



Class: XI

Time Allowed: 25 minutes

MODEL PAPER EXAMINATION 2025

SUBJECT: ACCOUNTING - I

Q1:

(SECTION "A")

Marks: 20

Note: Attempt **ALL** question from this section. Each question carries **ONE** mark

1. If the Assets and the Capital of an enterprise amount to Rs. 1,250,000/- and 800,000/- respectively, the amount of liability owed is:
 A. 540,000 B. (540,000) C. 450,000 D. (450,000)
2. The amount of money spent from a business by the owner for purchase of a luxury car will be transferred to:
 A. Operating expenses B. Petty cash expense C. Drawings account D. None of these
3. _____ is known as the book of final entry.
 A. General Journal B. Ledger C. Trial Balance D. Financial statement
4. A debit increases the balance of _____.
 A. Assets & Expenses B. Liabilities & Equity C. Assets & Equity D. Expenses & Equity
5. _____ helps check the arithmetical accuracy of the double entry.
 A. General Journal B. Ledger C. Trial Balance D. Financial statement
6. A proprietor's investment of land into the business would include _____.
 A. Debit capital, credit land B. Debit land, credit capital C. Debit expenses, credit capital D. Credit liability, debit land
7. _____ is an example of a subsidiary Journal.
 A. General Journal B. Cash book C. Ledger D. None of these
8. Cash, bank and discount transactions are recorded in a _____ cash book
 A. Single column B. Double column C. Triple column D. None of these
9. When a business has paid more out of its bank account than deposited in it, it is called _____.
 A. Capital B. Loss C. Drawings D. Bank Overdraft
10. Advance paid to the gardener should be entered in the _____ column of Petty cash book.
 A. Sundries B. Entertainment C. Conveyance D. Stationary
11. Only credit goods transactions are recorded in _____.
 A. General Journal B. Subsidiary Journal C. Special journal D. None of these
12. _____ issued by a customer will be recorded in purchase return and allowance journal.
 A. Debit note B. Credit note C. Currency note D. None of these
13. When a bank refuses to make payment on a cheque it is drawn on, it is called a _____ cheque.
 A. Endorsement B. Crossed C. Dishonored D. Bearer
14. In bank reconciliation, bank service charges are _____.
 A. Added to cashbook B. deducted from cashbook C. added in passbook D. deducted in passbook
15. Sales of Rs. 4,000 to Rashid were posted to his account as Rs. 400. To rectify this error, Rashid's account will be:
 A. Credited by Rs. 3,600 B. Debited by Rs. 3,600 C. Credited by Rs. 4,000 D. Debited by Rs. 4,000
16. If ending inventory is overstated by Rs.10,000, it will _____ COGS by Rs. 10,000/-.
 A. Understate B. overstate C. Balance D. None of these
17. Trademark is an example of _____.
 A. Tangible asset B. Intangible asset C. Current asset D. Fixed asset
18. Statement of financial position is the other name of _____.
 A. Income statement B. Receipts & payments statement C. Notes D. Balance sheet
19. A long-term tangible piece of equipment owned by a firm is _____.
 A. Current Asset B. Intangible Asset C. Fixed Asset D. None of these
20. The trial balance shows unearned interest of Rs. 6,000. The adjustment indicates interest income of Rs. 2,500. What would the journal entry be to record this adjustment?
 A. Dr. Unearned interest & Cr. Interest income Rs. 2,500 B. Dr. Interest Income & Cr. Unearned interest Rs. 2,500
 C. Dr. Unearned interest & Cr. Interest income Rs. 3,500 D. Dr. Interest Income & Cr. Unearned interest Rs. 3,500

END OF SECTION A



Class: XI

MODEL PAPER EXAMINATION 2025

Time: 2 hours 35 minutes

SUBJECT: ACCOUNTING – I, SECTION “B” AND SECTION “C”
SECTION “B” (SHORT ANSWER QUESTIONS)
Total Marks 80
Marks 40

Note: Attempt any **FOUR** questions from this section. Each question carries **TEN** marks.

Q2. The following errors were detected in the records of Ali & Company

- i. Cash Rs. 4,000 paid to Salman was recorded as paid to Kazim.
- ii. Purchased goods for cash Rs. 5,000 was omitted from being recorded.
- iii. Sales of equipment for Rs. 10,000 cash was credited to sales account.
- iv. Repair of Monitor was charged to equipment account Rs. 7,000.
- v. Purchase of printers for Rs. 25,000 was debited to purchases account.
- vi. Return of defective goods worth Rs. 1,000 to the supplier was credited to purchases account.

Required:

Submit correcting entries in the General Journal

Q3. Lucky Traders completed the following transactions during June:

- | | |
|---------|---|
| June 1 | Invested cash Rs. 100,000, and furniture Rs. 40,000 in the business |
| June 8 | Paid rent for the next three months Rs. 15,000 |
| June 10 | Purchased supplies for cash Rs. 2,000 |
| June 20 | Purchased supplies on account Rs. 2,500 |
| June 25 | Purchased premium on property insurance Rs. 5,000 |
| June 29 | Withdrew cash for personal use Rs. 7,000 |
| June 30 | Paid wages of employees Rs. 15,000 |

Required:

Prepare Journal entries to record the above transactions of Lucky traders.

Q4. The following information related to the year ended December 31, 2023 has been obtained from the record of Liberty Traders:

- i. A warehouse was rented out at a monthly rent of Rs. 25,000. The rent for December has not been collected.
- ii. Commission earned but not received Rs. 10,000
- iii. Furniture cost Rs. 10,000. Estimate resale value after the service life of 5 years Rs. 500.
- iv. Prepaid insurance account has a debit balance of Rs. 8,000. Actual prepaid at the end is Rs. 1,500
- v. Advance rent income for 11 months Rs. 275,000 out of which 6 months expired
- vi. Advertising material expense included in Advertising materials inventory Rs. 750
- vii. Outstanding wages Rs. 15,000

Required:

Prepare the necessary adjusting entries in the book of Liberty traders.

Q5. Six transactions of Ahmed & Co. are given below:

- i. Started business with cash Rs. 10,000
- ii. Paid rent in advance Rs. 300
- iii. Purchased goods for cash Rs. 5000 and credit Rs. 2000
- iv. Sold goods for cash Rs. 8,000 costing Rs. 4,000
- v. Paid salary Rs.450 and salary outstanding being Rs.100
- vi. Bought vehicle for personal use Rs. 3,000

Required:

Show the accounting equation.

Q6. The July transactions of Daud & Company, which began business on July 1, are shown below.

- | | |
|---------|--|
| July 4 | Sold merchandise to Jawaid Rs. 7,000, invoice no. 1, terms 3/10 n/45 |
| July 7 | Purchased merchandise from Mehmood & company Rs. 15,000. Invoice dated today: terms 4/10, n/30 |
| July 12 | Sold merchandise to Ibrahim corporation Rs. 10,000. Invoice no. 2; terms 2/10 n /45 |
| July 15 | Goods returned from Ibrahim corporation Rs. 500 |
| July 18 | Purchased merchandise from Sheraz & company Rs. 8,500 term 2/10, n/40 |
| July 19 | The purchased merchandise from Sheraz & company was found to be poor. After discussion with the vendors, a price reduction of Rs.400 was agreed upon and debit memo No. 1 was issued in that amount. |
| July 24 | Purchased merchandise from Mehmood company Rs. 10,500. Invoice dated today; terms 2/10 n/45 |
| July 31 | Sold merchandise to Rehman Rs. 7,800. Invoice no. 3. |

Required:

Enter the July transactions in the following journals:

- i. Sales Journal.
- ii. Purchase Journal.

Q7. The book of Abid & company on July 31, 2023 shows cash balance of Rs. 12,762/-. The bank statement received up to that date shows a balance of Rs. 13,775/-. A comparison of the company books with the bank statement discloses the following:

- i. Cheque deposited on July 30, but not shown on bank statement Rs. 2,050.
- ii. Bank charges not recorded by Company Rs. 115.
- iii. Deposit by a customer, Mr. Saeed directly made in the firm's account not recorded by Company Rs. 2,400.
- iv. Unpresented cheques Rs. 825.
- v. Cheque No. 101 for purchase of printer was drawn for Rs. 670 but was recorded on Company's records for Rs.850
- vi. Interest on notes debited by bank but not recorded in the company's account for Rs. 227.

Required:

Prepare a bank reconciliation statement showing the adjusted balance.



SECTION “C” (DETAILED ANSWER QUESTIONS)

40 Marks

Note: Attempt any TWO Question from this section. All questions carry TWENTY marks.

Q8. The following balances have been taken from the pre-closing Trial Balance of Nawaz & Company prepared on June 30, 2023.

Debit Balances		Credit Balances	
Cash	15,000	Sales	110,000
Account receivable	40,000	Commission income	8,000
Office Equipment	15,000	Accounts payable	18,500
Advertising expense	9,000	Capital	48,000
Office supplies expense	6,500		
Prepaid office rent	11,000		
General expense	7,500		
Delivery expense	5,600		
Merchandise inventory	15,000		
Purchases	35,000		
Carriage inwards	5,400		
Sales salaries expense	14,000		
Sales return and allowance	5,500		
Total	184,500	Total	184,500

Data for adjustment as of June 30, 2023

Prepaid office rent Rs. 3,500

Unused office supplies Rs. 1,000

Allowance for depreciation on office equipment Rs. 1,500

Allowance for bad debts to be provided Rs. 1,000

Outstanding sales salaries Rs. 1,500

Merchandise inventory as of June 30, 2023 was valued at Rs. 9,500

Required:

- i. Prepare Income statement for the year ended June 30, 2023.
- ii. Prepare a Balance Sheet for the year ended June 30, 2023 in classified form.

Q9. The following transactions were done by Nawab and Co. during the month of August 2023.

August 1: Balance of cash on hand Rs. 125,000 and Cash at Bank Rs. 135,000

August 3: Sold merchandise for Cash Rs. 24,000

August 9: Received a cheque from Mr. Rashid for Rs. 19,500 and allowed him discount of Rs. 400. The cheque was deposited in the bank on the same day.

August 11: Issued a cheque for Rs. 21,200 to Mr. Majid in full settlement of his account of Rs. 21,800.

August 15: Deposited cash into Bank Rs. 22,000.

August 19: Purchased merchandise for cash Rs. 12,000.

August 25: Withdrew cash from Bank for office use Rs. 17,000.

August 30: Paid salaries by cheque Rs. 12,500.

August 31: Withdrew cash for personal use Rs. 10,500.

Required:

- i. Enter the opening balance and record the above transactions in a Three Column Cash Book.
- ii. Balance the Cash Book on August 31, 2023, bringing down the cash and bank balance on September 1, 2023.
- iii. Prepare T accounts of Sales Discount and Purchase Discount and make posting therein.

Q10. The following balances appeared in the accounts of Nazir & Co. on June 1, 2023:

Bank Rs. 600,000, Office supplies Rs. 105,000, Office Equipment Rs. 115,000, Advertising payable Rs. 100,500, Accounts payable Rs. 220,000, Bank Loan Rs. 137,000, Nazir Capital Rs.?

The transactions completed during the month were as follows:

June 1: Purchased office equipment on credit from Masood & Co. Rs. 44,000.

June 4: Withdrew cash from bank for office use Rs. 34,000.

June 6: Returned office equipment purchased on June 1 Rs. 9,000.

June 8: Paid salaries expense in cash Rs. 14,000.

June 16: Issued cheque in payment of account payable Rs. 15,000.

June 21: Received consulting fee income and deposited in bank 16,400.

June 25: Withdrew cash from bank for personal use Rs. 14,700.

June 30: Issued cheque against advertising payable Rs. 6,500.

Required:

- i. Compute Nazir Capital on June 1, 2023.
- ii. Prepare Trial Balance on June 30, 2023.