

SUBJECT : ACCOUNTANCY (SET-I)

Time : 3 Hrs.

M.M.: 90

Instructions :

- (i) **Marks for each question are indicated against it.**
(ii) **All parts of a question should be attempted at one place.**

Q1. The term 'Depletion' is used for: (1)

- (a) Liabilities (b) Natural Resources
(c) Fixed Asset (d) Intangible Assets

Q2. Goods include: (1)

- (a) Purchase of all commodities
(b) Purchase of all assets
(c) Purchase of those commodities which are purchased for resale
(d) Purchase of liquid commodities.

Q3. What is the nature of cash A/c: (1)

- (a) Personal (b) Real
(c) Nominal (d) None of above

Q4. Life insurance premium paid by the proprietor is: (1)

- (a) An asset (b) Treated as drawings
(c) Treated as profit (d) Treated as liabilities

Q5. A manager is entitled to 10% commission on Net profits after charging commission. If profit before commission is ₹22,000, manager commission is: (1)

- (a) ₹2200 (b) ₹2000
(c) ₹1157.99 (d) None of these

Q6. Which of the following is not an input device of a computer? (1)

- (a) Punched cards (b) Paper Tape
(c) CPU (d) Magnetic Disc

Q7. Explain briefly the following: (3)

- (a) Revenue Recognition concept
(b) Materiality concept

Q8. Distinguish between Book Keeping and Accounting on following basis: (3)

(a) Scope (b) Stage (c) Nature of job

Q9. Explain International Financial Reporting Standards (IFRS) and enumerate objectives of International Accounting Standard Board (IASB). (3)

Q10. Journalise: (3)

(a) Provide depreciation on furniture ₹500 and Machinery ₹2,000.

(b) Received cash ₹1,000 for Bad debts written off last year.

(c) Ajay Singh was declared bankrupt. He owed ₹2500 to us. Nothing could be recovered from his estate.

Q11. Explain: (3)

(a) Tailor-made software

(b) Ready-made software

Q12. Calculate closing stock from following details: (3)

Sales 19,50,000

Opening stock 4,80,000

Purchases 13,60,000

Gross Profit is 30% on cost.

Q13. On 1st January 2009, Mr. Ghosh started business with capital of ₹5,00,000. On 31st December 2009, his position was as follows: (4)

	₹
Furniture	40,000
Goods	4,50,000
Debtors	2,20,000
Cash in hand	15,400
Bank overdraft	40,000
Creditors	1,40,000

During the year he had borrowed ₹1,00,000 from his brother and introduced further capital of his own amounting to ₹80,000. He withdrew ₹2,000 per week for his family expenses and took goods worth ₹4,000 for

personal use. Sundry Debtors include an irrecoverable amount of ₹5,000. Calculate his profit or loss as per single entry system.

- Q14. (a) Mr. Sharma is running a charitable hospital. He decided to offer free O.P.D. facilities to low income group on every Saturday from 9:00 A.M. to 1:00 P.M. and free treatment to all physically challenged people on all working days.

State the values involved in above case.

- (b) Gaurav, a proprietor of a firm, withdraws ₹50,000 for his personal use. However, he decided to record these drawings as the expenses of the firm so as to pay a lower tax.

State the values violated by him. (2+2=4)

Q15. Prepare Accounting Equation from the following:

- (a) Started business with cash ₹75,000 and goods ₹25,000.
- (b) Bought goods for cash ₹30,000 and on credit from Rajesh ₹44,000.
- (c) Goods costing ₹50,000 sold to Ram at a profit of 25%, out of which ₹27,500 received in cash.
- (d) Purchased a Motorcycle for personal use ₹20,000.
- (e) Paid cash to Rajesh in full settlement ₹43,000.
- (f) Paid Insurance premium of ₹2,000 of which $\frac{1}{4}$ th premium is for next year.
- (g) Goods costing ₹2,000 distributed as free samples.
- (h) Commission received in advance ₹1,000. (4)

Q16. Receipts and Payments Account of Shimla Sports Club showed that ₹82,000 were received by way of subscriptions for the year ended on March 31, 2008. The additional information was as under:

Subscriptions outstanding as on March 31, 2007 were ₹8,400.

Subscriptions outstanding as on March 31, 2008 were ₹9,200.

Subscriptions received in advance as on March 31, 2007 were ₹3,000.

Subscriptions received in advance as on March 31, 2008 were ₹5,000.

Show how the above information would appear in the final accounts for the year ended on March 31, 2008. (4)

Q17. Discuss the advantages of Computerised Accounting System. (4)

Q18. From the following particulars, prepare Bank Reconciliation Statement as on 31st March 2013.

- (a) Debit Balance as per Cash Book ₹1,500.
- (b) A cheque for ₹2,000 issued in favour of X has not been presented for payment.
- (c) A bill for ₹4,000 retired by bank under a rebate of ₹120. The full amount of the bill was credited in Cash Book.
- (d) A cheque for ₹750 deposited in bank has been dishonoured.
- (e) A sum of ₹3,600 deposited in the bank has been credited as ₹360 in the Pass Book.
- (f) Payment side of Cash Book has been undercast by ₹100. (6)

Q19. The following balances appear in the books of Y Ltd.: (6)

₹

Machinery A/c as on 1.4.2001	₹8,00,000
Provision for Depreciation A/c as on 1.4.2001	₹3,10,000

On 1.7.2001, a machinery which was purchased on 1.4.1998 for ₹1,20,000 was sold for ₹50,000 and on same date another machinery was purchased for ₹3,20,000. The firm has been charging depreciation at 15% p.a. on original cost method and closes its books on 31st March every

year. Prepare the Machinery A/c and Provision for Depreciation A/c for the year ending 31st March 2002.

Q20. Record the following transactions in a Cash Book and Cash with Bank columns: (6)

2010		₹
Jan. 1	Bank overdraft	12,000
	Cash in hand	2,300
Jan. 7	Cheque received from Ram	4,000
Jan. 8	Deposited the above cheque and cash in Bank	5,000
Jan. 12	Banked	200
15	Received a money order from Gopal	500
16	Money withdrawn from Bank for office use	300
18	Bank charges	20
20	Interest on Bank overdraft	1,000

Q21. Rectify the following errors:

- Goods returned to Priya ₹12,000 were recorded as ₹1,200.
- A credit sales of goods to Ram ₹2,500 has been wrongly passed through the Purchase Book.
- Purchase return for ₹1,500 not recorded in the Books.
- Cash paid to Ram ₹400 was debited in the account of Shyam.
- ₹4,500 spent on the extension of Buildings were debited to Repairs A/c.
- Purchase Book was overcast by ₹100. (6)

Q22. On 30th October, 2011 A drew on B three bills for ₹2,000, ₹4,000 and ₹8,000 at two, three and four months duration respectively. He kept the first bill till maturity, endorsed the 2nd bill in favour of his creditor C and discounted the third bill on 3rd December, 2011 @ 18% p.a. The first and 2nd bills were duly met on maturity but the third bill was

dishonoured, the bank Paying ₹40 as noting charges. Give Journal entries in books of A and B. (6)

Q23. Prepare Trading and Profit & Loss Account for the year ended 31st March, 2010 and Balance Sheet as at that date from the following Trial Balance: (8)

Particulars	Dr. (₹)	Cr. (₹)
Capital		10,000
Cash	1,500	
Bank overdraft		2,000
Purchases and Sales	12,000	15,000
Returns	1,000	2,000
Establishment expenses	2,200	
Taxes and Insurance	500	
Bad debts and Bad debt provision	500	700
Debtors and Creditors	5,000	2,000
Commission		500
Deposits	4,000	
Opening Stock	3,000	
Drawings	1,400	
Furniture	600	
Bill Receivable and Bill payable	3,000	2,500
	34,700	34,700

Adjustments:

- Salaries ₹100 and taxes ₹200 are outstanding but insurance ₹50 is prepaid.
- Commission ₹100 is received in advance for next year.
- Interest ₹210 is to be received on deposits and interest on Bank overdraft ₹300 is to be paid.
- Bad debt provision is to be maintained at ₹1,000 on Debtors.
- Depreciate furniture by 10%.
- Stock on 31st March, 2010 was valued at ₹4,500.

Q24. The Treasurer of India Tennis Club presented the following Receipts and Payments Account for the year ended 31.12.10.

Receipts	₹	Payments	₹
Cash at Bank	10,200	Purchase of Balls	4,000
Subscriptions	24,000	Refreshments Creditors	22,000
Sales of Refreshment	30,500	Marking and Repair of Courts	3,800
Court Hire (Rent)	2,700	Construction of New Court	25,000
Sales of Balls	3,700	General Expenses	3,100
		Cash at Bank (Closing)	13,200
	71,100		71,100

He provides following information:

- Club has 60 members each paying annual subscription of ₹400.
- The Club's courts were valued at ₹60,000 on 1.4.2009.
- Tennis Balls on hand on 1.4.2009 were ₹400.
Tennis Balls on hand on 31.3.2010 were ₹900.
- Creditors for Refreshments on 1.4.2009 were ₹4,000.
Creditors for Refreshments on 31.3.2010 were ₹3,000.

Prepare an Income and Expenditure Account for the year ended 31.3.2010 and show Balance Sheet as on that date.

(8)

(7)