Capital and Revenue Transactions-2
Model Exam Question paper - 2

11th Standard

Accountancy

Reg.No. :

I.Answer all the questions

Time : 00:45:00 Hrs

Total Marks : 30

Part-A

7 x 2 = 14

1) What are the capital profits?

2) What is revenue transactions?

3) What are capital transactions?

4) Shyam & Co., incurred the following expenses during the year 2003. Classify the following items under capital or revenue. (i) Purchase of furniture Rs.1,000. (ii) Purchase of second-hand machinery Rs.4,000 (ii0 Rs.50 paid for carriage on goods purchased. (iv) Rs.175 paid for repairs on second-hand machinery as soon as it was purchased. (v) Rs.600 wages paid for the installation of plant.

5) Har&Co incurred the following expenses during the year 2003. Classify the expenses as capital and revenue. (i) Rs.750 spent towards replacement of a worn out part in a machinery. (ii) Rs.1,500 spent for legal expenses in relation to raising of a loan for the business (iii) Rs.300 spent for ordinary repairs of plant (iv) Rs.6,000 spent on replacing a petrol driven engine by a diesel driven engine (v) electricity charges Rs.1,200 per month.

6) Prasad Picture Ltd., constructed a cinema house and incurred the following expenditures during the year ended 31.12.2003. (i) Second-hand furniture purchased (ii) Expenses in connection with obtaining a license were Rs.30,000. (iii) Fire insurance, Rs.2,500 was paid on 1st January 20003 for one year. (iv) During the first week after the release of the cinema, free tickets worth Rs.30,000 were distributed to increase the publicity of the cinema house. (v) The manager's salary for the year was Rs.60,000. Classify the above transactions into capital, revenue, and deferred revenue expenditure.

7) Bharat Company has incurred the following expenditure. You are required to identify the capital, revenue, and deferred revenue expenses. (i) Rs.60,000 traveling expenses of their sales manager who traveled to Japan to attend a meeting in order to increase sales - trip was quite successful. (ii) Rs.500 spent for installing machinery. (iii) Rs.6,00,000 spent on research and development. (iv) Rs.500 paid for fuel.

Part-B

2 x 3 = 6

8) What are capital profits?

9) Explain capital receipt, its characteristics with examples

Part-C

2 x 5 = 10

10) Fashion Textiles gives the following transactions of their firm during the year 2003, you are required to classify the transactions into capital or revenue. (i) Rs.2,500 spent on purchasing a tire for their lorry. (ii) They had old machinery of value Rs.10,000 was sold for Rs.9,500. (iii) They received Rs.5,000 towards dividend from their investments in shares (iv) They were able to sell cotton 'T' shirts (cost Rs.1,200) for Rs.1,500. (v) Rs.600 was spent on alternate of a machinery in order to reduce power consumption.

11) Bharat company has incurred the following expenditure you are required to identify the capital, revenue, and deferred revenue expenses.
(i) Rs.60,000 traveling expenses of their sales manager who traveled to Japan to attend a meeting in order to increase sales – trip was quite successful.
(ii) Rs.500 spent for installing machinery
(iii) Rs.6,00,000 spent on research and development.
(iv) Rs.500 paid for fuel.

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