

MOTITHANG HIGHER SECONDARY SCHOOL

ACCOUNTANCY - XI

(Three hours and a quarter)

FM: 80

(The first 15 minutes of the examination are for reading the paper only.

Candidates must NOT start writing during this time.)

Answer Question 1 (Compulsory) from Part I and any six questions from Part II. All working, including rough work, should be done on the same sheet, adjacent to the answers.

Part I (Compulsory)

Question 1

[10x2]

- i. State the meaning of accounting? [2]
- ii. Give any TWO disadvantages of double entry system. [2]
- iii. Explain the term 'Journal'. [2]
- iv. Develop a journal entry for 'income tax paid'. [2]
- v. Differentiate ledger from journal. [2]
- vi. Decide on how real account is different from personal accounts. [2]
- vii. Draw the format to show the ledger accounts. [2]
- viii. Explain TWO features of cash book. [2]
- ix. Identify TWO points of difference between cash account and cash book. [2]
- x. Do you think it is necessary to have a personal journal? Give TWO reasons. [2]

Part II

Answer any **SIX** questions

Question 2

[5*2=10]

- a) Pass journal entries for the following transactions. [5]
March 1. Started business with cash Nu. 60,000
March 2. Deposited cash into bank Nu.30,000
March 6. Purchased goods of Nu.6500 from Nelwa
March 20. Sold goods to Dhidro Nu. 7000
March 29. Received 6950 from Dhidro in full settlement of his account.
- b) Create ledger accounts using the journal entries from the above question. [5]

Question 3**[5*2=10]**

A) Mr. Sangay is a very hardworking man who owns a business enterprise. His business records journal entries on a daily basis. How would you show the journal entries? Pass them using a proper format. [5]

April 1 Commenced business with cash 40,000

April 2 Purchased goods worth Nu.10,000

April 7 Sold goods to Sonam Nu. 2500

April 8 Paid for advertisement to Rinchen Nu.1000

April 10 Received cash from Sonam in full settlement of her account Nu.2470

April 15 Machinery bought from Ram &sons on credit Nu.5000

April 19 Deposited Nu.4500 into bank

April 21 Withdrew for private use Nu.800

April 26 Withdrew from bank Nu.1600 for office use.

B) Prepare an accounting equation using the following particulars [5]

1. Chimi started business with cash 20,000

2. He purchased furniture for cash Nu. 3000

3. He paid rent Nu. 400

4. He purchased goods on credit Nu. 3000

5. He sold goods (cost price Nu. 2000) for Nu. 4500 on cash.

Question 4

Prepare an analytical petty cash book from the following particulars.

2016

Jan 1. Received Nu. 10000 for petty cash

Jan 2. Paid bus fare Nu. 50

Jan 5. Paid cartage Nu. 450

Jan 9. Paid for postage and courier Nu. 500

Jan 13. Paid wages for casual laborers Nu. 600

Jan 20. Paid for stationery Nu. 200

Jan 25. Paid for repairs to chairs Nu. 1500

Jan 28. Postage and telegrams Nu.700

Jan 29. Refreshment to customers Nu. 50

Jan 30. Paid for travelling expenses Nu. 300

Question 5

[5]

Following are the transactions taken from the books of Mrs. Choni & Co. How would you show the cash balances. (Use single column cash book to draw up the balances)

2016	Nu.
Feb.1 Cash in hand	4000
Feb. 4 Received from Dorokash	8000
Feb. 5 Cash purchases	5000
Feb.8 Paid rent	8000
Feb.13 Purchased goods for cash	1000
Feb.15 Sold goods for cash	3500
Feb.16 Sold goods to Bhuti	7500
Feb. 17 Bought goods from Kezang	7600
Feb.22 Paid to Bush on account	10500
Feb.28 Paid into bank	4500

Question 6

[10]

Prepare a double column cashbook with cash and bank columns from the following transactions.

2016

March

1. Cash in hand Nu. 20000 and Bank overdraft Nu. 5000
2. Purchased goods for cash Nu. 6000
3. Deposited into bank Nu. 5000
4. Cash sales Nu. 10,000
5. Cash withdrawn from bank for office use Nu. 2000
6. Received cash from Tshering Nu. 5000
7. Received cheque from Dhendup Nu. 3500 and deposited into bank on the same day
8. Received cheque from Dollay Nu. 4000 (not banked)

9. Cheque from Dollay deposited into bank
10. Paid to Chimmi by cheque Nu. 2500
11. Withdrew from Bank for personal use Nu. 1200
12. Sold goods to Rinchen Nu. 3000
13. Received cheque from Rinchen Nu. 3000 and deposited into bank
14. Bank charges for the month Nu. 100
15. Purchased goods on credit from Zam Nu. 7000

Question 7

[10]

An inexperienced accountant has drafted the following trial balance. Redraft the correct trial balance.

Particulars	Debit	Credit
Capital	8000	
Debtors		7,580
Bad debts recovered	250	
Bank deposits		2,750
Creditors	1,250	
Discount allowed		40
Returns outward	350	
Drawings		60
Bank overdraft	1,570	
Returns inwards		450
Rent	360	
Sales		13,690
Salaries	850	
Bills payables		1,350
Trade expenses	300	
Grant received		1000
Cash in hand	210	
Opening stock	2,450	
Purchases	11,870	
	27,460	27,460

Question 8

[10]

Mr. Dorji is the owner of KMT enterprise. Pass the compound journal entries for the transactions given below and post them into ledger accounts.

May 1. Started business with cash Nu.17000, Building Nu.30000 and Stock Nu.7000

May 5. Purchased goods for 27000 from Jigtshun, out of which Nu.15000 was paid in cash.

May 17. Sold goods to Ronda Nu.12000 and Nu.34000 for cash.

May 21. Paid Nu.11500 to Jigtshun in full settlement of her account.

May 30. Received Nu.11,900 from Ronda in full settlement of his account.

Question 9

[10]

Mr. Phuntsho is a new accountant in Ms Bros co. You were selected by the company to train him to pass the journal entries. List the journal entries for the following transactions.

2016

May 1 Commenced business with cash 23,000

May 4 Purchased goods from Sonam for cash Nu.15,000

May 5 Sold goods to Samphel Nu.25,000

May 9 Samphel returned goods of the list price 1,200.

May 10 Provide 10% depreciation on building costing 50,000

May 15 Provide 5% interest on capital of 40,000 for 6 months.

May 20 Goods distributed as free samples

May 15 Borrowed Nu.70,000 from Denkar

May 26 Advanced Nu.30,000 as loan to Sita.

May 30 Paid rent and wages Nu.500 and Nu.600 respectively.