

Model Question Paper
Final Accounts - Adjustments - Part III
12th Standard
Accountancy

Reg.No. :

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- I. Answer all the questions.
II. Use Blue pen only.
III. Question No 16 is compulsory.

Time : 02:00:00 Hrs

Total Marks : 70

5 x 1 = 5

Section-A

- 1) Depreciation is deducted from the concerned _____ in the Balance sheet.
- 2) Provision for Bad and Doubtful debts is deducted from _____ in the Balance sheet.
- 3) Provision for discount on creditors is deducted from _____ in the Balance sheet.
- 4) Debts which are not recoverable from Sundry debtors are termed as _____.
- 5) The preparation of _____ is the last step in Accounting cycle.

Section-B

5 x 1 = 5

- 6) Financial performance of a business can be ascertained by preparing
(a) Final Accounts (b) Trial Balance (c) Capital Accounts
- 7) Final accounts is prepared on the basis of
(a) Capital Accounts (b) Assets (c) trial Balance
- 8) Outstanding expenses will be shown on the debit side of by way of additions to the particular expense.
(a) Trading Account (b) Trial Balance (c) Profit and Loss Account
- 9) Prepaid expenses will be shown on the side of the Balance Sheet.
(a) Assets (b) Debit (c) Liabilities
- 10) Accrued income will be shown on the side of Profit and Loss account by way of addition to particular income.
(a) Assets (b) Credit (c) Liabilities

Section-C

4 x 5 = 20

- 11) What is closing stock?
- 12) Why to charge interest on capital?
- 13) What is drawings? How will the interest on drawings be shown?
- 14) What is loan? How will you show the amount payable towards interest on loan?

Section-D

2 x 20 = 40

- 15) From the following Trial Balance of Mr. Joseph, prepare Trading and Profit and Loss Account for the year ended 31st March, 2003 and a Balance Sheet as on that date. Trial

Balance

Particulars	Debit Rs.	Credit Rs.
Capital		1,20,000
Sales		75,000
Purchases	45,000	
Salaries	6,000	
Rent	4,500	
Insurance Premium	900	
Drawings	15,000	
Machinery	84,000	
Bank	13,500	
Cash	13,000	
Stock (1.4.2002)	15,600	
Sundry Debtors	7,500	
Sundry Creditors		10,500
	2,05,500	2,05,500

Adjustments required: 1. Stock on 31.3.2003 Rs. 14,700 2 Salaries unpaid Rs. 1,000 3. Rent paid in advance Rs. 750. 4. Creates 5% Provision for bad and doubtful debts on Sundry debtors.

- 16) a) The following balances are extracted from the books of Mr. Venugopal as on 31st March 2004. Prepare Trading, Profit and Loss Account and the Balance Sheet.

Particulars	Debit Rs.	Credit Rs.
Capital		1,20,000
General expenses	16,500	
Drawings	16,000	
Commission		11,000
Bank Overdraft		25,000
Cash in Hand	2,500	
Stock(1.4.2003)	1,00,000	
Furniture	80,000	
Purchases	3,00,000	
Sales		5,00,000
Wages	50,000	
Insurance Premium	1,000	
Salaries	15,000	
Sundry Creditors		50,000
Sundry Debtors	1,50,000	
Bills Payable		25,000
	7,31,000	7,31,000

Adjustment required: 1. Closing Stock Rs. 1,00,000. 2. Write off bad debts Rs. 20,000. 3. Create provision for Bad and doubtful debts @ 5%. 4. Create provision for discount on debtors @2%. 5. Create provision for discount on creditors @ 2%.

(OR)

- b) From the following Trial Balance, Prepare Trading, Profit and Loss Account for the year ended 31.3.1981 and a Balance Sheet as on that date.

Debit Balances	Rs.	Credit Balances	Rs.
Purchases	11,870	Capital	8,000
Debtors	7,580	Bad debts recovered	250
Return inward	450	Creditors	1,250
Bank deposit	2,750	Return outwards	350
Rent	360	Bank Overdraft	1,570
Salaries	850	Sales	14,690
Travelling expenses	300	Bills payable	1,350
Cash	210		
Stock (1.4.1980)	2,450		
Discount allowed	40		
Drawings	600		
	27,460		27,460

Adjustments: (a) The closing stock on 31.3.81 was Rs. 4,200. (b) Write off Rs. 80 as Bad debts. (c) Create a provision for bad and doubtful debts at 5% on Sundry debtors. (d) Rent outstanding Rs. 120.
