

# MERIT LEADERS DIAGNOSTIC TEST 2026

Subject: ACCOUNTANCY | Chapter 1: Accounts from Incomplete Records

Time: 1.30 Hours | Max Marks: 45

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## Part I: Multiple Choice Questions (5 x 1 = 5 Marks)

1. The amount of credit sales can be computed from:

- a) Total creditors account   b) Total debtors account   c) Bills receivable account   d) Bills payable account

2. Opening statement of affairs is usually prepared to find out the:

- a) Capital in the beginning   b) Capital at the end   c) Profit made   d) Loss occurred

3. In the statement of profit or loss, the amount of additional capital introduced is:

- a) Added to closing capital   b) Deducted from closing capital   c) Deducted from adjusted closing capital   d) Added to opening capital

4. The excess of assets over liabilities is:

- a) Loss   b) Cash   c) Capital   d) Profit

5. Incomplete records are generally maintained by:

- a) A company   b) Government   c) Small sized sole trader business   d) Multinational enterprises

## Part II: Very Short Answer (3 x 2 = 6 Marks)

6. From the following particulars ascertain **profit or loss**:

Capital as on 1st January 2021	₹ 2,60,000
Capital as on 31st December 2021	₹ 3,60,000
Additional capital introduced	₹ 20,000
Drawings made during the year	₹ 50,000

7. Calculate the missing figure: Closing capital ₹ 50,000; Drawings ₹ 5,000; Additional capital ₹ 7,000; Opening capital ₹ 40,000. Find Profit or Loss.

8. State the meaning of incomplete records.

## Part III: Short Answer (3 x 3 = 9 Marks)

9. State the differences between **Statement of Affairs** and **Balance Sheet** (Any 3 points).

10. What are the limitations of incomplete records?

11. State the differences between **Double Entry System** and **Incomplete Records** based on:

- (i) Recording of transactions (ii) Type of accounts (iii) Reliability.

## Part IV: Detailed Answer (2 x 5 = 10 Marks)

12. **(Statement of Affairs Problem)**

Subha does not keep proper books. Prepare Statement of Affairs as on 31.03.2019 and calculate Profit/Loss:

Liabilities / Assets	Amount (₹)
Bank Overdraft	50,000
Debtors	1,80,000
Bills Payable	2,40,000
Machinery	3,00,000
Stock in trade	1,60,000
Creditors	90,000
Cash in hand	60,000

**Adjustments:** Withdrew ₹ 30,000 for personal use; Introduced capital ₹ 40,000.

### 13. (Total Sales Problem)

From the following details, calculate **Total Sales**:

Debtors (1st April 2018)	2,50,000
Bills Receivable (1st April 2018)	60,000
Cash received from Debtors	7,25,000
Cash received for Bills Receivable	1,60,000
Bills Receivable Dishonoured	15,000
Returns Inward	50,000
Bills Receivable (31st March 2019)	90,000
Sundry Debtors (31st March 2019)	2,40,000
Bad Debts	30,000
Cash Sales	3,15,000