

1. All Questions are compulsory.
2. All questions carry equal marks.
3. Draw neat, labelled diagrams wherever necessary

Q.1. A) Multiple Choice Questions (8 out of 10)

(8)

1. The process of recording of business transaction in the journal is called _____.
(a) Costing (b) Posting (c) Journalising (d) Balancing
2. _____ is a brief explanation of journal entry.
(a) Statement (b) Narration (c) Note (d) None of these
3. Capital expenditure is _____ expenditure.
(a) Abnormal (b) Recurring (c) Non-recurring (d) Wasteful
4. _____ expenditure means an expenditure carrying probable future benefits.
(a) Capital (b) Revenue (c) Deferred (d) Outstanding
5. _____ is the purchase price payable if full payment is made immediately.
(a) Market price (b) Cash price (c) Hire purchase price (d) Down payment
6. Which Accounting standard deals with recognition of revenue of revenue.
(a) AS 1 (b) AS 2 (c) AS 9 (d) AS 10
7. Trade-mark is _____.
(a) Current Asset (b) Fictitious Asset (c) Tangible Asset (d) Intangible Asset
8. Accounting standard 1 is _____.
(a) Recommendatory (b) Mandatory (c) Optional (d) No longer valid
9. Drawing are deducted from _____.
(a) Sales (b) Purchases (c) Return Outward (d) Capital
10. Return outwards appearing in Trial Balance are deducted from _____.
(a) Sales (b) Purchases (c) Return Inward (d) Assets

Q1. B) State whether the following are true or False: (7 out of 10)

(7)

1. Revenue expenditure is recurring in nature.
2. Under hire-purchase the buyer has the option to return the goods.
3. The number of instalments must be contained in the hire-purchase agreement.
4. Bank reconciliation statement is prepared at the end of every month.
5. Debit balance of Pass book represents overdraft.
6. Profit and Loss A/c shows the financial position of the concern.
7. Balance sheet is a position statement.
8. Manufacturing A/c always gives a debit balance.
9. Balance of Manufacturing A/c is Gross profit.
10. AS stands for accounting statement.

Q.2. (A) Abhi Chemicals has the following Ledger Balances as on 31-3-2018.

(15)

Particulars	Dr. Rs.	Cr. Rs.	Particulars	Dr. Rs.	Cr. Rs.
Goodwill	50000		Net Sales		1100000
Factory Shed	20000		Mis. Income		4000
Machinery	130000		Bad Debts Reserve		5000
Furniture	8000		Purchase of Materials	860000	
Investments	10000		Freight on Materials	50000	
Capital		195000	Factory Power	15000	
Bank Loan		300000	Salaries & Wages		
			- Factory	150000	
			- Office	65000	
Creditors		150000	Repairs & Renewals	2500	
Debtors	135000		Rent & Taxes	16500	

Stock on 1-4-13			Insurance	3900	
- Materials	130000				
- WIP	7500				
- FG	82500				
			General Exp.	18100	
				1754000	1754000

The following additional information is available:

1. Closing Stock: Materials Rs. 2,10,000; Work-in-progress Rs. 12,500 and Finished Goods Rs.2,07,500.
2. Depreciation to be provided at 2 ½ % on factory shed, 10% on machinery & 15% on furniture.
3. Repairs and rent and taxes are to be apportioned between Factory & Office in the ration of 3:2.
4. Reserve for bad & doubtful debts to be provided at 4% on debtors.
5. Insurance Premium covers a period of 1 month in advance.

You are required to prepare Manufacturing, Trading and Profit & Loss Account for the year ended 31st March 2018 & Balance Sheet as on that date.

OR

Q.2. (B) Journalise the following transactions in the books of Shri Ganesh.

(15)

2018	Particulars
Mar 1	Mr. Akash started business with cash Rs.1,50,000.
Mar 5	Withdrew goods worth Rs.1000 for personal use.
Mar 10	Paid salaries to staff Rs.5000.
Mar 15	Cash sales Rs.30,000.
Mar 20	Sold goods to Ms. Aarti Rs.7,500.
Mar 22	Received Rs.4,500 from Ms. Aarti on account.
Mar 25	Paid Rent Rs. 2500
Mar 28	Received Commission Rs. 1500

Q.3. (A) The Car Mart company purchases a motor car from Autoriders company on a hire purchase agreement on January 1,2011, paying cash Rs.10,000, and agreeing to pay further three instalments of Rs.10,000 each on 31st December each year. The cash price of the car is Rs.37,250 and the Autoriders Company charges interest at 5% p.a. The Car Mart company writes off 10% p.a. as depreciation on the reducing instalments system. You are required to Journalise the transactions for all the years in the books of Car Mart Company.

(15)

OR

Q3. B) On 1-1-2010 M has purchased a machinery from A and paid Rs.8,000 at the time of delivery. The Cash price was Rs.48,000. The balance amount was paid in the following four instalments on the 31st December every year with interest @ 5% on cash price: Rs.12,000 on 31-12-20210; Rs.11,500 On 31-12-2011; Rs.11,000 on 31-12-2012; and Rs.10,500 on 31-12-2013. Machinery was to be Depreciated at 10% p.a. on reducing balance method. Prepare Machinery A/c and Vendor's A/c in the books of M. Use Full Cash price (Credit purchase) method.

(15)

Q.4. (A) Journalise the following transactions in the Books of Mr. Ram and post them into its Ledger- Goods A/c.

(15)

2018	Particulars	Amount
Jan. 1	Stock of goods on hand	40000
Jan. 4	Bought goods for cash	5600
Jan. 7	Bought goods from Anna	6000
Jan. 10	Returned goods to Anna	800
Jan. 13	Sold goods for cash	17000
Jan. 17	Sold goods to Prabhat	4600
Jan. 20	Prabhat returned goods to us	600
Jan. 24	Value of goods destroyed by fire A/c	1000

Jan. 27	Goods withdrawn for personal use	2,000
Jan. 28	Goods distributed as free samples	400

Stock as on 31st January is Rs. 30000/-

OR

Q.4. (B) State which of the following expenses are capital or revenue. Explain with reasons: (15)

- 1) Expenditure incurred on overhauling machinery.
- 2) Taxes paid.
- 3) Cost of goodwill purchased.
- 4) Heavy expenditure incurred on advertisements.
- 5) Cost of construction of a building.
- 6) Amount spent on uniform of workers.
- 7) White-washing of the factory of building.
- 8) Cost of stores consumed in manufacturing machinery for installation in own factory.
- 9) Wages paid for construction of the building extension.
- 10) Import duty on raw material purchased.

Q.5. (A) Distinguish between: Capital Receipts and Revenue Receipts. (8)

(B) What is Manufacturing Accounts? (7)

OR

Q.5. Write short notes on: (3 out of 5) (15)

- (a) Hire Purchase System.
- (b) AS 2
- (c) Characteristics of Capital Expenditure.
- (d) AS 9
- (e) Bank Reconciliation Statement.