

- a) Increase in asset and increase in liability.
- b) Decrease in asset and decrease in liability.
- c) Decrease in asset and decrease in owner's capital.

(3)

9. Mohan, the owner of a business receives an order for supply of goods worth Rs. 2,00,000/-. He has also received Rs. 25,000/- against the order. Mohan wants to record it as a sale. Is Mohan correct in doing so?

(3)

10. Akshadeep started business on 1st April 2013 with a capital of Rs. 2,00,000/- and a loan of Rs. 75,000/- from the bank. During the year, he had introduced additional capital of Rs. 60,000/- and had withdrawn Rs. 36,000/- for personal purposes. On 31st March 2014 his assets were Rs. 3,80,000/-. Find out his capital as on 31st March 2014 and profit earned during the year 2013-14.

(3)

11. Briefly explain any three demerits of Straight Line method.

(3)

12. 2014 April 1. Salman started business with cash Rs. 1,00,000/-.
May 2. Purchased goods from Rohit for Rs. 50,000/- less 20% trade discount.
March 3. Gave a cheque of Rs. 30,000/- and he allowed discount of Rs. 750/-.
September 30. Salary paid Rs. 20,000/- out of which Rs.5,000/- is prepaid for next year.
December 5. Sold goods to Prabhu costing Rs. 20,000/- less 10% trade discount.
December 31. Prabhu became insolvent and could give 60 paise per rupee from his estate.

Salman decided to close the books of accounts on 31st December. Prepare Rohit's Account, Salary Account and Prabhu's Account.

(3)

13. Explain briefly the following:
a) Principle of conservatism b) Historical cost principle.

(4)

14. Due to a major loss in the current year, the accountant of the firm has not charged depreciation on fixed tangible assets.
a) Whether his decision not to charge depreciation is correct? Why?
b) What will be the impact of the decision on financial statements? (4)

ACCOUNTANCY

15. What is a voucher? Explain briefly different types of vouchers. (4)
16. Prepare Returns inwards book in the books of Ram Lal & Co from the following transactions:
2014 April 6 Goods returned by Ganga Prasad & Co:

2 Table fans @ Rs. 600/- each

(4)

Trade discount 15%

April 12 Shyam Oil Mills returned defective goods valued Rs. 4,000/-.

April 18 Allowance allowed to Sanjay & Co. on account of mistake in the invoice Rs 250/-.

17. The following trail Balance has been prepared by an incompetent person. Draw up a correct Trial balance.

(4)

Name of Accounts	Balance Dr.	Balance Cr.
Closing Stock	40,000	
Freehold premises	2,00,000	
Returns inwards		8,000
Prepaid insurance	12,000	
Carriage outwards	2,000	
Rent of premises from subletting		10,000
Apprentice premium		8,000
Interest on loan taken		7,000
Unearned income	4,500	
Outstanding rent		3,000
Carriage inwards		3,500
Capital		1,00,000
Interest on Bank overdraft		4,000
Bank (Cr.)	51,000	
Loan from UTI bank	60,000	
Total	3,69,500	1,43,500

18. Birla Cotton Mills purchased machinery on 1st May 2011 for Rs. 90,000/-. On 1st July 2012 it purchased another machine for Rs. 40,000/-. On 1st March 2013 it sold off the first machine purchased in 2011 for Rs. 58,000/- and on the same date purchased a new machinery for Rs. 1,00,000/-. Depreciation is provided at 20% p.a. on the original cost each year. Accounts are closed each year on 31st December. Show machinery account for three years.

(6)

19. M/s Joseph & Sons who are dealers in readymade garments, purchased the following:
- 2015 Jan 1. Purchased from Fashion House, Mumbai Vide Invoice No: 305
100 shirts @ Rs. 40/- per shirt.
80 T-shirts @ Rs. 80/- per piece.
Trade discount 20% VAT @ 10%
- Jan 3. Purchased from Appolo Trading Company.
2 typewriters @ Rs. 2500/- per piece.
- Jan 5. Purchased from Amitabh Garments, New Delhi for cash, Vide Invoice No: 325
5 Jackets @ Rs. 3,000/- per piece.

- Jan 7. Purchased from Bharat Bhushan & Son, Mathura, Vide Invoice No: 328
80 bush shirts @ Rs. 100/- per shirt.
150 Trousers @ 50 per piece.
Trade Discount 15%; VAT 10%
- Jan 10. Purchased from Hari Om & Sons Surat, Vide Invoice No: 345
120 woolen garments @ 70 per piece.
Paid VAT 10% Freight charges Rs. 250/-.
Prepare Multi column Purchase book.

(6)

20. Enter the following transactions in a petty cash book with analytical column. The book is kept on imprest system, amount of imprest being Rs. 2000/-.
- 2015 April 1. Petty cash in hand Rs. 400/-. Received cash to make up the imprest.
April 2. Paid for cartage Rs.150/- and Bus fare Rs. 70/-.
April 3. Paid for postage Rs. 30/- and refreshments Rs. 180/-.
April 4. Bought stamps for Rs. 90/- and paid telephone bills Rs. 105/-.
April 5. Bought stationary for Rs. 65/- and Laundry expenses Rs. 115/-.
April 6. Paid for conveyance Rs. 130/- and courier charges Rs. 120/-.
April 7. Miscellaneous expenses Rs. 275/-. (6)

ACCOUNTANCY

21. Prepare Accounting Equation from the following transactions.
Mr. Rajesh, a furniture merchant started business with a capital of Rs. 1,50,000/- and banked Rs. 50,000/-.
- (i) Purchased furniture from Gopal on credit Rs. 1,00,000/-.
 - (ii) Goods sold for cash Rs. 20,000/- and credit Rs. 30,000/-.
 - (iii) Sold goods for cash costing Rs. 40,000/- at a profit of 20% on sales.
 - (iv) Interest on capital allowed Rs. 2,000/-.
 - (v) Accrued Interest on bank deposit Rs. 1,500/-.
 - (vi) Raj, who owed Rs. 5,000/- became bankrupt and received 25 paise per rupee.
- (6)
22. From the following particulars prepare a Bank Reconciliation statement in the books of Mr. Sonal Gupta as on 30th June 2014.
- a) Balance as per pass book on 30th June 2014 Rs. 6,000/-.
 - b) Out of total cheques amounting to Rs. 37,500/- drawn by Mr. Sonal, cheques aggregating Rs. 5,000/- were encashed in June 2014, cheques aggregating Rs. 4,000/- were encashed in July 2014 and the rest have not been presented at all.
 - c) Out of total cheques amounting to Rs. 12,000/- deposited, cheques aggregating Rs. 7,500/- were credited in June 2014, cheques aggregating Rs. 2,000/- were credited in July 2014 and the rest have not been collected at all.
 - d) Bank charged Rs. 27/- as its commission for collecting outstation cheques and has allowed interest Rs. 330/- on his bank balance.
 - e) Amount wrongly debited by bank Rs. 2,400/-.

- f) A cheque of Rs. 1,200/- was entered in the cash book in June 2014, but was sent to the bank in July 2014.
- g) A cheque of Rs. 13,300/- paid into the bank was returned dishonored but no intimation was received from the bank till June 2014.

(6)

23. Enter the following transactions in the journal of Mr. R. Rajkumar, a furniture merchant. 2014 January
- 1. Raj started business with cash Rs. 80,000/- and furniture Rs. 40,000/-.
 - 2. He purchased timber for Rs. 40,000/- less 10% trade discount and 5% cash discount and half of the payment made immediately.
 - 3. He sold furniture costing Rs. 20,000/- at a profit of 20% on cost and received Bills Receivable from a customer.
 - 4. He discounted that bill of exchange at 1% through bank.
 - 5. Salary due to office clerks Rs. 10,000/-.
 - 6. Sohan who owed us Rs. 10,000/- was declared insolvent and 40 paise in a rupee is received from him in full settlement.
 - 7. Rent paid this year, Rs. 3,000/- is related to the next year.
 - 8. He used timber for making office furniture Rs. 2,000/-.

(8)

24. Record the following transactions in cash book with cash and bank columns. 2015
- Jan 1. Bank balance Rs. 20,000/- Cash in hand Rs. 25,000/-.
 - Jan 2. Paid Life Insurance premium by cheque Rs. 8,000/-.
 - Jan 4. Received cheque for goods sold Rs. 7,000/-.
 - Jan 8. Interest credited by bank Rs. 750/-.
 - Jan 18 Sold old furniture, payment received in cash Rs. 1,500/-
 - Jan 26. Bank charged commission Rs. 200/-.
 - Jan 27. Goods purchased and paid by cheque Rs. 5,000/-.
 - Jan 28. Cash deposited into bank Rs. 3,000/-.
 - Jan 29. Paid rent by cheque Rs. 4,000/-.
 - Jan 31. Withdrawn cash for official use Rs. 5,500/-.

(8)

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