

[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. A branch of accounting that generates reports and information for the use of internal management for decision making purpose is known as _____
2. A branch of accounting that generates reports and information for the use of internal as well as various external parties is known as _____
3. Investors, lenders, and suppliers are examples of _____ users of accounting information provided by a business entity.
4. Assets = Liabilities + _____.
5. _____ is the foundation of double entry system.
6. The accounting equation remains in _____ after each valid business transaction.
7. If total value of assets is \$100,000 and owner's equity is amounting to \$60,000, the liabilities of the business must be equal to _____
8. _____ is known as the father of modern double entry accounting.
9. Under _____ of accounting, the two aspects of each transaction are recorded.
10. The collection or group of accounts maintained by a business is collectively known as _____

b. State whether True or False:

10 Marks

1. The primary aim of accounting is to deliver financial information regarding a business to both individuals and organizations.
2. Because financial information is conveyed using accounting terminology, it is often referred to as the "language of business."
3. The process of reviewing past events and assessing their impact on a business is referred to as interpreting.
4. A partnership is owned by partners, not stockholders or shareholders.
5. A business that produces goods for sale is known as a manufacturing business.
6. Generally Accepted Accounting Principles (GAAP) are the standards and guidelines that must be followed during the accounting and reporting process.
7. Accountants are responsible for designing accounting information systems as well as analysing and interpreting data.

8. A business entity can be defined as an individual, association, or organization that has control over economic resources and engages in economic activities.
9. Measuring a business transaction in pesos or another currency is essential.
10. According to the accounting entity concept, a proprietor must keep personal assets and liabilities separate from the business entity's accounting records.

Q.2. Attempt any one of the following:

10 Marks

A. Journalize the following transactions:

			Rs.
2016			
April.	1	Started business with cash	50,000
April.	3	Deposited cash into Bank	40,000
April.	5	Sold goods to Ganesh	22,000
April.	9	Goods returned by Ganesh	2,000
April.	11	Goods purchased from Kishore	30,500
April.	15	Goods returned to Kishore	1,500
April.	18	Bought Furniture & Fixture for office use by	9,000
April.	22	cheque	1,000
April.	22	Purchased goods for cash	50
April.	30	Paid carriage	500

B. Jeyaseeli is a sole proprietor having a provisions store. Following are the transactions during the month of January, 2018. Journalise them.

Jan.		Rs.
1	Commenced business with cash	80,000
2	Deposited cash with bank	40,000
3	Purchased goods by paying cash	5,000
4	Purchased goods from Lipton & Co. on credit	10,000
5	Sold goods to Joy and received cash	11,000
6	Paid salaries by cash	5,000
7	Paid Lipton & Co. by cheque for the purchases made on 4th Jan.	
8	Bought furniture by cash	4,000
9	Paid electricity charges by cash	1,000
10	Bank paid insurance premium on furniture as per standing instructions	300

Q.3 Attempt any one of the following:

10 Marks

(a) From the following particulars, prepare Statement of profit and loss for the year ending March 2013, as per the revised Schedule VI: Rs.

plant and Machinery 1,60,000

Land 6,74,000

Depreciation of Plant 16,000

Purchases adjusted 4,00,000

Closing stock 50,000

Wages 1,20,000

Sales Net 10,00,000

Salaries 80,000

Bank overdraft 2,00,000

10% Debenture issued on 1.4.2012 1,00,000

Equity share capital Rs. 100 each 2,00,000

1000, 6% Pref. Shares Rs. 100 each 1,00,000

Additional information

(i) Equity dividend @ 10% declared on paid up capital.

(ii) Dividend on the preference share capital paid in full.

(iii) Rs. 2,00,000 transferred to general reserve.

(b) The following is the list of balances extracted from its books on 31st December, 2004

	Rs.
Wages	84,865
Calls-in-arrears	7,500
Premises	3,00,000
Plant and Machinery	3,30,000
Interim Dividend paid on 1st August, 2004	37,500
Stock, 1st January, 2004	75,000
Fixtures	7,200
Sundry Debtors	87,000
Goodwill	25,000
Cash in hand	750
Cash at Bank	39,900
Purchases	1,85,000
Preliminary Expenses	5,000
General Expenses	16,835
Freight and Carriage	13,115
Salaries	14,500
Director's Fees	5,725
Bad Debts	2,110
Debenture Interest paid	9,000
Subscribed and fully called-up capital	4,00,000
6% Debentures	3,00,000
Profit and Loss Account (Cr. Balance)	14,500
Bills Payable	38,000
Sundry Creditors	50,000
Sales	4,15,000
General Reserve	25,000
Bad Debts Reserve 1st January, 2004	3,500

Prepare Trading and Profit and Loss Account and Balance Sheet in proper form aftermaking the following adjustments:

Depreciate Plant and Machinery by 10%. Write off Rs 500 from Preliminary Expenses. Provide half year's Debenture interest due. Leave Bad and Doubtful Debts Reserve at 5% on Sundry Debtors. Stock on 31st December, 2004, was Rs. 95,000.

Q.4 Answer 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

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

- Q.5 Attempt any one of the following:

10 Marks

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) Calculate Economic Order Quantity (EOQ) from the following:

Annual consumption 6,000 units

Cost of ordering	Rs. 60
------------------	--------

Carrying costs	Rs. 2
----------------	-------

(b) From the following particulars, calculate the Economic Order Quantity (EOQ):

Annual requirements 1,600 units

Cost of materials per units

Rs. 40 Cost of placing and receiving one order: Rs. 50 Annual carrying cost for
inventory value 10%.

Q.7 Attempt any One of the following:

10 Marks

(a) Calculate Stock turnover Ratio From the data given below

X0279Y9249BAX0279Y9249BAX0279Y9249BAX0279Y9249BA

Stock at the end of the year	5,000	Carriage	2,500
Sales	50,000		
Purchase	25,000		

(b) Calculate Inventory Turnover Ratio from the following:

₹

Opening Inventory

29,000

Closing Inventory

31,000

Revenue from Operations, i.e., Sales

3,20,000

Gross Profit Ratio 25%

Q.8 Write short notes on Any three the following:

15 Marks

a. Inventory

b. Inventory control

c. Cost of inventory,

d. Inventory Turnover Ratio
