

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

Reg.No. :

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I. Answer all the questions.
II. Use Blue pen only.

Time : 02:00:00 Hrs

Total Marks : 120

6 x 1 = 6

Section-A

- 1) Income received during a particular accounting period for the work to be done in future period is called as _____.
- 2) Interest on drawings is an income for the business and will _____ the capital of the owner.
- 3) Bad debts is a _____ for the business.
- 4) After providing provision for bad and doubtful debts, the remaining debtors are called as _____ debtors.
- 5) Trial Balance shows bank loan Rs.4,00,000 @ 10% on 1.4.03, Interest paid Rs.14,000. Interest outstanding is _____.
- 6) The trial balance as on 31.3.03 shows Capital Rs.4,00,000 and Drawings Rs.30,000. Interest on drawings @ 5% is _____.

Section-B

4 x 1 = 4

- 7) As per trial balance debtors is Rs.10,500. In the adjustment, bad debts written off Rs.500 is given. The amount to be shown in the assets side is _____
(a) Rs.11,000 (b) Rs.10,000 (c) Rs.500
- 8) Prepaid expenses will be shown on the _____
(a) debit side of the profit and loss account by deducting from the particular expenses. (b) credit side of the profit and loss account by adding with the particular item.
(c) liability side of the balance sheet
- 9) An amount received in respect of which full service has not been rendered is called _____
(a) prepaid expenses (b) income received in advance (c) accrued income
- 10) Income for which services are rendered but remuneration not received are called _____
(a) income received in advance (b) prepaid expenses (c) accrued income

Section-C

5 x 12 = 60

- 11) Following are the balances extracted from the Trial Balance of Mr. Mohan as on 31st March, 2002.

Trial Balance as on 31st March, 2002

| Particulars | Debit Rs. | Credit Rs. |
|------------------------------------|-----------|------------|
| Sundry debtors | 60,000 | |
| Bad debts | 5,000 | |
| Provision for bad & doubtful debts | | 10,000 |

Adjustments:

Create provision for bad & doubtful debts @ 5% on Sundry Debtors.

Pass adjusting entry and show how these items will appear in the final accounts.

- 12) The following balances have been extracted from the trial balance of Mr. Ashok as on 31.3.2002

Trial Balance of Mr. Ashok as on 31st March, 2002

| Particulars | Debit Rs. | Credit Rs. |
|------------------------------------|-----------|------------|
| Debtors | 2,01,200 | |
| Bad debts | 9,400 | |
| Provision for Bad & Doubtful debts | | 24,000 |
| Provision for Discount on debtors | | 1,200 |
| Discount allowed | 18,600 | |

Adjustments:

1. Write off additional bad debts Rs. 4,800.
2. Create Provision of 10% for bad & doubtful debts on debtors.
3. Create Provision of 2% for discount on debtors.

Show how these items will appear in the Profit and Loss Account and Balance Sheet.

- 13) Write notes on:

- (a) Prepaid expenses
- (b) Outstanding expenses
- (c) Bad debts
- (d) Income received in advance.

- 14) Pass necessary adjusting entries for the following adjustments:

1. Interest charged on drawings Rs.10,000
2. Interest on loan outstanding Rs.4,000
3. Depreciation at 10% is to be charged on machinery Rs.5,00,000
4. Write off bad debts Rs.3,000
5. To provide provision or bad and doubtful debts at 2% on sundry debtors Rs.30,000
6. To provide provision for discount on creditors at 2% on sundry creditors Rs.50,000.

- 15) The following items are found in the trial balance of Mr. Deepak as on 31.3.2005.

| | |
|--------------------------------------|-------------|
| Sundry debtors | Rs.1,92,000 |
| Bad debts | Rs.3,600 |
| Provision for bad and doubtful debts | Rs.8,400 |

Adjustment: Provide for bad and doubtful debts at 5% on sundry debtors. Pass adjusting entry and show how these items will appear in the final accounts.

Section-D

3 x 20 = 60

- 16) The following are the balances extracted from the books of Mrs. Suguna as on 31st March, 2004.

| Debit Balances | Rs. | Credit Balances | Rs. |
|------------------|----------|------------------|----------|
| Drawings | 40,000 | Capital | 2,00,000 |
| Cash at Bank | 17,000 | Sales | 1,60,000 |
| Cash in hand | 60,000 | Sundry Creditors | 45,000 |
| Wages | 10,000 | | |
| Purchases | 20,000 | | |
| Stock (31.3.03) | 60,000 | | |
| Buildings | 1,00,000 | | |
| Sundry debtors | 44,000 | | |
| Bills Receivable | 29,000 | | |
| Rent | 4,500 | | |
| Commission | 2,500 | | |
| General Expenses | 8,000 | | |
| Furniture | 5,000 | | |
| Suspense Account | 5,000 | | |
| | 4,05,000 | | 4,05,000 |

Adjustments:

1. Closing stock Rs. 40,000 valued as on 31.03.04.
2. Interest on Capital at 6% to be provided.
3. Interest on Drawings at 5% to be provided.
4. Depreciate buildings at the rate of 10% per annum.
5. Write off Bad debts Rs. 1,000.
6. Wages yet to be paid Rs. 500.

Prepare Trading and Profit and Loss Account and Balance Sheet as on 31st March, 2004.

- 17) From the following trial balance of Mr. Palani as on 31.3.03, prepare final accounts. Adjustments:

| Debit Balances | Amount Rs. | Credit Balances | Amount Rs. |
|-----------------------|---------------|-----------------|---------------|
| Cash in Hand | 16,000 | Capital | 4,00,000 |
| Furniture | 1,00,000 | Commission | 31,000 |
| Opening Stock | 2,00,000 | Sales | 12,00,000 |
| Purchases | 6,40,000 | Creditors | 2,00,000 |
| Drawings | 1,20,000 | | |
| Salaries | 1,44,000 | | |
| Bad debts | 24,000 | | |
| Carriage inwards | 40,000 | | |
| Rent | 52,000 | | |
| Debtors | 3,60,000 | | |
| Printing & Stationary | 64,000 | | |
| General Expenses | 71,000 | | |
| Total | 18,31,000 | Total | 18,31,000 |

- (a) Closing stock Rs.1,60,000
- (b) Rent outstanding Rs.3,000
- (c) Commission received in advance Rs.2,000.
- (d) Depreciate furniture @ 5% p.a.

18) a) Following are the balances extracted from the trial balance of Mr.Naveen as on 31.3.2003.

| Particulars | Debit Rs. | Credit Rs. |
|--------------------------------------|-----------|------------|
| Sundry debtors | 1,20,000 | |
| Bad debts | 10,000 | |
| Provision for bad and doubtful debts | | 20,000 |

Adjustments: Create provision for bad and doubtful debts @ 5% on sundry debtors.

Pass adjusting entry and show how these items will appear in the final accounts.

b) The following balances have been extracted from the trial balance of Mr.Bharath as on 31.3.2002

| Particulars | Debit Rs. | Credit Rs. |
|--------------------------------------|-----------|------------|
| Debtors | 2,01,200 | |
| Bad debts | 9,400 | |
| Provision for bad and doubtful debts | | 24,000 |
| Provision for discount on debtors | | 1,200 |
| Discount allowed | 18,600 | |

Adjustments:

1. Write off additional bad debts Rs.4,800

2. Create provision of 10% for bad and doubtful debts on debtors.

3. Create provision of 2% for a discount on debtors.

Show how these items will appear in profit and loss account and balance sheet.

