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CLASS-XI

Q. NO.	QUESTIONS& ANSWERS WITH EXPLANATION	MARKS
Q.1	Q.1 Purchase returns book records (a) Cash purchase (b) Credit sales (c) Return of sold goods (d) Return of goods purchased on credit	1
ANS.1	(d) Return of goods purchased on credit Explanation- Purchase returns book records Return of goods purchased on credit it is a subsidiary Book it records only goods return to suppliers which is sold on credit. The Purchases Returns Journal or the Returns Outward Book is used to record all returns of goods by the business to the suppliers. The entries in the Purchases Return Book are usually made on the basis of debit note issued to the suppliers. We call it a debit note because the party's (supplier) account is debited with the amount written in this note.	1
Q.2	Debit Note is issued for purchased goods returned to (a) Debtors (b) Creditor (c) Bank (d) Customer	1
ANS.2	(b) Creditor Explanation-A debit note is a document prepared by the customer in case there are certain goods that need to be returned to the vendor. A debit note indicates that a supplier's account is being debited. Ideally, a debit note contains the details such as name, address and supplementary contact details of the customer (issuer), the quantity and monetary value of goods returned, reasons for returning the goods, name of the vendor (receiver), etc. Each debit note is serially numbered. A duplicate copy or counter foil of the debit note is retained by the buyer.	1
Q.3	A return inward book is kept to record (a) Coming of all the employees (b) Sales return (c) Purchase return (d) Employees joining back who had left the organization	1
ANS.3	(b) Sales return Explanation-This book is used to record all returns of goods to the business by the customers. The entries in the sales return book are usually on the basis of credit notes issued to the customers or debit notes issued by the customers. This book is	1

	also known as Sales Return Journal or Returns Inward Book.	
Q.4	Rectifying Entries are recorded in (a) Ledger (b) Balance Sheet (c) Cash Book (d) Journal Proper	1
ANS.4	(d) Journal Proper Explanation-Journal proper is used for making the original record of such transactions for which no special journal has been kept in the business. Since the entire journal is subdivided into various subsidiary books, the residual journal itself acts like a subsidiary book as a general journal for transactions which cannot be recorded elsewhere.	1
Q.5	When a customer returns the goods to supplier , which document is sent to him (customer) (a) An invoice is sent to him (b) A Debit Note is sent to him (c) A Credit Note is sent to him (d) None of the above.	1
ANS.5	(c) A Credit Note is sent to him Explanation-A credit note is a commercial document issued by the seller/vendor in response to the debit note received from the customer to show that the latter's account has been credited in the books. It contains the date on which the goods are returned, name of the customer, details of the goods returned, quantity and monetary value of such goods. Each credit note is serially numbered. A duplicate copy of the credit note is retained for the purpose of keeping a permanent record.	1
Q.6	Goods purchased from Mr. Z, the payment for which is due after two months is recorded in (a) Purchase Book (b) Purchase Return Book (c) Journal Proper (d) None of the above	1
ANS.6	(a) Purchase Book Explanation-Purchases book is also called the Bought Day Book, Purchases Journal or Invoice Book. It is used to record all credit purchases of goods which are meant for resale in the business. However, cash purchases of goods, cash and credit purchases of assets are not entered in this book.	1
Q.7	Small payments are sometimes recorded in a separate book called (a) Cash Book. (b) Bank Book. (c) Small Payment Book.	1

	(d) Petty Cash Book.	
ANS.7	(d) Petty Cash Book. Explanation -The word 'petty' has its origin from the French word petit which means small. The petty cash book is used to record petty items like carriage, cartage, entertainment expenses, office expenses, postage and telegrams, stationery, etc. The person who maintains this book is called the 'petty cashier'. The petty cash book is used by many business concerns to save the much valuable time of the senior official, who usually writes up the main cash book, to prevent over burdening of the main cash book with so many petty items and to find out readily and easily information about the more important transactions.	1
Q.8	Cash withdrawn from bank for office use will be entered in which columns of Cash / Bank Book (a) Cash column in Debit side only (b) Cash column in Credit side only (c) Cash column in Debit side and Bank Column in Credit side. (d) Bank column in Debit side & Cash column in Credit side.	1
ANS.8	(c) Cash column in Debit side and Bank Column in Credit side. Explanation -It is a contra entry which records debit side as cash Recived in the Cash Book Cash Column & also Record in credit side in the Bank Column of Cash Book.	1
Q.9	Assertion(A): Cash Book is both a Subsidiary Book and a Principal Book. Reason(R): Because it is prepared from the transaction recorded in the journal. (a) Both (A) and (R) are correct and (R) is the correct explanation for (A). (b) Both (A) and (R) are correct but (R) is the wrong explanation for (A). (c) (A) is correct and (R) is wrong. (d) (R) is correct and (A) is wrong.	1
ANS.9	(c) (A) is correct and (R) is wrong. Explanation – Assertion is True because cash is a subsidiary Book and a Cash Account. But Reason is false because it is prepared as subsidiary book not with the help of journal. Cash book is assisting to journal.	1
Q.10	Which is not Contra entry is three column Cash Book. (a) Cash Deposited into Bank. (b) Cash withdrawn from Bank. (c) Cash withdrawn from Bank for Personal use. (d) None of the above.	1
ANS.10	(c) Cash withdrawn from Bank for Personal use. Explanation - Cash withdrawn from Bank for Personal use.it is shown as payment in the credit side of the cash Book (As Drawings)	1

