

DK Goel Accountancy Class 11 Solutions – Chapter 7

Very Short Questions

Question 1

What is the double-entry system of book-keeping?

Solution: The double-entry system is an accounting system which affects at least two accounts simultaneously with every transaction. Two such examples are debit and credit account.

Question 2

State two type of accounts

Solution: The two types of accounts are.

- (i) Personal account
- (ii) Real account
- (iii) Nominal account

Question 3

What are the personal account?

Solution: The account which is linked to a single company, institution, or a firm is known as a personal account.

Question 4

What are the real account?

Solution: These are accounts whose value is estimated in money and the business properties are known as a real account. Few examples are furniture account, cash account, etc.

Question 5

What are the nominal account?

Solution: All the accounts which are only mentioned but does not really exist is known as nominal account. For instance expense and income account.

Question 6

What are a natural personal account? Give an example.

Solution: 'Natural Personal Account' means all the account linked to a human being. Such as Priya's account.

Question 7

What are artificial personal accounts? Give an example.

Solution: These accounts do not have a physical existence, such as human being, but are considered as a personal account. For example, a company's account.

Question 8

What are representative personal accounts? Give an example.

Solution: When an account represents an individual or a group of individual, is known as a representative personal account. Such as outstanding rent account.

Question 9

What is the rule of recording transactions in a personal account?

Solution: The rule of recording transactions in a personal account is depicting debtor as receiver and creditor as a giver.

Question 10

What is the rule of recording transactions in a real account?

Solution: The rule of recording transactions in a personal account is recording debit as what comes in and credit as what goes out.

Question 11

What is the rule of recording transactions in a nominal account?

Solution: The rule of recording transactions in a personal account is recording debit as losses and expenses and credit as gains and income.

Practical Questions

Question 1

Classify the following accounts under personal, real or nominal accounts:

(i) Commission Paid	(iv) Prepaid Salaries
(iii) Commission Accrued	(vi) Discount Allowed
(v) Leasehold Property A/c	(viii) Life Insurance Corporation of India
(vii) Carriage Inwards A/c	(x) Rent Received in Advance
(ix) Drawings A/c	(xii) Sales A/c
(xi) Debtors	(xiv) Bank Overdraft
(xii) Rent Paid in Advance	(ii) Commission Received

Solution:

Personal Account	Real Account	Nominal Account
(iii) Commission Accrued (iv) Prepaid Salaries (viii) Life Insurance (ix) Drawings A/c (x) Rent Received in Advance (xi) Debtors (xii) Rent Paid in Advance (xiv) Bank Overdraft	(v) Leasehold Property A/c	(i) Commission Paid (ii) Commission Received (vi) Discount Allowed (vii) Carriage Inwards Account (xii) Sales A/c

Question 2

Classify the following into real, personal, or Nominal account.

1. Capital 2. Drawings 3. Cash paid 4. Cash Received 5. Commission Paid 6. Commission Received 7. Purchases A/c 8. Sales A/c 9. Furniture 10. Cash A/c 11. Bank A/c 12. Bank Overdraft 13. Debtors A/c 14. Creditors A/c 15. Travelling Expenses 16. Goodwill 17. Patents 18. Salary A/c 19. Salary Outstanding A/c 20. Insurance A/c 21. Insurance Prepaid A/c 22. Bad Debts are written off 23. Bad Debts Recovered

Solution

Personal Account	Real Account	Nominal Account
1. Capital 2. Drawings 11. Bank A/c 12. Bank Overdraft 13. Debtors A/c 14. Creditors A/c	3. Cash paid 4. Cash Received 9. Furniture 10. Cash A/c 16. Goodwill 17. Patents	5. Commission Paid 6. Commission Received 7. Purchases A/c 8. Sales A/c 15. Travelling Expenses 18. Salary A/c 20. Insurance A/c

19. Salary Outstanding
A/c

21. Insurance Prepaid A/c

22. Bad Debts are written off

23. Bad Debts Recovered

