

DELHI PUBLIC SCHOOL BOKARO STEEL CITY

Class: XI

Subject : Accountancy

Assignment No. 3

1. What do mean by error of principle?
2. Rectify the following errors?
 - a) Purchases of goods of ₹50,000 from Ford recorded as sales return.
 - b) Sales of goods of ₹1,50,000 to Rabindra recorded as purchases in the book.
 - c) Paid cash to Sohan ₹65,000 recorded in the credit side of Sohan as 56,000.
 - d) Sales return book over cast by ₹6700.
 - e) Rent paid to land lord ₹5500 debited to rent account ₹4500.
 - f) Salary paid to clerk 6800 recorded to debit side of clerk.
3. From the following Trial Balance of Bharat Hind Sales Organisation as on 31 March 2011, Prepare Final Account.
 Plant & Machinery ₹1,00,000, B/R ₹5,000, B/P ₹4,000, Salaries ₹10,000, Office Expense ₹4,000, Discount a/c(Cr.) ₹1,500, Land & Building ₹42,000, Sales ₹2,30,000, Stock(1.7.00) ₹50,000, Motor Car ₹42,000, Factory Lights ₹15,500, S/Creditors ₹40,000, Return inward ₹5,000, Return Outward ₹3,000, Loan ₹20,000, Furniture ₹6,000, Advertisement ₹1,200, Income Tax ₹1,500, Traveling Exp. ₹6,850, Reserve Fund ₹28,000, Capital ₹2,00,000. Drawing ₹15,000, Purchases ₹85,000. Investment ₹25,000, Interest on Investment ₹1,250, wages ₹30,000, Cash in hand ₹1,000, Cash at Bank ₹10,000, Sundry Debtors ₹70,700, Legal expenses ₹4,000, provision for bad debts ₹2,000.
 Adjustments : a) Closing Stock ₹78,000. (b) Goods of ₹3,000 given as charity. (c) ₹7,000 taken by proprietor for personal use. (d) Write off further bad debts ₹700 and create provision for bad debts 5% on debtors and also create provision for discount on debtor 2%. (e) Credit purchases of goods of ₹80,000 not recorded in the books.
4. On 1st January 2006, Rajan drew on Mahesh three bills of exchange in full settlement of claims, the first for ₹14,000 at one month, the second for ₹16,000 at 2 months and the 3rd for ₹18,000 at 3 months. The bills were duly accepted by Mahesh. The 1st bill was endorsed by Rajan to his creditor Vinod on 3rd Jan.2006. The second bill was discounted on 15th Jan. for ₹15,900 and the 3rd bill was sent to bank for collection on 4th Feb. All the bills were met on maturity except the 2nd bill which was dishonoured, noting charges being paid ₹24. Rajan charged ₹30 for interest from Mahesh and drew on him a 4th bill for 2 months for ₹16,054. Before maturity Mahesh became insolvent and a first & final dividend 60% received from him. Pass journal entries in the books of both the parties.

5. Mr. Y, who keeps his books by single entry system, gives you the following information:

Assets and liabilities	1.1.2005(₹)	31.12.2005(₹)
Stock in trade	18,700	23,400
Debtors	12,000	34,000
Creditors	9,000	17,500
Bill Receivable	4,000	5,000
Bills Payable	10,000	12,000
Furniture	20,000	40,000
Building	1,20,000	4,20,000
Bank Balance	4,500	6,500(cr.)

You are also given the following information:

- i) A provision of 5% on debtors created for doubtful debts.
 - ii) Depreciation 5% is to be charged on closing value of Building and Furniture.
 - iii) Wages outstanding ₹5,000, rent outstanding ₹6,000
 - iv) Drawing during the year ₹25,000 and additional capital ₹40,000.
- Calculate profit/loss of the concern and also prepare final statement of affairs.

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