

Note:-

- 1) Q.1 is compulsory.
- 2) Q.2 to Q.5 having internal options.
- 3) State your assumptions clearly.
- 4) Working should form part of answer

Q.1. A) Fill in blanks. (Any Eight) (08)

1. Money value or reputation of business is known as _____
a) Goodwill b) Copyright
2. Totaling of journal or ledger is called as _____
a) Folio b) Casting
3. Office furniture is _____ account.
a) Personal b) Real
4. Paid salary to Mandar should be debited to _____
a) Salary b) Mandar
5. Bad debts. Are recorded in _____ book.
a) Sales book b) Journal books
6. Valuation of inventories is governed by _____
a) AS-1 b) AS-2
7. Carriage on purchase is _____ to cost of inventory.
a) Added b) Deducted
8. Hire Purchase comprise of Hire Purchases and _____
a) Vendor b) Lawyer
9. For a sugar Mill, sugar cane is a _____
a) Raw material b) WIP
10. Prepaid insurance is _____ side of item in balance sheet.
a) Liabilities b) Asset

B) Match the column (Any Seven) (07)

Column A

1. Suri Account
2. Rent account
3. Closing stock
4. HPP
5. Down payment
6. Depreciation is Trial balance
7. Opening balance- debtors a/c
8. Opening balance- creditors a/c
9. Accounting standard issued by
10. Father of accounting

Column B

- a) Luca Paicholi
- b) Asset side of balance sheet
- c) Debit balance
- d) Credit balance
- e) Down payment + Installment
- f) Initial payment Mode
- g) ICAI
- h) Personal account
- i) Nominal account
- j) Profit and Loss account

Q.2. Journalize the following transactions post then into ledger and prepare trial balance in books of M/S Ratnam Industries Ltd. (Narration not required). (15)

- Jan.01 Business started with cash Rs.25000, building Rs.75000, Furniture Rs.10000
- Jan.03 Cash purchase Rs.12500.
- Jan.04 cash Sales Rs.15000
- Jan.06 Purchased Goods worth Rs.15000 @10% Trade discount from Rachit & company
- Jan.08 Sold Goods worth Rs.18000 to Darshit & co.
- Jan.15 Purchased furniture worth Rs.2500 on credit basis from Shubham Furniture Mart.
- Jan.20 Received cash from Darshit & Co.
- Jan.25 Paid to Rachit & Co. in full and final settlement.
- Jan.28 Paid Salaries Rs.1500, Insurance Rs.250, Printing & Stationary Rs.750.

OR

Q.2. A) State the whether following capital, Revenue or deferred revenue Expenditure. (08)

1. Purchased machinery for production.
2. Purchased typewriter for resale.
3. Heavy inaugural expenses paid for new company.
4. Wages paid for installation of new machinery.

B) Prepare Bank reconciliation for the year ending 31/03/2015.

(07)

1. Bank balance as per cash book Rs.8600.
2. Cheque of Rs.4000 issued but not presented for payment.
3. Bank debited bank charges Rs.200
4. Cheque of Rs.28000 deposited into bank but not credited by bank.
5. Bank paid insurance premium Rs.2500 directly.
6. Bank credited interest on investment Rs.1900 but not recorded in the cash book.

Q.3. Tiruppur Trading Company purchased machinery from Salem machinery Ltd. On hire purchase agreement on 1st Jan 2015, paying cash Rs.10000 and agreeing to pay further three installments of Rs.10000 each on 31st December every year. The cash price of the machine is Rs.37250. The Salem machinery Ltd. Charges interest at 5% p.a. Tiruppur Trading Company writes off @10% p.a as depreciation on the reducing balance method prepare.

1. Machinery Account.
2. Salem Machinery Ltd.
3. Interest Table.

OR

Q.3. The following are the transactions in respect of Material X for the month of September 2015. (15)

Date	Transactions	Units	Rate
01/09/2015	Opening Balance	400 units	Rs.2.90 per unit
06/09/2015	Purchased	500 units	Rs.3.00 per unit
10/09/2015	Issued	700 units	
15/09/2015	Purchased	700 units	Rs.3.10 per unit
20/09/2015	Issued	800 units	
25/09/2015	Purchased	400 units	Rs.3.20 per unit
30/09/2015	Issued	300 units	

Prepare stores Ledger Account as per FIFO and weighted Average Method.

- Q.4. From the following Trial Balance of Ravindra Co., Prepare Manufacturing Account, Trading and Profit & Loss account and balance sheet as on 31/03/2016. (15)

Particulars	Debit (Rs.)	Credit (Rs.)
Capital		40000
Sales		25000
Purchases	15000	
Salaries	2000	
Rent	1500	
Insurance	300	
Drawing	5000	
Machinery	28000	
Bank Balance	4500	
Cash Balance	2000	
Stock as on 1/04/2015		
Raw Materials	2000	
Work in Progress	2000	
Finished Goods	1200	
Debtors	2500	1000
	66000	66000

Adjustment Required:

1. Stock on 31/03/2016 was follows.
Raw materials Rs.1500
Work in progress Rs.1500
Finished Goods Rs.1900
2. Machinery to be depreciated @10% p.a.
3. Rent paid in advance Rs.200
4. Insurance prepaid Rs.90
5. Salaries to be distributed between factory and office in ratio 2:5.

OR

- Q.4. A) From the particulars, prepare Manufacturing account for the year ended 31/03/2016. (08)

Particulars	Rs.
Opening Stock (01/04/2015)	
Raw materials	33,000
Work in progress	17,000
Finished Goods	27,000
Purchases of Raw Material	1,10,000
Carriage inward (Raw material)	2,600
Purchase Return on Raw material	5,200
Freight & Octroi on Raw material	600
Sales	3,00,000
Sale of factory scrap	150
Rent (3/4 th for factory)	4,000
Insurance (20% for factory)	1,000
Productive wages	6,000
Repairs to building (40% for office building)	1,000
Depreciation on machinery	2,100
Factory supervisors salary	2,400
Manager's Salary (1/4 th for factory)	
Closing stock as on 31/03/2016	
Raw Material	22,000
Work in Progress	13,500
Finished Goods	40,000

- Q.4. B) Pass necessary adjustment entries for the following adjustment. (07)
1. Depreciation on Machinery @10% on cost Rs.100000, Land & Building @2% on cost Rs.2500000.
 2. Salaries outstanding Rs.10000.
 3. Closing stock was valued at Rs.55000.
 4. Goods worth Rs.5000 destroyed by fire. Insurance company accepts the claim for Rs.4500.
 5. Rs.2000 to be transferred to Revenue Fund.

- Q.5. A) Explain the process involved in accounting? (08)
B) Explain the types of Accounting Errors? (07)

OR

- Q.5. Write short Notes: (Any three) (15)
1. FIFO
 2. Features of hire Purchase System.
 3. Capital Expenditure
 4. Entity concept and going concern concept.
 5. Accounting Standard – 01.
