



INDIAN SCHOOL AL WADI AL KABIR

Class: XI	Department: Commerce
Worksheet: 1	Topic: ACCOUNTING EQUATION

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 by cheque.
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, Cheque Rs 50,000 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 bank loan @ 10% p.a for 6 months was paid and the loan was also repaid.
Salary outstanding Rs. 1,000
Mr. A bought a typewriter worth Rs. 2,000 for personal use
Rent received 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. 40,000 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.

1/3rd 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