Q.P. Code : 00326

[Time: $2\frac{1}{2}$ Hours] **[Marks:75]**

Please check whether you have got the right question paper.

N.B:
1. **Question.No.1 is compulsory.**
2. **Q.2 to Q.5 having internal options.**
3. **Figure to right indicate full marks.**
4. **State your assumptions clearly.**

Q.1 a) Multiple choice questions **(any eight).** (08)

1) _____ is a bound book of all accounts.
   a) subsidiary Book b) Trial Balance c) Journal d) Ledger
2) Small expenses of daily routine business are recorded in _____.
   a) Pass book b) Petty Cash book c) Debit note d) purchase book
3) _____ Concept a basic idea that business is separate from the owner.
   a) Dual aspect b) Materiality c) Entity d) Going concern
4) Cash Sales are recorded in _____ book.
   a) Sales book b) Cash book c) Journal Proper d) Sales Return book
5) Accounting Standard 2 deals with _____
   a) Valuation of inventories b) Income recognition c) Depreciation d)Fixed assets
6) In Hire purchase system, the title to the goods remains with the _____ till the last instalment.
   a) Vendor b) Purchaser c) Bank d) None of above
7) Debit note is prepared in _____ book.
   a) Purchase b) Purchase return c) Sales d) Sales Return
8) Under _____ the earliest purchases are issued for production.
   a) LIFO b) FIFO c) WAM d) WDV
9) A person is considered as insolvent when his liabilities are _____ than his assets.
   a) More b) Equal c) Less d) Too less
10) _____ is the official body in India that issue accounting standards from time to time.
   a) ICAI b) RBI c) SEBI d) ISO

b) Match the following **(any seven).** (07)

Column A	Column B
1. Personal Account	a. Depreciation of Accounting
2. Nominal Account	b. Overdraft
3. Real Account	c. Machinery
4. Credit balance in Cash Book	d. Continuation of business
5. Purchase Returns	e. Returns Inward
6. Matching concept	f. Returns outward
7. Sales Returns	g. Cost match with revenue
8. AS-01	h. Disclosure of all policies
9. AS-06	i. Commission
10. Going Concern Concept	j. Bank of Baroda

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Q.2 a) Journalise the following transactions in the books of Rohan (07)

01st Oct. 2015 – Rohan started business with cash Rs.50,000 and bank balance of Rs. 35,000
02nd Oct. 2015 – Purchased goods from Amit costing Rs.45,000 on 10% trade discount
05th Oct. 2015 – Purchased goods on cash worth Rs.25,000
15th Oct. 2015 – Sold goods to Anil for Rs.20,000
20th Oct. 2015 – Sold goods worth Rs.25,000
25th Oct. 2015 - Received a cheque from Anil in full settlement of the transaction
30th Oct. 2015 – Paid 500 as rent of office

b) Following information is extracted from the books of M/s Shamsunder. Prepare Trail Balance for the year ended 31st March 2016. (08)

Particulars	Rs.	Particulars	Rs.
Capital	1,00,000	Opening Stock	15,000
Debtors	20,000	Creditors	20,000
Fixed Assets	92,000	Purchase	70,000
Sales	1,10,000	Returns Inward	2,000
Returns Outward	1,000	Wages and Salaries	30,000
Bills Payable	8,000	Bills Receivable	15,000
Bank Overdraft	11,000	Rent	6,000

OR

Q.2 a) State giving reasons, whether you will consider the following items as Capital Revenue or Deferred (08)

1. Rs. 3,500 paid as Installation charger for newly purchased machinery.
2. Rs. 500 received as interest on Investement.
3. Company made sale of goods amounting Rs 3,00,000
4. Heavy advertisement expenses made for launching a new product.

b) The Pass Book of Mahendra shows a debit balance of Rs.6,700 on 31-12-2013. Prepare Bank reconcilliation Statement as on 31-12-2013 from the following details. (07)

1. Bank has directly made a payment of Rs.1250 for rent as per standing instruction.
2. A cheque of Rs.550 is recorded in the Cash book but not sent to bank for collection.
3. A debtor has directly deposited Rs.350 in the bank account.
4. Cheque issued amounting to Rs.2000 were presented to Bank in January 2014.
5. Cheque deposited amounting to Rs.1,000 were collected by the bank in January 2014.
6. Bank had debited Rs.200 for interest on overdraft and Rs.75 for charges

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Q.3 On 1st April, 2011 SFD & Co. Purchased a Projector from HMT Co on Hire purchase. The Cash Price of the projector was Rs. 2,50,000. The payment was to be made of Rs.50,000 on the date of agreement and the balance in 4 annual instalments of Rs. 50,000 plus interest at 5 percent per annum. Depreciation @ 10% p.a is to be written off on W.D.V Basis (15)

You are required to prepare,

a) A statement showing calculation of interest
b) Projector Account
c) Vendor company's account

OR

Q.3 From the following information relating to Product M,Value closing stock on 31-12-2012 applying (15)

a. FIFO b. Weighted Average Method

Stock (kgs) on 01-12-2012 5000 units @ Rs.14

Purchases (kgs)

18-12-2012 --- 4200 units @ Rs.13
22-12-2012 --- 3800 units @ Rs.9

Sales (kgs)

07-12-2012 --- 1200 units
16-12-2012 --- 2600 units
19-12-2012 --- 1800 units
30-12-2012 --- 3400 units
31-12-2012 --- 200 units

Q.4 a) Prepare Manufacturing Account for the year ended 31st March 2015. (07)

	Amt
Purchase of materials	2,20,000
Freight On Purchases of raw material	500
Direct wages	50,000
Factory rent	7,500
Factory power	8,500
Return Inward	25,000
Return Outward	20,000
Sales	5,75,000
Depreciation on Plant	11,500
Depreciation on Delivery van	7250
Royalties paid on Production	350
Stock of Raw material as on 1st April 2014	54,000
Work in progress as on 1st April 2014	57,000
Stock of Raw materials as on 31st March 2014	46,000
Work in progress as on 31st March 2015	23,000

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b) Pass the necessary adjusting entries in respect of the close of the year before finalizing tha annual accounts on 31.12.2014 (07)

i) Closing Stock was valued at Rs.2,20,000
ii) Depreciation on Building and Plant of Rs.15, 000, Rs.9500 respectively.
iii) Goods worth Rs 2000 were distributed as free samples
iv) Proprietor took Goods of Rs.2500 for his personal use.
v) Insurance premium of Rs.7700 was Prepaid.
vi) Salaries and Rent of Rs.40, 000 and Rs.18, 000 respectively were outstanding at the year eend.
vii) Provision for Doubtful Debts is to be made @ 4% on the debtors of Rs.80,000

OR

Q.4. From the given Trial Balance of Chris prepare Manufacturing, Trading and Profit and Loss Account for the year ended 31st December, 2013 and Balance Sheet as at that date. (15)

	Amt	**Amt**
Opening Stock: - Raw Materials - WIP - Finished Goods	 24,000 14,000 40,000	
Purchase of Raw Materials	1,94,000	
Octroi on Raw Materials	22,000	
Direct Wages	1,14,000	
Factory Rent	14,000	
Other Direct Expenses	24,000	
Indirect Wages	16,000	
Machinery	1,20,000	
Cash at Bank	24,000	
Sales		6,20,000
Administrative expenses	62,000	
Selling Expenses	26,000	
Creditors		50,000
Interest	14,000	
Discount Allowed	8,000	
Bad debts	2,000	
Provision for Bad debts		6,000
Sundry debtors	1,00,000	
Drawings	42,000	
Capital		1,70,000
Bills Payable		14,000
	8,60,000	**8,60,000**

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Adjustment:

1. Closing Stock was
   Raw Materials Rs.16,000;
   Finished Goods Rs.20,000
   WIP Rs.8,000.
2. Outstanding Direct Wages at the end were Rs.2,000.
3. Other Direct Expenses were prepaid to the extent of Rs.1,000.
4. Depreciate machinery @ 10%p.a.
5. Maintain provision for bad debts @5% of Sundry Debtors.

Q.5 a) Define the term 'Accounting' and explain the Principles of accounting. (08)

b) Distinguish between Capital Expenditure and Revenue Expenditure. (07)

OR

Q.5. **Write Short Note (Any three).** (15)

1. Sales Return Book
2. IFRS
3. Accounting Standard-10
4. Revenue Receipts
5. Internal Voucher