Brain International School
Vikas Puri, New Delhi

ASSIGNMENT NO. 4
SUBJECT: ACCOUNTANCY **CLASS-XI** **NOVEMBER,2026**

CHAPTER: SMALL BUSINESS, INTERNAL TRADE

Section A: Very Short Answer Questions (1 MARKS)

Q1. What is a provision?

Q2. What is a reserve?

Q3. State whether provision is a charge against profit or an appropriation of profit.

Q4. Name any one type of reserve.

Q5. What is meant by rectification of errors?

Q6. What is an error of omission?

Q7. What is a suspense account?

Q8. Give one example of an error of commission.

Q9. What is a compensating error?

Q10. Does an error of complete omission affect the trial balance?

Section B: Short Answer Questions (3 MARKS)

Q11. Differentiate between provisions and reserves on any three bases.

Q12. Explain any three objectives of creating reserves.

Q13. Explain any three types of accounting errors.

Q14. Give journal entries for rectification of the following errors:

a) Furniture purchased for ₹10,000 was wrongly debited to Purchases Account.

b) Salary paid ₹5,000 was wrongly debited to Wages Account.

c) Credit sales to Ram ₹8,000 were wrongly recorded in the Sales Book as ₹800.

Section C: Short Answer Questions (4 marks)

Q15. Distinguish between the following:

a) General Reserve and Specific Reserve.

b) Revenue Reserve and Capital Reserve.

Q16. Rectify the following errors by passing journal entries:

a) Purchase of machinery for ₹20,000 was debited to Purchases Account.

b) Goods sold to Mohan for ₹5,000 were wrongly credited to Sohan's Account

c) ₹2,000 paid to Ramesh was wrongly debited to his account.

d) Sales Book was overcast by ₹1,000.

Q17. Explain any four types of errors that do not affect the agreement of the Trial Balance.

Q18. Pass rectification entries for the following errors:

a) Cash received from Amit ₹4,000 was posted to his account as ₹400.

b) Credit purchase from Ravi ₹6,000 was completely omitted from the books.

c) Rent paid ₹3,000 was posted to Rent Account as ₹300.

d) Goods withdrawn by proprietor for personal use ₹2,000 were not recorded in the books.

Section D: Long Answer Questions (6 MARKS)

Q19. Explain the meaning and objectives of provisions and reserves. Also explain any two differences between them.

Q20. Rectify the following errors by passing journal entries. Assume that the Suspense Account has been opened wherever necessary.

a) Sales to Raj ₹10,000 were recorded in the Sales Book as ₹1,000.

b) Purchase of furniture ₹15,000 was wrongly debited to Purchases Account.

c) Cash received from Mohan ₹5,000 was posted to his account as ₹500.

d) Credit purchase from Sohan ₹8,000 was completely omitted from the books.

e) Salary paid ₹2,000 was wrongly debited to Wages Account.

f) Sales Return Book was undercast by ₹1,000.