

**Model Question Paper**  
Final Accounts - Adjustments - Part I

12th Standard

**Accountancy**

Reg.No. : 

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I. Answer all the questions.

II. Use Blue pen only.

Time : 01:00:00 Hrs

Total Marks : 75

**Section-A**

6 x 1 = 6

- 1) Net Profit is transferred from Profit and loss account to \_\_\_\_\_ account.
- 2) Closing stock is valued at Cost Price or \_\_\_\_\_ price whichever is lower.
- 3) Outstanding expenses are shown on the \_\_\_\_\_ side of the balance sheet.
- 4) The preparation of \_\_\_\_\_ is the last step in Accounting cycle.
- 5) The unsold goods in stock at the end of the accounting period is called as \_\_\_\_\_.
- 6) Value of closing stock will appear on the \_\_\_\_\_ side of Trading Account and on the \_\_\_\_\_ side of Balancing Sheet.

**Section-B**

2 x 5 = 10

- 7) What is outstanding expense?
- 8) What is prepaid expense?

**Section-C**

2 x 12 = 24

- 9) Write notes on
  - a) Trading Account
  - b) Profit and Loss Account and
  - c) Balance Sheet.
- 10) Pass necessary adjusting entries for the following adjustments:
  - a) Closing stock Rs. 6,00,000.
  - b) Provide 6% interest on capital of Rs. 16,00,000
  - c) Rent received in advance Rs. 5,000
  - d) Interest accrued on investments Rs. 2,000
  - e) Insurance premium prepaid Rs. 1,000
  - f) Wages outstanding Rs. 15,000.

**Section-D**

2 x 20 = 40

- 11) The following is the Trial Balance extracted from the books of Mr. Kumar as on 31.12.96. Prepare Trading and Profit and Loss account and Balance sheet on 31.12.96.

Debit Balances	Rs.	Credit Balance	Rs.
Buildings	30,000	Capital	40,000
Machinery	31,400	Purchase returns	2,000
Furniture	2,000	Sales	2,80,000
Motor Car	16,000	Sundry Creditors	9,600
Purchases	1,88,000	Discount received	1,000
Sales returns	1,000	Provision for bad and doubtful debts	600
Sundry Debtors	30,000		
General Expenses	1,600		
Cash at Bank	9,400		
Rates and Taxes	1,200		
Bad Debts	400		
Insurance premium	800		
Discount allowed	1,400		
Opening stock	20,000		
	3,33,200		3,33,200

**Adjustments:** (i) Outstanding rates and taxes Rs.1,600. (ii) Insurance Premium Prepaid Rs.200. (iii) Maintain Provision for bad and doubtful debts at 5% on debtors. (iv) Depreciate Motor car by 10%, Furniture by 4% and Buildings by 3%. (v) Stock on 31.12.96 Rs. 20,000.

12) From the undermentioned Trial Balance of Mr.Saleem as on 31.12.2001, prepare Trading and Profit and Loss Account for the year ended 31.12.2001 and Balance sheet as on that date.

<b>Trial Balance</b>			
<b>Debit Balances</b>	<b>Rs.</b>	<b>Credit Balances</b>	<b>Rs.</b>
Cash in hand	1,500	Capital	80,000
Purchases	1,20,000	Bank loan@ 4%	20,000
Opening stock	40,000	Bills payable	25,000
Sundry Debtors	60,000	Sundry Creditors	25,000
Plant and Machinery	50,000	Sales	2,00,000
Furniture	20,000	Provision for bad& doubtful debts Interest	1,500
Bills receivable	15,000	Interest	1,000
Rent and Taxes	10,000		
Wages	16,000		
Salaries	20,000		
	3,52,500		3,52,500

**Additional information supplied:** (i) Closing stock Rs. 50,000 (ii) Provide for outstanding liabilities.

Rent and taxes Rs.2,000

Wages Rs.3,000

Salaries Rs.4,000

(iii) Depreciation on Plant and Machinery @ 5% and on furniture @ 10%. (iv) Provide 4% interest on Bank loan. (v) Write off bad debts Rs.2,000

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