

Duration: 2.5 hours

Marks-75

Note: 1) All questions are compulsory.

2) Working Notes should form part of your answer.

3) Figures to the right indicate full marks.

Q.1. (A) Select the most appropriate alternatives from those given below and rewrite the statements. (Any 8) (08)

1. The amount of depreciation goes on decreasing every year under the _____ method.
 - a) Straight Line Method
 - b) Fixed Instalment Method
 - c) Revaluation Method
 - d) Written Down Value Method
2. _____ is a commodity in which trader regularly deals.
 - a) Cash
 - b) Assets
 - c) Goods
 - d) Service
3. The book in which every account is maintained is called _____.
 - a) Journal
 - b) Subsidiary books
 - c) Ledger
 - d) None of these
4. Revenue Expenditure is _____ in nature.
 - a) Abnormal
 - b) Recurring
 - c) Non-recurring
 - d) Capital
5. The immediate recognition of loss is supported by principle of _____.
 - a) Going Concern
 - b) Conservatism
 - c) Entity Concept
 - d) Dual Aspect
6. Any entry recorded on both the sides of cash book is known as _____ entry.
 - a) Opening
 - b) Rectifying
 - c) Contra
 - d) Transfer
7. Trial Balance is useful for locating _____.
 - a) Errors
 - b) Debit Balances
 - c) Financial Position
 - d) None of these
8. A brief description of transaction written below each journal entry is known as _____.
 - a) Narration
 - b) Voucher
 - c) Explanation
 - d) Description
9. If Fixed Capital Method is adopted, net profit is transferred to _____ account.
 - a) Partner's Capital
 - b) Partner's Current
 - c) Balance Sheet
 - d) Trading
10. AS 3 is _____.
 - a) Cash flow statement
 - b) Valuation of inventories
 - c) Borrowing Cost
 - d) Segment reporting

Q.1. (B) State whether you would consider the following as Capital Expenditure, Revenue Expenditure, Deferred Revenue Expenditure, Capital Receipt or Revenue Receipt. (Any 7) (07)

- a. Sale of Old Machinery.
- b. Interest paid on Bank overdraft.
- c. Rs.7000 was incurred for issue of shares

- d. A sum of Rs.10000 paid for obtaining a license to carry a business.
- e. Commission received on sales.
- f. Wages paid for erection of machinery
- g. Brokerage paid on purchase of land.
- h. Sold 4% government bonds for Rs.140000.
- i. Repairing charges paid for keeping the machinery in working condition.
- j. Term loan taken from banks

Q.2 Journalise the following transaction in the books of Akshay for the month of April 2018 (15)

1	Commenced business with cash Rs.1,20,000 ,goods Rs.60,000 and furniture Rs.65000
3	Opened a current account in Bank of Baroda by depositing Rs.75,000
5	Cash Purchases Rs.35,000
9	Cash Sales Rs.55,000
11	Purchased goods worth Rs.20,000 from Amit & co subject to trade discount of 2%
14	Credit Sales to Kalpana Rs.15,000
16	Paid cash to Amit & Co Rs.9,500 who allowed us discount Rs.100
19	Goods distributed as free samples of Rs.1,500
21	Received Cash from Kalpana Rs.4,800 on account of and allowed her cash discount Rs.200
24	Returned goods of Rs.750 to Amit & co.
26	Purchased shares of Rs.15,000 of HDFC Bank
29	Received goods returned by kalpana Rs.200

OR

Q.2 Enter the following transaction in the books of Mr. Joshi in Cash and Bank columns for the month of September 2018. (15)

1	Cash Balance Rs.56,000
	Bank Overdraft Rs.11,000
3	Purchased goods for Rs.13,000 for cash at 2% cash discount
6	Received bearer cheque for Rs.13,250 from Govind traders.
9	Purchased 100 shares of Amar Ltd of Rs.100 each at Rs.110 each and paid by cheque immediately
11	Sold goods of Rs.7000 at 5% cash discount to Amod and he paid half amount immediately
14	Deposited into bank Rs.11,000
17	Received a crossed a cheque for Rs.18,000 from Ganesh Traders
20	Bank paid our telephone bill Rs.3,230
21	Bank charged Rs.540 as interest on overdraft
22	Paid by cheque to Urmila Rs.8,000
25	Deposited into Bank the cheque received from Govind Traders
27	Received a bearer cheque for Rs.3460 for rent which was deposited into bank.
29	Bank informed that cheque received for rent was dishonoured

30	Paid life insurance premium of Mr. Joshi Rs.4,250 by cash and electricity bill Rs.7400 by cheque.
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Q.3 Prasad Trading company purchased a Machine worth Rs.77,600 and installed Rs.2400 on 1st October 2014. On 1st April 2015 an additional Machinery costing Rs.40,000 was purchased. The Machinery purchased on 1st April 2015 having become obsolete and was sold for Rs. 22,000 on 1st October 2017 and new machinery costing Rs.60,000 was purchased on 1st November 2017. The depreciation was provided annually on 31st March @ 10% p.a. by original cost method. Show **Machinery Account for the year ended 2014-15, 2015-16, 2016-17 and 2017-18.** (15)

OR

Q.3 (A) From the following ledger balances, prepare a trial balance of M/s Patil and associates as on 31/03/2018 (08)

Particulars	Rs.
Opening Stock	90,000
Bills Receivable	22,000
Bills payable	18,000
Salary	10,500
Carriage Outward	1,800
Wages	12,500
Debtors	84,000
Creditors	72,500
Commission (Dr)	800
Purchases	2,10,000
Sales	3,27,000
Purchase Return	4,000
Sales Return	2,000
Insurance	2,400
Commission (Cr)	700
Cash in hand	15,700
Royalty	4,000
Bank Loan	70,000
Machinery	80,000
Rent and taxes	1,500
Furniture	30,000
Advertisement	6,000
Capital	90,000
Drawings	9,000

Q.3 (B) From the following Particulars of Mr.Kartik prepare an analytical petty cash book under imprest system for the month of July 2018. (07)

1	Cash balance Rs.70. Advanced received from head cashier Rs.730
3	Purchased Postal stamps Rs.35 and postal cards Rs.50
5	Paid Ananya Printers for printing the bill book Rs.110
8	Paid railway freight Rs.88
11	Purchase CFL Tubes Rs.102
14	Paid bus fare Rs.24
15	Sold old news papers Rs.115
17	Paid coolie Charges Rs.25
19	Gave tips to peon Rs.30
21	Paid to Mr.Pratap Rs.115

Q.4 Sonam Chemicals has the following ledger balances as on 31st March 2018. (15)

Particulars	Rs	Rs
Goodwill	50,000	
Factory Shed	20,000	
Machinery	1,30,000	
Furniture	8,000	
Investments	10,000	
Capital		1,95,000
Bank Loan		3,00,000
Creditors		1,50,000
Debtors	1,35,000	
Stock on 01/04/2017		
Materials	1,30,000	
Work in Progress	7,500	
Finished Goods	82,500	
Net Sales		11,00,000
Miscellaneous Income		4,000
Bad debts Reserve		5,000
Purchase of Materials	8,60,000	
Freight on Materials	50,000	
Factory Power	15,000	
Salaries and wages:		
Factory	1,50,000	
Office	65,000	
Repairs	2,500	
Rent and taxes	16,500	
Insurance	3,900	
General Expenses	18,100	
Total	17,54,000	17,54,000

The following Additional Information:

1. Closing stock : Materials Rs.2,10,000, Work in progress Rs.12,500 and Finished Goods Rs.2,07,500
2. Depreciation to be provided at 2.5% on factory shed, 10% on Machinery and 15% on Furniture.
3. Repairs and Rent & taxes are to be apportioned between Factory and Office in the ratio 3:2
4. Reserve for doubtful debts to be provided at 4% on debtors.
5. Prepaid Insurance Rs.325.

You are required to prepare Manufacturing, Trading, Profit and loss account and Balance Sheet as on 31st March 2018.

(15)

OR

Q.4 Mayur and Nilesh are Partners. Their Balance sheet as on 31/12/2018

Particulars	Rs	Particulars	Rs
Building	74,000	Mayur's Capital	90,000
Machinery	40,000	Nilesh's Capital	90,000
Furniture	20,000	Sales	6,80,000
Purchases	2,98,000	Creditors	52,000
Stock	60,000	R.D.D.	3,000
Wages	65,000	Discount	10,000
Carriage Inward	25,000		
Salaries	40,000		
Repairs	18,000		
Commission	5,700		
General Expenses	30,000		
Rent and taxes	21,000		
Bank balance	95,000		
Cash Balance	49,300		
Debtors	84,000		
Total	9,25,000	Total	9,25,000

Additional Information

1. Closing Stock was Rs.50,000
2. Nilesh has taken goods worth Rs.5,000 for his personal use for which no entry was made in the books of accounts.
3. Wages outstanding Rs.6,000
4. Write of Bad debts of Rs.2000 and Reserve for bad debts Rs.5000
5. Goods costing Rs.2500 was stolen but no entry was passed

Prepare Trading Account, Profit And Loss Account and Balance Sheet as on 31st March 2018.

(15)

Q.5 A. What are the objectives of Book keeping and accountancy (08)

Q.5 B. Distinguish Between Straight line method and WDV method. (07)

OR

Q.5 Short Notes (ANY 3) (15)

1. Debtors and Creditors
2. Capital and Revenue Expenditure
3. Going Concern Concept
4. Need of Subsidiary Books
5. Reasons for difference in cash book and pass book.
