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Candidates must write the Set No. on the title page of the OMR Sheet.

**DAV PUBLIC SCHOOLS, ODISHA ZONE-I
PA-II EXAMINATION, 2021-22**

- Check that this question paper contains **10** printed pages.
- Set number given on the right hand side of the question paper should be written on the OMR SHEET by the candidate.
- Check that this question paper contains **55** questions.

**CLASS – XI
SUB: ACCOUNTANCY (055)****Time Allowed: 90 Minutes****Maximum Marks: 40****General Instructions:***Read the following instruction very carefully and strictly follow them:*

1. This question paper comprises **five sections – A, B, C, D & E**. There are **10 Pages and 55 questions** in the question paper.
2. There is an internal choice provided in each sections.
3. **Section A** has questions from 1 to 18 and **Section B** has questions from 19 to 36, you have to attempt any 15 questions each in both the sections.
4. **Section C** has questions from 37 to 41, you have to attempt any 4 questions.
5. **Section D** has questions from 42 to 48, you have to attempt any 5 questions and **Section E** has questions from 49 to 55, you have to attempt any 6 questions.
6. All questions carry **equal marks**. There is **no negative marking**.
7. Specific instructions related to each Section is mentioned clearly before the questions. Candidates should read them thoroughly and attempt

SECTION-A**Section – A consists of 18 questions. Attempt any 15 questions from this section. The first attempted 15 questions would be evaluated.****Q1. _____ refers to the entire body of the theoretical knowledge of accounting.**

- | | |
|--------------------------|-----------------------|
| (A) Financial Management | (B) Accounting |
| (C) Accountancy | (D) None of the above |

Q2. Match the columns.

Column I	Column II
A. Capital Expenditure	(i) Advertising
B. Revenue Expenditure	(ii) Cost of goods sold
C. Deferred Revenue Expenditure	(iii) Building
D. Expenses	(iv) Benefit received in one year

Codes

	A	B	C	D		A	B	C	D
(A)	(i)	(ii)	(iii)	(iv)	(B)	(ii)	(iii)	(iv)	(i)
(C)	(iii)	(iv)	(i)	(ii)	(D)	(iv)	(i)	(ii)	(iii)

Q3. The following equations shows the relationship between assets, liabilities and capital. Which of the following is the correct equation?

- (A) Capital = Liabilities – Assets (B) Liabilities = Capital – Assets
(C) Assets = Liabilities + Capitals (D) Capital = Assets + Liabilities

Q4. Which of these is not a part of current liabilities?

- (A) Bank Overdraft (B) Bills Payable
(C) Debenture (D) Creditors

Q5. Intangible assets are those assets which do not have a physical existence and cannot be seen and felt. Therefore, intangible assets are not valuable assets.

- (A) True (B) False
(C) Partially false (D) Can't say

Q6. Which of this is not an internal user of accounting ?

- (A) Owners (B) Employees
(C) Management (D) Potential investors

Q7. In the context of business, profit and gain are the same thing.

- (A) True (B) False
(C) Partially False (D) None of the above

Q8. Which of these concepts is a process of give and take with 'event' as the end result of it ?

- (A) Measurement (B) Financial information
(C) Transactions (D) Communication

Q9. In measurement, what type of transactions are considered (during the process of accounting) ?

- (A) Quantitative (B) Qualitative
(C) Both (A) and (B) (D) Can't say

- Q10. Which of the following is the process of entering business transactions of financial character in the books of original entry in terms of money ?**
- (A) Classifying (B) Summarising
(C) Interpretation (D) None of these
- Q11. Recognition of cost in the same period as associated revenues is called _____**
- (A) Cost principle (B) Dual aspect principle
(C) Full disclosure principle (D) Matching principle
- Q12. Income receivables must be _____ in revenue and income received in advance must be _____ from revenues as per matching principle.**
- (A) deducted, added (B) ignored, added
(C) added, deducted (D) None of these
- Q13. 'Double entry system' is based on which accounting principle concept?**
- (A) Going concern concept (B) Business entity principle
(C) Matching principle (D) Dual aspect principle
- Q14. Everything a firm owns, it also owes to somebody. This co-existence is explained by _____**
- (A) accrual concept (B) dual aspect principle
(C) consistency concept (D) matching principle
- Q15. According to business entity principle, business is treated as a unit separate and distinct from its _____**
- (A) owners (B) promoters
(C) shareholders (D) All of these
- Q16. Principle of separate entity is applicable to only sole proprietorship business.**
- (A) True (B) False (C) Partially false (D) Can't say
- Q17. Accrual concept is based on _____**
- (A) matching principle (B) dual aspect principle
(C) cost principle (D) going concern concept
- Q18. _____ is an allowance given by the seller of goods out of selling price.**
- (A) Credit (B) Bad debt
(C) Discount (D) None of these

SECTION-B

Section – B consists of 18 questions. Attempt any 15 questions from this section. The first attempted 15 questions would be evaluated.

Q19. In a journal, transactions are recorded in chronological order.

- (A) True (B) False (C) Can't say (D) Partially True

Q20. Journal is considered as the book of original entry.

- (A) True (B) False (C) Can't say (D) Partially True

Q21. What will be the journal entry if goods of ₹20,000 are purchased for cash from Surbhi?

- | | | | |
|-----|-------------------|------------|--------|
| (A) | Goods A/c | Dr. 20,000 | |
| | To Surbhi A/c | | 20,000 |
| (B) | Purchases A/c | Dr. 20,000 | |
| | To Surbhi A/c | | 20,000 |
| (C) | Purchases A/c | Dr. 20,000 | |
| | To Cash A/c | | 20,000 |
| (D) | None of the above | | |

Q22. Given below are two statements, one labeled as Assertion (A) and the other labeled as Reason (R)

Assertion (A) Auditors can easily vouch the vouchers and use them as documentary evidence in future

Reason (R) A serial number is put on each voucher and the relative source documents are attached with the voucher.

In the context of the above statements, which one of the following is correct ?

- (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
- (C) Assertion (A) is true, but Reason (R) is false.
- (D) Assertion (A) is false, but Reason (R) is true

Q23. Pass journal entry if goods costing ₹50,000 and sold for ₹70,000

- | | | | |
|-----|-------------------|------------|--------|
| (A) | Cash A/c | Dr. 50,000 | |
| | To Sales A/c | | 50,000 |
| (B) | Cash A/c | Dr. 70,000 | |
| | To Sales A/c | | 70,000 |
| (C) | Cash A/c | Dr. 70,000 | |
| | To Goods A/c | | 70,000 |
| (D) | None of the above | | |

Q24. If a businessman pays insurance by cheque of ₹2,500, which of the following account will be debited?

- (A) Insurance account (B) Cheque account
(C) Cash account (D) Bank account

Q25. What will be the journal entry if salary of ₹5,500 is outstanding?

- (A) Outstanding Salary A/c Dr. 5,500
 To Salary A/c 5,500
(B) Salary A/c Dr. 5,500
 To Outstanding Salary A/c 5,500
(C) Salary A/c Dr. 5,500
 To Cash A/c 5,500
(D) None of the above

Q26. Given below are two statements, one labeled as Assertion (A) and the other labeled as Reason (R)

Assertion (A)In accounting equation, each transaction affects both sides of the equation, i.e. Assets side and Liabilities + Capital side.

Reason (R) Assets of a business are purchased either from the funds (capital) supplied by the proprietor or from the funds provided by external parties.

In the context of the above statements, which one of the following is correct ?

- (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true

Q27. By what amount will be bank account debited with, if goods are sold to Sid at the list price of ₹4,00,000 less 20% trade discount and 2% cash discount and paid 50% by cheque?

- (A) ₹3,20,000 (B) ₹1,60,000
(C) ₹1,56,800 (D) None of these

Q28. Expenses tend to decrease the capital of business.

- (A) True (B) False (C) Can't say (D) Partially True

Q29. Contra entries refer to;

- (A) entries that are made only on debit side of cash book.
(B) entries that are made only on credit side of cash book.

- (C) entries that are made on both sides of cash book.
- (D) None of the above.

Q30. Identify contra entry from the following:

- (A) Salary paid ₹20,000
- (B) Cash received from P ₹10,000
- (C) Cash deposited into bank ₹25,000.
- (D) Cash withdrawn from bank for personal use ₹5,000

Q31. Given below are two statements, one labeled as Assertion (A) and the other labeled as Reason (R)

Assertion (A) If goods worth ₹4,000 are sold for ₹3,500 at credit, then assets will decrease, liabilities will be unchanged and capital will decrease.

Reason (R) In case, goods are sold on credit, goods (assets) are decreased and debtors (assets) are increased. Also, if goods are sold at a loss, the capital is reduced.

In the context of the above statements, which one of the following is correct ?

- (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
- (C) Assertion (A) is true, but Reason (R) is false.
- (D) Assertion (A) is false, but Reason (R) is true

Q32. Which account will be debited if proprietor pays ₹5,000 as life insurance premium from business cash?

- (A) Cash A/c
- (B) Bank A/c
- (C) Insurance A/c
- (D) Drawing A/c

Q33. Cash purchase of goods is recorded in _____

- (A) Sales book
- (B) Cash Book
- (C) Purchase Book
- (D) None of these

Q34. Which of the following is/are an advantage of maintaining petty cash book?

- (A) Saving of time and efforts of chief cashier
- (B) Effective control over cash disbursements
- (C) Convenient recording
- (D) All of the above.

Q35. All credit sales of merchandise are recorded in the sales journal.

- (A) True
- (B) False
- (C) Can't say
- (D) Partially True

- Q36. The balance of sales columns in sales book is ₹90,000. If ₹3,000 is recovered from debtors, what will be the balance in the sales book?**
(A) ₹90,000 (B) ₹93,000 (C) ₹87,000 (D) None of these

SECTION-C

Section – C consists of 5 questions. Attempt any 4 questions from this section. Question No.'s 37 – 39 (are based on the hypothetical situation given below). The first attempted 04 questions would be evaluated.

Direction: Read the following case study and answer the questions:

Arya Ltd. has a manufacturing plant in Delhi. On 1st July, 2021 Arya Ltd purchased a machine for ₹1,08,000 and spent ₹12,000 on its installation. At the time of purchase, it was estimated that the effective commercial life of the machine will be 12 years after which its salvage value will be ₹12,000.

The machinery is such that the possibility of obsolescence is low and do not require much repair expenses with passage of time. The accounts are closed on 31st December every year.

Q37. Why should depreciation be charged on the manufacturing plant of Arya Ltd.?

- (A) For matching of costs and revenue
- (B) To comply with law
- (C) To reflect true and fair financial position
- (D) All of the above.

Q38. Which of the following accounting standard should be followed by Arya Ltd. to charge depreciation?

- (A) Accounting Standard-7
- (B) Accounting Standard-6
- (C) Accounting Standard-8
- (D) Accounting Standard-9

Q39. Which of the following method should be used by Arya Ltd. to charge depreciation?

- (A) Written down value method
- (B) Straight line method
- (C) Insurance policy method
- (D) None of the above

Direction: Read the following case study and answer the question No. (40–41) on the basis of the same.

M/s XYZ purchased a plant for ₹5,00,000 on 1st April 2017, and spent ₹50,000 for its installation. The salvage value of the plant after its useful life of 10 years is estimated to be ₹10,000. The owner of the firm has certain dilemmas

regarding the concept of depreciation. You are required to advise him regarding the same by answering the following questions.

Q40. Which of the following factors that affect the amount of depreciation would you point out to the owner to keep in mind?

- (A) Historical cost of asset (B) Estimated net residual value
(C) Depreciable cost (D) All of the above

Q41. What will be the amount of depreciation charged annually using straight line method?

- (A) ₹50,000 (B) ₹54,000
(C) ₹55,000 (D) None of these

SECTION-D

Section – D consists of 7 questions. Attempt any 5 questions from this section. The first attempted 5 questions would be evaluated.

Q42. Given below are two statements, one labeled as Assertion (A) and the other labeled as Reason (R)

Assertion (A) Depreciation is a charge against the revenue of the corresponding period and must be deducted before arriving at net profit.

Reason (R) Depreciation is as much the cost as any other expense incurred in the normal course of business.

In the context of the above statements, which one of the following is correct?

- (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(B) Both Assertion(A) and Reason(R) are true, but Reason(R) is not the correct explanation of Assertion(A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Q43. Creation of reserve reduces taxable profits of the business.

- (A) True (B) False (C) Can't say (D) Partially True

Q44. _____ is a reserve which does not appear in the balance sheet.

- (A) General Reserve (B) Specific Reserve
(C) Secret Reserve (D) Capital Reserve

Q45. Secret reserve is called such as it is not known to outside stakeholders.

- (A) True (B) False (C) Can't say (D) Partially True

Q46. When the purpose for which reserve is created is not specified, it is called....

- (A) General Reserve (B) Specific Reserve
(C) Revenue Reserve (D) Capital Reserve

Q47. Goods distributed as samples for sales promotion worth ₹25,000 will be recorded in

- (A) Sales Book (B) Cash Book
(C) Journal proper (D) None of these

Q48. Ram withdrew ₹50,000 from bank for private use. Which account will be debited while passing journal entry?

- (A) Ram (B) Cash (C) Drawing (D) None of these

SECTION-E

Section – E consists of 7 questions. Attempt any 6 questions from this section. The first attempted 06 questions would be evaluated.

Q49. Overdraft is shown in the cash book as abalance.

- (A) Debit (B) Credit
(C) Either (A) or (B) (D) None of these

Q50. On 31st March, 2021, P had an overdraft of ₹8,000 as shown by his cash book. Cheques amounting to ₹2,000 had been paid by him but were not collected by the bank. He issued cheques of ₹800 which were not presented to the bank for payment. What will be balance as per bank pass book?

- (A) ₹9,200 favourable balance (B) ₹9,200 overdraft
(C) ₹6,800 favourable balance (D) ₹6,800 overdraft

Q51. In the bank statement, where the balance is followed by Dr means that there is an

- (A) overdraft (B) positive balance
(C) zero balance (D) None of these

Q52. Given below are two statements, one labeled as Assertion (A) and the other labeled as Reason (R)

Assertion (A)The amount not recovered from debtors is debited to bad debts account.

Reason (R)As per the traditional rule of accounting, losses are debited.

In the context of the above statements, which one of the following is correct ?

- (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(B) Both Assertion(A) and Reason(R) are true, but Reason(R) is not the correct explanation of Assertion(A).

- (C) Assertion (A) is true, but Reason (R) is false.
- (D) Assertion (A) is false, but Reason (R) is true.

Q53. Given below are two statements, one labeled as Assertion (A) and the other labeled as Reason (R)

Assertion (A)Income which is earned but not received is credited to accrued income account.

Reason (R)As per the rules of accounting, all incomes are credited.

In the context of the above statements, which one of the following is correct ?

- (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- (B) Both Assertion(A) and Reason(R) are true, but Reason(R) is not the correct explanation of Assertion(A).
- (C) Assertion (A) is true, but Reason (R) is false.
- (D) Assertion (A) is false, but Reason (R) is true.

Q54. Find out the bank balance as per cash book if overdraft as per pass book is ₹10,000 and cheques deposited in the bank but not credited are for ₹4,000.

- (A) ₹6,000 favourable balance
- (B) ₹6,000 overdraft
- (C) ₹14,000 favourable balance
- (D) ₹14,000 overdraft

Q55. A Cheque of ₹500 received from a debtor was recorded in the cash book but not deposited in the bank for collection. How will it be treated for the purpose of bank reconciliation statement?

- (A) ₹500 will be deducted from the balance as per pass book
- (B) ₹500 will be deducted from the balance as per cash book
- (C) ₹500 will be added to the balance as per cash book
- (D) None of the above

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