



**INDIAN SCHOOL DARSAIT**  
**CLASS TEST 12, OCTOBER 2018**  
**ACCOUNTANCY (055)**



Class: XI  
Date: 23-10-2018

Max. Marks: 20  
Time: 40 min.

**General Instructions:**

(i) All questions are compulsory.

- 1 Define depreciation. 1
- 2 What is meant by residual value or scrap value of a fixed asset? 1
- 3 Which method of depreciation assumes that an asset should be depreciated more in the earlier years and less in the later years of use? 1
- 4 What is the importance of the words 'per annum' for charging depreciation on fixed assets? 1
- 5 You are given the following balances on 1<sup>st</sup> April 2015.
- |                                |            |
|--------------------------------|------------|
| Machinery A/c                  | ₹ 4,00,000 |
| Provision for depreciation A/c | ₹ 1,00,000 |
- Depreciation is charged on machinery at 20 % p.a. by Written Down Value method. A piece of machinery purchased on 1<sup>st</sup> April 2013 for ₹ 1,00,000 was sold on 1<sup>st</sup> October 2015, for ₹ 50,000. 8
- Prepare Machinery Account, Provision for Depreciation Account and Machinery Disposal Account.
- 6 A van was purchased on 1<sup>st</sup> April 2015 for ₹ 1,20,000 ₹ 10,000 was spent on its repairs and registration. On 1<sup>st</sup> October 2016, another van was purchased for ₹ 1,40,000. On 1<sup>st</sup> April 2017 the first van which was purchased on 1<sup>st</sup> April 2015 was sold for ₹ 90,000 and a new van costing ₹ 3,40,000 was purchased on the same date. Depreciation is provided at 10% p.a. on the basis of Straight Line Method. The books are closed on 31<sup>st</sup> March every year. 8
- Show the Van Account and Provision for Depreciation Account from 2015-16 to 2017-18, and Van Disposal Account on the date of sale of the van.