from Govinda and paid for them by cheque.
- Jan 6 Received ₹ 475 from Shanti Kumar in settlement of his account for ₹ 500.
- Jan 8 Purchased from Devaji & Co. a table for office use and paid in cash ₹ 300.
- Jan 10 Paid in cash life insurance premium of ₹ 700 on the life of Smt. Panditrao.
- Jan 12 Discounted with the bank a bill receivable of ₹ 500 for ₹ 485. The amount was credited to his account by Bank.
- Jan 14 Paid Nand Kumar by cheque of ₹ 680 in full settlement of his bill for ₹ 700.
- Jan 15 Paid salaries of ₹ 700 by cheque.
- Jan 15 Drew by cheque for office use ₹ 1,000.

**Q.15** Prepare Cash Book with Cash and Bank columns from the following transactions.

**2016**

- Nov. 1 Cash in hand ₹ 2,000, Bank overdraft ₹ 5,200.
- 3 Received two cheques from Ramesh and Mahesh for ₹ 1,200 and ₹ 2,800 respectively.
- 5 Endorsed cheque of Ramesh to Krishna and deposited the cheque of Mahesh into bank.
- 9 Received ₹ 1,000 from Gagan, discount allowed ₹ 50.
- 13 Endorsed cheque dishonoured so it was returned to drawer of cheque.
- 15 Interest on overdraft charged by bank ₹ 400.
- 19 Cash sales ₹ 10,000; Deposited ₹ 7,000 into bank.
- 25 Salary Paid ₹ 800, wages paid ₹ 700.
- 30 Cash deposited into bank in excess of ₹ 1,000.

**[Ans. Bank balance ₹ 7,700, Excess cash deposited ₹ 3,500]**

**Q.16** From the following particulars, prepare petty cash book on imprest system of M/s Krishan & Co. for the month of January, 2016.

**2016**

	₹
Jan. 1 Opening balance	150
Jan. 2 Purchased postage stamps	28
Jan. 3 Conveyance to manager for attending income-tax office	5
Jan 4 Telegram to auditors	3
Jan 10 Paid staff's canteen bill	7
Jan 24 Railway freight paid	9
Jan 27 Advance to peons	22
Jan 29 Paid octroi on goods	3
Jan 31 Entertainment to travelling salesman	6

**Q.17** Prepare a two column Cash Book from the following transactions :

**2016**

	₹
March. 1 Cash Balance	7,000
2 Bank Balance Dr.	1,00,000
3 Cash Sales	60,000
6 Rent Paid by Cheque	24,000
8 Cash deposited into bank	60,000
10 Wages Paid	1,000
10 Rent Paid	1,800

12	Received Cheque from Ram	8,000
14	Goods Purchased on cash	4,000
16	Withdrawn from bank for office use	20,000
18	Issued cheque to Hari	14,000
20	Withdrawn cash for personal use	4,000
22	Received cheque from Shyam and deposited in Bank	10,000
24	Shyam dishonoured the cheque.	10,000
26	Furniture Purchased and cheque issued	6,000
29	Received interest on investments by cheque	3000
30	Paid salaries in cash	4800

**Q.18** Enter the following transactions in the petty cash book. The imprest is ₹ 5000.

2016		₹
March. 1	Chowkider wages	1,800
2	Pencils Purchased	60
8	Postage Stamps	400
12	Courier Charges	450
14	Cartage	150
15	Scooter fare to assistant	75
16	Cleaning Expenses	185
20	Taxi fare to Manger	175
24	Refreshment for customer	120
25	Writing pads and register	180
27	Bus fare to peon	20
28	Cartage	210
29	Postage Stamps	210
29	Courier charges	220
30	Purchase of 4 Tube lights	135
31	Cleaning Expenses	110

**Q.19** Prepare Cash Book with Cash and Bank columns :

2016	
Jan. 1	Cash in hand ₹ 4,000, Bank Cr. ₹ 7,000.
3	Received two cheques from Anil and Sunil for ₹ 1,200 and ₹ 800 respectively.
5	Cheque of Anil endorsed to Gopal while cheque of Sunil deposited in the bank.
9	Settled the account of X by issuing a cheque for ₹ 1,500 in place of ₹ 1,600.
11	Cheque of Sunil dishonoured. Bank charge ₹ 20.
15	Drew from bank for personal use ₹ 500 and for office use ₹ 1,000.
19	Retired our acceptance by cash ₹ 500 and by cheque ₹ 1,200.
23	Sold goods ₹ 1,200.
27	Bought goods for ₹ 1,000.
31	Banked the entire cash after keeping ₹ 2,500.

**[Ans. Bank Cr. ₹ 9,020, excess cash deposited 2,200]**



# DELHI PUBLIC SCHOOL, FARIDABAD

Accountancy Assignment - 2016 - 17

CLASS - XI

## Topic: Special Purpose Books

- Q.1** List the various subsidiary books / special Journals. Is it mandatory for a business to maintain all the special journals.
- Q.2** Name the entries which have to be passed through a Journal even though we might have maintained all the subsidiary books.
- Q.3 Fill in the blanks :**
- Purchases Journal records only \_\_\_\_\_ purchase of goods.
  - Sales Journal records all \_\_\_\_\_ sales of goods.
  - A \_\_\_\_\_ is sent to a customers when he returns the goods.
  - When the goods are returned to the supplier a \_\_\_\_\_ is sent to him.
  - Total purchases are posted to the \_\_\_\_\_ at the end of a week or a month.
- Q.4** Enter the following transactions in the Purchase Book of Jeewan Electric Store, New Delhi.

### 2015

- July 2 Purchased goods from Surya Electric Store, Chandni Chowk  
200 Tubelights @ ₹ 50 each.  
50 Table fans @ ₹ 400 each.  
20 Heaters @ ₹ 100 each.  
Trade Discount 15%  
Packing & Other charges ₹ 275.
- July 10 Bought goods from New Light Traders, Palika Bazar on credit.  
20 Table fans @ ₹ 500 each.  
40 Ceiling fans @ ₹ 600 each.  
10 Electric irons @ ₹ 200 each.  
Trade Discount 20%  
VAT @ 8%  
Freight Charges ₹ 150.
- July 20 Bought from Kishore lamp, Lajpat Rai market, for cash  
5 Electric irons @ ₹ 175 each  
VAT @ 8%
- July 28 Bought from Fashion Furniture Co., New Delhi  
12 Chairs @ ₹ 200 each.  
12 Tables @ ₹ 1000 each.
- July 30 Bought from Sunder Traders, C.P.  
120 Dozen bulbs @ ₹ 80 per dozen.  
20 Water heaters @ ₹ 120 each.  
Less : Trade Discount 10%

- Q.5** M/s Krishna & Sons, who are dealers in readymade garments, purchased the following

### 2016

- April 2 Purchased from Jojo House, Faridabad  
200 Shirts @ 80 per shirt.



- 100 T-shirts @ ₹ 40 per piece  
Less : Trade discount 20%
- April 10 Purchased from Apollo Garments, Nainital :  
150 shirts @ ₹ 60 per piece  
180 T-shirts @ ₹ 50 per piece  
Less : 15% Trade discount
- April 15 Purchased from Amitabh Shirts, New Delhi for cash :  
120 Shirts @ ₹ 110 per shirt.  
Freight charges ₹ 25.

### Sales Book

**Q.6** Prepare a Sale Book from the following transactions :

#### 2016

- June 5 Sold to Sohan Lal & Co. Manipal :  
20 quintal Sugar @ ₹ 1,200 per quintal.  
40 bags Rice each containing one quintal @ ₹ 1,500 per quintal.  
Trade Discount 15%
- 10 Sold to Bhushan & Sons, Agra :  
Desi Ghee 20 tins, each containing 16 kg., @ ₹ 120 per kg.  
Kerosene Oil 1,000 litre @ ₹ 6 per litre.  
Trade Discount 10%
- 14 Sold to from Anil Kumar Sunil Kumar, Chennai :  
Wheat 30 quintals @ ₹ 500 per quintal  
Gram 20 quintals @ ₹ 1,200 per quintal.  
Rice 10 quintals @ ₹ 1,400 per quintal.
- 20 Sold for cash to Gopi Chand Haldi Ram, Delhi :  
50 Bales of Cotton @ ₹ 1,500 per bale.

**Q.7** Record the following transactions in the Sales Book of Jagdish & Co., who deals in Furniture :

#### 2016

- June 4 Sold to Mangla Furniture house, New Delhi :  
120 Chairs @ 200 per Chair  
20 Tables @ ₹ 800 per Table  
Less : 5%,
- 8 Sold to Raja Furniture House, New Delhi :  
5 Almirah @ ₹ 2,500 each  
10 Steel Cabinets @ ₹ 6,000 each  
Less : Trade discount of 10%,
- 12 Sold old Typewriter for ₹ 1,500 to Sohan & Co. on Credit.
- 20 Sold 4 Sofa sets @ ₹ 2,800 each to Varun & Co. for cash
- 25 Sold to New Furniture House :  
5 Sofa sets @ 3,200 each  
10 Tables @ ₹ 900 each
- 28 Purchased from Ram Lal & Co. on credit :  
50 chairs @ ₹ 150 each

### Return Outward and Return Inward Books

**Q.8** Write up Return Outward Book of Malhotra & Co., Bhiwani from following transactions :

#### 2016

- August 4 Returned to Saraswati House 25 chairs @ ₹ 180 per Chair, being not of specified quality.  
Trade Discount 10%

- 12 Sent back one Dining Table to Navneet Enterprise, Karnal for not being polished @ ₹ 800 and 20 chairs @ ₹ 190 each.
- 20 Returned to Yadav & Co, Rewari, being not according to sample :  
20 Chairs @ ₹ 200 each  
2 Dressing Tables @ 1,500 each
- 28 Allowance claimed from Navneet Enterprise, Karnal on account of mistake in the invoice ₹ 620.

**Q.9** Enter the following transactions in the Returns Inward Book of Anand Cloth House, Ajmal Khan Road, New Delhi :

- October 6 Reeta Cloth Traders returned to us being not according to sample :  
50 Metre Cotton Cloth @ ₹ 140 per Metre  
30 Metre Silk Cloth @ ₹ 200 per Metre  
Trade Discount 20%
- 9 Narain Rai & Co., returned being not up to the approved sample :  
20 Metre woolen cloth @ ₹ 180 per Metre
- 18 Goods sold to Jay Ram Sons now returned by them, being defective valued at ₹ 1,500.
- 28 Allowance allowed to Kesari Lal & Sons, Sadar Bazar, on account of a mistake in the invoice ₹ 400.

### Proper Subsidiary Books

**Q.10** Record the following transactions of Sh. Nimish Chand in the proper books :

**2016**

- Jan. 1 **Assets** : Cash in hand ₹ 8,500; Cash at Bank ₹ 1,40,000; Stock of goods ₹ 2,20,000; Due from Manohar Lal ₹ 30,000 and Deep Chand ₹ 24,000; Furniture and Equipment ₹ 3,00,000.  
**Liabilities** : Due to Sunil ₹ 15,000.
- 2 Withdrawn from bank ₹ 20,000
- 4 Paid salaries ₹ 22,000
- 6 Sold goods to Surya Narain :  
60 metres silk @ ₹ 150 per metre  
100 metres cotton @ ₹ 70 per metre  
Less : Trade Discount @ 12½%
- 8 Surya Narain returned 40 metres Cotton.
- 9 Received full payment from Manohar Lal by cheque, sent it to bank, Discount allowed 3%.
- 10 Purchased from Ganga Parshad :  
3000 metres cotton @ ₹ 60 per metre  
500 metres silk @ ₹ 120 per metre  
Less : Trade Discount 10%
- 12 Sold goods to Anita for cash ₹ 16,000.
- 13 Accepted a bill for ₹ 25,000 for 30 days drawn by Ganga Prashad.
- 15 Gave cheque to Ganga Parshad for ₹ 45,000, discount allowed by him ₹ 200.
- 18 Paid to Sunil ₹ 14,850 after receiving discount of 1%
- 20 Mr. Keshav Chand took away 5 metres silk costing ₹ 100 per metre for his personal use.
- 24 Paid rent by cheque ₹ 2,000.
- 25 Received from Surya Narain ₹ 11,000 in full settlement of his account.
- 26 Old newspapers sold for cash ₹ 400.
- 27 Paid for stationery and postage ₹ 500.
- 28 Sold 400 metres silk @ ₹ 160 per metre to Sh. Ganesh Chand.
- 31 Received cash ₹ 40,000 from Sh. Ganesh Chand and also received a B/R from him for the balance amount due from him for 2 months.

**Q.11** Enter the following transactions of a dealer in electrical goods in the appropriate subsidiary books. Post to the ledger and prepare a trial balance.

**2016**

₹

Jan. 1	Assets : Cash in hand ₹ 12,400; stock ₹ 3,60,000; Debtors : Abhilash ₹ 20,000; Bhuwan ₹ 30,000, Charu ₹ 52,000; Furniture ₹ 2,25,000. Liabilities : Bank overdraft ₹ 38,000; Creditors : Dinesh ₹ 15,000, Eknath ₹ 25,000.	
3	Purchased from Raghuraj & Sons : 80 electric kettles @ ₹ 300 each 40 electric irons @ ₹ 420 each. 20% Trade Discount.	
5	Withdrew from Bank	20,000
6	Acceptance received from Abhilash at one month for the amount due from him.	
10	Purchased a computer from Gursharan Bros. on credit for office use	40,000
12	Returned 10 electric kettles to Raghuraj & Sons.	
14	Paid Raghuraj & Sons by cheque the balance due to them	
15	Paid to Gursharan Bros. ₹ 30,000 in cash and the balance by a cheque	
16	Paid wages in cash	500
20	Purchased from Rakesh : 10 Washing Macines @ ₹ 16,000 each 4 Vaccum cleaners @ ₹ 6,000 each 15% Trade Discount	
22	Sold to Kanta 200 electric shavers @ ₹ 250 each 400 toasters @ ₹ 150 each 450 heaters @ ₹ 200 each 10% Trade Discount	
24	Received from Kanta a cheque in full settlement of his account. The cheque is paid into bank	2,30,000
25	Acceptance given to Dinesh for 30 days	1,50,000
25	Cheque issued to Dinesh in full settlement of his account	21,000
25	Sold for Cash 20 electric irons	9,000
27	Deposited into bank	5,000
30	Paid staff salaries by cheque	15,000
30	Bank charged incidental expenses ₹ 50 and charged interest ₹ 1,200.	

**Q.12** Enter the following transactions of Anil & Co. in the proper books.

**July, 2016**

₹

5	Sold on credit to Sethi & Co. 10 electronic irons @ ₹ 25. 5 electronic stoves @ ₹ 15.
8	Purchased on credit from Hari and Sons. 25 heaters @ ₹ 40. 10 water heaters @ ₹ 20.
10	Purchased for cash from Mohan and Co. 10 electric kettles @ ₹ 30.

- 15 Sold to Gopal Bros. on Credit.  
 10 heaters @ ₹ 50.  
 5 water heaters @ ₹ 25.
- 18 Returned to Hari & Sons.  
 5 heaters, being defective
- 20 Purchased from Kohli & Co.  
 10 toasters @ ₹ 20.  
 10 water heaters @ ₹ 30
- 26 Gopal brothers returned one water heater as defective.

**Q.13** Enter the following transactions in subsidiary books :

	₹
April 1 Business started with cash	10,000
2 Bought from Ram	4,000
5 Sold goods to Ramesh	3,000
6 Sold goods	2,500
9 Received cash from Ramesh	2,950
Discount allowed to him	50
11 Paid Ram	975
Discount allowed by him	25
15 Bought stationery and postage	200
18 Bought an office table	700
20 Paid wages	100
25 Withdrew ₹ 700 and goods ₹ 300 for private use	
27 Deposited into bank	2,000
29 Paid sales tax	1,000
30 Received commission	3,000
31 Paid salary	3,000
Paid electricity bill by cheque	300

**[Ans. Cash balance ₹ 9,775, Bank Balance ₹ 1,700, Purchases Return Book ₹ 4,000, Sales Book ₹ 3,000, Journal Proper ₹ 375]**



# DELHI PUBLIC SCHOOL, FARIDABAD

Accounting Assignment 2016 - 17

Class - XI

## Topic : Bank Reconciliation Statement

- Q.1** What is Bank Reconciliation statement?
- Q.2** Is Bank Reconciliation Statement a part of Double Entry System?
- Q.3** **Fill in the blanks :**
- When money is withdrawn from the Bank, the Bank \_\_\_\_\_ the account of the customer.
  - In case the Pass Book shows a favourable balance and it is taken as the starting point for preparing a Bank Reconciliation Statement, cheques issued but not presented for payment should be \_\_\_\_\_ to find out cash book balance.
  - In case, the overdraft as per the Pass Book is taken as the starting point, it should be put in \_\_\_\_\_ column of the Bank Reconciliation Statement.
  - Cheques sent for collection, but not yet collected should be added when favourable balance as per \_\_\_\_\_ book is taken as the starting point.
  - Favourable balance as per Cash Book means \_\_\_\_\_ in the Bank Column of the Cash Book.
- Q.4** What is the need of Bank Reconciliation statement?
- Q.5** List any five items having the effect of higher balance in the Pass book.
- Q.6** On 30th June 2016 Meenu has an overdraft of ₹ 5,500 as shown by the bank column of her cash book. Following facts are given by her :
- Cheques amounting to ₹ 1,500 have been paid to the bank but of these only ₹ 1,100 were credited in the pass book upto 30th June 2007.
  - She had issued cheques amounting to ₹ 3,500 out of which only ₹ 2,150 worth cheques have been presented for payment.
  - A cheque of ₹ 600 which she had debited to bank account was not sent to bank at all for collection through mistake.
  - There is a debit in the Pass Book of ₹ 70 for bank charges and ₹ 150 for interest.
  - A customer of the trader had paid directly into her bank ₹ 1,000 for credit of his account but it was not shown in the cash book.
  - The bank paid trader's insurance premium ₹ 1250 as per instruction but this has not been recorded in the trader's cash book.
- Prepare a Bank Reconciliation Statement as on 30th June 2016 and show the balance the bank will indicate on that day.
- Q.7** On comparing the Cash Book of Mr. Chopra with the Bank Pass Book, the following discrepancies were noted :
- Out of ₹ 20,500 paid in cash and by cheques into the bank on 27th March, cheque amounting to ₹ 7,500 were collected on 7th April
  - Cheque and cash amounting to ₹ 4,800 were deposited in bank on 26th March but credit was given for ₹ 3,800 only.
  - Out of cheques amounting to ₹ 7,800 drawn on 26th March a cheque for ₹ 2,500 was encashed on 3rd April.
  - Cheques issued to creditor amounting to ₹ 20,000 on 25th March of which cheques worth ₹ 3,000 were presented to bank up to 31st March.
  - A cheque for ₹ 1,000 entered in Cash Book but omitted to be banked on 31st March.
  - A cheque for ₹ 600 deposited into bank but omitted to be recorded in Cash Book and was collected by the bank on 30th March.

- g. A bill receivable for ₹ 520 previously discounted (Discount ₹ 20) with the bank had been dishonoured but advice was received on 1st April.
- h. A bill for ₹ 10,000 was retired/paid by the bank under a rebate of ₹ 150 but the full amount of the bill was credited in the bank column of the Cash Book.
- i. A cheque of ₹ 1,080 credited in the Pass Book on March 28 being dishonoured is debited again in the Pass Book on 1st April. There was no entry in the Cash Book about the dishonour of the cheque until 15th April.
- j. A cheque of ₹ 200 drawn on his Saving Deposit Account has been shown as drawn on Current Account in Cash Book.

Prepare a Bank Reconciliation Statement as at 31st March 2016 if the Balance as per Cash Book on 31st March 2016 was ₹ 39,570.

**Q.8** Prepare a bank reconciliation statement from the following particulars :

On 31st December, 2014 I had an overdraft of ₹ 750 as shown by my pass book. I had issued cheques amounting to ₹ 250 of which ₹ 200 worth only seem to have been presented for payment. Cheques amounting to ₹ 100 had been paid in by me on 30th December, but of these only ₹ 75 were credited in the pass book. I also find that a cheque for ₹ 10 which I had debited to bank account in my books has been omitted to be banked. There is a debit in my pass book of ₹ 25 for interest. An entry of ₹ 30 of a payment by a customer direct into the bank appears in the pass book. My pass book also shows a credit of ₹ 60 to my account for interest on investments directly collected by my bankers.

**[Ans. Overdraft as per cash book ₹ 830, Correct (Cr.) Balance of cash book ₹ 775.]**

**Q.9** From the following particulars, prepare a bank reconciliation statement as at 31st December, 2015 of M/s X.Y. & Co. who had cash at bank as per cash book ₹ 10,500.

- a. The following cheques were deposited on 30th and 31st December but were not collected by 31st December, 2015 :  
(i) ₹ 300, (ii) 500, (iii) ₹ 200.
- b. The following cheques were issued but not cashed by 31st December, 2015 :  
(i) ₹ 600, (ii) 200, (iii) ₹ 490, (iv) 50.
- c. The bank collected a cheque of ₹ 1,500 on the 31st December, 2015 but the intimation was received by the firm on 1st January, 2016
- d. The bank allowed interest ₹ 20 and a commission was charged ₹ 10 on 31st December, 2015.

**Q.10** From the following particulars, prepare a bank reconciliation statement as on 31-3-2016 :

- a. Balance as per pass book on 31st March, 2016 overdrawn ₹ 10,266.
- b. Cheques drawn on 31st March, 2016 but not cleared till 2nd April, 2016 ₹ 120; ₹ 10,211; ₹ 981 and ₹ 1,128.
- c. Interest on bank overdraft not entered in the cash book ₹ 1,510.
- d. Out-station cheques for ₹ 21,000 lodged in the bank on 30th March, 2016 but credited in April, 2016.
- e. ₹ 100 being chamber of commerce subscription paid by the bank under a standing order on 31st March, 2016 was not entered in the cash book.
- f. A hundi of ₹ 2,500 due on 31st March 2016 was sent to the bank for collection on 29th March, 2016 and entered in the cash book forthwith, but the proceeds thereof were not credited in the pass book till 2nd April, 2016.

**[Ans. Balance as per cash book ₹ 2,404; Correct balance of cash book ₹ 794.]**

**Q.11** Prepare a bank reconciliation statement from the following particulars as on 31.03.16 -

- a. Cheques were deposited into bank on 25th March for ₹ 20,000. Out of these cheques for ₹ 6,000 were cleared on 4th April., cheques for ₹ 2000 on 6th April & one cheque for ₹ 2400 was dishonoured on 7th April.
- b. Cheques amounting to ₹ 12000 were issued in March, out of which cheques for ₹ 10000 were encashed upto 31st March.

- c. Cheque issued to a creditor for ₹ 3,000 was by mistake entered in the cash column of the cash book. The same has not been presented for payment till 31st March.
- d. Receipt side of cash book (bank column) was undercast by ₹ 200.
- e. Bank has paid a bill payable amounting to ₹ 2,500 but it has not been entered in the cash book.
- f. Cheque 'issued' returned on technical grounds, ₹ 3,500.
- g. The credit balance of ₹ 1,100 as on page 10 of the pass book was recorded on page 11 as a debit balance.
- h. Debit balance as per pass book, ₹ 20,000.

**Q.12** From the following particulars prepare a bank reconciliation statement in the books of M/s Ashish Traders as on 30th June' 2016.

- a. Balance as per pass book (Cr), ₹ 6,000.
- b. Out of total cheques amounting to ₹ 37,500 drawn by M/s Ashish, cheques aggregating ₹ 5,000 were encashed in June 1994, cheques aggregating ₹ 4,000 were encashed in July'2014 and rest have not been presented at all.
- c. Out of total cheques amounting to ₹ 12,000 deposited, cheques aggregating ₹ 7,500 were credited in June 2014, cheques aggregating ₹ 2,000 were credited in July 2014 and the rest have not been collected at all.
- d. Bank has charged ₹ 27 as its commission for collecting outstation cheques and has allowed interest ₹ 330 on his bank balance.
- e. Amount wrongly debited by bank, ₹ 2,400.
- f. A cheque of ₹ 1200 was entered in cash book in June 2014, but was sent to the bank in July 2014.
- g. A cheque of ₹ 13,300 paid into the bank was returned dishonoured but no intimation was received from the bank till June 2014.
- h. A cheque received entered in cash column ₹ 1,800 and not sent to bank at all for collection till 30th June 2014.
- i. Cheque received returned by bank but no entry passed, ₹ 1,000.

**Q.13** On 31st March, 2016 the bank column of Kamal's cash book showed a debit balance of ₹ 561.

On examination of the cash book and bank statement you find that -

- a. Cheques amounting to ₹ 730 which were issued to creditors and entered in the cash book before 30th March were not presented for payment until that date.
- b. Cheques amounting to ₹ 350 had been recorded in the cash book as having been paid into the bank on 30th March but were entered in the bank statement on 1st April.
- c. A cheque of ₹ 173 had been dishonoured prior to 30th March but no record of this fact appeared in the cash book.
- d. A dividend of ₹ 138 paid direct to the bank had not been entered in the cash book.
- e. Bank interest and charges amounting to ₹ 142 had been charged in the bank statement but not entered in the cash book.
- f. No entry had been made in the cash book for a trade subscription of ₹ 110 paid by banker's in February.
- g. A cheque for ₹ 127 drawn by Rim had been charged to Ram's bank account by error in March.

Make appropriate adjustments in the cash book bringing down the correct balance. Prepare a statement reconciling the adjusted balance.

**Q.14** From the following particulars, prepare a bank reconciliations statement to ascertain the correct bank balance as on 31 March 2016 :

- a. The following claques were paid into the firm's current Account in March 2016, but were credited by the bank in April 2016. A- ₹ 2500; B- ₹ 3500; C- ₹ 1900.
- b. The following claques were issued by the firm in March 2016 and were cashed in April 2016. P- ₹ 2500; Q- ₹ 4500; R- ₹ 4000.
- c. A cheque of ₹ 1000 which was received from a customer was entered in the bank column of the cash book in March 2016, but the same was paid into the bank in April 2016.
- d. Pass Book shows a credit of ₹ 2500 for interest and a debit of ₹ 1000 for bank charges.
- e. The balance as per cash book was ₹ 1,80,000 and as per pass book ₹ 1,83,600 on 31 March 2016.

**Q.15** From the following information supplied by Sanjeev, prepare his Bank Reconciliation Statement as on 31st December, 2015 :

	₹
(i) Bank overdraft as per Pass Book.	16,500
(ii) Cheques issued but not presented for payment.	8,750
(iii) Cheques deposited with the Bank but not collected.	10,500
(iv) Cheques recorded in the Cash Book but not sent to the bank for collection.	2,000
(v) Payments received from customers directly by the bank.	3,500
(vi) Bank charges debited in the Pass Book.	200
(vii) Premium on life policy of Sanjeev paid by the bank on standing advice.	1,980
(viii) A bill for ₹ 3,000 (discounted with the bank in November) dishonoured on 31st December, 2015 and noting charges paid by the bank.	100
<b>(Overdraft Balance as per the Cash Book - ₹ 10,970]</b>	





# DELHI PUBLIC SCHOOL, FARIDABAD

## Accounting Assignment 2016 - 17

### Class - XI

#### Topic : Rectification of Errors

- Q.1** Give two examples of each
- Errors of Omission
  - Errors of Commission
  - Errors of Principle
  - Compensating Errors
- Q.2** What do you mean by "Rectification of Errors"? Give the classification of error
- Q.3** Describe the errors which are not disclosed by Trial Balance.
- Q.4** What is a Suspense Account?
- Q.5** Choose the most appropriate answer :
- Sales to Ram ₹ 336 posted to his account as ₹ 363 would affect.  
(a) Sales Account, (b) Ram's Account (c) Cash Account
  - Sales to Ram of ₹ 500 not recorded in the books would affect :  
(a) Sales Account, (b) Ram's Account, (c) Sales Account and Ram's Account.
  - Carriage charges paid for a new plant purchased if debited to carriage account would affect:  
(a) Plant Account (b) Carriage Account, (c) Plant and Carriage Account
  - A Sale of ₹ 100 to J recorded in the Purchases book would affect :  
(a) Sales Account, (b) Purchases Account, (c) Sales Account, Purchases Account and J's Account.
  - A purchases returns of ₹ 200 to P if entered in the Sales Book would affect :  
(a) P's Account, (b) Purchases Returns Account, (c) Sales Account, (d) Purchases Returns Account and Sales Account.
  - An amount of ₹ 200 received from L credited to M would affect :  
(a) Accounts of L and M, (b) Cash Account, (c) L's Account
- Q.6** A book-keeper, on taking out a Trial Balance as on 31st December, 2015 found that it did not agree. He immediately proceeded to check the entries in the books and discovered the following errors
- A cheque from A for ₹ 250 has been correctly entered in Cash Book, but had been posted to the credit of A as ₹ 200.
  - Goods returned to the firm by B amounting to ₹ 800 had been recorded in the Sales returns Book, but the entry had not been posted to the Personal Account.
  - A sale of ₹ 365 to C had been correctly entered in the Sales Book, but was posted as ₹ 635.
- Q.7** Trial Balance disclosed a difference of ₹ 417 placed on the credit side of the Suspense Account. Later on the following errors were located :
- Goods worth ₹ 200 purchased from Sohan had been posted to his account as ₹ 250.
  - A purchase of furniture for ₹ 500 was recorded in the Purchases Book.
  - Instead of crediting Gian's Account with ₹ 512, it was debited with ₹ 215.
  - Goods worth ₹ 130 returned by Gian were entered in the Sales Book and posted therefrom to the credit of Gian's Personal Account.
- Pass the rectifying entries and prepare a Suspense Account.
- [Total of Suspense Account - ₹ 727]**
- Q.8** Rectify the following errors :
- ₹ 2,600 stolen by an ex-employee stood debited to suspense account.
  - ₹ 3,500 received from a customer as an advance against order was credited to sales account.
  - A sum of ₹ 800 written off as depreciation on machinery, were not posted to Depreciation account.
  - Discount ₹ 500 allowed by P. Sahoo, a creditor has not been entered in the books of account.

- e. Purchase of equipment, from Tejpal & Co., worth ₹ 2,000 in cash was entered through purchases day book and accordingly, credited to the Supplier's account.
- f. Goods sold to X and y for ₹ 1,600 & ₹ 1,200 respectively, but were recorded in the sales book as to X ₹ 1,200 and Y as ₹ 1,600.
- g. Wages paid for installation of Machinery ₹ 500 was posted to wages account ₹ 50.

**Q.9** Trial Balance of Lalit did not agree and showed an excess debit of ₹ 16,300. He put the difference to a suspense account and discovered the following errors :

- a. Cash received from Rajat ₹ 5,000 was posted to the debit of Kamal as ₹ 6,000.
- b. Salaries paid to an employee ₹ 2,000 were debited to his personal account as ₹ 1,200.
- c. Goods withdrawn by proprietor for personal use ₹ 1,000 were credited to sales account as ₹ 1,600.
- d. Depreciation provided on machinery ₹ 3,000 was posted to Machinery A/c as ₹ 300.
- e. Sales of old car for ₹ 10,000 was credited to Sales A/c as ₹ 6,000.

Rectify the errors and also prepare a suspense account.

**Q.10** A was unable to agree the trial balance on 30th June, 2016 and has opened a suspense account for the difference. Later on, the following errors were discovered :

- a. The total of purchases book was undercast by ₹ 150.
- b. Goods to the value of ₹ 105 returned by a customer C, had been posted to the debit of C and sales returns account.
- c. Furniture sold for ₹ 3,000 has been entered in the sales book.
- d. An amount of ₹ 600 due from a customer has been omitted from the schedule of sundry debtors.
- e. Discount amounting to ₹ 30 allowed to a customer has been duly posted to his account but not posted to discount a/c.
- f. Insurance premium of ₹ 450 paid on 30th June, 2014 for the year ended 30th June, 2015 had not been brought forward.
- g. ₹ 900 was outstanding on account of wages.

Pass journal entries to rectify the above errors and draw up suspense account.

[Ans. (a) Dr. Purchases a/c, Cr. Suspense a/c (b) Dr. Suspense a/c ₹ 210; Cr. C ₹ 210 (c) Dr. Sales a/c; Cr. Furniture a/c (d) Dr. Debtors a/c; Cr. Suspense a/c (e) Dr. Discount; Cr. Suspense a/c (f) Dr. Prepaid Insurance Premium; Cr. Suspense a/c (g) Dr. Wages a/c; Cr. Outstanding wages a/c. Difference in trial balance Rs. 1,020 (Dr. balance) and total of suspense a/c Rs. 1,230.]

**Q.11** Rectify the following errors :

- a. Return outward journal has been overcast by ₹ 85.
- b. A discount of ₹ 110 allowed to a customer has been credited to his account as ₹ 100.
- c. Outstanding electricity charges has been completely omitted, ₹ 1,500.
- d. Payment of ₹ 500 to Sohan and ₹ 600 to Mohan was made but Sohan was debited with ₹ 600 and Mohan with ₹ 500.
- e. A sum of ₹ 375.40 owed by Mahesh has been included in the list of sundry creditor ₹
- f. Salary for the month of March, posted twice, ₹ 155.
- g. Rent of ₹ 350 received from Ashok credited to both Rent A/c and Ashok A/c.

**Q.12** Identify the type of error :-

- a. Purchase of machinery entered in Purchases A/c.
- b. Mohan's A/c was debited with ₹ 100, instead of ₹ 1,000, while Sohan's A/c was debited with ₹ 1000 instead of ₹ 100.
- c. Goods of ₹ 1,000 purchased on credit from Mohan are recorded in the purchases book as ₹ 10,000.
- d. Salaries paid ₹ 1,570 is not recorded in the books at all.
- e. Sales book is totalled as ₹ 15,000 instead of ₹ 1,50,000.

- Q.13** On preparing a Trial Balance on 31st December, 2015, & trader found that the credit balances exceeded debit balances by ₹ 1,020 and he transferred this difference to Suspense Account to tally the Trial Balance. The following errors were subsequently discovered :
- ₹ 120 owing by a customer had been omitted from the schedule sundry debtor
  - The total of the Returns Inwards Book was added ₹10 more.
  - Wages Outstanding ₹ 2,500 had not been taken into account.
  - A sale of ₹501 has been entered in the Sales Book as ₹ 705 and posted to the credit of the customer.
  - Goods costing ₹ 1,000 were sent to a customer on sale or return basis for ₹ 1,150. These had been recorded in the books as actual sales but no information regarding their acceptance by the customer was received upto 31st December, 1988.
  - On 20th December, 2015, a sum of ₹ 5,000 spent on extension of building had been wrongly debited to Repairs to Building Account.
  - Cash ₹ 1,000 paid to N. Roy has been credited to the account of M.Roy.

You are required to give journal entries to rectify the error

- Q.14** The trial balance of a book keeper shows an excess of debits over credits by ₹ 361. This difference is placed in the suspense Account. Later the following errors were discovered.
- A credit item of ₹ 2490 has been debited to the personal account of Dinesh as ₹ 4290.
  - ₹ 9000 paid for furniture bought has been charged to Purchase Account.
  - A discount allowed to Ramesh has been credited to him as ₹ 1450 in place of ₹ 1540.
  - The total of the returns inward book was ₹ 10 short.
  - A cheque for ₹ 100 for miscellaneous expense was not posted to Miscellaneous Expense Account.

You are required to rectify the errors through Suspense Account and prepare the Suspense Account.

- Q.15** A trial balance showed a difference of ₹ 240 excess credit which has been transferred to suspense account. Later on, the following errors were located. Pass the rectifying entries and prepare suspense account :
- Goods sold to Murari Lai for ₹ 500 though correctly recorded in the sales book but were omitted to be posted to his account.
  - A sale of ₹ 700 has been passed through the purchase day book, the customer's a/c was, however, correctly debited.
  - Discount received ₹ 200 has been posted to the debit of discount account.
  - ₹ 342 paid to Srikant has been debited to Ramakant's A/c as ₹142.
  - A cheque for ₹ 220 received from a tenant for rent has been entered in the cash book, but the double entry has not been completed.
  - ₹ 450 paid to Pardeep was posted to the credit of his account.
  - ₹ 510 paid to Suresh was posted to the credit of his a/c as ₹ 150.

[Ans. (a) Dr. Murari Lai, Cr. Suspense a/c (b) Dr. Suspense a/c 1,400; Cr. Sales a/c ₹ 700 and purchase a/c ₹ 700 (c) Dr. Suspense a/c; Cr. Discount a/c by ₹ 400 (d) Dr. Srikant ₹ 342; Cr. Ramakant ₹ 142 and Suspense a/c ₹ 200 (e) Dr. Suspense a/c; Cr. Rent a/c (f) Dr. Pardeep; Cr. Suspense a/c by Rs. 900 (g) Dr. Suresh ₹ 660; Suspense a/c ₹ 660. Total of both sides of suspense a/c ₹ 2,260.]