

Duration: - 2 ½ Hours

E210NFA

Marks:- 75

Note :-

1. All Questions are Compulsory.
2. Figure to the right indicates full marks.
3. Use of Simple Calculator is allowed.

Q1.A) Select whether the following statements are True or False (Any 8) 8

1. Recording business transactions in the journal is known as casting.
2. The cash book is used for recording the credit transaction of the business.
3. Prepaid expense is a liability
4. The Balance sheet is the most important account in the ledger
5. Nominal a/c is an account of expenses and income, losses and gains.
6. Ledger is a book where individual accounts are recorded.
7. Personal A/c is credited when the person gives something to business.
8. The expenditure incurred on installation of machinery is capital expenditure.
9. Under Fixed installation method depreciation amount remains constant.
10. Wrong balancing of an account will affect the trial balance.

Q.1B Match the following (any 7) 7

GROUP 'A'

1. As -9
2. Contra Entry
3. Drawing A/c
4. Depreciable asset
5. Debit balance of profit & loss A/c

6. Interest A/c
7. SLM
8. Going Concern
9. Accrual
10. AS10

GROUP B

- a) Continuation of business
- b) Accumulation
- c) Accounting for fixed Assets
- d) Deals with recognition of revenue
- e) Appears on both the sides of cash book
- f) Personal A/c of proprietor
- g) Net Loss
- h) Nominal A/c
- i) Calculated as % on original cost
- j) A fixed assets which has limited useful life
- k) Real A/c
- l) Net Profit

Q2. Journalise the following transactions in the books of Akshay Traders and prepare Cash Account 15

2022 September 1 Akshay started business with cash `50,000, Cash at Bank of India `7000 furniture `10,000

September 3 Purchased goods from Ram worth `10,000 less 10% T.D.

September 7 Sold goods to sunil `5,000 less 5% T.D.

September 10 Deposited cash with Bank of India `5,000

September 12 Purchased furniture from varma on credit worth `20,000

September 15 paid to varma by net banking `8,000

September 17 Paid printing expenses `200

September 20 Received commission `200

September 25 Withdrew cash from Bank `1000 by ATM.

September 28 Paid to Varma `11500 in full settlement of his account.

September 30 Paid Advertisement bill `500

OR

Jan 2016	Particulars	Amount
1.	Capital introduced (in cash)	30,000
4.	Paid in to bank	80,000
5.	Purchased goods by cheque	10,000
6.	Received a cheque from Rama	20,000
6.	Allowed discount	1,000
10.	Cash Sales	70,000
12.	Paid in to bank	30,000
15.	Gopal paid by cheque	30,000
15.	Discount received	500
20.	Paid salaries by cheque	10,000
25.	Withdrew for office use	20,000
31.	Draw a cheque for personal use	5,000

- Q.3 Kumar Ltd. Purchased a Fixed asset on 1st July, 2012 for Rs. 75,000. It purchased another asset of the same quality on 1st October, 2013 worth Rs. 1,25,000. The company provides depreciation on straight Line method @10% per annum show the fixed assets account for 2012, 2013, 2014, and also journal entries of kumar Ltd for 2012, 2013, 2014 if the company follows 31st December as its year end.

OR

- Q.3A) The following balances are extracted from the books of Ramadhir Ltd. As at 31st March, 2017, prepare Trial Balance.

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Particulars	Amount (₹)
Capital	15,000
Land and Building	15,600
Bank overdraft	2,500
Cash in hand	680
Stock as on 01.04.16	6,000
Purchases	7,200
Provision for Bad Debt	370
Sales	17,000
Wages	1,250
Salaries	700
Advertisement	210
Rent	160
Insurance	40
Discount allowed	300
Repairs to Building	210
Interest and Discount received	500
Debtors	6,620
Creditors	4100
General Expenses	500

- Q3.B Rectify the following errors in the books of falcon Ltd.

8

- Rs. 2,500 paid for a new cupboard for the office was posted to purchase A/c from the cash book.
- Rs. 5,500 being expenses on extension of existing building are charged to building Repairs account.
- Stationery worth Rs. 700 Purchased for office use was recorded through the purchase

4. Cash receipt of Rs. 1,400 from Mr. Alex was posted to the debit of Mr. Jerry as Rs. 4,100.

Q4. State with reasons the nature of following Expenses/Receipts. 15

1. Gave Rs. 1 lakh as custom duty on the machinery imported.
2. Cost of re-painting the factor shed Rs. 1 lakh.
3. A sum of Rs. 99,500 was spent for dismantling, removing and reinstalling plan, Machinery and fixtures.
4. Import duty on raw material purchased Rs. 50,000
5. Purchased Machinery for Rs. 1,00,000.
6. Legal Expenses incurred in connection with issue of capital Rs. 20,000.
7. Cost of Goodwill purchased Rs. 10,000.
8. Heavy expenditure incurred on advertisements Rs. 10,000.

OR

Q 4. From the given Trial Balance of Hiralal, prepare Manufacturing Trading and profit and Loss account for the year ended 31-03-2017 and balance sheet as at that date. 15

Particulars		Particulars	
Stock as on 01-04-16		Capital	90,000
Raw material	13,000	Sales	1,12,000
Work in Progress	8,000	Interest received	450
Finished goods	19,000	Discount received	250
Machinery (at cost)	40,000	Creditors	16,000
Furniture (at Cost)	18,000	Depreciation on Machinery	20,000
Drawings	3,000		
Debtors	18,500	Depreciation Furniture	10,000
Salaries	3,820		
Factory insurance	1,070		
Balance with bank	13,500		
Cash on hand	810		
Purchase of Raw material	79,000		
Return inwards	390		
Wages	8,500		
Direct Manufacturing expenses	2,300		
Factory rent	2,500		
Office rent	2,200		
Power expenses	1,200		
Investment	10,100		
Factory Lighting	760		
Office Lighting	1,200		
Carriage outward	550		
Printing & Stationery	1,000		
Bad Debts	300		
Total	2,48,700	Total	2,48,700

Adjustments:-

- 1) Additional bad debts of Rs. 500 are to be written off and R.D.D to be provided at 5% on Debtors.
- 2) Outstanding office rent Rs.200
- 3) Depreciate Machinery at 10% p.a furniture at 15% p.a
- 4) Closing stock are – Raw Material = Rs. 2000/-
Work in progress = Rs. 16,220/-

Q5.A. What is Ledger? What is a Ledger account? What is the usefulness of a Ledger? 8
B Explain in Brief Depreciation 7

OR

Q5 Short Notes: (Any - 03) 15

1. Objectives of Book keeping
2. Distinguish between revenue expenditure and capital expenditure
3. IFRS
4. Need of Accounting
5. Journal
