



- Notes : 1. All questions are compulsory.
2. All questions carry equal marks.

1. a) State the difference between journal and ledger. **4**
b) Prepare cash account from the following transactions. **4**

| | | |
|-----------|--|--------|
| June 2017 | | |
| 1 | Started Business with cash | 45,000 |
| 1 | Paid in to Bank | 25,000 |
| 2 | Goods Purchase for cash | 15,000 |
| 3 | Purchase Furniture and Payment by Cheque | 5,000 |
| 5 | Sold Goods for cash | 8,500 |
| 18 | Cash received from Arvind Rs. 3,760 and discount allowed to him 40 | |
| 21 | Withdrew from bank for private use | 1,000 |
| | and withdrew from bank for business use | 5,000 |
| 25 | Paid Telephone bill | 5,940 |
| 30 | <u>Paid for</u> Stationary | 200 |
| | Rent | 1,000 |
| | Salaries to Staff | 2,500 |

OR

- c) Enter the following items in two columnas cash book. **8**
June
2017
- Vasant Commenced Business with cash Rs. 1,00,000 he pays Rs. 23,000 for goods bought, Rs. 5,000 for Furniture purchased and Rs. 4,000 for Office Equipment
 - He pays rent Rs. 1,000, pays legal cost Rs. 100
 - He sales goods for cash Rs. 18,000
 - He sales goods to Nitin on 5 day's credit Rs. 8,000
 - He pays wages Rs. 150 and cartage Rs. 50
 - He buys goods for cash Rs. 7,000 and pays creditor Sunil Rs. 4,250 in settlement of claim of Rs. 4,300.
 - He receives cash from Nitin allowing discount Rs. 20
 - He sales goods for cash Rs. 500

2. a) From the following balances of New India Trading Co. Prepare Trading and Profit and Loss Account for the year ended 31-3-2017.

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| | | | |
|--------------------------|----------|-------------------------|----------|
| Opening Balance of Stock | 60,000 | Directors Fees | 15,000 |
| Purchase | 2,40,000 | Printing and Stationary | 12,000 |
| Sales | 3,80,000 | Building | 80,000 |
| Purchase Return | 10,000 | Bad debts | 10,000 |
| Sales Return | 20,000 | Plant & Machinery | 2,00,000 |
| Interest on Investment | 12,000 | Insurance | 25,000 |
| Salary | 20,000 | General Reserve | 40,000 |
| Audit fees | 10,000 | Freight | 15,000 |
| Wages | 50,000 | | |

Additional Information :

- Closing Stock Rs. 1,20,000
- Charge depreciation 10% on building
- Transfer Rs. 20,000 to Reserve fund.

- b) From the following information. Prepare Balance Sheet of Fairdeal Co. Ltd. as on 31st March 2017.

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| | | | |
|---|----------|-------------------------|----------|
| Share Capital (8000 shares of Rs. 100 each fully called up) | 8,00,000 | | |
| General Reserve | 3,80,000 | Plant | 3,20,000 |
| Share Premium | 80,000 | Furniture | 60,000 |
| 6% Debentures | 8,00,000 | Sinking fund Investment | 1,63,200 |
| Profit & Loss Appro. A/c | 59,400 | Calls in Arrears | 12,000 |
| Sinking Fund | 1,63,200 | Sundry Debtors | 5,80,000 |
| Sundry Creditors | 92,000 | Closing Stock | 2,60,000 |
| Outstanding Exp. | 16,000 | Cash in hand | 22,400 |
| Land | 3,49,000 | Cash at Bank | 2,52,000 |
| Building | 6,00,000 | Preliminary Exp. | 20,000 |
| Advance Income Tax paid | 32,000 | | |

Adjustments :

- Depreciation on building 5% plant 20%, furniture 10%.
- A final dividend of Rs. 20 per share has been proposed by the board of Directors.
- Preliminary expenses are to be written off completely.

OR

- c) The Bajaj Co. Ltd. was registered with a authorized share capital of Rs. 30,00,000 in equity shares of Rs. 10 each the following is the list of balances extracted from its books on 31st March 2017.

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| | | | |
|---|-----------|----------------------|----------|
| Calls in Arrears | 37,500 | Purchases | 9,25,000 |
| Building | 15,00,000 | Preliminary Exp. | 20,000 |
| Plant & Machinery | 16,50,000 | Direct wages | 4,19,325 |
| Interim dividend paid 1 st Nov. 2016 | 1,96,250 | Return Inward | 20,000 |
| Stock on 1 st April 2016 | 3,75,000 | General Exp. | 34,175 |
| Furniture | 36,000 | Freight and Carriage | 65,575 |
| Sundry Debtors | 4,35,000 | Indirect wages | 72,500 |

| | | | |
|--|-----------|-----------------------------|----------|
| Good will | 1,25,000 | Directors fee | 28,625 |
| Cash in hand | 3,750 | Bad debts | 10,550 |
| Cash at Bank | 1,99,500 | Interest paid on debentures | 90,000 |
| Share Capital (Rs. 10 each) | 20,00,000 | | |
| 12% debentures | 15,00,000 | | |
| Profit & Loss Account | 1,31,250 | | |
| Bills Payable | 1,85,000 | Sundry Creditors | 2,00,000 |
| Sales | 20,75,000 | General Reserve | 1,20,000 |
| Provision for bad debts (1 st April 2016) | 17,500 | | |
| Return outwards | 15,000 | | |

Adjustment :

- Depreciate plant & machinery 15%
- Write off Rs. 2,500 from preliminary expenses
- Provide for half years debentures Interest due.
- Make a provision for bad and doubtful debts at 5% on sundry debtors.
- Provide for Income Tax @ 50%
- Stock on 31st March 2017 was Rs. 4,74,900 prepare final account.

3. a) Dr. Kulkarni Commenced Practice as Dentist Investing Rs. 60,000 in Equipments on 1st Jan. 2016.

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Receipts and Payments Account

| Receipts | Amt. Rs. | Payments | Amt. Rs. |
|---------------------------|----------|---------------------------|----------|
| To Consulting Fees | 60,000 | By Rent | 6,500 |
| To Miscellaneous receipts | 5,000 | By Salaries to Assistance | 16,000 |
| To Cosmetics Surgery | 45,000 | By Journal | 2,500 |
| To Equipments Sold | 500 | By Library books | 6,000 |
| | | By Equipments purchased | 10,000 |
| | | By Drawings | 25,000 |
| | | <u>By Balance</u> | |
| | | At bank | 42,000 |
| | | In hand | 2,500 |
| | 1,10,500 | | 1,10,500 |

Additional Information :

- Consulting fees of Rs. 4,000 were still outstandings.
 - Equipment sold and purchase was on 1st October 2016 the cost of equipment sold being 6000.
 - Depreciation equipments 20% library books 5%
 - Salaries to Assistant still payable Rs. 2,500
- Prepare receipt and expenditure account.

- b) Adv. Girish started his practice at Nagpur High Court on 1st Jan. 2016.

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Receipts & Payments Accounts

| Receipts | Amt. Rs. | Payments | Amt. Rs. |
|------------------------------|----------|----------------------------|----------|
| To Cash brought in | 25,000 | By Furniture | 6,000 |
| To Receipts from consultancy | 10,000 | By law books | 2,500 |
| To Receipt from clients | 45,000 | By Rent | 3,600 |
| To Sundry Receipts | 500 | By News paper | 250 |
| | | By Honorarium to Assistant | 24,000 |
| | | By withdrawals | 12,000 |
| | | By Stationary | 150 |
| | | By Balance c/d | 32,000 |
| | 80,500 | | 80,500 |

On 31st Dec. 2016

- Rent outstanding was Rs. 1,200
- Honorarium due to Assistants was Rs. 4,000
- Rs. 3,500 were yet to be received from clients

Prepare receipt and expenditure account for the year ended 31st Dec. 2016.

OR

- c) Shri. Dongre is a management consultant his receipts and payments account is as follows:

8

Receipts and Payments A/c for the year ended 31st March 2016

| Receipts | Rs. | Payments | Rs. |
|-------------------------------------|----------|----------------------------|----------|
| To Cash in hand b/d | 5,000 | By Rent | 18,000 |
| To Cash at bank b/d | 25,000 | By Salary to office staff | 12,000 |
| To Consultancy fees received | 45,000 | By Electricity charges | 2,400 |
| To Fees from other accounts works | 30,000 | By Purchase of Journals | 2,000 |
| To Interest on household Investment | 4,000 | By Motor Car Exp. | 10,000 |
| | | By Printing and Stationary | 3,000 |
| | | By Household Exp. | 40,000 |
| | | By Cash in hand c/d | 5,600 |
| | | By Cash at Bank c/d | 16,000 |
| | 1,09,000 | | 1,09,000 |

Other Information :

- Shri. Dongre resides in a flat consisting of four rooms of equal size one of which is exclusively used for professional purpose.
- 60% of car expenses related to household purpose.
- The office staff devote 25% of their time to the household work of Shri. Dongre.
- 1/3rd of electricity charges relate to his profession.

Prepare profit & loss account for his profession for the year ended 31st March 2016.

4. a) Mr. Jivane of Nagpur consigned goods worth Rs. 40,000 to Novelty Stores Warora. 4
Mr. Jiwane incurred the following expenses.
Transportation 1500, Insurance Rs. 500
Novelty Stores paid Rs. 200 towards cartage for carrying goods from Railway Station to his godown 80% of the goods were sold Rs. 33,760 by the consignee packing and other selling expenses amounted Rs. 600
You have to find out the value of closing stock (unsold stock) lying with the consignee.

- b) Monika Company of Pune consign goods costing Rs. 30,000 to their Agent Varma of Nagpur on which they pay freight, insurance and carriage Rs. 2,500 drawing a bill for Rs. 20,000 they discounted the bill at bank being charged Rs. 300 there for After two months they received from their agent and account sales informing that the entire consignment has been sold for Rs. 60,000 that expenses amounting to Rs. 900 have been insured and showing as a deduction the agreed commission of 2% on the amount realise. Balance due by bank drafts. 4
Prepare consignee Varma account in the books of Monika Company Pune.

OR

- c) Ameya products Nagpur sent on consignment to Reena of Bangalore 200 tables costing Rs. 500 each the consignees were allowed & commission of 5% on sales. The accepted a bill of Rs. 30,000 as advanced the consignor discounted the bill immediately at Rs. 29,550 Ameya products paid Rs. 3,000 for freight and Rs. 2000 for wages on sending the goods Reena paid Rs. 4,000 as expenses and took delivery of goods Reena sent an account sales shows that 140 tables were sold at Rs. 800 each remaining table were sold at Rs. 760 each the consignee sent a bank draft for the balance after deducting their commission. 8
Prepare consignment account in the books of Ameya products Nagpur.

5. Short answer question.

- i) Explain the types of accounts and its rules. 2
ii) Write note on proposed dividend and interim dividend. 2
iii) Short note on clients disbursement ledger. 2
iv) Del Creder commission and General Commission. 2
