

**Q.P. Code :00281****[Time: 2½ Hours]****[ Marks:80]**

Please check whether you have got the right question paper.

**Q.1 (A) True/False: (Attempt any 7)****(7 Marks)**

1. Classification of entries is done in a book called Journal
2. Accounting is useful only to the owner
3. Land is the only fixed asset that is not depreciated
4. To debit an amount means making an entry on the right hand side of the account
5. Cash account is a nominal account
6. While calculating insurance claim, value of salvage is deducted from the cost of stock lost
7. Balance of a cash book is always debit
8. It is not necessary to provide depreciation on a building if it is not in use
9. Trial balance shows the profit earned by the firm during a period
10. Prepaid expenses are shown on the credit side of balance sheet.

**(B) Match the Columns: (Attempt any 8)****(8 Marks)**

COLUMN A	COLUMN B
1. Memorandum Trading account	a. Cause an asset account to increase
2. Trade Discount	b. Business is separate from the owner
3. Debit	c. Sales A/c
4. Revenue Account	d. Arithmetic Accuracy
5. Entity Concept	e. Business will continue to exist
6. Book keeping	f. Value of stock on date of fire estimation
7. Trial balance	g. Does not appear in books of accounts
8. Going Concern Concept	h. Drawing A/c
9. Credit	i. Recording & Classification of financial transaction
10. Capital Account	j. Cause an asset account to decrease

**Q.P. Code :00281****Q.2 (A) Post the Following Entries in the Journal of Herambh****(8 Marks)**

<b>2016 Sept</b>	
1	Started business with Cash Rs 71,000
3	Purchased goods from Mahesh on Credit Rs 20,000
5	Deposited cash into bank of India Rs 30,000
7	Sold goods to Danraj Rs 25,000 on credit
9	Purchased Furniture of Rs 10,000 on Cash
11	Paid Mahesh by cheque of bank of India Rs 10,000
14	Received a Bearer cheque for Rs 15,000 from Dhanraj.
15	Paid Salary by cheque Rs 4,000

**(B) Prepare Trial balance for M/S Pyarelal Limited****(7 Marks)**

<b>Particulars</b>	<b>Amount</b>	<b>Particulars</b>	<b>Amount</b>
Drawings	2000	Sales	10000
Creditors	20000	Capital	2000
Furniture	10000	Discount Received	1000
Discount Allowed	1300	Debtors	14700
Opening Stock	20000	R.D.D.	4000
Returns	5000	Commission	5000

**Q.2 Enter the following transactions of the Superior Trading Company in Cash Book with three columns- (15 Marks)**  
**Discount, Cash and Bank and balance the accounts as on 31st December 2016****2016**

- Dec 1 Cash in hand Rs 4,000  
 Dec 1 Balance at Bank Rs 1,000  
 Dec 3 Received a cheque from A Rs 290 and allowed him discount of Rs 40  
 Dec 7 A's cheque deposited into the bank  
 Dec 10 Withdrew from bank for office use Rs 800  
 Dec 12 Paid Bills payable by cheque Rs 600  
 Dec 15 Bills receivable from Ram. Rs 2,500: Discounted it, crediting with bank Rs 2,400  
 Dec 20 Issued a cheque for Petty Cashier Rs 100  
 Dec 25 Paid to Gupta by cheque Rs 920; discount received Rs 30  
 Dec 28 Made cash-sales Rs 900.



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- Q.3** Jyoti Limited Company purchased machinery for Rs. 80,000 on 1<sup>st</sup> April 2014. In the same year on 1<sup>st</sup> Oct, additional machinery costing Rs. 20,000 was purchased. On 1<sup>st</sup> Oct 2016, the machinery purchased on 1<sup>st</sup> April 2014 became obsolete and was sold for Rs. 62,000. On 1<sup>st</sup> Jan 2017, a new machine was also purchased for Rs. 30,000. (15 Marks)
- Depreciation was provided annually on 31<sup>st</sup> March @10% per annum on straight line method. Prepare machinery account and deprecation Account for 3 years ending on 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2016 and 31<sup>st</sup> March 2017.

- Q.4 (A)** Given Below is the Trial Balance of M/S Kalidas Manufacturing Limited. 15 You are required to prepare Manufacturing Account, Trading Account, Profit & loss Account & Balance Sheet as on 31-03-2011. (15 Marks)

Particulars	Amount	Particulars	Amount
Freehold Premises	1,65,000	Carriage outward	16,840
Plant & Machinery	1,96,620	Sales	11,26,400
Motor Vehicles	29,960	Selling expenses	56,830
Stock : 1.1.2011		Administration Exp.	1,35,380
Raw Materials	1,65,300	Sundry Debtors	1,27,500
Finished Goods	72,910	Balance at Bank	69,470
Work in progress	72,470	Cash in hand	1,090
Wages	2,80,790	Drawings	26,130
Purchase of Raw Material	4,36,440	Capital	6,42,910
Factory Expenses	20,500		
Sundry creditors	1,03,920		

- Closing Stock of Raw Material - Rs 1,37,910, Work in Progress - Rs 56,800 and Finished Goods Rs 53,580.
- Outstanding Expenses: factory Expenses- Rs3,740, Selling Expenses- Rs5,790 , Administration exp.-Rs 2,100.
- Prepaid transport Expenses Rs 500
- Provision for Doubtful Debts@4%
- Depreciation on Plant is Rs.27,380 and on Motor Vehicles is Rs 8,560.

- Q.4 (B)** Prepare trading and profit and loss account for the year ended 31<sup>st</sup> March 2014 and balance sheet as on that date. Mr. Xavier has prepared the following trial balance form his ledger as at 31<sup>st</sup> March 2014 (15 Marks)

Particulars	Amount	Particulars	Amount
Purchases	3,10,000	Motor Car	48,000
Sales	4,15,000	Bad debts	2000
Stock (1 <sup>st</sup> Apr 2013)	50,000	Cash discount (Dr)	4000
Cash in Hand	2100	General Expenses	14000

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Cash at bank	12000	Carriage inward	10000
Rohan's capital	2,88,600	Carriage outward	22000
Drawings	4000	Printing and Stationary (for last year)	11000
Rates/taxes	5000	Creditors	40000
Salaries	32000	Debtors	1,00,000
Postage and Fax	11,500	Advertising	17,000
Commission on Sales	35,000	Furniture	22,000
Insurance	9000	Printing and Stationary (for current year)	3000
Wages	20,000		

Additional information:

- Cost of goods in stock on 31<sup>st</sup> march 2014 was Rs. 1,45,000
- Goods withdrawn by Mr. Rohan for personal use was Rs. 5000
- Rs. 11,000 printing or stationary for the last year was not provided in the last year but was provided and paid in this year
- Purchases include purchases of furniture Rs. 10000
- Debtors include Rs. 5000 bad debts. Provision for bad debts is to be created @ 5%
- Depreciate furniture by 10%, motor car by 20%
- Salesmen were entitled to commission of Rs. 40,000 in aggregate

Q.5 (a) What is meant by cash book? Explain in detail its different types. **(8 marks)**

(b) Explain difference between straight line method and written down value method of depreciation? **(7 marks)**

**OR**

**Short Notes (Attempt any 3):**

**(5 marks)**

- Going concern concept with example
- Difference between single entry and double entry system
- Causes of depreciation
- Memorandum Trading Account
- Disclosure convention with example