



# INDIAN SCHOOL AL WADI AL KABIR

<b>Class: XI</b>	<b>Department: Commerce</b>
<b>Worksheet: 1</b>	<b>Topic: ACCOUNTING EQUATION</b>

1. What do you mean by accounting equation?
2. Give one example of a transaction which has effect on two items on the assets side.
3. Give an example of a transaction due to which owner's capital and an asset will decrease.
4. Indicate how accounting equation is affected if payment is made to a creditor.
5. If the Capital is Rs. 1,00,000 and outside liabilities are Rs. 2,50,000, find the total assets.
6. If total assets of a business are Rs. 1,30,000 and capital is Rs. 80,000, calculate the outside liabilities.
7. **Show the accounting equation for the following transactions:**  
Raj started business with Cash Rs. 5,00,000  
Purchased goods for Rs. 10,000  
Sold goods for Rs. 5,000  
Salary Paid Rs. 2,000  
Rent Received Rs. 1,000
8. Mr. X started a business with cash Rs. 2,00,000  
Purchased furniture for Rs. 20,000  
Mr. X introduced a further capital (additional capital) of Rs. 50,000  
Depreciation on furniture @ 10% for 6 months  
Opened a bank account with a deposit of Rs. 50,000  
Bought goods from Ram Rs. 10,000
9. Started business with cash Rs. 20,000, Stock Rs. 10,000, Furniture Rs. 5,000 and Building Rs. 50,000  
Obtained a loan from IDBI bank Rs. 12,000  
Sold goods for credit to Rahul Rs. 4,000  
Received commission Rs. 6,000  
Paid Interest on loan @ 10%  
Repaid Loan
10. Develop an Accounting Equation from the following transactions:  
Mohan commenced business with cash Rs. 50,000  
Purchased goods for cash Rs.10,000 and credit Rs. 50,000  
Sold goods (costing Rs. 10,000) for Rs. 12,000  
Bought furniture on credit Rs. 2,000

Paid cash to a creditor Rs. 15,000  
Commission paid Rs. 2,000

11. What will be the effect of the following on the accounting equation?  
Harish started business with cash Rs. 18,000  
Purchased goods for cash Rs. 5,000 and for credit Rs. 2,000  
Sold goods for cash Rs. 4,000 (Costing Rs. 2,400)  
Rent Paid Rs. 1,000 & Rent Outstanding Rs. 200
12. Mr. A started a business with Cash Rs. 2,00,000, Stock Rs. 50,000, Furniture Rs. 10,000 and Bank Loan Rs. 30,000  
Purchased goods for Cash Rs. 5,000 and Credit Rs. 3,000  
Interest on loan @ 10% p.a for 6 months was paid and the loan was also repaid.  
Stationery outstanding Rs. 1,000  
Mr. A bought a typewriter worth Rs. 2,000 for personal use  
Rent received for the month of April Rs. 5,000
13. Mr. Akhil started a business with cash Rs. 1,00,000, Stock Rs. 20,000, Van Rs. 50,000 and Bank Balance Rs. 10,000  
Purchased goods for Rs. 30,000 from Bharath  
Sold goods for Rs. 10,000 to Suresh  
Wages paid to workers Rs. 1,000  
Interest paid to Bank Rs. 2,000  
Withdrew from business goods worth Rs. 4,000 for personal use
14. Started a business with cash Rs. 1,00,000, Goods Rs. 10,000 Cheque Rs. 10,000, Machinery Rs. 20,000, Bank Loan Rs. 20,000  
  
Repaid Bank loan along with an interest of 10%  
Sold goods for Rs. 5,000 to Ram for cash  
Depreciate Machinery @ 10% for 6 months  
Goods withdrawn Rs. 2000  
Purchased furniture on credit for Rs. 30,000
15. Started business with cash Rs. 30,000 and goods Rs. 10,000  
Salary paid Rs. 1,000 and Salary outstanding Rs. 200  
Sold goods for cash Rs. 2,400 (costing Rs. 3,000)  
Rent paid in advance Rs. 500  
Accrued interest Rs. 1,000  
Commission received in advance Rs. 2,000  
Amount withdrawn Rs. 5,000
16. Started business with cash Rs. 1,00,000  
Purchased goods for cash Rs. 20,000 and on credit Rs. 30,000  
Sold goods for cash costing Rs. 10,000 and on credit costing Rs. 15,000, both at a profit of 20%  
Paid to creditors in full settlement Rs. 29,500  
Bought refrigerator for personal use Rs. 5,000  
Purchased motorcycle for cash Rs. 30,000

17. D. Mahapatra commenced business with cash Rs. 50,000, Rs. 1,00,000 by cheque, goods Rs. 60,000, machinery Rs. 1,00,000 and furniture Rs. 50,000.

1/3<sup>rd</sup> of the above goods sold at a profit of 10% on cost and half of the payment is received in cash.

Depreciation on machinery provided at 10%

Cash withdrawn for personal use Rs. 10,000

Interest on drawings charged at 5%

Sold goods to Gupta for Rs. 10,000 and received a Bill Receivable for the same amount for 3 months.

Received Rs. 10,000 from Gupta against the Bill Receivable on its maturity.

18. Ramesh commenced business with cash Rs. 1,00,000

Furniture Purchased for cash Rs. 40,000

Purchased goods from Madhu on credit Rs. 50,000

Sold goods costing Rs. 10,000 to Sanjay for cash

Additional capital introduced Rs. 10,000

Commission received in advance Rs. 7,000

Paid to Creditor in full settlement Rs. 49,000

Sold goods (costing Rs. 20,000) for Rs. 25,000 out of which Rs. 5,000 was received in cash

Depreciation on furniture provided @ 10% for 3 months

Prepaid insurance Rs. 4,000.

19.

(a) Started business with cash Rs. 1,20,000

(b) Rent received Rs. 10,000

(c) Invested in shares Rs. 50,000

(d) Received dividend Rs. 5,000

(e) Purchase goods on credit from Rajani Rs. 35,000

(f) Paid cash for house hold Expenses Rs. 7,000

(g) Sold goods for cash (costing Rs.10,000) Rs. 14,000

(h) Cash paid to Rajani Rs. 35,000

(i) Deposited into bank Rs. 20,000