



**Gujarat Secondary and Higher Secondary
Education Board, Gandhinagar**

Diagnostic Test for Standard:12 (General)

SUBJECT : Elements of Accounts (154)

Max. Marks : 80

MEDIUM : ENGLISH

TIME : 3.00 Hours

Instructions:

- (1) This question paper contains total six (A, B, C, D, E, F) sections.
- (2) Figures to the right side indicate full marks for the questions. Use of pencil and scale is necessary.
- (3) Write the answers as per given instructions. Use of simple calculator is permitted for calculation.

SECTION : A

1. Following are the objective type questions. Choose the correct option from the options given and write the answer of it.

Each question carries 1 mark.

[12]

- i. Which of the following is intangible asset?
(A) Land (B) Patents
(C) Building (D) Furniture
- ii. What it be called when cash, goods or assets brought into the business by the owner of the business?
(A) Drawing (B) Debtor
(C) Capital (D) Creditor
- iii. Which transaction discloses relation of debtor and creditor?
(A) Goods purchased of ₹ 8,000
(B) Goods of ₹ 8,000 purchased from 'B'
(C) Goods of ₹ 8,000 purchased through cheque.
(D) Goods destroyed by fire ₹ 8,000
- iv. Which transactions are not recorded in books of account?
(A) Special (B) Cash
(C) Economic (D) Non-economic
- v. In case of credit transaction, it definitely affects the account of _____.
(A) goods (B) person
(C) asset (D) service
- vi. Expense incurred to purchase asset is debited to _____ account.
(A) Expense (B) Asset
(C) Cash (D) Sundry
- vii. What is sent by the customers along with goods returned by them?
(A) Debit note (B) Credit note
(C) Bills receivable (D) Bills Payable

- viii. _____, when bank credited interest to our account.
 (A) Bank balance decreases (B) Bank balance increases
 (C) Cash balance decreases (D) Cash balance increases
- ix. Normally, which type of balance is found in asset account?
 (A) Credit balance (B) Debit balance
 (C) Debit or Credit balance (D) Account is settled
- x. Bank balance as per cashbook means _____ balance.
 (A) debit (B) credit
 (C) debit or credit (D) debit and credit
- xi. An error arises because of non-compliance of accounting principles is known as _____.
 (A) Errors of compensatory
 (B) Errors of omission
 (C) Errors of principle
 (D) Not carry forward to suspense A/c
- xii. Which of the following expense is not paid in cash?
 (A) Rent (B) Commission
 (C) Salary (D) Depreciation

SECTION : B

- 2 Answer the following questions in one sentence.
 Each question carries 1 mark.**

[12]

- i. Define accounting.
- ii. State whether discount received is an income or expense?
- iii. What is cash transaction?
- iv. State the year of Goods and Services tax applicable.
- v. Which discount is recorded in the book of account?
- vi. How many and which are the types of subsidiary books?
- vii. Give the full form of NEFT & RTGS.
- viii. State the errors which do not affect the trial balance.
- ix. From which account reserve is created?
- x. What is an adjusted purchase?
- xi. What is the debit balance of income-expenditure account called?
- xii. What is non-trading concern?

SECTION : C

- ▶▶ Answer the following question as directed. (Any six out of nine)
 Each question carries 3 marks.**

[18]

- 3 Explain the following terminology of accounting:
 (1) Capital (2) Tangible assets (3) Goods
- 4 Explain the dual effect of following transactions.
 (1) Purchased furniture of ₹ 1,000
 (2) Goods of ₹ 6,000 sold to Hitendra.
 (3) ₹ 5,000 paid to Manhar.

- 5 Record the following transactions in the journal of Raj.
- (1) Machinery of ₹ 50,000 purchased from Aaradhna Traders and paid for machine installation ₹ 5,000 in cash.
 - (2) Goods of ₹ 5,000 destroyed by fire. Insurance company has admitted claim of 60% amount.
 - (3) Goods of ₹ 6,000 given as charity.
- 6 Write journal entries for the following transactions and explain accounting treatments based on equation.
- (1) Brought ₹ 50,000 in cash and commence business.
 - (2) Goods of ₹ 8,000 purchased from B.
 - (3) ₹ 6,000 paid for wages.
- 7 Record the following transactions in the Journal Proper of Yash.
- (1) Machine book value of ₹ 3,000 is sold to Dhaval.
 - (2) Drew a bill of ₹ 4,000 on Ved which he accepted and returned.
 - (3) Receivable from Naresh ₹ 5,000 is not possible to recovered now.
- 8 From the following balance of accounts prepare trial balance of Paras as on 31-03.2020.

Particulars	Amount (₹)	Particulars	Amount (₹)
Provident fund	20,000	Tolai	3,000
Trademarks	12,000	General Reserve	15,000
Advertisement expense	12,000	Bad debts	5,000
Goodwill	5,000	Goods return credit	3,000
Bank Overdraft	5,000	Insurance Premium	5,000
Customers	10,000	Apprentice Premium	15,000

- 9 Pass necessary entries in the books of Vinod to rectify the following errors:
- (1) ₹ 1,000 paid to Kajal is debited to Rajal's account by mistake.
 - (2) Installation charges paid ₹ 6,000 on purchase of machinery is debited to wages account.
 - (3) ₹ 5,000 withdrawn from bank is left to be recorded.
- 10 Ami sold goods of ₹ 25,000 to Rami on 01.07.2020. On 03-07-2020 Ami drew a bill for ₹ 25,000 for 1 month on Rami, which Rami accepted and returned. Rami paid the amount of the bill on the maturity date. Pass necessary journal entries in the books of Ami.
- 11 Pass adjustment entries in the books of Dipti for the following adjustments:
- (1) Closing stock of goods is ₹ 10,000.
 - (2) Unrecorded credit purchase of goods ₹ 2,000.
 - (3) Outstanding salary is ₹ 3,000.

SECTION : D

▶▶ **Answer the following question as directed.(Any two out of three)**

Each question carries 4 marks.

[08]

12 From the following transactions, prepare purchase books in the books of Krupa :

2021 May

- 1 Purchase goods of ₹ 10,000 from Durgashankar on one month credit.
- 3 Purchase goods of ₹ 15,000 from Vinodbhai at 10% trade discount. Invoice no.15.
- 6 Purchase of goods ₹ 8,000 from Manish on cash.
- 15 Placed order with Ashwin for supply goods of ₹ 10,000 at 20% trade discount.
- 18 Purchase furniture at ₹ 6,000 from Shriji Furniture Mart on one month credit.
- 20 Ashwin has sent goods as per order and sent invoice no.314 after adding ₹ 1,200 for railway freight.
- 23 Purchase goods of ₹ 4,000 at 5% cash discount.
- 25 Purchase goods of ₹ 16,000 from Babulal at 10% trade discount and half of the amount paid immediately by cheque.

13 From the following journal entries of Shri Bijal, draw the necessary account in ledger and post them in ledger.

Journal Entries in the books of Shri Bijal

Date	Particulars	L F	Amount (₹)	Amount (₹)
2021 March				
1	Cash A/c..... Dr.		60,000	--
	To Capital A/c.....		--	60,000
	[Being Commence business by bringing cash.]			
3	Insurance Premium A/c..... Dr.		10,000	--
	To Cash A/c.....		--	10,000
	[Being Insurance Premium paid.]			
4	Purchase A/c..... Dr.		15,000	--
	To Cash A/c.....		--	15,000
	[Being Goods purchased.]			

14 Cashbook of **Shri Sudhir** shows bank balance of ₹ 5000 on 31.12.2020.

Prepare a Bank Reconciliation Statement from the information given below:

- 1 A cheque of ₹ 8000 was deposited with bank on 29.12.2020, but this cheque is not credited in passbook by bank till 31.12.2020
- 2 Acheque of ₹ 2000 was drawn on 27.12.2020 and given to creditor but it is not presented for payment till 31.12.2020.
- 3 Interest of ₹ 80 credited in passbook by bank, which is not debited in cashbook.
- 6 A customer has deposited ₹ 10,000 directly in bank account, which is not known till 31.3.2020.

SECTION : E

- ▶▶ **Answer the following question as directed.(Any three out of five)**
Each question carries 6 marks.

[18]

- 15 Write journal entries for the following business transactions of Shree Amarnath traders:
2021 May
- 1 A business is commenced with introduction of ₹ 50,000 cash, debtors of ₹ 20,000, stock of goods ₹ 10,000 and creditors of ₹ 5,000.
 - 2 Deposited cash of ₹ 20,000 with Vijaya Bank and opened account.
 - 3 Goods of ₹ 10,000 purchased at 10% trade discount.
 - 5 Salary paid ₹ 5,000.
 - 7 Withdrawn goods of ₹ 300 and cash ₹ 200 for personal use.
 - 9 Goods of ₹ 3,000 sold to Avinash at 5% cash discount.
- 16 From the following transactions prepare sales book and sales returns book in the books of account of Pratibha Furniture Mart :
2021 April
- 1 Goods of ₹ 20,000 at 10 % cash discount sold to Rajesh Furniture Mart. He has paid half amount.
 - 5 Goods of ₹ 16,000 at 10 % trade discount and 5 % cash discount sold to Pushpa. Bill no.130
 - 15 Goods of ₹ 10,000 is returned by Rajesh Furniture Mart. Sent credit note no. 16.
 - 18 Goods of ₹ 10,000 sold at 10 % trade discount and 5 % cash discount.
 - 20 Goods of ₹ 60,000 sold at 5 % trade discount to Harish. Bill no.136
 - 25 Goods of ₹ 40,000 sold to Nita on credit of 1 month. Trade discount is 10 % Bill no.137
- 17 Record the following transactions in the cash book of Prapti:
2021 March
- 1 Opening cash balance ₹ 10,000.
 - 2 Cash sales ₹ 3,000.
 - 3 Cash of ₹ 5,000 brought in the business, as more funds are required
 - 5 Cash purchase ₹6,000.
 - 7 Salary of ₹ 1000 and brokerage of ₹ 1500 paid by cash.
 - 9 Goods of ₹ 5000 purchased from Drona by cash.
 - 11 Goods of ₹ 6000 sold to Mansi for cash.
 - 19 ₹ 3,000 paid to Nairuti for goods purchased in the previous month.
 - 23 Kinjal paid ₹ 1500 for goods sold to her in the previous month.
 - 25 Old cycle of ₹ 600 is purchase for business.
 - 28 ₹ 1000 received towards commission.
 - 30 Machine of ₹ 3500 purchased for business.

- 18 Sharvi Ltd. has purchased a machine for ₹ 48,000 on 1.4.2020. Installation expense of this machine was ₹ 2,000. An Estimated life of this machine is 10 years and scrap value of machine is expected to be ₹ 10,000. Determine annual depreciation under straight line method of depreciation. Accounting year of the company is ending on 31st March. Prepare machine account for first two years and write journal entries for first two years.
- 19 From the following given information, prepare a receipt – payment account for the year ending 31.3.2021 of Sadanand Club.

Particulars	Amount (₹)	Particulars	Amount (₹)
Donation for club pavallion	35,000	Membership fees : 2020-21 10,000 2021-22 <u>2,500</u>	12,500
Entrance Fees	1,500	Life membership fee	2,000
Income of lectures	1,500	Dinner party expense	2,000
Purchase of sport equipments	7,500	Purchase of Furniture	2,500
Salary	5,000	Cash balance (1-4-2020)	1,500
Sale of old Furniture	500	Bank balance (1-4-2020)	1,000
Sale of old news papers	250	Rent of Hall paid	1,000
Club pavilion construction expense	30,000	Subscription of newspapers	1,000
Electricity expense	500	Cash balance (31-3-2021)	500
Charity	4,000		
Dinner party contribution	2,500		
Purchase of national saving certificate	10,000		

SECTION : F

- ▶ **Answer the following question as directed.** [12]

- 20 Prepare final accounts from the trial balance and adjustments of Prashav as on 31-3-2021.

Trial Balance of Prashav as on 31-3-2021

Debit balance	Amount (₹)	Credit Balance	Amount (₹)
Drawing	12,000	Capital	4,00,000
Purchase	6,00,000	Sales	9,98,000
Stock (Dt.1-4-2020)	60,000	Purchase return	20,000
Carriage Inward	10,000	Interest on debenture received	10,000
Sales return	40,000	Discount received	4,000
Salary	1,20,000	Commission received	2,000

Wages	40,000	10% Bank Loan	2,00,000
Office expenses	80,000	Bills Payable	15,000
Debtors	90,000	Creditors	70,000
Bills receivables	30,000	Outstanding rent	1,000
Advertisement Expenses	50,000		
Stationery – printing	6,000		
Machinery	90,000		
Building	3,00,000		
Furniture	60,000		
Rent	12,000		
Investment in 10% Debenture	1,00,000		
Interest on Bank loan	20,000		
	17,20,000		17,20,000

Adjustments:

- 1 Closing stock of goods is ₹ 1,10,000. Market value of it is ₹ 1,20,000
- 2 Goods of ₹ 5,000 withdrawn for personal use from business, which is not recorded.
- 3 Unrecorded credit purchase ₹ 40,000.
- 4 Outstanding wages ₹ 10,000.
- 5 Calculate depreciation on machinery at 10% and on building at 5%.
