



## ACCOUNTANCY OF CLASS XI

### CHAPTER-6 RULES OF DEBIT AND CREDIT

Q.1. What is the objective of preparing an account?

Q.2. Give two examples of :

i. Asset account

ii. Liability account

iii. Expenses account

iv. Income account

Q.3. Briefly state the rules of debiting and crediting account classified on the basis of accounting equation

Q.4. Why are rules of debit and credit same for both liability and capital ?

Q.5. On which side the decrease in the following accounts be recorded :

- 1) Cash
- 2) Outstanding Rent
- 3) Bank overdraft
- 4) Prepaid insurance
- 5) Rent paid
- 6) Commission received

Q.6. Which entry (debit or credit) would you make to a) increase in revenue b) decrease in expense c) record drawings d) record the fresh capital introduced by drawer

Q.7. Classify the following accounts under Traditional Approach and Accounting equation approach

- |                          |                        |
|--------------------------|------------------------|
| a) Bank                  | b) Bad debts recovered |
| c) Bad debts written off | d) Sales               |



- e) Purchases
- g) Freehold Premises
- i) Creditors
- k) Purchases
- m) depreciation
- o) Return inward
- q) Goods stolen by an ex- employee
- s) Goods given in charity
- f) Commission received
- h) Livestock
- j) Drawings
- l) Outstanding salary
- n) Interest received in advance
- p) Subscription received
- r) Almirah and tables
- t) Brokerage

**Q.8. Analyse the following transactions according to traditional approach and state the accounts to be debited and credited:**

- a) Bought furniture from Mr A on credit
- b) Sold goods to Sundar for cash
- c) Paid interest on loan
- d) Cash deposited into bank
- e) Interest allowed by bank
- f) Paid rent in advance
- g) Amount written off last year as bad debt has recovered

**Q.9. Explain the rules of debit and credit for traditional classification of accounts.**

**10. Classify the following accounts:**

- a) Capital Bought in
- b) Drawings a/c
- c) Building purchased
- d) Purchases a/c



- |                              |                     |
|------------------------------|---------------------|
| e) Sales a/c                 | f) Carriage inward  |
| g) Carriage outward          | h) Cash received    |
| i) Interest received         | j) Interest paid    |
| k) Commission received       | l) Discount allowed |
| m) Entertainment expenses    | n) Wages paid       |
| o) Loan taken from a partner | p) Sales returns    |
| q) Bad debts recovered       | r) Prepaid Rent     |
| s) Outstanding salary        | n) Bank a/c         |

Q.11. When an asset is purchased in cash or an expense is incurred in cash, cash is credited. Why?

Q.12. Amit, a dealer in furniture received advance against sales of tables and chairs. In your opinion how should this advance be treated?

13. Following is the list of various accounts. Find out which are assets, liabilities, capital, revenue or expense account

- |                      |                       |
|----------------------|-----------------------|
| 1) Machinery         | 2) Sales              |
| 3) Unsold stock      | 4) Rohan (customer)   |
| 5) Cash              | 6) Bank overdraft     |
| 7) Interest received | 8) Mohan (proprietor) |
| 9) Sales             | 10) Purchases         |

14. Analyse the following transactions, state the nature of accounts and state which account will debited and which shall be credited :

i. Girish started business with cash ₹ 100000



- ii. He purchased furniture for business ₹ 20000
- iii. Purchased goods on credit from Harish ₹ 5000
- iv. Paid to his creditor Ashish ₹ 2000
- v. Paid salary to clerk ₹ 1000
- vi. Paid rent ₹ 500
- vii. Received interest ₹ 700

**Q.15. Analyse the following transactions, state the nature of accounts and state which account will be debited and which shall be credited :**

- i. Ram started business with a cash of ₹ 300000
- ii. Purchased furniture for ₹ 75000 in cash from Modern Furniture House
- iii. Purchase goods in cash ₹ 50000
- iv. Sold goods for cash to balram ₹ 35000
- v. Sold goods to Om on credit ₹ 60000
- vi. Deposited cash in bank ₹ 70000 for opening an account
- vii. Received a cheque from Om ₹ 20000
- viii. Borrowed from Sohan ₹ 100000
- ix. Purchased furniture from Touchwood Furniture ₹ 50000
- x. Paid interest on loan ₹ 10000
- xi. Paid rent by cheque ₹ 5000
- xii. Paid salary ₹ 15000
- xiii. With drew cash for personal use ₹ 4000



Q.16. Open T shape account for machinery and write the following on the proper side :

Machinery purchased for	500000
Machinery sold	120000
Machinery discarded	50000
New machinery purchased	200000
Machinery destroyed	40000

M:9999907099