

Time : 03 hrs.

MM = 90

Note : - All questions are compulsory.

- Marks for questions are indicated against each question.
- Answer should be brief and to the point.

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- 1) A firm decided that 2% of its net profit will be given to Prime Minister's Relief fund every year indicate the value involved in this decision? [1]
 - 2) Who are internal users of accounting service? [1]
 - 3) What is gain? [1]
 - 4) What is meant by discount allowed? [1]
 - 5) What is full form of GAAP? [1]
 - 6) What does a trial balance signify? [1]
 - 7) State any two qualitative features of accounting information? [3]
 - 8) Explain the following terminologies : [3]
 - a) Business entity principle b) prudence principle c) Accrual assumption
 - 9) Differentiate between book keeping and accounting? [3]
 - 10) Prepare bank reconciliation statement of M/s Ruby Ltd as on 31st march 2012 from the following information : [3]
 - (a) Balance as per passbook Rs 31,500
 - (b) Cheques drawn but not presented Rs 2,800
 - (c) Interest on loan charged by bank Rs 175
 - (d) Cheques of Rs 15,000 paid into bank but not yet cleared?
 - 11) Show the effect of following transactions on accounting equations : [4]

(a) Nisha started business with	175000
(b) Purchased goods from Hina	50000
(c) Sold goods to Megha (costing a 17500)	20000
(d) Rent paid	1000
(e) Cash paid to Hina in full settlement	48500
(f) Cash received from Megha	20000
 - 12) Name the subsidiary books in which following transactions will be recorded : [3]

(i) Sale of goods for cash	(ii) Purchase of goods on credit
(iii) Sale of goods on credit	(iv) Purchase of machine on credit
(v) Goods returned by debtors	(vi) Providing for interest on capital to proprietor
(vii) Goods returned to creditors	
 - 13) The following balances appear in the books of Hans Stores : [4]

2012, April Machinery account	275000
Provision for depreciation account	125000

On 1st April 2012 Hans stores decided to sell a machine for 29500 which was purchased for 55000 on 1st April 2008.

You are required to prepare machinery account and provision for depreciation account for the year 2012-13 assuming that Hans stores charges depreciation @10% p.a. on straight line method?

- 14) A company purchased a plant on July 1, 2009 for Rs 6,00,000. It purchased another plant for Rs 400000 on Oct. 1st, 2010. On March 31, 2011 it sold the first plant for Rs 350000 and on the same date bought another plant for Rs 5,00,000. Depreciation is provided at the rate of 20% on the original cost. Prepare plant account upto December 31, 2011. [4]
- 15) A company purchased a Tractor for 4,00,000 and a Trolly for 1,00,000 on January 1, 2008. They were depreciated at 10% p.a. on written down value method. On May 1, 2011 the Trolly was sold at a loss of 12,500. Prepare Tractor account upto December 31, 2011. [4]
- 16) Give rectifying entries for the following : [4]
- (i) Sale of goods Rs 6,000 to Madan were recorded as Rs 6,00 in the sales book.
 - (ii) A credit purchase of goods from Mohan amounting to Rs 2,000 has been wrongly passed through the sales book.
 - (iii) A return of goods worth Rs 500 by a customer was entered a purchase return book.
 - (iv) A cheque of Rs received from Ranjan was dishonoured and debited to discount account.
- 17) Distinguish between Straight line method and written down value method. [4]
- 18) Raja owed Rs 40,000 to Rani on January 1 2011. On February 1 2011 Raja accepted bill for 3 months drawn on him by Rani for the amount. On the date maturity the bill was dishonoured by Raja and the noting charges were Rs 200. Give necessary journal entries in the books of Rani under the following situation : [6]
- (i) When the bill is with Rani till maturity.
 - (ii) When the bill has been discounted at 6% p.a. from the bank.
 - (iii) When the bill is endorsed in favour of Soni in settlement of his claim.
- 19) From the following Trial balance of Mr. Gulshan Mehta prepare his final accounts as on March 31, 2011 : [4+5+6=15]

Particulars	Amount	Particulars	Amount
Debit Balance	Rs.	Credit balance	Rs
Opening stock	75,000	Rent received	13,900
Purchases	7,10,000	12% loan	20,000
Wages	22,000	Discount allowed	600
Trade expenses	5,000	Sales	9,50,000
Freight	8,000	Wages outstanding	2,000
Travelling expenses	3,800	Office expenses due but not paid	500
Factory heating	7,200	Creditors	80,000
Stores used	2,000	capital	2,50,000
Rent	16,500		
Office expenses	18,000		
Interest on loan	1,500		
Plant	3,00,000		
Debtors	1,00,000		
Cash in hand	6,000		
Cash at bank	42,000		
	13,17,000		13,17,000

Adjustments :

1. Goods costing Rs 20,000 were sold on approval basis for Rs 22,000. Half of the goods were not approved by the customer at the end of the year.
 2. Create a provision of 5% for doubtful debts and 2% for discount on debtors.
 3. Closing stock was Rs 27,000.
 4. Rent was paid for 11 months.
 5. A debtor for 10,000 has become insolvent and nothing is recoverable from him.
- 20) From the following Receipts and Payment account for the year ended december 31, 2010 of Green club prepare income and expenditure account and balance sheet as on the date.

Receipts and Payment account for the year ended December 31, 2010 : [4+5+6=15]

Receipt	Amount	Receipt	Amount
To Balance b/d		By printing and Stationeries	1,800
Cash in hand	15,000	Travelling Expenses	9,000
To subscription received (including Rs 2,000 for 2011)	25,000	By Repairs	500
To Donations	40,000	By Rent	15,000
To sale of Furniture	3,500	By Furniture purchased	25,000
(Book value Rs 5,000)		By UTI Bonds	10,000
To life membership fees	5,000	By Salaries	20,000
To interest on Bonds	1,000	By Balace c/d	
		Cash in hand	8,200
	89,500		
			89,500

As on Jan. 1, 2010 the club had a Building of Rs 50,000 and Furniture of Rs 6,000. There were 200 members of the club as on the date and the subscription rate was Rs 100 per member.

Subscription due on December 31, 2009 was Rs 8,500. Interest on Bonds were due for Rs 1,500 as on December 31, 2010 .Create a Life Membership Fund ?

- 21) From the following information of Janaki Prasad find out his profit for the year ended March 31 [3+3+4=10]

Particulars	Position as on 31 st March, 2010 (in Rs.)	Position as on 31 st March, 2011 (in Rs.)
1. Cash in hand	5000	12000
2. Cash at Bank	25000	80000
3. Debtors	30000	220000
4. Creditors	15000	10000
5. Bills payables	10000	12000
6. Stock in hand	36000	75000
7. Car		180000
8. Furniture	12000	15000

Find out his profit for the year ended March 31, 2011. He introduced fresh capital of Rs. 1,00,000 during the Year and drew for his personal expense Rs 8,000 per Month.
