



Bank loan	25,000	Cash in hand	29,
Vendor for machinery	20,000	Cheque in hand	18,000

Ans:

Asset side: Suspense A/c, Investment, net loss, machinery, accrued interest, prepaid rent, goodwill, sundry debtors, (provision for doubtful debts, provision for discount on debtors, provision for depreciation on machinery), closing stock, cash in hand, cheque in hand

Liability side: outstanding wages, bank overdraft, capital, (drawings, income tax paid), sundry creditors, bank loan, vendor for machinery, rent received in advance.

Q7. Show the treatment of the following in the final accounts:

Extract of trial balance

As on 31 March 2025

name of the account	Debit balance	Credit balance
Bad debts	3,600	
Provision for doubtful Debt(1-4-24)		7,500
Sundry debtors	2,00,000	

Additional information:

1. Write off further bad debts ₹2,000
2. Provision for doubtful debts is to be maintained at 5%
3. Create a provision for discount on sundry debtors at 3%

Also pass the necessary journal entries to record the above adjustments.

Ans. Bad debts in P&L A/c 8,000

Provision for discount ₹5,643

Sundry debtors in balance sheet ₹1,82,457

Q8. Fill in the missing figures:

Trading and profit and loss account

For the year ending 31 March 2025

Dr.		Cr	
Particulars	Amount	Particulars	Amount
To opening stock	5,620	By sales	3,75,000
		Less sales return	
To purchases	1,54,200	By closing stock	
To wages	1,26,000		
Less: transferred to machinery	(4,800)		
To carriage inward	900		
To factory lighting	3,500		
Add: outstanding			
To gross profit			
To salaries	8,000	By gross profit	
To insurance		By interest on investment	6,400
Less: prepaid.	700		
	2,100		
To repairs of machinery	1,400	By discount received	420
To postage	500		
To trade expenses	1,000		
To discount allowed	1,500		
To depreciation			
Land and building			
Plant and machinery.	18,680		
To further bad debts.	2,000		



Particulars	Amount	Particulars	Amount
To opening stock	5,620	By sales	3,75,000
		Less sales return	
To purchases	1,54,200	By closing stock	
Add: new provision			
To net profit			

Balance sheet
As on 31 March 2025

Liabilities	Amount	Asset	Amount
Bank overdraft		Cash in hand	25,600
Bills payable	2,600	Bills receivable	7,000
Sundry creditors	40,000	Sundry debtors	15,800
		Less: bad debt	
		Less: provision.	690
Outstanding factory lighting	1,400	Closing stock	19,000
Bank Loan	11,000	Insurance prepaid	
Loan from X	18,600	Investment	
Capital.	13,47,600	Plant and machinery.	1,82,000
Add: net profit		Add: transferred from wages	
Less: drawing.	(5,600)	Less: depreciation	
		Land and building	10,00,000
		Less: depreciation.	(50,000)
	17,83,530		

Ans: Gross Profit: 1,06,980; net profit: 27,930; bank overdraft: ₹3,40,000; investment: 6,00,000

Q9. Following balances were taken from the books of Mr Alfred Williams as on 31 March 2024.

Particulars	Amount	Particulars	Amount
Opening stock	41,000	Cash	2,900
Rent	9,600	Purchases	2,20,000
Salary	20,000	Sales	2,80,000
Bad debts	400	Goods Returned (dr)	6,000
Provision for doubtful Debts	3,000	Goods Returned (cr)	2,000
Travelling expense	1,400	Carriage inward	3,500
Insurance premium	1,800	Carriage outward	500
Drawings	4,000	Capital	1,75,000
Telephone and internet	7,300	Bank loan	20,000
Printing and advertising	5,000	Outstanding salary	3,000
Commission (Cr)	6,000	Sundry debtors	40,000
Rent (cr)	4,800	Sundry creditors	24,000
Land and building	1,40,000	Investment	5,000
Furniture	10,000	Interest on investment	600

Prepare final accounts after taking into consideration the following information:

1. Stock was valued at ₹75,000 on 31 March 2024. A fire occurred on 28 March 2024 and stock worth ₹10,000 was destroyed. The insurance company admitted a claim of 75%
2. One third of the commission is in respect of work to be done next year
3. Create a provision of 5% for doubtful debts



4. 50% of printing expenses is to be carried forward as a charge in the following year
 5. ₹900 is due for interest on loan
 6. Charge depreciation on land and building at 2.5% and on furniture at 25%.
- Ans. Gross profit: ₹96,500 net profit: ₹54,000 balance sheet total: ₹2,74,500

M.S.M.S.



MAHAVIR SENIOR MODEL SCHOOL
WINTER BREAK WORKSHEET 2
 Class 11, Accountancy

Lesson Name: Depreciation

Name: _____ Class: _____ Sec: _____ Roll No. _____

Q1. Kapil Ltd. purchased a machinery on July 01, 2021 for ₹3,50,000 and spent ₹10,000 on its installation. It purchased two additional machines, on April 01, 2022 costing ₹1,50,000 and on October 01, 2022 costing ₹1,00,000. Depreciation is provided @10% p.a. on straight line basis. On January 01, 2023, first machinery become useless due to technical changes. This machinery was sold for ₹1,00,000.

On the basis of the above information answer the following questions:

- A. Calculate the loss on sale of machinery.
- B. What is the book value of the machine purchased on 01 April 2022 as on 31st March 2023.
- C. What amount of depreciation will be charged to the machinery account on 31st March 2023.
- D. What will be the treatment of loss on sale of machinery in final accounts
- E. Show the machinery account for the financial year 2023-24.

(Ans: Loss on sale of machine ₹2,06,000.

Balance of Machine account as on 31.12.24 ₹2,05,000).

Q2. Prepare provision for depreciation account for 3 years ending 31 March 2025 on the basis of the given extract of machinery account if depreciation is charged @10% on straight line method:

Dr. Machinery A/c. Cr

Date 2022	Particulars	J F	Amount	Date 2022	Particulars	JF	Amount
1 Apr	To Balance b/d		5,00,000	1 Apr	By Provision for Depreciation A/c		3,50,000
1 Oct	To Bank A/c		4,00,000	1 Apr	By Bank A/c		1,00,000
				1 Apr	By Loss on Sale		50,000

Q3. Fill in the missing figures:

Dr. Machinery A/c. Cr

Date 2022	Particulars	J F	Amount	Date 2022	Particulars	JF	Amount
1 Jan	To Bank A/c		2,15,000	31 Dec	By Balance c/d		
							2,15,000
2023				2023			
1 Jan	To Balance b/d		2,15,000	31 Dec	By Balance c/d		
							2,15,000
2024				2024			



1 Jan	To Balance b/d		2,15,000	31 Dec	By Balance c/d		
							2,15,000
2025				2025			
1 Jan	To Balance b/d		2,15,000	1 Jul	By Machinery Disposal A/c		
31 Jul	To Bank A/c		2,40,000	31 Dec	By Balance c/d		

Dr. Provision for Depreciation A/c. Cr

Date 2022	Particulars	JF	Amount	Date 2022	Particulars	JF	Amount
31 Dec	To Balance c/d		43,000	31 Dec	By Depreciation A/c		43,000
							43,000
2023				2023			
31 Dec	To Balance c/d			1 Jan	By Balance b/d		
				31 Dec	By Depreciation A/c		43,000
2024				2024			
31 Dec	To Balance c/d			1 Jan	By Balance b/d		
				31 Dec	By Depreciation A/c		43,000
2025				2025			
1 Jul	To Machinery Disposal A/c			1 Jan	By Balance b/d		
31 Dec	To Balance c/d			1 Jul	By Depreciation A/c		
				31 Dec	By Depreciation A/c		

Dr. Machinery Disposal A/c. Cr

Date 2025	Particulars	JF	Amount	Date 2025	Particulars	JF	Amount
1 Jul	To Machinery A/c			1 Jul	By Depreciation A/c		
				1 Jul	By Bank A/c		



				1 Jul	By Loss on Sale		14, -
			2,15,000				2,15,000

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MAHAVIR SENIOR MODEL SCHOOL
WINTER BREAK WORKSHEET 3
Class 11, Accountancy

Lesson Name: MCQ

Name: _____ Class: _____ Sec: _____ Roll No. _____

Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below:

Q1. Assertion(A): Provisions are created by crediting the Profit and Loss Account

Reason(R): The amount of Provision for expense or loss is a charge against the profit.

Q2. Assertion (A): Cash basis of accounting is suitable for those enterprises where most of the transactions are on cash basis

Reason (R): In cash basis of accounting, transactions are recorded when cash is received or paid.

Q3. Assertion(A): Book keeping is the basis for accounting

Reason(R): Book keeping calculates the financial position of the business

Q4. Assertion (A): General reserve is also known as specific reserve.

Reason(R): General reserve is not created for any specific purpose and can be freely used for any purpose.

Q5. Assertion (A): The financial statements do not reflect the true position of a business

Reason (R): accounting information is sometimes based on estimates.

Q6. Assertion (A):- Provide for all anticipated expenses and losses but do not account anticipated incomes and profits.

Reason (R):- Closing stock is valued at lower of cost or net realisable value(market value)

Q7. Assertion (A): Single Entry System of Accounting is an Accounting System by which both aspects i.e. Debit and Credit of a transaction are recorded.

Reason (R): Double Entry System of Accounting is an Accounting System in which only one aspect i.e. debit or credit of a transaction is recorded.

Q8. Assertion (A): Determining profit or loss is one of the significant objectives of accounting.

Reason (R): Accounting facilitates management in taking important decisions and effective control.

Q9. Assertion (A): Closing stock is valued at cost price or net realizable value, whichever is lower.

Reason (R): According to the conservatism (prudence) concept, all anticipated losses are recorded but anticipated or unrealized gains are ignored.

Q10. Assertion (A): Only those transactions which can be expressed in monetary terms are recorded in the books of account.

Reason (R): The money measurement concept requires that accounting records should be confined to those events which can be measured in terms of money.

Q11. Assertion (A): Business and the owner are treated as two separate and distinct entities in accounting

Reason (R): The business entity concept requires that the capital contributed by the proprietor is treated as a liability of the business towards the owner.



Q12. Assertion (A): Depreciation is charged on fixed assets to ascertain true profit for an accounting period.

Reason (R): Due to the matching concept, expenses of a period, including depreciation on fixed assets, must be matched with the revenue of the same period.

Q13. Assertion (A): The accounting equation always remains in balance after every business transaction.

Reason (R): Every transaction has a dual aspect and affects at least two accounts, maintaining the equality of total assets with total liabilities and capital.

Q14. Assertion (A): An increase in an asset can result in an increase in a liability.

Reason (R): When goods are purchased on credit, stock (asset) increases and creditors (liability) also increase, keeping the accounting equation balanced.

Q15. Assertion (A): Drawings by the proprietor reduce the capital of the business.

Reason (R): Drawings represent personal use of business assets or cash by the owner and therefore are debited to Capital Account.

Q16. Assertion (A): Depreciation is a non-cash expense.

Reason (R): Depreciation reduces the book value of fixed assets and the reported profit, but it does not involve any cash payment during the year.

Q17. Assertion (A): Provision for doubtful debts is created by debiting Profit and Loss Account.

Reason (R): Provision for doubtful debts is a charge against profits made to cover probable loss from bad debts.

Q18. Assertion (A): Reserves are created by debiting Profit and Loss Appropriation Account or Surplus.

Reason (R): Reserves represent appropriation of profits retained in the business to strengthen financial position or meet future contingencies.

Q19. Assertion (A): Provision for depreciation is shown on the liabilities side of the balance sheet or deducted from the cost of the related asset.

Reason (R): Provision for depreciation is a contra item against the fixed asset and represents accumulated depreciation on that asset.

Q20. Assertion (A): Cheques issued but not yet presented for payment cause the bank balance as per cash book to be higher than the balance as per pass book

Reason (R): Such cheques are already credited in the cash book but will be debited by the bank only when they are presented for payment.

Q21. Assertion (A): A Bank Reconciliation Statement is prepared to reconcile the difference between the bank balance as per cash book and pass book

Reason (R): Timing differences and errors in recording transactions cause disagreement between the two balances.

Q22. Assertion (A): Trading Account is prepared to ascertain the net profit or loss of a business.

Reason (R): Trading Account records direct expenses and direct revenues related to buying and selling of goods.

Q23. Assertion (A): Outstanding expenses are added to the concerned expense in the Profit and Loss Account and shown as a current liability in the Balance Sheet.

Reason (R): Outstanding expenses relate to the current accounting period but remain unpaid at the end, so they must be recognized on accrual basis.



Q24. Assertion (A): Prepaid expenses are deducted from the related expense in the Profit and Loss Account and shown as a current asset.

Reason (R): Prepaid expenses represent benefits that will be received in the next accounting period.

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