

Time: 2 ½ hours

Dt: - 17.3.23

Marks: 75



- Note: 1. All questions are compulsory with internal choice.  
2. Figures to the right indicate marks.  
3. Use of simple calculator allowed

Q1. Objective Questions:

(15 marks)

Q 1 (A) Choose the correct word and rewrite the entire sentence (Any 8)

(8 marks)

- A person to whom the amount is payable: \_\_\_\_\_  
a. Trader      b. Seller      c. Debtor      d. Creditor
- Amount invested into business: \_\_\_\_\_  
a. Drawings      b. Capital      c. Loan      d. Bad Debts
- Totalling of journal or ledger is known as \_\_\_\_\_  
a. Posting      b. Casting      c. Folio      d. Narration
- The ICAI has issued \_\_\_\_\_ standards  
a. 30      b. 32      c. 8      d. 33
- Double-entry system of book-keeping denotes that every business transaction has \_\_\_\_\_ effects  
a. two-fold      b. three-fold      c. no      d. one-fold
- The \_\_\_\_\_ side of an account is debit side  
a. Left hand side      b. right hand side      c. upper side      d. bottom side
- Sales of goods to Mrs Rhea should be debited to \_\_\_\_\_  
a. Mrs Rhea account      b. Sales account      c. Cash account      d. Bank account
- Sale of old furniture is \_\_\_\_\_  
a. Revenue Receipt      b. Capital Receipt      c. Capital Expenditure      d. Revenue Expenditure
- Copyright is \_\_\_\_\_  
a. Current asset      b. Tangible asset      c. Intangible asset      d. Fictitious asset
- Minimum \_\_\_\_\_ members are required to form a partnership  
a. 5      b. 8      c. 10      d. 2

Q.1.(B) Match the Columns: (Any 7)

(7 marks)

Column A	Column B
1. Sale of goods	a. Deducted from assets
2. Drawings	b. Continuity of activity
3. Depreciation	c. Shown on the assets side of B/S
4. Prepaid expenses	d. Personal account
5. Return Inwards	e. Sales return journal
6. Transaction	f. Revenue expenditure
7. Custom duty on import of machine	g. Capital expenditure
8. Book keeping	h. Record of financial transactions
9. Going concern	i. Goods taken for personal use
10. 10. Abhay's account	j. Dealings between two persons

**Q 2 A Journalize the following transactions in the books of Girish**

**(8 marks)**

**April:2019** (narration not compulsory)

1. Girish started business with cash Rs 10,000 goods worth Rs 20,000 and machinery Rs 8,000
3. Purchased goods worth Rs 50,000 less 10% trade discount from Mr. Shyam
8. Sold goods worth Rs 15,000 less 15% trade discount to Mr. Yug
10. Received cash Rs 1,490 from Mr. Mahesh and allowed him discount of Rs 10
16. Paid Rs 660 to Mr. Sam for advertising
17. Purchased goods from Meenu worth Rs 14,000 at 10% trade discount and paid 50% by cash for which we received a 5% cash discount
20. Received Rs 4,500 from Mr. Raman in full settlement of his account of Rs 5,000



**Q 2 B Prepare Personal Ledger Account of Sita from the following transactions**

**(7 marks)**

**2018**

- May 1 Sita's A/c shows Credit Balance in the books of Gita ₹ 1,000
- 2 Returned goods to Sita ₹ 500
- 3 Purchased goods on credit from Sita ₹ 3,000
- 8 Paid cash to Sita ₹ 800
- 15 Received cash from Sita ₹ 2,000
- 25 Returned goods to Sita ₹ 700
- 28 Paid ₹ 3,700 in full settlement of her account

**OR**

**Q 2 C The following Trial Balance has a number of inaccuracies. You are required to rewrite it correctly.**

**(8 marks)**

**Trial Balance as on 31<sup>st</sup> December, 2015**

A/c Head	Debit ₹	Credit ₹
Cash at bank	1,200	-
Discount allowed	-	90
Discount received	20	-
Capital	-	1,700
Sales	-	900
Return outwards	30	-
Purchases	600	-
Return inwards	-	35
Carriage outward	50	-
Salary	-	75
Stock ( 1 <sup>st</sup> Jan)	200	-
Loan from Karan	1,500	-
Building	2,000	-
Commission received	100	-
Suspense account	-	2,900
<b>Total</b>	<b>5,700</b>	<b>5,700</b>

**Q 2 D From the particulars given below, prepare Sales Book and return book**

**(7 marks)**

2015	Particulars
Aug 1	Sold goods to Laxmidhar Rs 900 less 10% trade discount
Aug 9	Vidhyadhar bought goods from us Rs 700
Aug 10	Invoiced goods of Rs 500 to Dandekar
Aug 15	Cash sales Rs 700
Aug 18	Dandekar returned goods Rs 150
Aug 23	Sold goods to Shri Banerjee Rs 1,000 less 10% trade discount
Aug 25	Sold machinery for Rs 3,000



**Q 3 A** Sunil Shetty Trading co purchased furniture on 1<sup>st</sup> April, 2013 for Rs 25,000. In the same year on 1<sup>st</sup> October, additional furniture was purchased for Rs 10,000. On 1<sup>st</sup> October, 2014 the furniture purchased on 1<sup>st</sup> April, 2013 was sold for Rs 15,000 and on the same date, new furniture was purchased for Rs 12,000.

The company charges depreciation at 8% on reducing balance method.

Prepare Furniture account for 3 years, assuming that the accounting year of the company closes on 31<sup>st</sup> March every year. (15 marks)

OR

**Q 3 B** From the particulars given below, prepare a Bank Reconciliation Statement as on 31<sup>st</sup> December, 2016 : (7 marks)

- Pass Book Balance (Dr) Rs 700
- Cheques issued in December amounted to Rs 4,000 of which cheques amounting to Rs 3,000 were collected by the bank on 2<sup>nd</sup> January, 2017
- Mr Mihir directly deposited Rs 200 into our bank. The advice was received on 1<sup>st</sup> January, 2017
- The bank made a debit entry in the pass book for dishonour of a bill of Rs 500. The intimation was not received till 31<sup>st</sup> December, 2016
- The bank had collected a dividend of Rs 100 and charged Rs 20 for interest. No entries were made in the cash book.

**Q 3 C** State whether the following are Capital expenditure, revenue expenditure, deferred revenue expenditure, capital receipts or revenue receipts. (8 marks)

- Payment for purchase of goods.
- Cost of transporting newly purchased furniture.
- Payment for purchase of car.
- Sold 8% Government Securities.
- Wages of erection of machinery.
- The concern spent on heavy advertisement campaign to introduce a new product in the market.
- Sale of machinery.
- Expenses incurred on issue of shares.

**Q 4 A.** From the following trial balance of Shri Bansali and the additional information given below that, you are required to prepare Trading a/c and Profit & Loss a/c for the year ended 31<sup>st</sup> March, 2015 and the Balance Sheet as on that date, after making the necessary adjustments: (15 marks)

Particulars	Debit Rs	Credit Rs
Wages and salaries	6,000	-
Sales: Cash	-	8,000
Sales: Credit	-	18,000
Capital account	-	34,000
Drawings	2,000	-
Purchases	18,000	-
Sales return	300	-
Office furniture	4,000	-
Buildings	12,000	-
Office expenses	800	-
Advertisement	500	-
Discount earned	-	340
Opening stock	5,000	-
Rent, rates and taxes	400	-
Commission	200	-
Purchase return	-	460
Bills receivable	800	-
Travelling expenses	250	-
Trade expenses	350	-
Bad debts	190	-
Provision for doubtful debts	-	1,500
Sundry creditors	-	2,800
Sundry debtors	11,000	-

Cash in hand	1,800	-
Bank overdraft	-	1,300
Postage	50	-
Freight on purchases	210	-
Investments	2,000	-
Income from investments	-	250
Fuel and power (factory)	800	-
	<b>66,650</b>	<b>66,650</b>

**Adjustments:**

- Closing stock was valued at Rs 8,200
- Rent of Rs 120 was outstanding
- Provide 5% provision for doubtful debts
- Depreciation to be provided on building and furniture at 10%.
- Interest accrued but not received was Rs 50

OR

**Q4.B.** From the following Trial balance of Amar and Akbar, you are requested to prepare Trading and Profit & loss account for the year ended 31<sup>st</sup> December, 2018 and a Balance sheet as on that date.

(15marks)

**Trial Balance as on 31<sup>st</sup> December, 2018**

Particulars	Debit	Credit	Particulars	Debit	Credit
Capital A/c Amar		60,000	Carriage outward	1,400	
Akbar		40,000	Wages	24,000	
Drawings A/c Amar	2,000		Insurance	1,600	
Akbar	1,000		Discount received		200
Stock on 1-1-2018	44,000		Postage	800	
Bills receivable	1,800		Debtors and Creditors	70,400	64,200
Purchase and sales	1,90,000	3,02,000	Furniture	24,000	
Return	6,000	2,000	Cash in hand	9,800	
Salaries	10,000		Machinery	80,000	
			Rent & taxes	1,200	
			Printing & stationery	400	
				<b>4,68,400</b>	<b>4,68,400</b>

**Adjustments:**

- The closing stock on 31<sup>st</sup> December, 2018 was valued at Rs 56,000
- The outstanding expenses were: (a) wages Rs 2,000 and (b) Salaries Rs 930
- Goods of Rs 2,000 were distributed as free samples
- Interest on partners' capital was to be provided at 7% p.a.
- Prepaid insurance was Rs 100
- Depreciation was to be provided on furniture at 10% and on machinery at 5%
- A reserve for bad and doubtful debts was to be created at 5% of sundry debtors

**Q 5 A** What is Book-keeping? State the objectives of book keeping.

(8 marks)

**Q 5 B** Difference between Trade Discount and Cash Discount.

(7 marks)

OR

**Q 5 C Short Notes (Any 3)**

(15 marks)

- Causes of Depreciation
- Fixed Instalment Method
- Type of Deposit Account
- Functions and Responsibilities of Accounting Standards
- Advantages of Double -entry Book keeping