B.K. BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS
A CBSE DAY-CUM-BOYS' RESIDENTIAL SCHOOL

PRE MID TERM EXAMINATION, 2026-27
ACCOUNTANCY 055
SET - 2

Class: XI | **Time: 1hr**
Date: 24/07/2026 | **Max Marks: 25**
Admission no: | **Roll no:**

General Instructions:

i. **This question paper contains 10 questions. All questions are compulsory.**
ii. **Marks are indicated against each question.**
iii. **Answers should be brief and to the point.**
iv. **Question no. 1 to 5 are MCQs of 1 mark each.**
v. **Question no. 6 and 7 carrying 3 marks each.**
vi. **Question no. 8 and 9 carrying 4 marks each.**
vii. **Question no.10 carrying 6 marks.**

1. What is the correct sequence of Standard Accounting cycle? (1)
(a) Identifying →Recording→Classifying→Summarising
(b) Summarising → Identifying → Recording → Classifying
(c) Recording→ Classifying → Identifying→Summarising
(d) Identifying → Classifying→ Recording→Summarising

2. A bank is reviewing a company's financial statements to decide whether to approve a business loan. In this scenario, the bank is considered as an: (1)
(a) Internal user of Accounting Information
(b) Government Regulator
(c) External user of Accounting information
(d) Management auditor

3. Which qualitative characteristic ensures that financial statements are free from significant error and bias, and faithfully represent what they claim to represent? (1)
(a) Relevance
(b) Understandability
(c) Comparability
(d) Reliability

4.Assertion: Capital is considered an internal liability of a business. (1)
Reason: The total assets of a business must always equal its total liabilities plus capital.
(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 and 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.

5. The person to whom goods are sold on credit are called- (1)
(a) Creditor
(b) Debtor
(c) Lender
(d) Borrower

6. A company is facing a severe cash shortage and needs immediate funds. The CEO wants to look at the cash flow statements to change daily spending. At the same time, a local bank is reviewing the same statements. (3)
Identify the two types of users in this scenario and explain how their information needs differ.

7. Kabir opened a boutique bakery called "Bakers & Co." (3)
a) He purchased a heavy-duty commercial oven for Rs 2,50,000 to bake goods for the next few y years.
b) He bought flour, sugar, and butter worth Rs 40,000 on credit from "Golden Grain Wholesalers" to use this week.
c) A local corporate office ordered cakes for an event. Kabir delivered the cakes and sent an invoice for Rs 15,000. The office will pay him next month.
From the scenario above, identify the specific business/party name and state the exact monetary value for the following accounting terms:
1. Current Asset (Inventory) 2. Creditor 3. Debtor

8. Differentiate between Book keeping and Accounting on the basis of Scope, stage, Objective, staff required. (4)

9. Explain Current Asset and Non-current asset with two suitable examples of each. (4)

10. On 1st April 2026, Meera launched a premium clothing boutique named "Zenith Garments." She completed the following transactions during her first quarter of operations: (6)
1. She invested Rs10,00,000 of her own savings into the business. She also brought in her personal delivery van valued at Rs 3,00,000 to use exclusively for delivering garments.
2. She paid Rs 2,00,000 to install luxury display racks and a computerized billing system inside her rented showroom.
3. She purchased designer fabric and ready-made dresses worth Rs 4,00,000 on credit from "Vastram Textiles."
4. She sold half of her clothing inventory to a fashion house on credit for Rs 3,50,000.
5. She paid Rs 15,000 cash for printing paper bags and tags, and Rs 25,000 to a local technician for the regular maintenance and tuning of her billing computers.
6. The fashion house that bought the clothes faced a fire accident and sent an official letter stating they could only pay 60% of their Rs 3,50,000 bill. The remaining amount is officially written off as unrecoverable.

Based on the scenario above, identify the specific item, business entity, or financial value, and calculate the exact monetary amount for the following six accounting terms:
(a) Total Capital
(b) Capital Expenditure
(c) Revenue
(d) Trade Creditor
(e) Revenue Expenditure
(f) Bad Debts

ALL THE BEST