

Q.1. A) Fill in the blanks. (Any 8)

(08)

1. Amount which is not recoverable from customers is known as _____.
a. Debtors b. Debts c. Bad debts
2. _____ is the amount invested by the owner of a business.
a. Money b. Assets c. Capital
3. A person who is unable to pay his debt, is called _____.
a. Insolvent b. Solvent c. Poor
4. State Bank of India is a _____ account.
a. Nominal b. Real c. Personal
5. _____ is an explanation of an entry given just below the entry.
a. Ledger folio b. Date c. Narration
6. All items of income are show on the credit side of the _____ account.
a. Balance sheet b. Profit and loss account c. Manufacturing account
7. Carriage inward is debited to _____ accounts.
a. Balance sheet b. Profit and loss account c. Manufacturing account
8. _____ is the initial amount payable at the time of signing the agreement.
a. Down payment b. Interest c. EMI
9. Hire purchase price – Cash price = _____.
a. Total Interest b. Down payment c. Share
10. If the hire purchaser fails to make payment of any installment, it is called _____.
a. Default b. Repossession c. Sale

Q.1. B) State Whether the following statement is True or False. (Any 7)

(07)

1. HDFC Bank is an example of Personal account.
2. In Cash transactions, goods or services are purchased for cash only.
3. Journal is a book of daily records.
4. Depreciation is always charged on Fixed Assets.
5. Wages paid to worker is a revenue expenditure.
6. Hire purchased transactions are governed by Hire Purchase Act, 1972.
7. Cash price is the purchase price payable if full amount is made immediately.
8. Valuation of inventories is governed by accounting standard 2.
9. Revenue expenditure is recurring in nature.
10. Hire purchase is an agreement between the hirer and the vendor.

Q.2.a) From the following Trial Balance of Mr. Neelkanth, Prepare Manufacturing Account, Trading Account, Profit and Loss Account for the year ended 31st March, 2016 and Balance sheet as on that date.

(15)

Trial Balance of Mr. Neelkanth as on 31st March, 2016

Particulars	Debit (₹)	Credit (₹)
Carriage Inward	10,000	
Purchase of Raw Material	1,95,000	

Sales		3,70,000
Furniture	32,000	
Bills Payable		10,000
Opening Stock - Raw Materials	22,000	
Opening Stock - Work in Progress	25,000	
Opening Stock - Finished Goods	30,000	
Capital		1,29,000
Direct Wages	60,000	
Factory Power and Fuel	18,000	
Machinery	1,00,000	
Office Salaries	20,000	
Cash at Bank	10,000	
Selling and Distribution Expenses	29,000	
Creditors		90,000
Provision for Bad debts		2,000
Sundry Debtors	50,000	
Total	6,01,000	6,01,000

Following further information is provided to you:

1. Closing Stock as on 31st March, 2016 is Raw Material ₹ 20,000, Work-in-Progress ₹ 6,000, Finished Goods ₹ 39,000.
2. Outstanding Factory, Power and Fuel is ₹ 2,000.
3. Depreciate Machinery @ 5% p.a. and Furniture @ 5% p.a.
4. Provide Reserve for Doubtful Debts @ 5% on Debtors.

OR

Q.2.b) Journalise the following transaction in the books of Kajal

(15)

July 2020

1. Commenced business with cash ₹1,20,000, goods ₹ 60,000 and furniture ₹ 65,000.
2. Opened current account in Bank of Baroda by depositing ₹ 75,000.
3. Cash purchase ₹ 35,000.
5. Cash Sales ₹ 55,000.
14. Credit sales to Kalpana ₹ 15,000.
15. Withdraw from Bank for personal use ₹ 5,000.
20. Paid for salaries ₹ 4,500.
30. Rent paid by cheque ₹ 7,000.

Q.3.a) On 1st January 2020, Laxmi Transport Ltd. purchased a Bus from RB Ltd. on hire purchase basis. The cash price of bus was ₹ 5,96,000; ₹ 1,60,000 was to be paid on the date of purchase and the balance in three instalments of ₹ 1,60,000 on 31st December every year subject to interest @ 5% p.a. Depreciation was to be provided @ 10% on the Reducing Balance Method.

Prepare the following accounts in the books of Laxmi Transport Ltd.

(15)

1. Vendor A/c
2. Bus A/c
3. Interest A/c
4. Depreciation A/c

OR

Q.3.b) On 1st January, 2016, Mr. Lal Prasad purchased one car from Maruti Ltd. Cash price of the car was ₹ 2,30,000. Down payment of ₹ 50,000 was made on that day. Remaining amount was to be paid in 3 annual installments of ₹ 60,000 each plus interest @ 10% on outstanding balance at the beginning of the year. The due date of annual installment was on 31st December, every year. Mr. Lal Prasad depreciated car in the books @ 10% on WDV method. (15)

You are required to prepare the following in the books of Bharat Ltd.-----

1. A Statement showing calculation of interest
2. Car A/c
3. Maruti Ltd

Q.4.a) Journalise the following transaction in the books of Mr. Amol September 2020 (15)

1. Mr. Amol started business with cash ₹ 90,000.
4. Purchased goods from Payal ₹ 20,000.
7. Deposited cash in to IDBI Bank ₹ 40,000.
10. Sold goods to Kajal ₹ 50,000.
13. Purchased Laptop of ₹ 50,000 in cash.
17. Paid Monal by cheque ₹ 20,000.
20. Paid Wages ₹ 1,000.
25. Paid Salary ₹ 9,000

OR

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

1. Wages paid to the workers for fixing of a new machinery.
2. Cost of goodwill purchased.
3. Heavy expenditure incurred on advertisement.
4. Cost of construction of a building.
5. Machinery costing ₹ 10,000 sold for ₹ 12,000.
6. Purchased marketing rights of IPL IV for ₹ 15,00,000.
7. Paid audit fees.

Q.5. a) Explain in brief

i) Manufacturing Account

ii) Interest Received in Advance

(08)

b) Difference Between Journal and Ledger

(07)

VCD/

6/12/25

FYBIM SEM I INTRODUCTION TO ACCOUNTING 75 Marks 2^{1/2} Hours

OR

Q.5. b) Write a short note on. (Any Three)

(15)

- i) Branches of Accounting
- ii) Accounting Standard I
- iii) Credit Transaction
- iv) Non- Cash Transaction
- v) Opening Entry

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