

[Time: 3.00 Hrs]

[Marks: 75]

Please check whether you have got the right question paper.

Instructions :

1. Q1 (20 marks) & Q8 (15 marks) are compulsory.
2. Attempt Any Four (40 marks) out of Q2, Q3, Q4, Q5, Q6 and Q7.
3. Students have to attempt any four out of the remaining six questions and within each question; students have to attempt any two out of three sub – questions. Each sub – question would carry 05 Marks.
4. Figures to the right indicate full marks.
5. Draw neat diagrams wherever necessary.

Q. 1. Read and attempt the following:

A. Fill in the Blanks:

10 Marks

1. The article purchased sold or produced by a businessman _____
2. Current Assets- Current Liabilities=_____
3. The Amount Paid or payable, in return for goods or services used in the business during the current accounting year is _____
4. IFRS _____ deals with First Time Adoption of International Financial Standards.
5. Carriage expenses Paid on New Machinery should be debited to _____ account
6. The accounting equation remains in _____ after each valid business transaction.
7. Three Column Cash Book _____
8. _____ is known as the father of modern double entry accounting.
9. Under _____ of accounting, the two aspects of each transaction are recorded.
10. Business Transaction are recorded as and when they occur in the _____

B. State wither True or False:

10 Marks

1. Capital Expenditure is non-recurring in nature.
2. AS- 1- Disclosure of Accounting standards is mandatory in nature.
3. Outstanding expenses are shown on the liability side of the balance sheet.
4. Inventories should be valued at cost or net realizable value whichever is higher.
5. Balance Sheet shows the financial position of the business.
6. Revenue from Sale of goods is recognized when the seller has received the payment for the goods from the buyer.
7. Generally accepted accounting principles are procedures and guidelines to be followed in the accounting/reporting process.
8. Accountants design accounting information systems and analyze and Interpret information.
9. A business entity is an individual, association, or organization with control over economic resources and which engages in economic activities.

It is not necessary to measure a business transaction in person.

Q.P- 00004841

Q.2. Attempt any One of the following:

10 Marks

A.

Journalise the following transactions in the books of Himanshu:

2017		Rs
Dec.01	Business started with cash	75,000
Dec.07	Purchased goods for cash	10,000
Dec.09	Sold goods to Swati	5,000
Dec.12	Purchased furniture	3,000
Dec.18	Cash received from Swati in full settlement	4,000
Dec.25	Paid rent	1,000
Dec.30	Paid salary	1,500

B. Journalize the following transactions in the books of Himanshu: 2005,

- Dec.01 Business started with cash Rs.75,000
- Dec.07 Purchased goods for cash Rs.10,000
- Dec.09 Sold goods to Swati Rs.5,000
- Dec.12 purchased furniture Rs.3,000
- Dec.18 Cash received from Swati in full settlement Rs.4,000
- Dec.25 Paid rent Rs.1,000
- Dec.30 Paid salary Rs.1,500

Q.3. Attempt any One of the following:

10 Marks

- A. Explain Accounting mechanism and its process.
- B. Explain trial balance and financial statement.

Q.4. Attempt any One of the following:

10 Marks

A. State with reasons whether the following are capital, Revenue or Deferred revenue expenditure

- 1) Legal expenses in issuing shares and debentures Rs 12,500
- 2) Legal expenses incurred in an action for infringement of trademarks
- 3) Rs 25,000 spent on air-conditioning the office of the Managing Director
- 4) Rs 7,000 spent on registration of design
- 5) Legal expenses incurred in an Income tax appeal
- 6) Legal expenses Rs 5,000 incurred in connection the purchase of business premises
- 7) Rs 1,00,000 paid for the application and allotment of a plot of land
- 8) Legal expenses Rs 8,000 incurred in defending a suit for breach of contract to supply of goods

B. State with reasons the nature of the following expenses/receipts

- 1) Sold investments 4% government securities for Rs 1,40,000
- 2) Preliminary expenses paid Rs 42,000
- 3) Carriage outward paid Rs 40,000
- 4) Import duty paid on purchase of computer equipment Rs 85,000 to be used in the office
- 5) Received Rs 5,00,000 on the issue of 5% Debentures
- 6) Paid Rs 10,000 underwriting commission on issue of shares

Q.P- 00004841

7) Legal expenses Rs 6,000 paid in connection with purchase of land 8) Repairing charges Rs 15,000 paid for keeping the machinery in working condition.

Q.5. Attempt any One of the following:

10 Marks

A. On 1st April, 2015, Shivam Enterprise purchased a second-hand machinery for ₹ 52,000 and spent ₹ 2,000 on cartage, ₹ 3,000 on unloading, ₹ 2,000 on installation and ₹ 1,000 as brokerage of the middle man. It was estimated that the machinery will have a scrap value of ₹ 6,000 at the end of its useful life, which is 10 years. On 31st December 2015, repairs and renewals amounted to ₹ 2,500 were paid. On 1st October, 2017, this machine was sold for ₹ 30,600 and an amount of ₹ 600 was paid as commission to an agent. Calculate the amount of annual depreciation and rate of depreciation. Also prepare the Machinery Account for first 3 years, assuming that firm follows financial year for accounting.

B. On April 1, 2006, a company purchases machinery worth ₹ 1,00,000. On October 1, 2008, it purchased additional machinery worth ₹ 20,000 and spends ₹ 2,000 on its erection. The accounts are closed each year on March 31. Assuming the annual depreciation to be 10%, show the Machinery Account for 5 years under the straight line method.

Q.6. Attempt any One of the following:

10 Marks

A. Shows the value of the stock on hand using the FIFO method.

April 01: Inventories on hand are 50 units at \$2 and 100 units at \$4.50

April 05: Purchased 100 units at \$1.80

April 06: 10 units of inventories purchased on 5 April at \$1.80 are returned to the supplier

April 10: 80 units issued to factory

April 15: 50 units issued to factory

April 20: 20 units purchased at \$1.50

April 25: 70 units issued to factory

April 30: 50 units purchased at \$1.70

April 30: 10 units returned to store out of units issued to the factory on 25 April.

B. What are the advantage and disadvantage of FIFO Valuation?

Q.7. Attempt any One of the following:

10 Marks

A. From the summarized cash book of Zenith Ltd. shown below, calculate net cash flow from operating activities:

Particulars	Amt Rs	Particulars	Amt Rs
To Balance b/d	1,50,000	To Repayments of Bank	4,50,000
To Sale of Machinery	13,50,000	Loan	
To Receipts from Debtors	90,00,000	By Purchase of Machinery	12,00,000
To Issue of shares	30,00,000	By Payment of creditors	78,00,000
		By Dividends	3,00,000
		By Wages and salaries	6,00,000

Q.P- 00004841

		By Rent, rates and tax	3,00,000
		By Income Tax	1,50,000
		By Balance c/d	27,00,000

B. Difference between cash flow statement and fund flow statement?

Q.8. Write a note on any three of the following:

15 Marks

- A. Ethical issue of accounting?
- B. Fund flow Statement
- C. Cash Flow statement
- D. Inventory valuation
- E. Written Down value method of depreciation.