

f4 BBI / firm. account - I / 75

10/11/16

Q.P. Code : 779002

(2½ Hours)

[Total Marks : 75

- N.B. :** (1) Q1 is compulsory.
(2) Q2 to Q5 having internal options.
(3) State your assumptions clearly.
(4) Working should form part of answer.

1. (a) Fill in the blanks: **(Any Eight)**

1. Money Value or Reputation of business is known as _____
(a) Goodwill (b) Copy right
2. Totalling of Journal or Ledger is called as _____
(a) Folio (b) Casting
3. Office Furniture is _____ account.
(a) Personal (b) Real
4. Paid Salary to Mandar should be debited to _____
(a) Salary (b) Mandar
5. Bad Debts are recorded in _____ book.
(a) Sales Book (b) Journal Proper
6. Valuation of inventories is governed by _____
(a) AS- 1 (b) AS-2
7. Carriage on purchases is _____ to cost of inventory.
(a) Added (b) Deducted
8. Hire Purchase Comprise of Hire Purchaser and _____
(a) Vendor (b) Lawyer
9. For a Sugar Mill, Sugar cane is a _____
(a) Raw Material (b) WIP
10. Prepaid Insurance is _____ side of item in balance sheet
(a) Liabilities (b) Asset

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(b) Match the Column (Any Seven)

Column A	Column B
(1) Suri Account	(a) Luca Paicholi
(2) Rent Account	(b) Asset Side of Balance Sheet
(3) Closing Stock	(c) Debit Balance
(4) HPP	(d) Credit Balance
(5) Down Payment	(e) Down Payment + Installment
(6) Depreciation in Trial balance	(f) Intial Payment Made
(7) Opening Balance- Debtors Account	(g) ICAI
(8) Opening Balance- Creditors Account	(h) Personal Account
(9) Accounting Standard Issued By	(i) Nominal Account
(10) Father of Accounting	(j) Profit and Loss Account

2. Journalize the following transactions, Post them into ledger and prepare trial balance in books of M/s Ratnam Industries Ltd. (Narration not required)

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Jan. 01 Business started with Cash Rs 25000; Building Rs.75000 ; Furniture Rs. 10000

Jan. 03 Cash Purchases Rs. 12500

Jan. 04 Cash Sales Rs 15000

Jan. 06 Purchased Goods worth Rs 15000 @ 10% Trade Discount From Rachit & Company

Jan. 08 Sold Goods worth Rs 18000 to Darshit & co.

Jan. 15 Purchased Furniture worth Rs 2500 on credit basis from Shubham Furniture Mart.

Jan. 20 Received Cash from Darshit & Co.

Jan. 25 Paid to Rachit & Co. in full and final settlement.

Jan. 28 Paid Salaries Rs 1500 ; Insurance Rs 250 ; Printing & Stationery Rs 750.

OR

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2. (a) State whether the following Capital, Revenue or Deferred Revenue Expenditure **8**
- (1) Purchased Machinery for production.
 - (2) Purchased Typewriter for resale.
 - (3) Heavy inaugural expenses paid for new company.
 - (4) Wages paid for installation of new machinery.

(b) Prepare Bank Reconciliation for the year ending 31/03/2015. **7**

- (1) Bank Balance as per Cash Book Rs 8600
- (2) Cheques of Rs 4000 issued but not presented for payment
- (3) Bank debited bank charges Rs 200
- (4) Cheque of Rs 28000 deposited into bank but not credited by bank
- (5) Bank Paid Insurance Premium Rs 2500 directly.
- (6) Bank Credited Interest on Investment Rs 1900 but not recorded in the Cash Book

3. Tiruppur Trading Company purchased Machinery from Salem Machinery Ltd. on Hire Purchase Agreement on 1st January 2015, paying Cash Rs 10000 and agreeing to pay further three installments of Rs 1 0000 each on 31st December each year. The Cash Price of the machine is Rs 37250. The Salem Machinery Ltd charges interest at 5% pa. Tiruppur Trading Company writes off @ 10% pa as depreciation on the reducing balance method. Prepare **15**
- (1) Machinery Account
 - (2) Salem Machinery Ltd
 - (3) Interest Table

OR

3. The following are the transactions in respect of Material X for the month of September 2015. **15**

Date	Transactions	Units	Rate
01/09/2015	Opening Balance	400 units	Rs 2.90 per unit
06/09/2015	Purchased	500 units	Rs 3.00 per unit
10/09/2015	Issued	700 units	
15/09/2015	Purchased	700 units	Rs 3.10 per unit
20/09/2015	Issued	800 units	
25/09/2015	Purchased	400 units	Rs 3.20 per unit
30/09/2015	Issued	300 units	

Prepare Stores Ledger Account As Per FIFO and Weighted Average Method

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4. From the following Trial Balance of Ravindra Co; Prepare Manufacturing Account; Trading and Profit & Loss Account and Balance Sheet as on 31/03/2016. **15**

Particulars	Debit (Rs)	Credit (Rs)
Capital		40000
Sales		25000
Purchases	15000	
Salaries	2000	
Rent	1500	
Insurance	300	
Drawings	5000	
Machinery	28000	
Bank Balance	4500	
Cash Balance	2000	
Stock as on 1/4/2015:		
Raw Materials	2000	
Work in Progress	2000	
Finished Goods	1200	
Debtors	2500	1000
	66000	66000

Adjustment Required :

- (1) Stock on 31/03/16 was follows:
Raw Materials Rs 1500
Work in progress Rs 1500
Finished Goods Rs 1900
- (2) Machinery to be depreciated @ 10% pa
- (3) Rent paid in advance Rs 200
- (4) Insurance prepaid Rs 90
- (5) Salaries to be distributed between Factory and Office in Ratio 2:5

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4. (a) From the following particulars, Prepare Manufacturing Account for the year ended 31/03/2016.

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Particulars	₹
Opening Stock (01/04/2015)	
Raw Materials	33,000
Work in Progress	17,000
Finished Goods	27,000
Purchases of Raw Material	1,10,000
Carriage Inward (Raw Material)	2,600
Purchase Return on Raw Material	5,200
Freight & Octroi on Raw Material	600
Sales	3,00,000
Sale of Factory Scrap	150
Rent (3/4 th for factory)	4,000
Insurance (20% for factory)	1,000
Productive Wages	6,000
Repairs to Building (40% for office building)	1,000
Depreciation on Machinery	2,100
Factory Supervisor's Salary	2,400
Manager's Salary (1/4 th for factory)	5,000
Closing Stock as on 31/3/2016	
Raw Material	22,000
Work in Progress	13,500
Finished Goods	40,000

4. (b) Pass necessary adjustment entries for the following adjustment

- (1) Depreciation on Machinery @ 10% on Cost Rs 100000 ; Land & Building @ 2% on Cost Rs 2500000.
- (2) Salaries Outstanding Rs 10000.
- (3) Closing Stock was valued at Rs 55000.
- (4) Goods worth Rs 5000 destroyed by fire. Insurance company accepts the claim for Rs 4500.
- (5) Rs 2000 to be transferred to Revenue Fund.

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5. (a) Explain the process involved in accounting ?

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5. (b) Explain the types of accounting errors ?

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OR

5. Write Short Notes (Any Three)

- (1) FIFO
- (2) Features of Hire Purchase System
- (3) Capital Expenditure
- (4) Entity Concept and Going Concern Concept
- (5) Accounting Standard - 01

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