

V. M. C. C
(The Pioneer Institute for C. B. S. E. Education)

ACCOUNTANCY
TIME: 2 Hrs.

CLASS – 11th
TEST PAPER

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Max. Marks - 40

Depreciation

General Instructions: Use of calculator strictly prohibited.

- Q.1** A company had bought machinery for ₹ 2,00,000 including a boiler worth ₹ 20,000. The Machinery Account had been credited for depreciation on the reducing instalment system for the past four years at the rate of 10 per cent. During the fifth year, the boiler became useless on account of damage to some of its vital parts. The damaged boiler is sold in the very beginning of the fifth year for ₹ 4,000. Write up the Machinery Account for all these five years. [6]
- Q.2** The Ganges Transport Company purchases 5 trucks at ₹ 10,00,000 each on July 1, 2007. On January 1, 2010 one of the trucks is involved in an accident and is completely destroyed. A sum of ₹ 4,00,000 is received from the insurers in full settlement. On the same date, another truck is purchased by the company for ₹ 12,00,000. The company writes off 20 per cent on the original cost per annum and closes its book on every 31st March. Give Motor truck Account, Provision for Depreciation A/c for two years ending 31st March, 2011. [8]
- Q.3** A Maruti Van was purchased on 1st January, 2012 for ₹ 60,000 and ₹ 5,000 was spent on its repair and registration. On 1st July, 2013 another van was purchased for ₹ 70,000. On 1st January, 2014, the first van purchased on 1st January, 2012 was sold for ₹ 45,000 and a new van costing ₹ 1, 70,000 was purchased on the same date. Show the Maruti Van Account from 2012-2014 on the basis of Straight Line Method, if the rate of Depreciation charged is 10% p.a. Assume that books are closed on 31st December every year. [6]
- Q.4** A firm purchased on 1st January, 2013 certain machinery for ₹ 5,82,000 and spent ₹ 18,000 on its erection. On 1st July, 2013, additional machinery costing ₹ 2, 00,000 was purchased. On 1st July, 2015, the machinery purchased on 1st January, 2013 was auctioned for ₹ 2,86,000 and new machinery for ₹ 4,00,000 was purchased on the same date. Depreciation was provided annually on 31st December at the rate of 10% on the Written down Value Method. Prepare the Machinery Account, Provision for Depreciation A/c from 2013 to 2015. [8]
- Q.5** The following balances appear in the books of Y Ltd.:
- | | |
|---|------------|
| Machinery A/c as on 1-4-2011 | ₹ 8,00,000 |
| Provision for Depreciation A/c as on 1-4-2011 | ₹ 3,10,000 |
- On 1-7-2011, a machinery which was purchased on 1-4-2008 for ₹ 1,20,000 was sold for ₹ 50,000 and on the same date another machinery was purchased for ₹ 3,20,000.
- The firm has been charging depreciation at 15% p.a. on Original Cost Method and closes its books on 31st March every year. Prepare the Machinery A/c and Provision for Depreciation A/c for the year ending 31st March 2012. [6]
- Q.6** Books of Mumbai Chemicals Ltd. showed the following balances on 1st January 2015 :
- | | |
|--------------------------------|-------------|
| Machinery A/c | ₹ 10,00,000 |
| Provision for Depreciation A/c | ₹ 4,05,000 |
- On 1st January 2015, a machine which had a cost of ₹ 2,00,000 on 1st July 2013 was sold for ₹ 80,000. The firm writes off depreciation @ 10% p.a. under the Reducing Balance Method and its accounts are made up on 31st December each year. You are required to prepare the Machinery A/c and Provision for Depreciation A/c for the year ending 31st Dec., 2015. [6]