

Second Unit Test in ACCOUNTANCY

Std. 11  
03-12-2015

Time : 1 hr.  
M. Marks: 20

Attempt all questions.

1. What is meant by retiring a bill under rebate? (1)
2. Bills are accepted by:  
a) Drawer                      b) Creditor                      c) Debtor                      d) Endorser (1)
3. If unearned income is given in Trial balance, it is shown in:  
a) Debit of Profit & Loss Account                      b) Credit of Profit & Loss Account  
c) Assets side of Balance Sheet                      d) Liability side of Balance Sheet (1)
4. On 15<sup>th</sup> February 2014 Rajan sold goods to Shanoor for Rs 6,000. On the same day Shanoor accepted a bill drawn upon him by Rajan for three months for Rs 6,000. Rajan discounted the bill on 18<sup>th</sup> March 2014 at 15% per annum. Find discounting charge?  
a) 225                      b) 150                      c) 200                      d) 175 (1)
5. On 1<sup>st</sup> July 2015 Anu draws on Binu, who owed him Rs. 2,500/-, two bills, one for Rs. 1,500/- for three months and another for Rs. 1,000/- for two months. Binu accepts these bills. Anu endorsed on 3<sup>rd</sup> July the first bill to his creditor Christopher in full settlement of his account of Rs. 1,550/- and discounts the second bill on 4<sup>th</sup> July with his banker @12% p.a. The first bill is duly paid at maturity but the second bill is dishonoured and Rs. 15/- paid as noting charges. On 5<sup>th</sup> September Anu draws and Binu accepts a third bill for three months for Rs. 1,045/- in lieu of dishonoured bill. This bill is paid at maturity. Pass journal entries in the books of Anu. (4)
6. On 1<sup>st</sup> April 2015 Y accepts a bill drawn by X for two months for Rs. 5,000/- in payment of debt. On the due date the bill is dishonored and X had to pay Rs. 50/- as noting charges. On 4<sup>th</sup> June 2015, Y requested to X to draw a new bill for the amount due. X agreed to draw a new bill for 73 days but he charged 18% p.a. interest in cash. This bill is duly met on maturity. Pass journal entries in the books of both the parties. (4)
7. From the following Trial Balance of Ram Naresh, prepare trading and profit and loss account of for the year ended 31<sup>st</sup> December 2014, and the balance sheet on that date:

Drawings	35,000	Capital	4,50,000
Buildings	60,000	Creditors	40,000
Debtors	30,000	Sales	3,65,000
Purchases	2,35,000	Discount	900
Sales Return	6,900	Apprentice premium	5,000
Fire insurance	2,800	Bad debt provision	10,000
Life insurance	4,300	B/P	29,100
Cash in hand	25,900		
Cash at bank	25,700		
Stock (1-1-2014)	35,000		
Bad debts	12,000		
Carriage	6,300		
Wages	27,700		
Plant	2,30,000		
Furniture	60,000		
Salaries	23,000		
Bank charges	200		
Coal & gas	12,000		
Rates & Taxes	8,000		
B/R	60,000		
Trade charges	200		
Total	9,00,000	Total	9,00,000

**Adjustments:**

- Carry forward the following unexpired expenses: Fire insurance Rs. 700/-, Rates & taxes Rs. 2,000/-, Apprentice premium Rs. 2,500/-.
- Depreciate: Building @ 5%, Furniture @ 10%.
- Wages include Rs. 2,000/- spent on the installation of a new plant on 1-1-2014.
- Make a provision of 5% on Sundry Debtors for doubtful debts.
- Trade expenses Rs 400 and wages Rs. 1,500/- have not yet been paid.
- Manager is entitled to a commission of 10% on Net Profit after charging such commission.

(8)

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