

20/11/22

FYBMS Qntro. to PA

MIA1122

**Duration: - 2 hrs 30 mins**

**Total Marks: - 75**

- Notes: -**
1. All questions are compulsory subject to internal choice.
  2. Figures to the extreme right indicate full marks.
  3. Use of simple calculator only is allowed.
  4. Working notes should form part of main answer.

**Q.1.A. State whether following statements are True or False. (Any 8)**

**08**

1. Recording business transaction in the journal is known as casting.
2. Wrong balancing of an account will affect the Trial Balance.
3. Profit cannot be calculated properly unless depreciation is provided.
4. Carriage outward is Real Account.
5. IFRS stands for International Financial Research Standards.
6. Balance Sheet is the most important account in the ledger.
7. The expenditure incurred on installation of machinery is capital expenditure.
8. In Cash Book, discount column is never balanced.
9. Capital Work-in-progress is treated as Capital Expenditure.
10. Prepaid expenses is a liability.

**Q.1.B. Fill in the blanks with an appropriate option (Any 7)**

**07**

1. All incomes generally have \_\_\_\_\_ balances. (Debit / Credit / Zero)
2. Errors can be removed by \_\_\_\_\_ (Assessment / Audit / Rectification)
3. Casting means \_\_\_\_\_ (Cross Checking / Totalling / Selecting)
4. \_\_\_\_\_ is an explanation of the entry given at the end of the entry (Ledger / Narration / Posting)
5. Temporary difference in trial balance is transferred to \_\_\_\_\_ A/c  
(Commission / Compensating / Suspense)
6. Property of any kind owned by a businessman is \_\_\_\_\_ (Asset / Liability / Capital)
7. Assets are always equal to Liabilities. This concept is called as \_\_\_\_\_  
(Entity / Materiality / Dual Aspect)

8. \_\_\_\_\_ A/c shall never have credit balance. (Cash / Profit & Loss / Bank)
9. For a Shirt Factory, Shirt is \_\_\_\_\_ (Raw Material / Finished Goods / Work-in-progress)
10. Wear & tear of a fixed asset leads to \_\_\_\_\_ of an asset. (Evaporation / Revaluation / Depreciation)

**Q.2. Journalise following transactions (with narration) in the books of Mr Dhruva.**

**15**

Date	Transaction	Amount ((Rs)
01/04/2021	Mr Dhruva started business with cash	60,000
03/04/2021	Deposited cash into Bank	40,000
06/04/2021	Goods purchased from Ms Netra on credit	10,000
10/04/2021	Goods returned to Ms Netra	2,000
14/04/2021	Sold goods to Mr Shashidhar	2,000
20/04/2021	Cash withdrawn from bank for personal use	5,000
25/04/2021	Paid salaries to staff	6,000
30/04/2021	Sold goods to Mr Ashish	5,000

**OR**

**Q.2. Enter the following transactions in a Double Column Cash Book having Cash & Discount columns of Ms Urjaa & balance the Cash Book.**

**15**

Date	Transaction
01/01/2022	Opening Balance Rs 10,000/-
05/01/2022	Purchased goods for cash Rs 2,700/-
08/01/2022	Paid to Mr Sunil Rs 450/- & received discount of Rs 50/-
11/01/2022	Received Rs 2,500/- from Mr Alfred & allowed discount Rs 500/-
18/01/2022	Paid office rent Rs 600/-
22/01/2022	Received from Mr Salman Rs 1,800/- after allowing him a discount of Rs 200/-
27/01/2022	Received interest Rs 150/-
31/01/2022	Received Rs 2400/- from Mr George after allowing him a discount of Rs 600/-

**Q.3. Prepare Machinery Account & Depreciation Account for three years ending 31<sup>st</sup> March every year, also pass the journal entries**

**15**

ABD manufacturing company purchased a machinery Rs 2,90,000/- on 01/04/2018 & spent Rs 10,000/- on its installation. After having used it for 3 years, it was sold for Rs 2,00,000/- Depreciation is to be provided every year at the rate of 15% p.a. on straight line method.

**OR**

**Q.3. State with reasons the nature of following expenses or receipts.**

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1. Furniture Rs 25,000/- was purchased
2. Salaries Rs 1,00,000/- paid
3. Loan taken from bank Rs 25 lakhs
4. Office Rent paid in advance for 3 years Rs 1,25,000/-
5. Commission received Rs 15,000/-
6. Goods sold Rs 10,000/-
7. New building constructed for business Rs 15 lakhs
8. Old Machines sold for Rs 75,000/-

**Q.4.A. Prepare Ledger A/c of Mr Rajanikant****08**

<b>Date</b>	<b>Transaction</b>	<b>Amount (Rs)</b>
01/05/2021	Rajanikant sold goods to Ms Aditi	10,000
03/05/2021	Cash received from Aditi	6,000
08/05/2021	Aditi returned goods to us	2,000
13/05/2021	Purchased goods from Ms Sushma	5,000
21/05/2021	Paid cash to Sushma	2,000
26/05/2021	Loan given by Ms Priya	7,000
30/05/2021	Paid cash to Sushma	1,000
31/05/2021	Balance Cash received from Aditi	2,000

**Q.4.B. Prepare Trial Balance as on 31/03/2021 for Mr Ashok**

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Particulars	Rs	Particulars	Rs
Capital	15,000	Salaries	700
Land & Building	15,600	Advertisements	210
Bank Overdraft	2,500	Rent	160
Cash in hand	680	Insurance	40
Stock as on 01/04/2020	6,000	Discount allowed	300
Purchases	7,200	Repairs to building	210
Provision for Bad Debts	370	Interest & Discount (received)	500
Sales	17,000	Debtors	6,620
Wages	1,250	Creditors	4,100
		General expenses	500

OR

**Q.4. From the following particulars of Flamingo Ltd., prepare Manufacturing A/c, Trading A/c for year ended 31/03/2021**

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Particulars	Rs	Particulars	Rs
<u>As on 01/04/2020 –</u>		Carriage Inward	1,000
Raw Material	12,000	Return Outwards	2,000
Work-in-progress	8,000	Royalty on Production	1,000
Finished Goods	9,000	Purchase of Finished Goods	8,000
		Carriage Outwards	500
Purchase of Raw Material	80,000	Fuel & Power	2,500
Direct Wages	10,000	Repairs & Maintenance	1,500
Indirect Wages	8,000	<u>As on 31/03/2021 –</u>	
Sales	1,74,000	Raw Material	6,000
Return Inward	5,000	Work-in-progress	2,500
Depreciation on Factory Asset	4,000	Finished Goods	5,000

**Adjustments :-**

1. Outstanding Direct Wages amounted to Rs 3000/-
2. Prepaid Fuel & Power Rs 500/-

**Q.5.A. Distinguish between Capital Expenditure & Revenue Expenditure.**

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**Q.5.B. What is Accounting Principles? Explain any 3 Accounting Principles**

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OR

**Q.5. Write Short Notes (Any 3)**

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1. AS – 6
2. Objectives of Book-keeping
3. Advantages of Subsidiary Books
4. Revenue Receipts
5. Manufacturing A/c