



Time: 2 ½ hrs.

Marks:75

- Note:**
1. All questions are compulsory with internal options.
 2. Figures to the right indicate full marks.

Q.1 (A) Multiple Choice Questions :- (Any Eight)

(08)

1. Accounting helps to _____ the result of operation.
(a) analyze (b) ascertain (c) understand
2. An asset is generally recorded at _____.
(a) cost (b) market price (c) average price
3. _____ elaborates on revenue recognition.
(a) AS - 1 (b) AS- 6 (c) AS- 9
4. Amount withdrawn from business for personal purpose is termed as _____.
(a) capital (b) drawings (c) liabilities
5. All incomes generally have _____ balance.
(a) debit (b) credit (c) zero
6. Revenue receipt is disclosed in the _____.
(a) trading A/c (b) profit and loss A/c (c) balance sheet
7. Trail balance ensures _____ accuracy of books of accounts.
(a) qualitative (b) arithmetical (c) other
8. In errors of communication entry is recorded on _____ side.
(a) one (b) both (c) none
9. Errors can be removed by _____.
(a) rectification (b) assessment (c) audit
10. Casting means _____.
(a) totaling (b) cross checking (c) selecting

Q.1 (B) State whether the following statements are true or false (Any Seven)

(07)

1. Profit cannot be calculated properly unless depreciation is provided.
2. Profit on sale of machinery will appear on the credit side of the machinery A/c.
3. Accounting is useful only to the owner.
4. Capital work in progress is treated as capital expenditure.
5. Expense to keep a machine in working condition is revenue expenditure.
6. Accounting standard 9 elaborates on revenue recognition
7. IFRS stands for international financial research standard.
8. Carriage outward is real account.
9. In cash book, discount column is never balanced.
10. In cash transaction party's name is always given.

Q.2 (A) Journalize the following transaction in the books of Nirav Ltd. for July 2018.

(08)

Date	Transactions
1 st July	Started business with cash Rs. 100000
2 nd July	Cash deposited into bank Rs.50000
10 th July	Goods purchased from Tom Ltd. Rs. 24000 @ 10% trade discount and 5% cash discount and paid cash immediately.
13 th July	Goods purchased on credit from Sarus Ltd Rs.28000 @ 10% trade discount.
14 th July	Placed an order for goods with Parth Ltd for Rs. 100000.
15 th July	Goods purchased for cash from Easy Ltd. Rs.100000.
16 th July	Goods purchased from Falcon Ltd Rs.50000.

(B) Prepare a bank reconciliation statement of kelvinator as on 30th April 2018 from the following particulars. (07)

Sr. No	Particulars	Amount
1.	Balance as per pass book 30th April	8500
2.	Cheque deposited but not cleared	875
3.	Debit in pass book on 30 th April for dishonored cheque not recorded in cash book	100
4.	Cheque issued but not presented in bank	1895
5.	Cheque issued but wrongly entered in cash column of cash book	150
6.	Bank interest credited in pass book but not debited in cash book	15
7.	Bank charges debited in pass book on 30 th April credited in cash book on 1 st may	05
8.	Balance as per cash book on 30 th April	7720

OR

Q.2 Prepare personal account of SIYA from the following transactions in the books Riya Ltd. (15)

Date	Particulars	Amount
Jan 2018		
1	Debit balance on siya Ltd	1000
2.	Sold goods on credit to Siya	5400
6.	Received from siya	6300
7.	Allowed her discount	100
9.	Siya bought goods on credit	1500
12.	Received cash from siya	1450
12.	Allowed her discount	50
15.	Purchased goods on credit from siya	1040
18.	Paid cash to siya	500
19.	Returned goods to siya	140
31.	Paid cash to siya in full settlement of her account	390

Q.3 Rohini cement Ltd, purchased on 1st January 2013, a plant for Rs. 80000. On 1st April, 2014 it purchased additional plant costing Rs. 48000. On 1st September 2015 the plant purchased on 1st January 2013 was sold off for Rs. 42000 and same date fresh plant was purchased at the cost of Rs. 75000. Depreciation is to be provided at 10% p.a on the diminishing balance method every year on 31st March. Show plant account and depreciation account. (15)

OR

Q.3 State which of the following expenses/ receipt are capital, revenue and deferred revenues. Explain with reasons. (15)

- Cost of acquisition of goodwill.
- Cost of transporting newly acquired machinery.
- Amount spend on replacement of defective part of an old plant.
- Sold 4% government securities (investment) for Rs. 140000.
- Expenditure incurred for repairing cinema screen.
- Cost of re-painting the factory shed.
- Purchased machinery for Rs. 500000.

Q.4 (A) Enter the following transactions in a three column cash book of Mahesh Ltd. (08)

Date	Particulars	Amount
January 2017		
1.	Capital introduced in cash	130000
4.	Paid into bank	80000

5.	Purchased goods by cheque	10000
6.	Received a cheque from Rama	20000
6.	Allowed discount	1000
10.	Cash sales	70000
12.	Paid into bank	30000

(B) The following Trial balance has a number of inaccuracies. You are required to rewrite it correctly. (07)

Account Name	Debit	Credit
Cash at bank	200	--
Discount allowed	--	40
Discount received	20	--
Capital	--	1700
Sales	--	900
Return outward	30	--
Purchase	600	--
Return inward	--	35
Carriage on purchase	50	--
Carriage on sales	--	75
Stock	200	--
Loan from Mr. Khan	500	--
Premises	2000	--
Rent from premises	100	--
Suspense Account	--	950
Total	3700	3700

OR

Q.4 The following trial balance was extracted from the books of M/s XYZ on 31st March 2018. You're required to prepare trading and profit and loss account for the year ended on 31st March 2018 and a balance sheet as on that date. (15)

Particulars	Debit	Credit
Capital	--	30000
Drawings	5000	--
Debtors and creditors	20000	10000
Loan from bank	--	9500
Interest on loan	300	--
Cash in hand	2000	--
Provision for bad debts	--	700
Stock (1.4.17)	6800	--
Motor vehicles	10000	--
Cash at bank	3500	--
Land and building	12000	--
Purchased and sales	66000	110000
Returns	8000	1500
Carriage outwards	2500	--
Carriage inwards	3000	--
Salaries	9000	--
Rent	3000	--
General expenses	6900	--
Bad debts	500	--
Discount	--	500
Bill receivable and payable	6000	2000
Rent received	--	300
Total	164500	164500

Adjustment:

1. Stock on 31.03.2018 Rs. 7000
2. Depreciation on land and building @ 2.5% and on Motor vehicles @ 20% per annum.
3. Salaries outstanding Rs. 200.
4. Prepaid insurance Rs. 200.
5. Provision for bad debts is to be maintained at 5% on debtors.

Q.5 (A) Explain the use of computer in accounting.

(08)

(B) What is IFRS? Give any two limitation of IFRS.

(07)

OR

Q.5 Write short notes (Any three)

(15)

- (a) IFRS
- (b) AS – 9
- (c) Concept of convention conservatism
- (d) Going concern concept
- (e) Computerized accounting system

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