

Time: 2 ½ Hours**Total Marks: 75**

Note: All questions are compulsory.
Figures to right indicate marks.

Q. 1 A) Fill in the blanks (any 8 out of 10)

(08)

1. Salary expenses account is _____ account. (Real, Nominal)
2. Cash account is _____ account. (Real, Nominal)
3. Small expenses of daily routine business are recorded in _____ a/c. (Petty cash, Cash)
4. _____ is the official body in India that issues accounting standard from time to time. (ICAI, ICSI)
5. Annual Maintenance Charges of machinery is _____ expenditure. (Revenue, Capital)
6. Cash Price = Hire purchase price - _____. (Interest, Balance amount of assets)
7. _____ method of stock valuation is suitable for perishable goods. (FIFO, Weighted Average)
8. Patent Right is _____ asset. (Intangible, Tangible)
9. _____ means the amount invested in the concern by its owner (Capital, Investment)
10. _____ method of stock valuation gives higher profit during inflation. (Weighted Average, FIFO)

B) Rewrite the following statement and state whether true or false. (Any 7 out of 10)

(07)

1. Cash received on sale of old delivery vehicle is capital receipt.
2. Capital expenditure gives long term benefit.
3. Credit transactions are entered in cash book.
4. Accounting standard -2 deals with valuation of inventories.
5. Accounting standard -1 deals with disclosure of accounting policies.
6. ASB stands for Accounting Standard Board.
7. Manufacturing Account is nominal in nature.
8. If capital receipts are shown as revenue receipts Profit & Loss Account will show higher profit.
9. In hire purchase, depreciation on asset is charged by hire purchaser.
10. In hire purchase Hirer and Hire Vendor are one and same.

Q.2 A) Journalise the following transactions:

(15)

March'2015

- 1 Shri Rajan invested in business Rs 20,000.
- 2 Opened an account with the Bank of India by depositing cash Rs. 10,000.
- 3 Purchased goods for cash Rs 1,000.
- 5 Purchased Machinery for cash Rs 2,000.
- 9 Total Sales amounted to Rs 15,000 of which cash sales is Rs 2,500.
- 12 Withdrawn cash for personal use Rs 500.
- 14 Received cash on account from Mr. Raghu Rs 1,500.
- 16 Paid cash to M/s Chikhle Bandhu Rs 2,000.
- 19 Rent paid Rs 500 and a cheque of Rs 2,000 received for commission from Mr. Raj.
- 25 Goods sent to Mr. Raghu for Rs. 1,500
- 30 Office salaries paid through bank Mr. A Rs 1,000 Mr. B Rs 800. Mr. C Rs 500

OR**B)** Prepare bank reconciliation statement from the following information as on March 31st 2015 of Mr. Kishor.

1. Bank balance as per cash book as on March 31st 2015 Rs 12,500.
2. Cheques amounting to Rs 5,050 deposited in the bank but collected Rs 3,500 only.
3. Cheques amounting to Rs 3,250 issued to the creditors out of which Rs 2,250 only presented for payments.

(TURN OVER)

4. A debtor deposited cash directly in the bank Rs 8,500.
5. Bank credited Rs 1,000 for interest, but not yet entered in the cash book.
6. As per instruction, bank collected a dividend of Rs 1,550 through ECS.
7. An cheque drawn Rs 900 recorded twice in the cash book.

(15)

Q.3 A) From the following information calculate value of closing stock as on 30th April'2015 as per FIFO and Weighted Average Method. Stock as on 1st April'2015 1000 @ 3

(15)

Purchases (Qty)	Sales (Qty)
01/04/2015 3000 @ 5	03/04/2015 500 @ 8
04/04/2015 1500 @ 5	05/04/2015 1000 @ 8
07/04/2015 5000 @ 3	15/04/2015 1500 @ 7
22/04/2015 2,000 @ 2	26/04/2015 2000 @ 7

OR

B) Mr. Akshay purchased a Machine from Amit Traders on 1-1-2011 for a cash price of Rs.5,60,000 hire basis. Rs.1,50,000 paid on signing of agreement and thereafter Rs.1,50,000 annually on 31st December for 3 year. Depreciation to be provided at 20% on WDV Method. Prepare following ledgers in the books of Akshay Machinery A/c, Amit Traders A/c and Interest A/c

(15)

Q.4 A) Vijay Chemicals has the following ledger balances as on 31st March 2015.

(15)

Particulars	Dr. Rs	Particulars	Cr. Rs
Factory shed	25,000	Net sales	10,84,000
Machinery	1,04,600	Miscellaneous Income	20,000
Furniture	50,000	Bad debts reserve	5,000
Investments	10,000	Capital	1,90,000
Purchase of Material	8,50,000	Bank loan	2,69,000
Freight on Material	42,000	Creditors	1,32,000
Factory power	25,000		
<u>Salaries and wages</u>			
-Factory	1,30,000		
-Office	85,000		
Repairs and renewals	2,500		
Rent and taxes	6,500		
Insurance	1,300		
General expenses	15,100		
Debtors	1,35,000		
<u>Stock as on 1-4-2014</u>			
-Material	1,30,000		
-Work in progress	7,500		
-Finished goods	80,500		
Total	17,00,000	Total	17,00,000

The following additional information is available:

1. Closing stock: Material Rs 2,00,000; WIP Rs 12,000 and Finished goods Rs 2,08,000.
2. Depreciation to be provided at 5 ½ % on factory shed, 10% on Machinery and 15% on furniture.
3. Repairs and rent, taxes are to be allocated between factory and office in ratio 3:2.
4. Reserve for doubtful debt to be provided at 4% on debtors.
5. Insurance premium covers a period of one month in advance.

(TURN OVER)

You are required to prepare Manufacturing, Trading and Profit & Loss A/c and Balance Sheet for the year ended on 31st March 2015.

OR

B) From the following Trial Balance Prepare Manufacturing A/c and Trading, Profit & Loss A/c and Balance Sheet for the year ended 31st March'2017.

Particulars	Debit.	Credit
Opening Stocks		
Raw Material	30,000	
Work In Progress	5,000	
Finished Goods	16,000	
Capital		72,000
Purchase of Raw Material	1,50,000	
Sales		3,00,000
Purchase of Finished Goods	8,000	
Carriage Inward	4,000	
Provision for Bad debts		8,000
Wages	50,000	
Salaries (75 % Factory)	26,000	
Commission	3,000	
Bad debts	2,000	
Insurance	4,000	
Rent, Rates and Taxes (50 % Factory)	12,000	
Postage and Telegrams	2,800	
Tea and Tiffin	1,600	
Travelling and Conveyance (25% Factory)	8,000	
Carriage outward	2,600	
Machinery	40,000	
Furniture (40% Factory)	5,000	
Debtors	60,000	
Creditors		50,000
Total	4,30,000	4,30,000

1. Provide 10 % depreciation on Machinery and Furniture.
2. Closing stock of Raw material, Work-in-progress and Finished Goods were Rs.40,000; Rs.12,000 and 8,000 respectively.
3. Provide 5 % reserve for doubtful debt.
4. Salary outstanding Rs.2,400 and insurance was prepaid by Rs.600

Q. 5 (A) Explain the nature and types of cash book. (08)

(B) What are advantages of double entry book keeping? (07)

OR

(C) Answer the following (Any 3 out of 5) (15)

1. What are the merits and demerits of Accounting standard?
2. Define Inventory. Which items are excluded in the term inventory?
3. What are the characteristics of capital expenditure?
4. Write a note on Sales Method of accounting in Hire Purchase.
5. Write a note on Manufacturing Account.