

Q - 1 A] State whether the following statement is True or False. (Any 08)

(08)

1. Going concern is an important accounting concept.
2. Depreciation is a scrap value of an asset.
3. Single entry system is followed by small shopkeepers.
4. Drawings of sole proprietor is deducted from his capital.
5. If stock is under insured then average clause will be used.
6. Cash book records only transaction related with cash payment or cash receipts.
7. Balance sheet show the financial position of firm at the end of the year.
8. Rent paid is debited to profit and loss account.
9. Prepaid expenses are recorded in liability side of balance sheet.
10. Depreciation is transferred to capital reserve.

B] Match the following (Any 7)

(07)

Group "A"	Group "B"
1. Single entry system	a. Added in capital of proprietor
2. Accounting concept	b. Materiality
3. Discount received	c. Goods lost by fire.
4. Accounting Conventions	d. Closing Balances of ledger accounts
5. Fire insurance claim	e. Statement of affairs method
6. Depreciation	f. Straight line method
7. Closing stock	g. Entity concept
8. Net profit	h. Profit and loss A/c Credit side
9. Journal Entry	i. Balance sheet Asset side
10. Trial Balance	j. Record of daily transaction

Q - 2 Sumana keep her books under single entry system . her capital as at 1-1-2003. Was Rs. 60,000. An abstract of her cash transactions for the year ended 31-12-2003 was as follows :

Receipts	Rs.	Payments	Rs.
Balance b/d	10,000	Cash purchases	15,000
Cash sales	40,000	Wages	20,000
Collection from debtors	60,000	Payment to creditors	28,000
Capital further introduction	10,000	B/P paid	14,000
B/R collected	20,000	Salaries	8,000

		General expenses	4,000
		Drawings	15,000
		Plant purchased	10,000
		Balance c/d	26,000
Total	1,40,000	Total	1,40,000

Other particulars of her assets and liabilities as on 1-1-2003 and 31-12-2003 were as follows: -

Particulars	1-1-2003 Rs.	31-12-2003 Rs.
Plant	20,000	30,000
Furniture	2,000	2,000
Bills payable	8,000	10,000
Bills receivable	9,000	13,000
Sundry debtors	22,000	25,000
Sundry creditors	15,000	16,000
Stock-in-trade	20,000	15,000

You are required to draft a trading and profit and loss account for the year ended 31-12-2003 a balance sheet as on the date after providing for 5% interest on initial capital and 2½% on further introduction, 5% reserve for doubtful debts, 2½% reserve on bills receivable, 10% depreciation on plant and 6% depreciation on furniture.

OR

Q – 2 Pass Journal entries in the books of Harish for the year 2018

(15)

Date	Transaction
1 st Jan 2018	Harish Started business by introducing cash Rs. 10,000.
15 th Jan 2018	Purchased furniture for cash Rs.800.
4 th Feb 2018	Paid wages Rs. 80.
25 th Feb 2018	Purchased goods from Amit Rs.5,000.
12 th March 2018	Sold goods to Wadhwa Rs. 4,000.
22 nd March 2018	Sold goods to Manohar Rs. 6,000
26 th March 2018	Purchased goods for cash Rs.3,000.
14 th April 2018	Received Rs. 2,000 from Manohar.
27 th April 2018	Harish draw for personal use Rs.300.
7 th May 2018	Rept paid Rs. 160
17 th May 2018	Received from wadhwa Rs.3,600 and discount of Rs.400 is allowed.
10 th June 2018	Received Balance amount from Manohar & discount of Rs. 200 is allowed

July 2018

Paid amt Rs. 4,700 for full settlement.

Q – 3 M/s Vinay Ltd. purchased Machinery on 1st April 2015 worth Rs.4,00,000 and installation charges were Rs. 50,000. Another machinery was purchased on 1st January 2016 for Rs. 2,00,000. On 1st July 2017 a part of machinery purchased on 1st April 2015 for Rs. 1,00,000 was sold for Rs. 85,000 and on the same day new machinery purchased for Rs.50,000. Company provides depreciation @ 10% p. a. using Reducing balance Method. Company closes its accounts on 31st December every year. Prepare Machinery A/c and Depreciation A/c for the year 2015, 2016 and 2017. (15)

OR

Q – 3 M/s Shaan Ltd. purchased Motor car on 1st Oct 2016 worth Rs.2,80,000 and transportation charges were Rs. 20,000. Another Motor car was purchased on 1st January 2017 for Rs. 4,00,000. On 1st July 2018 Motor car purchased on 1st April 2016 was sold for Rs. 2,15,000 and on the same day new Motor car purchased for Rs.90,000. Company provides depreciation @ 20% p. a. using Written down value Method. Company closes its accounts on 31st December every year. Prepare Machinery A/c and Depreciation A/c for the year 2016, 2017 and 2018. (15)

Q – 4 From the following trial Balance of Shri Shyam a sole proprietor ,prepare Trading and profit & Loss account for the year ended 31st December,2018 and the balance sheet as on that date: (15)

Particulars	Dr.Rs	Particulars	Cr.Rs
Drawing	36,000	Capital	4,50,000
Goodwill	40,000	Sundry creditors	1,25,000
Plant & Machinery	2,00,000	Bank Loan	75,000
Land & Building	1,20,000	Reserve for bad debts	5,500
Cash and Bank Balances	37,000	Sales	3,24,000
Sundry Debtors	59,000	Discount	3,500
Furniture	9,000	Return Outward	6,500
Salary to Manger	16,000		
Purchases of Raw Materials	1,50,000		
Opening Stock	185000		
Carriage Inward	10,000		
Wages and Salaries	75,000		
Factory Expenses	12,000		
Factory Rent & Rates	15,000		
Office Expenses	8,000		
Printing & Stationery	7,500		
Discount	5,500		
Bad debts	4,500		
	9,89,500		9,89,500

Adjustment:

(1) On 31st December 2018, Stocks were valued at Rs. 2,25,000.

- (2) Outstanding expenses: Printing and Stationery Rs.1,500
 (3) Prepaid expenses: Factory Rent and Rates Rs.2,000
 (4) Depreciate: Plant and Machinery @10%p.a.

OR

Q – 4 The trial Balance of Mr. Lakhmichand a sole proprietor is as below. Prepare final accounts of year ended 31-12-2018. (15)

Debit balance	Rs.	Credit Balance	Rs.
Cash in Hand	1,000	Capital A/c	41,860
Machinery	30,000	Sales	1,38,780
Drawings	2,500	RDD	560
Factory, Power and Fuel	450	Sundry creditors	8,800
Office salary	6,225		
Carriage outward	500		
Manufacturing wages	9,300		
Furniture and Fixture	3,400		
Opening Stock:-	14,050		
Carriage inward	1,000		
Rent	4,000		
Sundry Debtors	21,600		
Advertisement	775		
Printing & Stationery	1,200		
Factory Insurance	1,280		
Purchase of Raw material	82,950		
Balance at Bank	8,530		
Discount allowed	610		
Miscellaneous expenses	630		
	1,90,000		1,90,000

Adjustment :-

1. Closing stock is valued at Rs.12,000.
2. Depreciate machinery at 15% p.a., Furniture and fixtures at 15% p.a.
3. Outstanding Rent Rs.1,000.
4. Provision for RDD should be maintained at 10% of the Debtors.

Q – 5 A] Explain accounting concepts in details. (08)

B] Explain features of single entry in details. (07)

OR

Q – 5 Short notes (Any 03) (15)

1. Methods of depreciation.
2. Objectives of accounting
3. Difference between Single entry system and Double entry system.
4. Causes of depreciation
5. Subsidiary books