

Exam Paper

Standard: 11th Commerce Subject: Accountancy

Q1. Show the accounting equation on the basis of the following transactions and also show the Balance Sheet: **8 Mark**

1. Started business with Cash ₹ 60,000 and Goods ₹ 30,000.
2. Purchased goods for Cash ₹ 40,000 and on Credit ₹ 25,000.
3. Goods costing ₹ 48,000 sold at a profit of $33\frac{1}{3}\%$. Three-fourth payment received in Cash.
4. Goods costing ₹ 20,000 sold at a loss of 5%, out of which ₹ 12,000 received in Cash.
5. Paid Rent ₹ 4,000 and Salary ₹ 6,000.
6. Received Cash from Debtors ₹ 15,000.
7. Paid telephone bill amounting to ₹ 800.

Q2. Show the accounting equation on the basis of following transactions: **8 Mark**

1. Commenced business with Cash ₹ 20,000; Goods ₹ 50,000 and Furniture ₹ 30,000.
2. Purchased goods from Gopal on Credit ₹ 40,000.
3. Sold goods for Cash ₹ 40,000 (costing ₹ 30,000).
4. Sold goods to Ram on Credit ₹ 65,000 (costing ₹ 50,000).
5. Withdrew for personal use goods costing ₹ 5,000.
6. Purchased typewriter for personal use of the proprietor ₹ 20,000.
7. Purchased chairs for office use for Cash ₹ 10,000.
8. Paid for printing ₹ 500 and received Commission ₹ 1,200.
9. Introduced fresh Capital ₹ 40,000.
10. Paid to Gopal ₹ 30,000.

Q3. Prove that the accounting equation is satisfied in the following transactions: **8 Mark**

	(₹)
i. Brij Mohan commenced business with Cash	1,00,000
ii. Bought goods for Cash	60,000
iii. $\frac{1}{3}$ rd of the above goods sold at a profit of 20% on cost. Half the payment received in Cash	
iv. Purchased typewriter for office use	15,000
v. Purchased goods on Credit from X	25,000
vi. Paid to X	15,000
vii. Paid Salary	3,000
viii. Received commission	500
ix. Sold goods for Cash (Cost ₹ 50,000)	60,000

Q4. Raghunath had the following transactions in an accounting year: **6 Mark**

1. Commenced business with cash ₹ 50,000.
2. Paid into bank ₹ 10,000.
3. Purchased goods for cash ₹ 20,000 and credit ₹ 30,000.
4. Sold goods for cash ₹ 40,000 costing ₹ 30,000.
5. Rent paid ₹ 500.
6. Rent outstanding ₹ 100.
7. Bought furniture ₹ 5,000 on credit.
8. Bought refrigerator for personal use ₹ 5,000.
9. Purchased motorcycle for cash ₹ 20,000.

Create an Accounting Equation to show the effect of the above and also show his Balance Sheet.

- Q5.** What will be the effect of the following on the Accounting Equation? **6 Mark**
1. Harish started business with cash ₹ 1,80,000.
 2. Purchased goods for cash ₹ 60,000 and on credit ₹ 30,000.
 3. Sold goods for cash ₹ 40,000; costing ₹ 24,000.
 4. Rent paid ₹ 5,000; and rent outstanding ₹ 2,000.
 5. Sold goods on credit ₹ 50,000 (costing ₹ 38,000).
 6. Salary paid in advance ₹ 3,000.

- Q6.** Prepare Accounting Equation from the following: **6 Mark**

	₹
i. Sandeep started business with Cash	1,00,000
ii. Purchased furniture for cash	5,000
iii. Purchased goods for cash	20,000
iv. Purchased goods on credit	36,000
v. Paid for rent	700
vi. Goods costing ₹ 40,000 sold at a profit of 20% for cash	

- Q7.** Prepare Accounting Equation from the following and also prepare a Balance Sheet: **6 Mark**
1. Raghu started business with Cash ₹ 1,50,000.
 2. Bought goods for cash ₹ 80,000 and on credit for ₹ 40,000.
 3. Goods costing ₹ 75,000 sold at a profit of $33\frac{1}{3}\%$. Half the payment received in cash.
 4. Goods costing ₹ 10,000 sold for ₹ 12,000 on credit.
 5. Paid for Rent ₹ 2,000 and for salaries ₹ 4,000.
 6. Goods costing ₹ 20,000 sold for ₹ 18,500 for Cash.

- Q8.** Show the Accounting Equation on the basis of the following and present a balance sheet on the last new equation balances: **6 Mark**

	₹
i. Manu started business with cash	50,000
ii. Bought furniture for	500
iii. Purchased goods on credit	4,000
iv. Sold goods on cash (cost ₹ 500) for	700
v. Received rent	200
vi. Purchased goods for cash	1,000
vii. Withdrew for personal use	700
viii. Paid to creditors	400
ix. Paid for salaries	200

- Q9.** Prepare Accounting Equation from the following: **6 Mark**
1. Started business with cash ₹ 75,000 and goods ₹ 25,000.
 2. Paid for Rent ₹ 2,000.
 3. Bought goods for cash ₹ 30,000 and on credit for ₹ 44,000.
 4. Goods costing ₹ 50,000 sold at a profit of 25%, out of which ₹ 27,500 received in Cash.
 5. Purchased a Motor-cycle for personal use ₹ 20,000.

- Q10.** Prove that the Accounting Equation is satisfied in all the following transactions of Suresh. Also prepare a Balance Sheet. **6 Mark**
1. Commenced business with cash ₹ 60,000.
 2. Paid rent in advance ₹ 500.
 3. Purchased goods for cash ₹ 30,000 and credit ₹ 20,000.
 4. Sold goods for cash ₹ 30,000 costing ₹ 20,000.
 5. Paid salary ₹ 500 and salary outstanding being ₹ 100.

6. Bought motorcycle for personal use ₹ 5,000

Q11. Show an Accounting Equation on the basis of the following transactions:

6 Mark

S.no		₹
(i)	Sunil started business with cash	1,50,000
(ii)	Opened a Bank Account by depositing ₹ 25,000 out of cash	
(iii)	He sold his personal car for ₹ 50,000 and deposited the amount in the firm's Bank Account	
(iv)	He purchased a building and furniture for	1,00,000
(v)	He purchased goods from Ram on credit	50,000
(vi)	He paid cartage	500
(vii)	He sold to Shyam on credit goods costing ₹ 6,000 for	9,000
(viii)	Received rent from tenants	1,000
(ix)	Received security deposit from tenants	1,500
(x)	Purchased stationery for cash	100
(xi)	Invested in shares (personal)	50,000
(xii)	Received interest in cash	200
(xiii)	Introduced fresh capital	25,000
(xiv)	Goods destroyed by fire	500

Q12. Prove that the Accounting Equation is satisfied in all the following transactions of Rajaram. Also prepare a Balance Sheet:

6 Mark

1. Started business with Cash ₹ 1,20,000.
2. Purchased a typewriter for Cash for ₹ 8,000 for office use.
3. Purchased goods for ₹ 50,000 for cash.
4. Purchased goods for ₹ 40,000 on credit.
5. Goods costing ₹ 60,000 sold for ₹ 80,000 on credit.
6. Paid for Rent ₹ 1,500 and for salaries ₹ 2,000.
7. Received ₹ 800 for Commission.
8. Withdrew for private use ₹ 5,000 in cash.

Q13. Show an Accounting Equation for the following transactions:

6 Mark

1. D. Mahapatra commenced business with cash ₹ 50,000 and ₹ 1,00,000 by cheque; goods ₹ 60,000; machinery ₹ 1,00,000 and furniture ₹ 50,000.
2. $\frac{1}{3}$ rd of above goods sold at a profit of 10% on cost and half of the payment is received in cash.
3. Depreciation on machinery provided @ 10%.
4. Cash withdrawn for personal use ₹ 10,000.
5. Interest on drawings charged @ 5%.
6. Goods Sold to Gupta for ₹ 10,000 and received a Bill Receivable for the same amount for 3 months.
7. Received ₹ 10,000 from Gupta against the Bills Receivable on its maturity.

Q14. Prove that the Accounting Equation is satisfied in all the following transactions of Sameer Goel:

6 Mark

1. Started business with cash ₹ 10,000.
2. Paid rent in advance ₹ 300.
3. Purchased goods for cash ₹ 5,000 and credit ₹ 2,000.
4. Sold goods for cash ₹ 8,000 costing ₹ 4,000.
5. Paid salary ₹ 450 and salary outstanding being ₹ 100.
6. Bought motorcycle for personal use ₹ 3,000.

Q15.

6 Mark

Use Accounting Equation to show the effect of the following transactions of M/s Royal Traders:

		(₹)
(a)	Started Business with Cash	1,20,000
(b)	Purchased goods for cash	10,000
(c)	Rent received	5,000
(d)	Salary outstanding	2,000
(e)	Received interest	700
(f)	Sold goods for cash (costing ₹ 5,000)	7,000
(g)	Goods destroyed by fire	500

Q16. Mohit has the following transactions, prepare Accounting Equation:

6 Mark

		₹
i.	Business started with cash	1,75,000
ii.	Purchased goods from Rohit	50,000
iii.	Sold goods on credit to Manish (costing ₹ 17,500)	20,000
iv.	Purchased furniture for office use	10,000
v.	Cash paid to Rohit in full settlement	48,500
vi.	Cash received from Manish	20,000
vii.	Rent paid	1,000
viii.	Cash withdrew for personal use	3,000

Q17. Complete the following Accounting Equation by filling the missing amounts:

6 Mark

Accounting Equation				
S.No.	Transactions	Assets (₹)	= Liabilities (₹)	+ Capital (₹)
1	Manu Started business with Cash ₹ 50,000	50,000	=	+
2	purchased goods on credit ₹ 4,000		=	+
	New Equation	54,000	=	4,000 +
3	purchased goods for Cash ₹ 1,000		=	- +
	New Equation		=	4,000 + 50,000
4	purchased furniture for ₹ 500		=	- +
	New Equation		=	+ 50,000
5	Paid Rent ₹ 200		=	- +
	New Equation		=	4,000 +
6	Withdrew for personal use ₹ 700		=	- + 700
	New Equation	53,100	=	4,000 +
7	Received interest for ₹ 100	100	=	- +
	New Equation		=	4,000 +
8	Sold goods on credit for ₹ 700 costing ₹ 500		=	- + 200
	New Equation	53,400	=	4,000 +
9	Paid to creditors ₹ 400		=	+ -
	New Equation		=	+ 49,400
10	Paid Salary ₹ 200		=	+ -
	New Equation	52,800	=	+ -

Q18. Show the accounting equation on the basis of the following transactions and present a Balance Sheet of the last new equation balance:

6 Mark

		(₹)
i.	Mohan commenced business with	70,000
ii.	Purchased goods on Credit	14,000
iii.	Withdrew for private use	1,700
iv.	Purchased goods for Cash	10,000
v.	Paid wages	300
vi.	Paid to Creditors	10,000
vii.	Sold goods on Credit at par	15,000
viii.	Sold goods for Cash (cost price was ₹ 3,000)	4,000
ix.	Purchased furniture for cash	500

Q19. Develop an Accounting Equation from the following transactions:

6 Mark

S.no		₹
(i)	Mohan commenced business with cash	50,000
(ii)	Purchased goods for cash	30,000
(iii)	Purchased goods on credit	20,000
(iv)	Sold goods (costing ₹ 10,000) for	12,000
(v)	Bought furniture on credit	2,000

(vi)	Paid cash to a creditor	15,000
(vii)	Salary paid	1,000

Q20. Complete the following Accounting Equation by filling the missing ammount:5 Mark

Accounting Equation				
S.No.	Transactions	Assets (₹)	= Liabilities (₹) + Capital (₹)	
1	A Commenced business with Cash ₹ 50,000	(1) =	- +	(2)
2	purchased goods on cash ₹ 20,000 credit ₹ 30,000 New Equation	(3) =	(4) +	
3	Sold goods for Cash ₹ 40,000 costing ₹ 30,000 New Equation	80,000 = (7) =	(5) + - +	(6) (8)
4	Paid Rent ₹ 500 New Equation	90,000 = (11) =	(9) + - +	(10) (12)
5	Rent Outstanding ₹ 500 New Equation	(13) = - =	(14) + (15) +	59,500 (16)
6	Bought furniture for ₹ 5000 on credit New Equation	89,500 = (19) =	(17) + (20) +	(18) -
7	Bought refrigerator for personal use for ₹ 5000 New Equation	(21) = (23) =	35,500 + - +	(22) (24)
8	Purchased building for cash ₹ 20,000 New Equation	(25) = (27) =	35,500 + (28) +	(26) -
		89,500 =	(29) +	(30)

Q21. Show the effect of the following transactions on the Accounting Equation:5 Mark

1. Started business with cash ₹ 50,000.
2. Salaries paid ₹ 2,000.
3. Wages Outstanding ₹ 200.
4. Interest due but not paid ₹ 100.
5. Rent paid in advance ₹ 150.

Q22. Show the effect of the following transactions and also prepare a Balance Sheet:5 Mark

1. Started business with cash ₹ 60,000.
2. Rent received ₹ 2,000.
3. Accrued interest ₹ 500.
4. Commission received in advance ₹ 1,000.
5. Amount withdrawn ₹ 5,000.

[Hint: Capital = Opening Capital ₹ 60,000 + Rent Received ₹ 2,000 + Accrued Interest ₹ 500 - Drawings ₹ 5,000 = ₹ 57,500.]

Q23. Prepare accounting equation from the following:5 Mark

1. Started business with cash ₹ 50,000 and goods ₹ 30,000.
2. Purchased goods for cash ₹ 30,000 and on credit from Karan ₹ 20,000.
3. Goods costing ₹ 40,000 were sold for ₹ 55,000 for cash.
4. Withdrew cash for personal use ₹ 10,000.
5. Rent outstanding ₹ 2,000.

Q24. Prepare Accounting Equation from the following:5 Mark

		₹
i.	Kunal started business with Cash	2,50,000
ii.	He purchased furniture for cash	35,000
iii.	He paid commission	2,000
iv.	He purchased goods on credit	40,000
v.	He sold goods (Costing ₹ 20,000) for cash	26,000

Q25. Prepare an Accounting Equation and Balance Sheet on the following basis:5 Mark

1. Ajeet started business with cash ₹ 20,000.
2. He purchased furniture for ₹ 2,000.
3. He paid rent of ₹ 200.
4. He purchase goods on credit ₹ 3,000.
5. He sold goods (cost price ₹ 2,000) for ₹ 5,000 on cash.

Q26. Prepare an Accounting Equation from the following:5 Mark

1. Started business with cash ₹ 50,000 and goods ₹ 30,000.
2. Purchased goods for cash ₹ 30,000 and on credit from Karan ₹ 20,000.
3. Goods costing ₹ 40,000 were sold for ₹ 55,000.

- 4. Withdrew cash for personal use ₹ 10,000.
- 5. Rent outstanding ₹ 2,000.

Q27.

Prove that accounting equation is satisfied in all the following cases:
1. Commenced business with cash ₹ 50,000.
2. Paid rent ₹ 4,000 including ₹ 1,000 as advance.
3. Bought goods for cash ₹ 30,000 and on credit ₹ 20,000.
4. Sold the goods bought on credit for ₹ 25,000.
5. Purchased furniture worth ₹ 10,000 for office use and for ₹ 5,000 for domestic use.

5 Mark

Q28.

Complete the following Accounting Equation by filling the missing amounts:

5 Mark

Accounting Equation						
S.No.	Transactions	Assets (₹)	=	Liabilities (₹)	+	Capital (₹)
1	B Invested ₹ 50,000 in Cash	50,000	=	(1)	+	(2)
2	purchased Securities for ₹ 7,500 in cash	(3)	=		+	(4)
	New Equation	(5)	=		+	(6)
3	Purchased a shop for ₹ 15,000 giving ₹ 5,000 in cash and the balance through a loan	(7)	=	(8)	+	-
	New Equation	(9)	=	(10)	+	50,000
4	Sold Securities costing ₹ 1,000 for ₹ 1,500	(11)	=	-	+	(12)
	New Equation	(13)	=	10,000	+	(14)
5	Purchased an old car for ₹ 2,800 in cash	(15)	=		+	(16)
	New Equation	60,500	=	(17)	+	(18)
6	Received cash as Commission ₹ 3600	(19)	=	-	+	(20)
	New Equation	(21)	=	10,000	+	(22)
7	Paid loan's instalment ₹ 800 including ₹ 300 for interest	(23)	=	(24)	+	(25)
	New Equation	63,300	=	(26)	+	(27)

Q29.

Prepare an Accounting Equation on the basis of the following transaction:
1. Started business with cash ₹ 70,000.
2. Credit purchase of goods ₹ 18,000.
3. Payment made to creditors in full settlement ₹ 17,500.
4. Purchase of machinery for cash ₹ 20,000.
5. Depreciation on machinery ₹ 2,000.

5 Mark

Q30.

Prepare the Accounting Equation on the basis of the following:
1. Started business with cash ₹ 1,40,000 and Stock ₹ 2,50,000.
2. Sold goods (costing ₹ 50,000) at a profit of 25% on the cost.
3. Deposited into bank account ₹ 1,80,000.
4. Purchased goods from Mohan ₹ 80,000.

4 Mark

Q31.

From the following transactions, state the nature of accounts and state the accounts which will be debited and credited:
1. Ganesh started business with Cash ₹ 2,00,000.
2. Purchased goods for Cash ₹ 60,000.
3. Sold goods for cash ₹ 75,000.
4. Purchased goods from Nakul on Credit for ₹ 80,000.
5. Sold goods to Bhushan on Credit for ₹ 50,000.
6. Paid Cash to Nakul ₹ 20,000.
7. Received Cash from Bhushan ₹ 10,000.
8. Paid salary ₹ 20,000.

4 Mark

Q32.

Prepare Accounting Equation on the basis of the following transactions:
1. Started business with cash ₹ 70,000.
2. Credit purchase of goods ₹ 18,000.
3. Payment made to creditors in full settlement ₹ 17,500.
4. Purchase of machinery for cash ₹ 20,000.

4 Mark

Q33.

Put the following on the proper side of Cash account, Debtor's account and Creditor's account:
1. Sold goods for cash ₹ 60,000.
2. Sold goods to Hari on credit ₹ 20,000.
3. Purchased goods from Krishan on credit ₹ 36,000.
4. Purchased goods from Krishan for cash ₹ 10,000.
5. Cash received from Hari ₹ 15,000.

4 Mark

6. Cash paid to Krishan ₹ 28,000.

Q34. Show the Accounting Equation for the following transactions: **4 Mark**

S.no	₹
(i) Gopinath started business with cash	25,000
(ii) Purchased goods from Shyam	10,000
(iii) Sold goods to Sohan costing ₹ 1,800	1,500
(iv) Gopinath withdrew from business	5,000

Q35. Prepare Accounting Equation from the following: **4 Mark**

1. Started business with cash ₹ 1,00,000.
2. Purchased goods for cash ₹ 20,000 and on credit ₹ 30,000.
3. Sold goods for cash costing ₹ 10,000 and on credit costing ₹ 15,000 both at a profit of 20%.
4. Paid salaries ₹ 8,000.

Q36. Prepare Accounting Equation from the following: **4 Mark**

1. Started business with Cash ₹ 2,00,000.
2. Purchased goods for Cash ₹ 60,000 and on Credit ₹ 1,50,000.
3. Sold goods for Cash costing ₹ 40,000 at a profit of 20% and on Credit costing ₹ 72,000 at a profit of 25%.
4. Paid for Rent ₹ 5,000.

Q37. Yogesh commenced business on 1st April, 2011 with a Capital of ₹ 5,00,000 and a loan of ₹ 1,00,000 borrowed from Citi Bank. On 31st March, 2012, his assets were ₹ 8,00,000. Calculate his closing capital and profits earned during the year. **4 Mark**

Q38. **4 Mark**

1. Mohan started a business on 1st April, 2018 with a capital of ₹ 10,000 and borrowed ₹ 3,000 from a friend. He earned a profit of ₹ 5,000 during the year ended 31st March, 2019 and withdrew cash ₹ 4,000 for personal use. What is his capital on 31st March, 2019?
2. Mahesh started a business with a capital of ₹ 15,000 on 1st April, 2018. During the year, he made a profit of ₹ 3,000. He owes ₹ 2,500 to suppliers of goods. What is the total of assets in his business on 31st March, 2019?

Q39. Prepare accounting equation from the following: **4 Mark**

1. Started a business with cash ₹ 1,00,000 and goods worth ₹ 20,000.
2. Sold 50% of above goods at a profit of ₹ 2,000 on credit to Ram.
3. Rent paid ₹ 5,000.
4. Ram paid 50% of his balance in cash.

Q40. Y started a business on 1st April, 2013 with a Capital of ₹ 2,00,000 and a loan of ₹ 75,000 from the bank. During the year, he had introduced additional capital of ₹ 60,000 and had withdrawn ₹ 36,000 for personal purposes. On 31st March, 2014 his assets were ₹ 3,80,000. Find out his Capital as on 31st March, 2014 and profit earned during the year 2013-14. **4 Mark**

Q41. What will be the effect of the following on the Accounting Equation? **4 Mark**

1. Harish started business with cash ₹ 18,000
2. Purchased goods for Cash ₹ 5,000 and on credit ₹ 2,000
3. Sold goods for cash ₹ 4,000 (costing ₹ 2,400)
4. Rent paid ₹ 1,000 and rent outstanding ₹ 200

Q42. If in the above case, the proprietor had introduced fresh capital of ₹ 40,000 and had withdrawn ₹ 10,000 for personal purposes, calculate his profits. **4 Mark**

Q43. Explain in short the meaning of an Accounting Equation. **3 Mark**

Q44. **3 Mark**

Put the following on the proper side of Cash Account, Debtors's Account and Creditor's Account:

	(₹)
a. Sold goods to Shankar on Credit	50,000
b. Sold goods to Ghanshyam for Cash	30,000
c. Purchased goods from Mohan on Credit	25,000
d. Received from Shankar	29,000
e. Shankar returned goods	1,000
f. Sold goods to Shankar for Cash	5,000
g. Returned goods to Mohan	2,000
h. Paid Rent	4,000

Q45. Open 'T' shape account for Machinery and write the following on the proper side:

3 Mark

	(₹)
i. Machinery purchased for	5,00,000
ii. Machinery sold	1,20,000
iii. Machinery discarded	50,000
iv. New Machinery purchased	2,00,000
v. Machinery destroyed	40,000

Q46. 'A' commenced his cloth business on 1st April, 2011 with a capital of ₹ 3,00,000. On 31st March, 2012 his assets were worth ₹ 5,00,000 and liabilities ₹ 1,00,000. Find out his closing capital and profits earned during the year.

3 Mark

Q47. Determine the missing amounts on the basis of the Accounting Equation:

3 Mark

S.no	Assets	=	Liabilities	+	Capital
(i)	₹ 20,000	=	₹ 15,000	+	?
(ii)	?	=	₹ 5,000	+	₹ 10,000
(iii)	₹ 10,000	=	?	+	₹ 8,000

Q48. Prepare Accounting Equation from the following:

3 Mark

1. Started business with cash ₹ 1,00,000 and Goods ₹ 20,000.
2. Sold goods worth ₹ 10,000 for cash ₹ 12,000.
3. Purchased furniture on credit for ₹ 30,000.

Q49. Prepare an Accounting Equation from the following:

3 Mark

1. Started business with cash ₹ 1,00,000.
2. Purchased goods for cash ₹ 20,000 and on credit ₹ 30,000.
3. Sold goods for cash costing ₹ 10,000 and on credit costing ₹ 15,000 both at a profit of 20%

Q50. Open 'T' shape account of our Debtor 'Ram' and write the following transactions on proper side:

3 Mark

	(₹)
i. Sold goods to Ram on Credit	20,000
ii. Received from Ram	15,000
iii. Ram returned goods to us	3,000
iv. Again sold goods to Ram on Credit	10,000
v. Ram returned goods to us	1,000

Q51. X started a business on 1st April, 2013 with a Capital of ₹ 1,00,000 and a loan of ₹ 50,000 from the bank. On 31st March, 2014, his assets were ₹ 1,75,000. Find out his Capital as on 31st March, 2014 and profit earned during the year 2013-14.

3 Mark

Q52. Open 'T' shape account of our Creditor 'X' and write the following transactions on the proper side: **3 Mark**

	(₹)
1. Purchased goods from X on Credit	40,000
2. Paid to X	30,000
3. Returned goods to X	6,000
4. Purchased goods from X for Cash	20,000
5. Purchased goods from X on Credit	50,000
6. Paid to X	45,000

Q53. Describe the fundamental accounting equation. How are revenue and expenses related to it? **3 Mark**

Q54. On which side will the increase in the following accounts be recorded? Also mention the nature of account: **3 Mark**

1. Furniture
2. Wages paid
3. Rent Received
4. Cash
5. Proprietor's Account
6. Debtor
7. Prepaid Insurance
8. Outstanding Salary.

Q55. Show the accounting equation on the basis of following transactions: **3 Mark**

1. Ram started business with ₹ 25,000.
2. Purchased goods from Shyam ₹ 10,000.
3. Sold goods to Sohan costing ₹ 1,500 for ₹ 1,800.

Q56. Give one example of each of the following transactions: **3 Mark**

1. Increase in an asset and a liability.
2. Decrease in an asset and a liability.
3. Increase in assets and capital.
4. Decrease in assets and capital.

Q57. On which side the increase in the following accounts will be recorded? Also mention the nature of account: **3 Mark**

1. Furniture
2. Rent Paid
3. Commission Received
4. Salary Paid
5. Proprietor's Account
6. Debtor
7. Creditor

Q58. Open 'T' shape account for Furniture and write the following on the proper side: **3 Mark**

1. Furniture purchased for ₹ 50,000
2. Furniture sold costing ₹ 20,000
3. Furniture destroyed by fire ₹ 16,000
4. Furniture again purchased ₹ 32,000
5. Old furniture discarded ₹ 2,000
6. Value of furniture was reduced by ₹ 5,000

Q59. What will be effect of the following on the Accounting Equation? **3 Mark**

1. Started business with cash ₹ 45,000
2. Opened a Bank Account with a deposit of ₹ 4,500
3. Bought goods from M/s. Sun & Co. for ₹ 11,200

- Q60.** On which side the decrease in the following accounts will be recorded? Also mention the nature of account: **3 Mark**
1. Cash
 2. Bank Overdraft
 3. Rent Paid
 4. Salary Paid
 5. Outstanding Rent
 6. Prepaid Insurance
 7. Manoj, Proprietor of the business.
- Q61.** From the following transactions prepare the Proprietor's Account in 'T' shape: **3 Mark**
- | 2013 | | (₹) |
|----------|---------------------------------------|----------|
| April 1 | Commenced business with Cash | 5,00,000 |
| August 1 | Introduced additional Capital | 1,00,000 |
| Dec. 31 | Drawings | 40,000 |
| 2014 | | |
| Feb. 28 | Drawings | 20,000 |
| March 31 | Net Profit shown by Profit & Loss A/c | 1,25,000 |
- Q62.** Open 'T' shape account of our creditor 'Raghubir' and write the following transactions on the proper side: **3 Mark**
1. Purchased goods from Raghubir on credit for ₹ 50,000.
 2. Returned goods to Raghubir for ₹ 5,000.
 3. Paid to Raghubir ₹ 30,000.
 4. Purchased goods from Raghubir on credit for ₹ 16,000.
 5. Paid to Raghubir ₹ 20,000.
- Q63.** Ram started business on 1st April, 2018 with a Capital of ₹ 25,000 and a loan of ₹ 12,500. On 31st March, 2019, his assets were ₹ 50,000. Find his capital as on 31st March, 2019 and the profit earned during the year. **3 Mark**
- Q64.** Which of the following equations are correct? **2 Mark**
1. Assets = Capital + Liabilities
 2. Assets = Capital - Liabilities
 3. Assets = Liabilities - Capital
 4. Capital = Assets - Liabilities
 5. Capital = Assets + Liabilities
 6. Liabilities = Capital + Assets
 7. Liabilities = Capital - Assets
 8. Liabilities = Assets - Capital
- Q65.** On 31st March, 2019, the total assets and external liabilities were ₹ 2,00,000 and ₹ 6,000 respectively. During the year, the proprietor had introduced capital of ₹ 20,000 and withdrawn ₹ 12,000 for personal use. He made a profit of ₹ 20,000 during the year. Calculate the capital as on 1st April, 2018. **2 Mark**
- Q66.** What is an accounting equation? **2 Mark**
- Q67.** A commenced his cloth business on 1st April, 2018 with a capital of ₹ 30,000. On 31st March 2019, his assets were worth ₹ 50,000 and liabilities of ₹ 10,000. Find out his closing capital and profits earned during the year. **2 Mark**
- Q68.** What is owner's equity? Give an equation for calculating owner's equity. Give two examples at least. **2 Mark**
- Q69.** Calculate total assets if: **2 Mark**

Capital is ₹ 2,00,000; Creditors ₹ 50,000; Revenue during the year ₹ 5,00,000; and Expenses during the year ₹ 4,00,000.

- Q70.** What entry (debit or credit) would you make to: **2 Mark**
1. Increase in revenue.
 2. Decrease in expense.
 3. Record drawings.
 4. Record the fresh capital introduced by the owner.
- Q71.** Prove that, "Accounting Equation holds good under all circumstances." Give atleast two illustrations. **2 Mark**
- Q72.** A starts a business and invests ₹ 50,000 on 1st April, 2018. On 31st March, 2019 his assets are ₹ 65,000 and liabilities are ₹ 6,000. Find out the amount of capital on 31st March, 2019 and his profit. **2 Mark**
- Q73.** Give two basic purposes of accounting equation. **2 Mark**
- Q74.** Which transactions will: **2 Mark**
1. Decrease the Assets and Decrease the Capital.
 2. Increase the Assets and Increase the Liabilities.
 3. Increase the Assets and Decrease another Asset.
 4. Decrease the Assets and Decrease the Liabilities.
- Q75.** If total assets of a business are ₹ 1,30,000 and capital is ₹ 80,000, calculate creditors. **2 Mark**
- Q76.** What will be the effect of the following on the Accounting Equation. **2 Mark**
1. Purchased goods for ₹ 20,000 from Mahesh on Credit.
 2. Sold goods to Suresh costing ₹ 8,000 for ₹ 10,000 in cash.
 3. Paid Wages ₹ 500.
 4. Withdrew in cash for private use ₹ 2,000.
 5. Paid to creditors ₹ 5,000
- Q77.** The position of a businessman on 30th June 1994 was as follows : **2 Mark**
Cash ₹ 5,000; Debtors ₹ 20,000; Machinery ₹ 60,000; Stock ₹ 25,000; Capital ₹ 75,000.
Calculate his liabilities.
- Q78.** "Accounting Equation ($A = L + C$) always holds good under all circumstances". Explain with the help of two examples. **2 Mark**
- Q79.** Calculate the total assets if: **2 Mark**
1. Capital is ₹ 40,000.
 2. Creditors are ₹ 25,000.
 3. Revenue during the period is ₹ 50,000.
 4. Expenses during the period are ₹ 40,000.
- Q80.** **2 Mark**
1. A had a capital of ₹ 75,000 on 1st April, 2018. He had also goods amounting to ₹ 15,000 which he had purchased on credit and the payment had not been made. Find out the value of the total assets of the business.
 2. After a period of one month, he came to know that he had suffered a loss of ₹ 1,700. He withdrew ₹ 800 for his personal use. Find out his capital and assets of the business.
- Q81.** If a transaction has the effect of decreasing an asset, is the decrease recorded as a debit or as a credit? If the transaction has the effect of decreasing a liability, is the decrease recorded as a debit or as a credit? **2 Mark**
- Q82.** Briefly explain the Accounting Equation. **2 Mark**

- Q83.** From the following information find the capital of Vijay: Total Assets 5,00,000; Creditors ₹ 1,00,000; Loan from Bank ₹ 1,50,000. **2 Mark**
- Q84.** Mohan started a business on 1st April, 2018 with a capital of ₹ 25,000 and a loan of ₹ 12,500 borrowed from Shyam. During 2018-19 he had introduced additional capital of ₹ 12,500 and had withdrawn ₹ 7,500 for personal use. On 31st March, 2019 his assets were ₹ 75,000. Find out his capital as on 31st March, 2019 and profit made or loss incurred during the year 2018-19. **2 Mark**
- Q85.** The assets of a business on 31st March, 2019 are ₹ 50,000 and its capital is ₹ 35,000. Calculate its liabilities on that date. **2 Mark**
- Q86.** Purchase of furniture on credit means: **1 Mark**
A Decrease in asset and increase in liability. **B** Increase in asset and increase in liability.
C Increase in asset and decrease in liability. **D** Decrease in asset and decrease in liability.
- Q87.** Which accounting equation is incorrect out of the following? **1 Mark**
A Liabilities = Assets - Capital. **B** Assets = Liabilities - Capital.
C Capital = Assets - Liabilities. **D** Assets = Liabilities + Capital.
- Q88.** The liabilities of a firm are 3,000; the capital of the proprietor is 7,000. The total assets are: **1 Mark**
A ₹ 7,000 **B** ₹ 10,000 **C** ₹ 4,000 **D** None of these.
- Q89.** Amount withdrawn by proprietor for personal use will ... Cash and Capital. **1 Mark**
A Increase. **B** Decrease. **C** Not Change. **D** None of these.
- Q90.** 'X' commenced business on 1st April, 2013 with a capital of ₹ 6,00,000. On 31st March, 2014 his assets were worth ₹ 8,00,000 and liabilities ₹ 50,000. Find out his closing capital: **1 Mark**
A ₹ 7,50,000. **B** ₹ 2,00,000. **C** ₹ 5,50,000. **D** None of these.
- Q91.** Which of the following is correct **1 Mark**
A

₹ 7,85,000	₹ 1,25,000	₹ 6,60,000
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B

₹ 8,20,000	₹ 2,80,000	₹ 11,00,000
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C

₹ 9,55,000	₹ 1,15,000	₹ 8,20,000
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D

₹ 5,42,000	₹ 6,54,000	₹ 1,12,000
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- Q92.** Payment to a creditor means: **1 Mark**
A Increase in asset and decrease in liability.. **B** Decrease in asset and decrease in liability.
C Decrease in asset and increase in liability. **D** Increase in asset and increase in liability
- Q93.** An increase in one asset is accompanied by: **1 Mark**
A Decrease in another asset. **B** Increase in a liability.
C Increase in capital. **D** All of these.
- Q94.** Decrease in one liability may lead to: **1 Mark**
A Decrease in an asset. **B** Increase in another liability.
C Either (a) or (b). **D** None of these.
- Q95.** Which of the following equations is correct? **1 Mark**
A Assets + Capital = Liabilities. **B** Assets - Liabilities = Capital.
C Assets + Liabilities = Capital. **D** None of these.
- Q96.** Purchase of machine by cash means: **1 Mark**

A Decrease in asset and decrease in liability.

B Increase in asset and decrease in asset.

C Increase in asset and decrease in liability.

D Decrease in asset and increase in capital.

- Q97.** Goods costing ₹ 10,000 have been sold for cash at 25% profit. How will the transaction be shown in the Accounting Equation? **1 Mark**
- Q98.** Give an example of decrease in an asset and decrease in a liability. **1 Mark**
- Q99.** If total assets of a business are ₹ 10,00,000 and capital is ₹ 4,00,000, calculate creditors. **1 Mark**
- Q100.** Indicate how Accounting Equation is affected if cash is received against services rendered? **1 Mark**
- Q101.** Do you think that a transaction can break the Accounting Equation? **1 Mark**
- Q102.** Jaspal has purchased a car for 5,00,000 which he got financed from a Bank to the extent of 4,00,000. How will it be shown in the accounting equation? **1 Mark**
- Q103.** Amit has incurred an expense of ₹ 5,000 towards repairs. However, the amount is yet to be paid. How will it be shown in the accounting equation? **1 Mark**
- Q104.** If total assets of a business are 1,30,000 and capital is 80,000, calculate the outside liabilities. **1 Mark**
- Q105.** If capital of a business is ₹ 1,40,000 and liabilities are of ₹ 80,000, calculate the total assets of the business. **1 Mark**
- Q106.** What is meant by owner's capital? **1 Mark**
- Q107.** Name the side on which increase in capital is recorded. **1 Mark**
- Q108.** Which transaction decreases one asset and increases another asset? **1 Mark**
- Q109.** Give an example of a transaction where an asset will increase and also the liability. **1 Mark**
- Q110.** If the Capital is ₹ 1,00,000 and Outside Liabilities are ₹ 2,50,000, find the Total Assets. **1 Mark**
- Q111.** 'X' commenced business on 1st April, 2013 with a capital of ₹ 6,00,000. On 31st March, 2014 his assets were worth ₹ 8,00,000 and liabilities ₹ 50,000. Find out his closing capital and profits earned during the year. **1 Mark**
- Q112.** If A had withdrawn from his business ₹ 3,000 for personal use, find out the profit in this case. **1 Mark**
- Q113.** If the capital of a business is ₹ 3,00,000 and liabilities are ₹ 50,000, loss ₹ 70,000, calculate the total assets of the business. **1 Mark**
- Q114.** In the above case, if the proprietor had invested ₹ 5,000 as additional capital and withdrawn ₹ 2,000, what will be your answer? **1 Mark**
- Q115.** If the Capital is ₹ 2,60,000 and Assets are ₹ 5,00,000, what is the amount of Liabilities? **1 Mark**
- Q116.** Give an example of a transaction which has effect on two items on the assets side. **1 Mark**
- Q117.** Why are the rules of debit and credit same for both liability and capital? **1 Mark**
- Q118.** The capital of a business is ₹ 2,00,000 and outside liabilities are 1,50,000. Calculace the total assets of the business. **1 Mark**

- Q119.** Indicate how Accounting Equation is affected if machinery is purchased for cash? **1 Mark**
- Q120.** What is Debit? **1 Mark**
- Q121.** If the Capital of a business is ₹ 5,00,000 and Outside liabilities are ₹ 2,00,000, calculate total assets of the business. **1 Mark**
- Q122.** Give an example of a transaction which increases one liability and decreases another. **1 Mark**
- Q123.** If total assets of the business are ₹ 4,50,000 and outside liabilities are ₹ 2,00,000, calculate owner's equity. **1 Mark**
- Q124.** If the Capital of a business is ₹ 1,20,000 and Outside liabilities are ₹ 20,000, calculate total assets of the business. **1 Mark**
- Q125.** Give an example of a transaction where an asset and owner's capital will increase. **1 Mark**
- Q126.** Indicate how Accounting Equation is affected if payment is made to a creditor? **1 Mark**
- Q127.** If total assets of a business are ₹ 1,30,000 and net worth is ₹ 80,000, calculate the creditors. **1 Mark**
[Hint: Net Worth = Assets - Liabilities]
- Q128.** Give fundamental accounting equation. **1 Mark**
- Q129.** What is Credit? **1 Mark**
- Q130.** Give an example of a transaction due to which owner's capital and an asset will decrease. **1 Mark**