

NOTE: ALL QUESTIONS ARE COMPULSORY.

WORKING NOTES SHOULD FORM PART OF YOUR ANSWER.

FIGURES TO THE RIGHT INDICATE FULL MARKS.

Q.1.A) State whether the statements are True or False. (Any 8)

(08)

- 1) Journal is a book in which every account is maintained.
- 2) The entry recorded on both the sides of cash book is known as contra entry.
- 3) Under Fixed Capital Method net profit is transferred to Partner's Capital account.
- 4) Trade discount does not appear in the books of accounts.
- 5) or a shirt factory, cotton is an asset.
- 6) Person who owes money to the business is known as proprietor.
- 7) Capital Expenditure is Recurring expenditure.
- 8) Going concept provides a line between present and future.
- 9) Income tax account is personal type of account.
- 10) AS4 deals with Inventory Valuation.

Q.1.B) State whether the following are capital expenditure, revenue expenditure, deferred revenue expenditure, capital receipts or revenue receipts. (Any 7)

(07)

- 1) Cost of Goodwill.
- 2) Cost of Construction of building.
- 3) Repairs of a machinery.
- 4) Interest paid on Bank Overdraft.
- 5) Term Loans taken from banks.
- 6) Sold 10% Government bonds for Rs.2,00,000.
- 7) Custom duty paid on raw material purchased.
- 8) Payment of salaries.
- 9) Received Rs.1,00,000 on issue of Equity Shares.
- 10) Renovation of factory canteen.

Q.2) Journalize the following transactions in the books of Mr. Veer for the month of August 2019. (Narration not Required).

(15)

1. Started business with cash Rs.4,00,000. Goods worth Rs.20,000 and computer Rs.40,000.
6. Deposited into HDFC Bank Rs.20,000.
9. Bought goods on credit from Pari Rs.16,000 at 6% Trade Discount.
11. Sold goods to Krish Rs.16,000 at 5% Trade Discount.
18. Goods worth Rs.2,100 burnt by fire.
20. Received cash of Rs.15,000 from Krish in full settlement of his account.
22. Drew from Bank Rs.10,000 for personal use.



- 24. Paid cash to Pari Rs.14,800 in full settlement of her account.
- 25. Sold goods worth Rs.20,000 to Hiya who paid us RS.12,000 on account.
- 26. Paid house rent Rs.4,000.
- 30. Paid for Postage and Telegram Rs.10,000.

OR

Q.2) Enter the following transaction in the books of Mr. Vikas in Cash and Bank columns for the month of October 2019. (15)

- 1. Cash balance Rs.28,000
- Bank Overdraft Rs.5,500.
- 3. Purchased goods for Rs.6,500 for cash at 2% cash discount.
- 4. Received bearer cheque for Rs.6,625 from Hari traders.
- 6. Purchased 50 shares of Anup Ltd of Rs.100 each at Rs.110 each and paid by cheque immediately.
- 11. Sold goods of Rs.3,500 at 5% cash discount to Pramod and he paid half amount Immediately.
- 13. Deposited into bank Rs.5,500.
- 15. Received a crossed cheque for Rs.9,000 from Ganesh Traders.
- 17. Bank paid our telephone bill Rs.1,615.
- 20. Bank charged Rs.270 as interest on overdraft .
- 21. Paid by cheque to Sana Rs.4,000.
- 24. Deposited into bank the cheque received from Govind Traders.
- 26. Received a bearer cheque for Rs.1,730 for rent which was deposited into bank.
- 28. Bank informed that cheque received for rent was dishonored.
- 30. Paid Life Insurance premium of Mr. Vikas Rs.2,125 by cash and electricity bill Rs.3,700 by cheque.

Q.3) Akshay Trading Company purchased a Machine worth Rs.25,000 on 1<sup>st</sup> April 2004 and paid Rs.5,000 on its installation. The Company depreciated the Machinery @ 10% p.a. on Original Cost on 31<sup>st</sup> March, every year.

On 1<sup>st</sup> October 2006 the Company sold a part of the Machinery for Rs.7,000 the Original Cost of which was Rs.10,000. The Company purchased new Machinery for Rs.20,000 on the same date.

Show Machinery Account for the year 2004-05 , 2005-06 and 2006-07.

OR

Q.3.A) From the following ledger balances , Prepare a trial balance of M/S Aastha and Associates as on 31/03/2019. (08)

Particulars	Rs.
Salary	4,500
Capital	50,000
Debtors	2,500
Wages	3,500
Depreciation	1,500
Furniture	12,500
Advertisement	2,500
Bad Debts	600
Carriage	2,500
Purchases	13,000
Sales	40,000
Postage	250
Creditors	4,000
Land & Building	45,000
Bank Loan	2,000
Cash in hand	1,250
Rent	2,900
Drawings	1,500

Q.3.B) From the following particulars of Mr. Shree. prepare an analytical cash book under imprest system for the month of July 2019.

(07)

- 1. Received cheque from Head Cashier Rs.1,500.
- 4. Purchased pencils for Rs.30, inkpot Rs.20 and papers Rs.50.
- 6. Paid for repairs Rs.175.
- 10. Paid taxi fare to manager Rs.75.
- 13. Paid subscription for newspaper Rs.140.
- 17. Paid for refreshment to customers Rs.92.
- 20. Paid to Rajat in settlement of his account Rs.130.
- 22. Paid wages to workers Rs.105.
- 24. Paid electricity bill Rs.255.
- 25. Paid for carriage Rs.95.
- 27. Purchased a wooden shelf for Rs.160.



Q.4) Karan Chemicals has the following ledger balances as on 31<sup>st</sup> March 2019.

(15)

Particulars	Rs.	Rs.
Goodwill	25,000	
Factory Shed	10,000	
Machinery	65,000	
Furniture	4,000	
Investments	5,000	
General Expenses	9,050	
Insurance	1,950	
Rent and Taxes	8,250	
Repairs	1,250	
<b>Salaries and Wages</b>		
Factory	75,000	
Office	32,500	
Capital		97,500
Bank Loan		1,50,000
Creditors		75,000
Factory Power	7,500	
Purchase of Materials	4,30,000	
Freight on Materials	25,000	
Bad Debts reserve		2,500
Miscellaneous Income		2,000
Net Sales		5,50,000
Debtors	67,500	
<b>Stock on 01/01/2018</b>		
Materials	65,000	
Work in Progress	3,750	
Finished goods	41,250	
-		
<b>Total</b>	<b>8,77,000</b>	<b>8,77,000</b>

The following Additional Information:

1. Closing stock : Materials Rs.1,05,000. Work-in-Progress Rs.6,250 and Financial Goods Rs.1,03,750.
2. Depreciation to be provided at 2.5% on factory shed , 5% on Machinery and 10% on Furniture.
3. Prepaid Insurance Rs.150.
4. Reserve for doubtful debts to be provided at 4% on debtors.
5. Repairs and Rent and Taxes are to be apportioned between Factory and Office in the ratio 3:2.

You are required to prepare Manufacturing, Trading , Profit and Loss account and Balance Sheet as on 31<sup>st</sup> March 2019.

OR

Q.4) Following is the Trial Balance of M/S Sonu and Monu as on 31<sup>st</sup> March, 2018  
Sharing Profit and Losses in the ratio of 3:2.

(15)

Trial Balance as on 31/03/2018

Debit	Rs.	Credit	Rs.
Cash in hand	16,000	<b>Capital:</b>	
Rent paid	3,000	Sonu	1,00,000
Carriage Inward	2,000	Monu	80,000
Wages	24,000	Bills Payable	8,000
Purchases	1,53,000	Sales	2,37,400
Salaries	14,000	Creditors	30,000
Carriage Outward	4,000	Bank Loan	30,000
Bad Debts	3,400	Outstanding Wages	6,000
Motor Car	40,000		
Furniture	50,000		
Machinery	60,000		
Postage	2,000		
Debtors	56,000		
Opening Stock	64,000		
<b>Total</b>	<b>4,91,400</b>	<b>Total</b>	<b>4,91,400</b>

Prepare Trading and Profit and Loss Account for the year ended 31<sup>st</sup> March 2018 and Balance Sheet as on that date after taking into consideration the following adjustments:

1. Closing Stock is valued at cost Rs. 90,000 while its market value is Rs. 1,00,000
2. Outstanding Expenses were Salaries Rs. 1,000 and Rent Rs. 600
3. Depreciation on Machinery is 10% p.a. and Furniture is 15% p.a..
4. Goods Costing Rs. 6,000 were distributed as free samples.
5. Interest Rs. 3,000 is payable on Bank Loan.

Q.5.A) Explain the difference between Book Keeping and Accountancy.

(08)

Q.5.B) What is Revenue Expenditure? Explain with examples.

(07)

OR

Q.5) Short Notes (Any 5)

(15)

- 1) Fluctuating Capital Method.
- 2) Petty Cash Book.
- 3) WDV method of Depreciation.
- 4) features of Trial Balance.
- 5) Objectives of Book Keeping.
- 6) Need of a Ledger.
- 7) Deferred Revenue Expenditure.