

Time: 2½ hrs.

Marks:75

- Note:
1. All questions are compulsory with internal options.
 2. The figures to the right indicate full marks.
 3. Draw a neat diagram wherever necessary.

- Q.1 (A) Fill in the blanks with the correct answer from the alternatives given below. (08)
- (Attempt any 8)
- (1) Bank Reconciliation Statement is prepared by _____.
 (a) bank (b) customer of a bank
 (c) creditor of a business (d) neither of the three
 - (2) Capital expenditure is _____ expenditure.
 (a) abnormal (b) recurring
 (c) non-recurring (d) wasteful
 - (3) For a Shirt Factory, cotton is _____.
 (a) Finished goods (b) Work -in-progress
 (c) Raw materials (d) Asset
 - (4) Drawings are deducted from _____.
 (a) Sales (b) Purchase
 (c) Return outward (d) Capital
 - (5) Return outwards appearing in Trial Balance are deducted from _____.
 (a) Sales (b) Purchase
 (c) Return inwards (d) None of the above
 - (6) _____ concept is the basic idea that the business is separate from the owner.
 (a) Dual Aspect (b) Seperation
 (c) Entity (d) Materiality
 - (7) Same items should be treated in the same way from year to year, according to the Accounting concept of _____.
 (a) Going concern (b) Money measurement
 (c) Entity (d) Consistency
 - (8) Capital Account is classified as _____.
 (a) Real Account (b) Nominal Account
 (c) Personal Account (d) None of the above
 - (9) _____ discount is allowed in order to recover the amount due in time.
 (a) Trade (b) Cash
 (c) Retail (d) Gross

(10) Overdraft means the _____ balance in the Pass Book.

- (a) Debit (b) Credit
(c) Excess (d) Nil

(B) State whether the following statements are True or False. (Attempt any 7) (07)

- (1) Financial transactions involve only receipt or payment of cash.
- (2) Balance sheet is a position statement.
- (3) An expenditure intended to benefit the current period is a revenue expenditure.
- (4) All Intangible Assets are Fictitious Assets.
- (5) Trial Balance is prepared after preparing the profit and loss Account.
- (6) Book-Keeping records all business matters.
- (7) Accounting is useful only to the owner.
- (8) Revenue expenditure is recurring in nature.
- (9) Capital receipt is non-recurring in nature.
- (10) Expense to keeping a machine in working condition is a capital expenditure.

Q.2 (a) From the following particulars, prepare the Journal in the books of Mr.King (15)
2021

Dec.		Rs.
1	Started business with cash	13,000
3	Purchased goods for cash	1,400
5	Advertisement expenses paid	1,250
7	Sold goods for cash	2,575
11	Further capital introduced	6,000
14	Paid to B, a creditor	1,900
17	Received commission from C	600
19	Paid to D on account	175
22	Received from E, a debtor	2,000
29	Salary paid	1,000

OR

Q.2 (p) Prepare a Trial Balance from the following list of balances extracted as on 31-3-2021. (08)

Particulars	Rs.	Particulars	Rs.
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Purchases	21,665	Travelling Expenses	550
Machinery	15,000	Building	25,000
Capital	50,000	Drawings	4,800
Debtors	12,700	Sundry Creditors	4,255
Purchase Returns	1,333	Bank Balance	8,000
Salaries	1,350	Discount Received	1,600
Loans Payable	1,360	Carriage	448
Wages	450	Insurance	420
Bank Loan	1,800	Office Expenses	790
Cash	820	Commission Received	2,745
Furniture	2,500	Opening Stock	3,600
Sales	35,000		

- (q) Classify the following accounts appearing in the books of business owned by Mr. Manish. (07)

Accounts

- | | |
|---------------------|-----------------------|
| 1. Manish's capital | 11. Dividend Received |
| 2. Cash | 12. Stock |
| 3. Bank of India | 13. Motor car |
| 4. Commission | 14. Drawings |
| 5. Electricity | 15. Salaries |
| 6. Building | 16. Advertisement |
| 7. Rent | 17. Manan Prakashan |
| 8. Interest paid | 18. Debtor |
| 9. TATA Ltd. | 19. Audit fees |
| 10. Wages | 20. Copyrights |

- Q.3 (a) Enter the following transactions in a Double Column Cash Book having Cash and Discount columns and balance the Cash Book. (15)

2021

Jan.

- 1 Opening balance Rs 10,000.
- 3 Purchased Goods for cash Rs 2,700.
- 5 C has an opening debit balance of Rs 6,000. Received Rs 2,500 from C. and allowed a discount of Rs 500.
- 7 Paid to B Rs 450 and received a discount of Rs 50.

- 11 Paid wages to workers Rs 4,300.
- 16 Paid for office rent Rs 600.
- 19 Received from A Rs 1,800 after allowing him a discount of Rs 200.
- 23 Received interest Rs 150.
- 27 Received Rs 2,400 from C for the balance due.
- 31 Paid into the bank cash in excess of Rs 4,000.

OR

Q.3 (p) The balance as per the cash-book of Rajesh on 31-12-2014 is Rs 10,815. This (08)
balance does not tally with the balance shown by the pass book. In
comparison of pass-book and cash-book, the following causes of difference
are available. Prepare a bank reconciliation statement and find out the
balance as per pass-book.

1. Cheques received from customers and deposited in the bank were not credited in the pass-book to the tune of Rs 1,000.
2. Bank has credited interest on investments, Rs 750, which is not recorded in the cash-book.
3. Creditors were given cheques for payment of which the following creditors have not presented to the bank: Ramchandra - Rs 900, Shyamchandra Rs 1,200.
4. One debtor deposited Rs 750 in the bank account of Rajesh of which Rajesh had no information.
5. Bank has credited Rs 250 for interest and it has debited Rs 150 for bank charges in the pass-book.
6. A cheque deposited amounting to Rs 1,000 is dishonoured. Bank has debited the amount of the cheque and Rs 15 for its charges.

(q) Classify the following accounts appearing in the books of business owned by (07)
Ms. Komal.

Accounts

- | | |
|----------------------|--------------------------|
| 1. Komal's capital | 11. Dividend Received |
| 2. Cash | 12. Goods |
| 3. Bank of Baroda | 13. University of Mumbai |
| 4. Wages | 14. Land and Building |
| 5. Insurance Premium | 15. Salaries |
| 6. Furniture | 16. Advertisement |
| 7. Rent | 17. Creditor |

- | | |
|----------------------|----------------|
| 8. Interest Received | 18. Debtor |
| 9. Reliance Ltd. | 19. Audit fees |
| 10. Repairs | 20. Drawing |

Q.4 (a) State whether the following expenditure is a capital or revenue. Give reasons: (15)

- (1) Payment for purchase of goods.
- (2) Payment for purchase of stationery.
- (3) Payment for purchase of a Furniture.
- (4) Payment for purchasing a new computer.
- (5) Partial refund of capital to a partner.
- (6) Payment of a loan taken earlier.
- (7) Payment of commission.
- (8) Wages for installation of new machinery.

OR

Q.4 (p) The Trial Balance Mr. Lakhamichand is as below. Prepare a final account for the year ended 31-12-2021. (15)

Debit balance	Rs.	Credit balance	Rs.
Cash in hand	1,000	Capital Account	41,860
Machinery	30,000	Sales	1,38,780
Drawings	2,500	Sundry creditors	8,800
Factory, Power and Fuel	450	R.D.D.	560
Office Salaries	6,225		
Carriage outwards	500		
Manufacturing wages	9,300		
Furniture and fixture	3,400		
Opening Stock:			
-Finished goods	4,000		
-Work-in-progress	7,250		
-Raw Materials	2,800		
Carriage-inwards	1,000		
Rent (factory 3/4)	4,000		
Sundry debtors	21,600		
Advertisement	775		

Printing & Stationery	1,200		
Factory Insurance	1,280		
Purchase of Raw Material	82,950		
Balance at Bank	8,530		
Discount allowed	610		
Miscellaneous Expenses	630		
	<hr/>		<hr/>
	1,90,000		1,90,000

Adjustments:

- (1) Closing stock: finished goods Rs 6,500, Raw Materials Rs 750 and Work-in-progress Rs 4,750.
- (2) A Motor car purchased on 1-10-2013 for Rs 10,000 has been included in purchases.
- (3) Depreciate Machinery at 15% p.a., Motor car at 20% p.a.
Furniture and fixtures at 15% p.a
- (4) Provision for R.D.D. should be maintained at 10% of the debtors.
- (5) Provision for unrealised Rent in respect of a portion of the office sub-let at Rs 120 p.m. from 1-10-2013 has to be made.

- Q.5 (p) Explain advantages of Computerised Accounting System . (08)
- (q) Explain the characteristics or features of Capital Expenditure. (07)

OR

- Q.5 (p) Write short notes on (Attempt any 3) (15)
- (1) Business Entity
 - (2) Conservatism
 - (3) Capital Receipt
 - (4) Revenue Expenditure
 - (5) AS

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