



Roll No:

Total printed pages : 03
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General Instructions : -

- i) All questions are compulsory.
- ii) All parts of question should be attempted at one place.
- iii) Show clearly working notes wherever necessary.

1. What is meant by the term "Business Transaction"? [1 mark]
2. What are non-current liabilities? [1 mark]
3. Prepaid Insurance is an asset. Do you agree? Give reason. [1 mark]
4. A Receipt and Payment Account has a debit and credit side as in cash book. Is it correct? Give reason. [1 mark]
5. What do you understand by the term 'Database'? [1 mark]
6. Define Subscriptions. [1 mark]
7. Prepare a Double Column Cash Book from the following transactions of Parker for the month of April, 2014. He maintains a park in the area of operation. Indicate the values highlighted in this case. [3 marks]

Date	Particulars	Amount (Rs.)
2014		
Apr 1	Commenced business by depositing funds in bank	50,000.00
Apr 8	Purchased goods on credit from Raman	12,000.00
Apr 10	Withdrawn from bank for business expenses	5,000.00
Apr 12	Sold Goods and deposited the funds in Bank	10,000.00
Apr 15	Withdraw for Personal use	1,000.00
Apr 20	Paid Raman through cheque and discount received	500.00

8. State which Accounting Principles are violated in these cases and give the reason:
 - 2011
 - Sept. 1 Harsh Traders create annual provisions for discount on creditors
 - Sept. 2 In the books of V M & Sons it is seen that fixed assets are appearing at the market value.
 - Sept. 3 Mohan Bros. records the revenue at the time of receiving the order for goods. [3 marks]
9. During the year ended March 31, 2011. An amount of Rs. 22,000/- paid as a wages for the erection of the machine were debited wrongly to wages account during the year. Wages account appears at Rs. 50,000/- in Trial Balance and machine appears at trial balance at Rs. 2,48,000/-. Give necessary journal entries and show how it will appear in final accounts? [3 marks]
10. Explain any three limitation of accounting. [3 marks]
11. Mr. Jose is keeping his accounts according to Single Entry System. The following information is drawn from his books for the year ended Dec 31st, 2011.

Capital as on Jan 1, 2011 – Rs. 2,10,000/-.

Capital as on Dec 31, 2011 – Rs. 6,25,000/-.

Drawings during the year for personal use – Rs 1,20,000/-.

He Sold his personal investments for Rs. 50,000/- at a premium of 5% and introduced the money into his business.

Mr. Jose also donates every year a sum of Rs. 10,000/- to an orphanage and Old age home.

Find out his profit from business and identify Business Values? [3marks]
12. Explain any two advantages of Computerized Accounting over Manual Accounting. What is meant by Accounting Information System (A.I.S)? [3marks]
13. Show the effect of following transactions on the accounting equation of Sohan :

Started business with	Rs. 5,00,000/-	
Salaries paid	Rs. 40,000/-	
Salaries Outstanding	Rs. 10,000/-	
Prepaid Rent	Rs. 5,000/-	
Borrowed from Bank	Rs. 80,000/-	
Interest Due on Loan	Rs. 4,000/-	
Bought goods on Credit	Rs. 70,000/-	[4 marks]

14. Prepare Bank Reconciliation Statement of M/s Ruby Ltd. as on 31st March 2012 from the following information:
- | | | | |
|----|---|--------------|-----------|
| 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. | | [4 marks] |
15. a) Find out the value of closing stock from the following information :
- | | | | |
|------|--|----------------|--|
| i) | Opening Stock | Rs. 55,000/- | |
| ii) | Purchase during the year | Rs. 3,20,000/- | |
| iii) | Freight & Carriage on purchases | Rs. 10,000/- | |
| iv) | Sales | Rs. 4,20,000/- | |
| v) | Goods are sold at a profit of 20% on cost. | | |
- b) What is meant by Grouping and Marshalling of Balance Sheet? [4 marks]
16. What are Accounting Softwares? Explain customized and tailor made softwares in brief. [4 Marks]
17. a) In residential areas, the government has ordered to remove mobile tower. Which value is the government keeping in mind?
- b) A Businessman has decided to create provisions for unknown contingencies. The accountant does not agree. What is wrong with this decision? Evaluate their decision. [4 marks]
18. a) Record journal entries for the following:
- | | | |
|-----|---|--|
| i) | Bought from Ritu Kapoor goods worth Rs. 60,000/- at 10% trade discount and 5% cash discount and paid half the amount in cash immediately. | |
| ii) | Received Rs. 1,890/- from Sohan in full settlement of his account for Rs. 2,000/-. | |
- b) Explain the following in brief with examples:-
- | | | |
|-----|-------------------|-----------|
| i) | Credit Vouchers | |
| ii) | Transfer Vouchers | [6 marks] |
19. A company purchased a plant for Rs. 40,000/- on January 1, 2009. It purchased another plant on April 1, 2010 for Rs. 24,000/-. On September 1, 2011 the plant purchased on January 1, 2009 was sold for Rs. 30,000/-. A new plant was purchased for Rs. 27,000/- on the same date. The company charged Depreciation at 10% on Diminishing Balance Method. Prepare Plant Account upto December 31, 2011. [6 marks]
20. Bhagat owned Rs. 15,000/- to Saran on January 1, 2011. Both are very honest and dedicated businessmen. They always keep their word. Saran draws a bill on Bhagat for this amount for two months. Bhagat accepts it and returns it to Saran. Saran discounts it at 6% p.a. Before the due date of the bill, Bhagat approached Saran and told him that he is not in a position to pay the full amount on due date. He requested Saran to accept a part payment of Rs. 5,000/- and to draw another bill upon him for the balance for further period of one month along with interest @ 12% p.a Saran agreed to his request. The Second bill was duly met on maturity. Give entries in the book of Saran and highlight the business values. [6 marks]
21. The Trial Balance of M/S Gupta & Sons shows a difference of Rs. 52,200/-. The difference is placed on debit side of suspense account. Afterward the following errors were disclosed :
- | | |
|----|--|
| a) | The purchase books was undercasted by Rs. 20,000/-. |
| b) | A cheque received from Vasudev for Rs 7,800/- and had been debited in cash book, but not posted in his personal account. |
| c) | The returns outwards book had been overcast by Rs. 10,000/-. |
| d) | Goods returned by Yashpal worth Rs. 15,000/- have been entered in returns outward book. However , Yashpal's account is correctly posted. |
- Pass the necessary entries to rectify them and show the Suspense Account. [6 marks]
22. Saurav started a firm on 1st January, 2013 with a capital of Rs. 10,000/-. On 1st April, 2013 he borrowed from his wife a sum of Rs. 4,000/- @ 9% p.a. (Interest not yet paid) for business and introduces further capital of Rs. 1,500/-. On 31st December 2013, his position was : Bank Rs. 600/-; stock Rs. 9,400/-; Bills receivables Rs. 7,000/-; and Bills Payables Rs. 6,000/-. Ascertain his profit or loss taking into account Rs. 4,000/- for his drawings during the year. [6 Marks]

