

Doon Public School

A Senior Secondary School
Sector- 21, Panchkula. Ph: 0172- 2590514

Assignment– 6
Date: 26-10-2018

Subject: Accountancy

Class: XI

INSTRUCTIONS:

- **Do the given assignment in your assignment note book.**

Answer the following questions.

1. Is depreciation a non-cash expenditure?
2. Original cost of a machinery Rs.5,00,000; Salvage value Rs. 20,000; Expected useful life 10 years. What will be the amount of depreciation for the fourth year according to original cost method? Also specify the rate of depreciation.
3. On 1st April, 2010 X Ltd. Acquired a machine for Rs. 6,00,000. Installation expenses were Rs. 40,000. Residual value after 5 years Rs. 1,00,000. On 1st October, 2010 it incurred repair expenses of Rs. 20,000. What will be the annual depreciation under straight line method?
4. X Ltd. Purchased a plant for Rs. 7,80,000 and spent Rs. 60,000 on its installation. Its scrap value is Rs. 42,000 and useful life 10 years. What will be the rate of depreciation as per straight line method?
5. A company purchased on 1st April, 2009 a machinery for Rs. 80,000. On 1st October, 2010 it purchased another machine for Rs. 50,000 and on 1st October, 2011 it sold off the first machine purchased in 2009 for Rs. 23,000. Depreciation was provided on the machinery @ 20% p.a. on the original cost annually. Give the machinery A/c for four years commencing from 1st April, 2009. Accounts are closed on 31st March every year.