

Date: 19.11.2019

Time : (2½ Hours)

Total Marks: 75

- N.B. (1) All questions are compulsory.  
(2) Figures to the right indicate marks for respective sub questions.

Q.1 A Choose correct alternative in each of the following. (Any 8) (8)

- (i) Credit balance of personal account shows amount \_\_\_\_\_.  
(a) Paid (b) Payable  
(c) Received (d) Receivable
- (ii) Ac account having \_\_\_\_\_ balance is not shown in the Trial Balance.  
(a) Debit (b) Credit  
(c) Nil (d) Negative
- (iii) The excess of expenses over income indicates \_\_\_\_\_.  
(a) Net profit (b) Gross profit  
(c) Insolvency (d) Net loss
- (iv) Goods withdrawn by proprietor for his personal use should be debited to \_\_\_\_\_.  
(a) Goods Account (b) Trading Account  
(c) Drawing Account (d) Profit & Loss Account
- (v) Depreciation is charged only on the \_\_\_\_\_ assets of the business.  
(a) Current (b) Intangible  
(c) Fixed (d) Immovable
- (vi) Accounting standard 1 is \_\_\_\_\_.  
(a) Recommendatory (b) Mandatory  
(c) Optional (d) No longer valid
- (vii) Discount that requires no accounting entry is \_\_\_\_\_.  
(a) Cash (b) Retail  
(c) Wholesale (d) Trade
- (viii) Overdraft means the \_\_\_\_\_ balance in the pass book.  
(a) Debit (b) Credit  
(c) Excess (d) Nil
- (ix) \_\_\_\_\_ is an example of an accounting policy.  
(a) Realization (b) Objectivity  
(c) Accounting period (d) Valuation of fixed assets
- (x) Purchase books records only purchase of \_\_\_\_\_.  
(a) Goods for cash (b) Goods on credit  
(c) Goods or assets on credit (d) Assets on credit

B State whether the following statements are True or False (Any 7) (7)

- (i) Capital work in progress is treated as capital expenditure.  
(ii) Accounting standard 9 elaborates on revenue recognition.  
(iii) Carriage outward is real account.  
(iv) In cash transaction party name.  
(v) Profit cannot be calculated property unless depreciation is provided.  
(vi) Accounting is useful only to the owner.  
(vii) Expenses to keep a machine in working condition is revenue expenditure.  
(viii) IFRS stands for international research standards.  
(ix) In cash book discount column is never balanced.  
(x) Profit on sale of machinery will appear on the credit side of the machinery account.

- Q.2 (A) Journalize following transactions in the books of Mr. Rajesh for the month of march 2018. (8)

Date	Particular	Amount
1	Rajesh started business with cash	150000
4	He purchased goods	40000
7	Sold goods to Dinesh	65000
11	Purchase machinery on cash	31000
17	Sold goods with 2% TD and 10% CD	10000
20	Goods burnt by fire	3900
22	Received 20% by cheque and remaining by cash from Dinesh	
28	Goods distributed as free sample	2000

- (B) Prepare Ledger account of Mr. Suhas from the following transaction. In the books of SUPAL Ltd. For the month of Feb 2016 (7)

Date	Particular	Amount
1	Sold goods to Mr. Suhas	5000
5	Received cash from him	3000
8	He return goods to us	100
15	Bought goods from him	1000
20	Paid him by cash	600
24	Return goods to him	200
28	Cash received from Mr. Suhas	500

**OR**

- (P) Prepare Triple column cash book of Mr. Smart for the month of Mar 2016. (15)

1 Opening cash balance Rs. 3500 and Bank overdraft Rs. 2000  
 3 Introduced further cash Rs. 7000 in the business  
 4 Deposited Rs. 5000 into bank  
 7 Received from Maya for Rs. 1170 in full settlement of Rs. 1200  
 9 Issued Bearer cheque for children school fees Rs. 2000  
 11 Issued cheque of Rs. 980 of Meena in full settlement of her account of Rs.1000  
 12 Cash purchase Rs. 800  
 18 Cash sale Rs. 700  
 22 Purchased furniture worth Rs. 2000 for office use & paid by cash  
 24 Paid salary Rs. 700, Rent Rs.150, Commission Rs. 200 by cash  
 27 Bank collected dividend Rs. 100 and credited in our account  
 30 Deposited all the cash in excess of Rs. 1000

- Q.3 (A) On 1<sup>st</sup> Apr 2014 Kite Ltd. Purchase a machinery for Rs. 120000. On 1<sup>st</sup> Oct part of machinery purchased on 1<sup>st</sup> Apr 2014 for Rs. 8000 was sold for Rs. 4500 and new machinery at a cost of Rs. 15000 was purchased on the same date. The company charged 10% depreciation on original cost method. Prepare Machinery account and Depreciation account till 31 march 2017. (8)
- (B) Nitesh has prepared the following Trial balance on 31<sup>st</sup> March 2017. You are required to rewrite it correctly. (7)

Particular	Dr. (Rs.)	Cr. (Rs.)
Carriage		5300
Sales		27560
Capital		15560
Leasehold premises	7410	
Purchases	12680	
Loan from bank		2500
Drawing	5640	
Purchase return	2640	
Creditors	5280	
Stock		2640
Trade expenses	7840	
Sales return		980
Cash at bank	1420	
Bills payable	1000	
Rent	4650	
Salary	5000	
Wages	980	
<b>TOTAL</b>	<b>54540</b>	<b>54540</b>

**OR**

- (P) State which of the following expenses or receipts are capital, revenue and deferred revenue, Explain with reasons. (15)
1. Cost of transportation of newly purchased machinery Rs. 12500
  2. Profit earned on sale of furniture Rs. 5000
  3. Payment of Rs. 10000 as underwriting commission on issue of shares
  4. Expenditure incurred in preparing project report
  5. Sold 10% government bonds for 160000
  6. Expenditure incurred on repairs of computer Rs. 2500
  7. Fees paid to regular Tax consultant for GST related services

- Q.4 (A) Rectify the following errors. (8)
1. Goods sold to stock Ltd on credit Rs. 1000 were omitted from accounts.
  2. Goods worth Rs. 2500 returned by Yuva Ltd have not been posted to their account though entered in appropriate subsidiary record.
  3. Conveyance of Rs. 2000 on the purchase of land was debited to conveyance A/C
  4. Rs. 5000 paid for repairs of machinery is posted to machinery A/C.

- (B) Prepare Bank reconciliation Statement of MOON as on 31<sup>st</sup> Jan 2017 from the following particulars. (7)
1. Balance as per pass book 31<sup>st</sup> Jan with Rs. 8500
  2. Paid Rs. 875 in but not cleared in Jan
  3. Rs. 100 Debit in pass book on 31<sup>st</sup> Jan for dishonored cheques not recording in cash book
  4. Cheque of Rs. 1895 issued but not cashed in Jan
  5. Cheque of Rs. 150 issued on 25<sup>th</sup> Jan and cashed on 27<sup>th</sup> Jan was entered in the cash column of the cash book
  6. Bank interest of Rs. 15 credited in pass book but not debited in cash book

7. Bank charges of Rs. 5 debited in pass book on 31<sup>st</sup> Jan credited in cash book on 1<sup>st</sup> Apr
8. Balance as per cash book on 31<sup>st</sup> Jan of Rs. 7720

**OR**

- (P) From the following trial balance of Prakash Ltd, prepare Manufacturing A/c, Trading A/c, Profit & Loss A/c for the year ended 31<sup>st</sup> march 2018 and balance sheet as on that date. (15)

Particular	Dr. Amt	Particular	Cr. Amt
Opening stock:		Sales	780000
Raw material	250000	Capital	850000
WIP	80000	Creditors	52000
Finished Goods	220000	Discount	2500
Purchase	215000	Bills payable	34000
Building	150000		
Plant and machinery	350000		
Furniture	40000		
Trade mark	30000		
Wages	83000		
Factory taxes	4000		
Power	9000		
Factory insurance	5000		
Printing & stationary	5200		
Bank charges	2500		
Travelling Expenses	10000		
Discount	3300		
Sales return	11000		
Advertisement	5500		
Debtors	82500		
Misc. Expenses	5500		
Bills receivable	16000		
Bank A/c	98000		
Cash on Hand	19000		
Salary to office staff	11000		
Office rent	10500		
Carriage inward	2500		
	<u>1718500</u>		<u>1718500</u>

Adjustment

1. Closing stock :  
 Raw material Rs. 85000  
 Working Process Rs. 30000  
 Finished Goods Rs. 205000
2. Factory taxes prepaid Rs. 2000
3. Depreciation:  
 Furniture 10%, Plant and machinery 15%, trade mark 20%, Building 5%

- Q.5 (A) Limitations of computerized accounting system. (8)  
(B) Explain the need for accounting (7)

**OR**

- (P) Attempt **any Three** of the following (Short note) (15)
1. Objective of book keeping
  2. Accounting standards
  3. Depreciation
  4. BRS
  5. Tangible and Intangible Assets

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