

CA Foundation Mock Test
Class-11th
(September- 2022)
Subject- Accountancy

Time: 3 Hrs.

M. Marks. 100

General Instructions

- ❖ Question paper is bifurcated into two section (A&B)
- ❖ Section A has internal choice of one question and each question in Section A carry 4 marks each.
- ❖ Section B has internal choice of one Question and each question in Section B carry 16 marks each.
- ❖ Students need to attempt minimum 4 question out of given 1-5 questions .
- ❖ Student need to attempt next 4 questions out of given 6-10 question.

Section-A

1. Explain the following
 - A) Book Keeping
 - B) Accountancy and Accounting
 - C) User to Accounting Information
 - D) Branches of Accounting.
2. What do you mean by Accounting cycle? Explain the Sequential steps involved in on Accounting cycle.
3. What do you mean by?
 - A) Entity
 - B) Business Transaction
 - C) Capital
 - D) Stock
4. Explain the following :-
 - A) Accrual Basis of Accounting
 - B) Cash Basis of Accounting
 - C) Hybrid Basis of Accounting
 - D) Distinguish (A), (B) & (C) at least 1 point
5. PRARTHANA PESTISIDES supplies you the following information about his incomes and expenses for the financial year 2019–2020:

Particulars	₹	Particulars	₹
Expenses paid	75,000	Income received	2,03,000
Expenses paid in advance	38,000	Income received in advance	25,000
Expenses not yet paid	23,000	Income earned but not received	22,000
Loans taken	1,00,000	Loans given	20,000

Compute the Net Income on: (i) Cash basis, (ii) Accrual basis, (iii) Hybrid basis.

Section-B

6. State with reasons whether the following are Capital or Revenue Expenditure.
- (a) Expenses on a foreign tour for purchasing a new machinery.
 - (b) Freight & insurance on the new machinery.
 - (c) Customs duty paid on import of a machinery.
 - (d) Cartage paid to bring the new machines to factory.
 - (e) Wages paid in connection with the erection of new machinery.
 - (f) ₹ 1,000 spent on repairing a second hand machine before put to use.
 - (g) ₹ 2,000 spent to remove a worn out part and replace it with a new engine.
 - (h) A petrol driven engine of a passenger bus was replaced by a diesel engine.
 - (i) ₹ 8,00,000 spent on advertising the introduction of a new product in the market, the benefit of which will be effective for 3 to 5 years.
 - (j) ₹ 5,000 spent on repainting the factory.
 - (k) Heavy amount spent on research for a particular product which ultimately did not result in success.
 - (l) Repair ₹ 2,000 necessitated by negligence of an operator of machine.
 - (m) ₹ 10,000 paid as compensation to employees who were retrenched.
 - (n) Interest on a term loan for the purchase of machinery. The commercial production has not begun till the last day of the accounting year.
 - (o) Interest on a term loan for the purchase of machinery. The commercial production has already begun.
 - (p) Compensation paid for breach of contract to acquire stock-in-trade.

7. Explain the following:-

- A) What do you mean by Accrual Assumption
- B) What do you mean by Money Measurement Concept
- C) What do you mean by Materiality Principal
- D)

(I) Mr X sold Goods for Cash ₹ 1,000 to Mr Y. In this case the dual aspects of this transaction for Mr X and Mr Y are as follows:

Dual Aspects for Mr X	Dual Aspects for Mr Y
1. Receipt of Cash ₹ 1,000	1. Payment of Cash ₹ 1,000
2. Foregoing of Goods of ₹ 1,000	2. Receipt of Goods of ₹ 1,000

(II) Mr X sold Goods for ₹ 1,000 to Mr Y on credit. In this case the dual aspects of this transaction for Mr X and Mr Y are as follows:

Dual Aspects for Mr X	Dual Aspects for Mr Y
1. Acquisition of Right to recover ₹ 1,000	1. Assumption of Obligation to pay ₹ 1,000
2. Foregoing of Goods of ₹ 1,000	2. Receipt of Goods of ₹ 1,000

8.

(I) Recognise the accounting principle in the following cases:

- (a) Transactions are recorded at their original cost.
- (b) Inventories are valued at lower of its cost and realisable value.
- (c) Accounting treatment once decided should not changed from one period to another.
- (d) Unsold stock is deducted from the cost of goods available for sale to arrive at Cost of Goods Sold.
- (e) A business is assumed to run for an indefinite period.

(II) During the year Mr X purchased goods for ₹ 5,00,000 and sold 3/5th of the goods for ₹ 5,00,000 and met expenses amounting ₹ 1,50,000. He counted net profit as ₹ 50,000. Which of the accounting concept was followed by him?

(III) Mr X purchased goods for ₹ 40,000 of which 25% for cash, incurred direct expenses ₹ 10,000 of which ₹ 2,000 still outstanding and sold 80% of the goods for ₹ 80,000 and 20% of the remaining for ₹ 2,000. His profit for the period is —

(IV) X owns a personal residence that cost ₹ 6,00,000, but has a market value of ₹ 9,00,000. During preparation of the financial statement for the business, the entire value of property was ignored and was not shown in the financial statements. Which of the accounting concept was followed by him?

9. (I) Mr Water had the following transactions:

- Commenced business with cash ₹ 50,000.
- Purchased goods for cash ₹ 20,000 and credit ₹ 30,000.
- Sold goods for cash ₹ 40,000, costing ₹ 30,000.
- Rent paid ₹ 500.
- Rent outstanding ₹ 100.
- Bought furniture ₹ 5,000 on credit.
- Bought refrigerator for personal use ₹ 5,000.
- Purchased building for cash ₹ 20,000.

Use accounting equation to show the effect of the above transactions on his assets, liabilities and capital and also show his balance sheet.

(II) On 1.4.2020 Mohan, a customer, paid Cash ₹ 950 on account of ₹ 1,000. Journalise and post it into the ledger.

(III) Balance the following ledger accounts on 31st Jan. 2020.

Dr.				RAM'S ACCOUNT				Folio 8	
								Cr.	
Date	Particulars	Folio	(₹)	Date	Particulars	Folio	(₹)		
2020				2020					
Jan 02	To Sales A/c		1,00,000	Jan 05	By Sales Returns		10,000		
				Jan 25	By Cash A/c		20,000		
				Jan 31	By Bank A/c		30,000		
				Jan 31	By Discount A/c		1,000		

Dr.				SHYAM'S ACCOUNT				Folio 8	
								Cr.	
Date	Particulars	Folio	(₹)	Date	Particulars	Folio	(₹)		
6.1.2020	To Purchase			1.1.2020	By Purchases A/c		1,00,000		
	Returns A/c		8,000						
26.1.2020	To Cash A/c		20,000						
31.1.2020	To Bank A/c		30,000						
31.1.2020	To Discount A/c		1,000						

10. PROBLEM 1

Journalise the following transactions in the Journal of Mr Tulsian:

01 Jan 2020	Started business with Cash ₹ 2,00,000, Goods ₹ 1,00,000, Furniture ₹ 50,000.
01 Jan 2020	Opened Current Account with ₹ 1,00,000.
02 Jan 2020	Placed an order with Ritik Roshan for the supply of goods of the list price of ₹ 1,00,000. In this connection, we paid 9% of the list price as an advance by cheque.
03 Jan 2020	Ritik Roshan supplied goods of the list price of ₹ 1,00,000 less 12% trade discount. Packing and Delivery charges ₹ 1,000.
04 Jan 2020	Purchased goods from Murlu of the list price of ₹ 1,00,000 less 12% trade discount and paid him by cheque under a cash discount of 5%.
05 Jan 2020	Received an order from Shyam for supply of goods of the list price of ₹ 1,00,000 with an advance of 10% of list price.
06 Jan 2020	Supplied the above goods at 10% trade discount. Packing and delivery charges ₹ 1,000.
07 Jan 2020	Goods costing ₹ 80,000 sold to Mr X at a profit of 20% on sales less 10% trade discount and received a cheque under 2% Cash discount.
08 Jan 2020	Goods (Cost ₹ 3,000, Sale Price ₹ 4,000) taken away by the proprietor for his personal use.

09 Jan 2020	Shyam became insolvent and paid 80 paise in a rupee in full & final settlement.
10 Jan 2020	Paid Ritik 80% on account.
11 Jan 2020	Goods (Cost ₹ 3,000, Sale Price ₹ 4,000) stolen.
12 Jan 2020	Paid Life Insurance Premium ₹ 1,000.
13 Jan 2020	Cash embezzled by an employee ₹ 1,000.

