



# B.K. BIRLA CENTRE FOR EDUCATION

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

TERM-1 EXAMINATION 2025-

ACCOUNTANCY (055)

Class: **XI Commerce**

Date: **10/09/2025**

Name: \_\_\_\_\_

**MARKING SCHEME**

Duration: **3Hrs.**

Max. Marks: **80**

Exam No.: \_\_\_\_\_

1. **Accounting starts:** 1
  - (a) Where book keeping begins
  - (b) **Where book keeping ends**
  - (c) Where books are not maintained at all
  - (d) After preparing final accounts
2. **Creditors of the business wants to know:** 1
  - (a) **Profitability of the business**
  - (b) Capability of the business to pay higher salaries
  - (c) Creditworthiness of the business
  - (d) Employment opportunities
3. **A person who owes money to the firm is called \_\_\_\_\_.** 1
  - (a) **Debtor**
  - (b) Creditor
  - (c) Supplier
  - (d) None of these
4. **Tangible Assets do not include:** 1
  - (a) **Goodwill**
  - (b) Furniture
  - (c) Stock
  - (d) Cash

**OR**

**Last step of accounting:**

- (a) recording economic events in the books of account
- (b) preparation of financial statements
- (c) **communication of information**
- (d) analysis and interpretation of information

5. **According to which concept even the proprietor of the business is treated as creditor of the business:** 1
  - (a) Going concern concept
  - (b) Cost concept
  - (c) **Business entity Concept**
  - (d) Accounting period concept

6. **Accrual Concept is based on:** 1
  - (a) **Matching Concept**
  - (b) Dual aspect concept
  - (c) Cost concept
  - (d) Going Concern Concept

**OR**

**Statement I :** Gain is a profit of regular nature.

**Statement II :** Profit is the income earned by the business from activities.

- (a) Both statements are correct
- (b) **Both statements are incorrect**
- (c) Statement I is correct and Statement II is incorrect
- (d) Statement II is correct and Statement I is incorrect

7. **In accrual basis recording is made of :** 1
  - (a) Cash Transactions
  - (b) Credit Transactions
  - (c) **Cash as well as credit transactions**
  - (d) None of these
8. **Assertion [A]: Assets = Liabilities + Capital** 1

**Reason [R]: Liabilities = Assets - Capital**

- (a) **Both [A] and [R] are true and [R] is the correct explanation of [A].**
- (b) Both [A] and [R] are true and [R] is not the correct explanation of [A].



**paisa in a rupee. Total bad debts from him were written off Rs 7200. What was the amount actually due from Mohan?** **1**

- (a) Rs 24000 (b) Rs 18000 (c) Rs **12000** (d) None of these

**16. Rent paid is :** **1**

- (a) Personal A/c (b) Real A/c  
(c) **Nominal A/c** (d) Both b and c

**17. On selling the goods for cash of the list price of Rs 40000 at 15% trade discount and 4% cash discount, Cash A/c will be debited by:** **1**

- (a) **Rs32640** (b) Rs 32400 (c) Rs 34000 (d) Rs 38400

**18. Outstanding rent is a \_\_\_\_\_ account.** **1**

- (a) **Personal** (b) Nominal (c) Real (d) none

**19. "Personal transactions of the owner are not recorded in the books of the business unless it involves inflow or outflow of business funds." To which accounting principle the above phrase is related?** **1**

- (a) Dual Aspect Concept  
(b) Principle of Conservatism  
(c) **Business Entity Concept**  
(d) Accounting Period Concept

**20. Mr. Ram creates provisions for certain types of contingencies that may happen in near future but does not anticipate any future profits.**

**Identify the accounting concept being followed by Mr. Ram.** **1**

- (a) **Conservatism concept**  
(b) Full disclosure concept  
(c) Dual aspect concept  
(d) Money measurement concept

**21. Explain main objectives of accounting.** **3**

- a) Innovation b) Maximum profit c) market share d) workers performance their attitude e) social responsibility

**22. Differentiate between Book keeping and Accounting on the basis of:** **3**

- (i) Scope (ii) Stage (iii) Objective

Parameters	Bookkeeping	Accounting
Scope	Bookkeeping involves identifying, measuring, recording & classifying financial transactions in the ledger accounts.	In addition to bookkeeping, Accounting also includes summarizing, interpreting and communicating the financial data to the users of financial statements.

Objective	The main aim is to maintain systematic records of financial transactions.	The main aim is to ascertain the profitability and financial position of the business.
Stage	It is a primary stage of accounting	It is a second stage and begins where book-keeping ends.

23. Give the Rules of Debit and Credit as per Traditional approach. 3

Personal – Dr. the receiver, Cr. The giver

Real – Dr. what comes in, Cr. What goes out

Nominal- Dr. all expenses and losses, Cr. All incomes and gains

### OR

Explain in detail what do you mean by an Account in three valid point.

Ans) An account is a record in the general ledger that is used to sort and store transactions. For example, companies will have a Cash account in which to record every transaction that increases or decreases the company's cash.

It has Dr and Cr side.

It needs to be balanced and carried forward for next cycle.

24. What is Cash memo? Prepare an imaginary specimen of cash memo. 3

Ans) Whenever there is a purchase or sale of goods or services the trader receives or gives the cash, memo. The transaction is recorded in the book according to the details mentioned in the cash memo (i.e. item name, price, quantity, date, time, etc.)

25. Answer the below question : 3

a) What is Journal?

- a journal is a primary book of accounts where business transactions are first recorded in chronological order, meaning in the order they occur. It's also known as the book of original entry because it's the initial place where transactions are documented before being transferred to other ledgers.

b) Name the process of recording transactions in the Journal.

- The process of recording transactions in the journal is called **Journalising** and recorded transactions are called Journal Entries.

c) What is opening entry?

- an opening entry is the initial journal entry made at the start of a new accounting period (usually a financial year) to record the balances of assets, liabilities, and capital carried over from the previous period's closing.

26. Explain the following with example (Any Two) : 3

a) Going Concern Concept b) Accounting Period Concept c) Dual aspect Concept

### OR

Explain the objectives of accounting standards. (write 3 points in detail)

Ans) There are various objectives of accounting standards.

-The main objectives are to ensure that financial statements are accurate, reliable, and comparable. This objective is important because it helps investors and other users of financial

information make informed decisions about their investments.

-Another **accounting standards objectives** include ensuring that information is meaningful to users of financial statements; providing consistency in accounting policies and practises; helping businesses communicate effectively with stakeholders about their performance over time.

-Also they also help businesses communicate effectively with stakeholders about their performance over time.

27. Explain any four of the following terms with an example: 4

- a) Current Assets      b) Current liabilities      c) Non-Current Assets  
d) Non-Current Liabilities      e) Capital expenditure      f) Revenue expenditure.

**OR**

Explain Utility of Accounting standards.(write 4 points in detail)

Ans) Accounting Standards are needed due to the following reasons:

- These standards ensure uniformity in financial statements across the firms so that the investors can understand them easily and clearly, and can take appropriate decisions about the investment.
- If the same accounting standards are followed throughout the world, anyone can explore career opportunities in accounting in any part of the world.
- Accounting standards guide businesses on how to create and maintain their account reports, which establish a common accounting language across the globe.
- It lets everyone have a single framework for recording all the business transactions.

28. Explain the following with example (Any Two) : 4

- a) Money Measurement Concept      b) Full Disclosure Concept      c) Consistency Concept

29. Explain four qualitative characteristics of accounting. 4

Ans) Relevance, reliability, Timeliness, comparability, materiality, verifiability, consistency, understandability

30. Explain any three Advantages and Disadvantages of accounting? 6

Adv: Complete and systematic record, determination of selling price, valuation of enterprise, helps in obtaining loan, evidence in court, in accordance with law, facilitates auditing.

Dis Adv: does not guarantee success, actual values of items, ignores qualitative element, can be manipulated, costly for a business, business privacy.

31. Show the Accounting equation on the basis of the following transactions. 6

- Mukesh started business with cash Rs 100000
- Purchased goods from Akhil on credit Rs 50000
- Purchased furniture for cash Rs 6000
- Paid Rent Rs 2000
- Withdrew cash for private use Rs 3000
- Sold goods on credit for Rs 40000

Ans: 155000 = 155000

**OR**

Open a T shape account for machinery and put the following transaction on the proper side

- Machinery Purchased Rs 40000
- Machinery sold Rs 10000
- Machinery Purchased Rs 8000

- iv Machinery discarded Rs. 14000
  - v Depreciation on machinery Rs. 1000
- Ans) balance 16000

32. Pass Journal entries for the following transaction in the books of Gurpreet Bros.: 6

- i. Purchased Machinery by giving a cheque of Rs 300000 and paid Rs 10000 in cash as wages on its installation. Mach to bank
- ii. Goods destroyed by fire Rs 20000. Loss by fire to Pur 20000
- iii. Paid rent and electricity 7500 and 2000 respectively. Rent A/c, elec to cash
- iv. Provide 10% Depreciation on furniture Costing Rs 50000. Dep to fur 5000
- v. Paid Rs 2500 for repairing of Office Computer. Repairs to off equip 2500
- vi. Sold goods to Kitty list price Rs 20000, trade discount 10% and cash discount 5%. He paid the amount on the same day and availed the cash discount. Cash-17100, discount-900 to kitty -18000.

33. Prepare the Vouchers to be recorded in the books of M/s Elegant Furnitures, New Delhi: (any 2) 6

- a) Paid for conveyance Rs 150 on 10<sup>th</sup> Jan' 2024
- b) Paid cash Rs. 5000 to Mani & Sons for purchase of 2 machines vide Cash Memo No. 1230
- c) Sold old typewriter for cash Rs. 2500 vide cash receipt No. 314

**OR**

Distinguish between Trade discount and Cash Discount on the below basis

- a) Nature
- b) Nature of transaction
- c) Recording
- d) Deduction from invoice
- e) Consideration
- f) Relation

Basis	Cash Discount	Trade Discount
<b>Meaning</b>	A Cash Discount is offered by the seller to the buyer when the buyer is paying the bill.	Trade Discount is offered by the seller to the reseller during the time of purchase of a product.
<b>Purpose of discount</b>	Cash Discounts ensure timely payment for purchased items.	Trade Discount helps to increase the sales of the product.
<b>Time when the discount is allowed</b>	A Cash Discount is offered at the time when the buyer pays the bill amount.	A Trade Discount is offered at the time when the item is purchased.
<b>Type of payment allowed</b>	Cash Discounts are allowed on only transactions related to cash payments.	Trade Discount is allowed on transactions related to both cash and online payments.
<b>Motive</b>	Cash Discount is provided to	Trade Discount is provided

Basis	Cash Discount	Trade Discount
<b>Record of discount</b>	<p>motivate buyers to pay bills instantly.</p> <p>Cash Discounts are recorded because the amount that the customer pays is calculated after reducing the trade discount.</p>	<p>to retain customers and make them future buyers.</p> <p>Trade Discounts are not recorded in the cash book.</p>

34. Classify the following into Assets, Liabilities, Capital, Expenses and Revenue: 6  
 (1/2 marks for each correct classification)
- a) Land -A b) Investments -A c) Building -A d) Interest Received -R  
 e) Salary- E f) Bank Overdraft - L g) Debtors - A h) Creditors -L  
 i) Bad Debts-E j) Capital - C k) Depreciation -E l) Motor Vehicles- A