## General Instructions:-

1. Please check that this question paper contains $\underline{\mathbf{4}}$ printed pages.
2. Please check that this questions paper contains $\mathbf{2 3}$ questions.
3. Please write down the serial number of the question before attempting it.
4. All parts of question should be attempted at one place.
5. All questions are compulsory.
6. Which qualitative characteristic of Accounting Information is violated when accounting information is unable to influence the decision of the users?
7. What is meant by Revenue Receipt, explain it with an example ?
8. Give an example for Decrease in Asset, Decrease in Liabilities and Decrease in Capital.
9. Classify the following under Personal; Real; Nominal Account :
a) Accrued Rent
b) Return Outwards
10. What is an Imprest System of Cash Book?
11. Give two examples of transactions which will be recorded in Journal Proper.
12. What is meant by Trial Balance?
13. Under the 'liquidity approach' assets which are most liquid are presented at the bottom of the Balance Sheet. Comment.
14. Differentiate between Book-Keeping and Accounting on the basis of scope, objective and nature of job.
15. Prepare the Petty Cash Book from the following :

## 1999

April,1 Received`1,500 for petty cash. April, \(3 \quad\) Paid Bus Fare` 20 : Speed Post ${ }^{\text { }} 80$.
April, $5 \quad$ Paid for Stationery `120. April, \(8 \quad\) Paid for Courier Services`
50.

April,12 Paid for Taxi Fare `180 : STD call charge`
96. April, 15 Paid for Telegram ` 75 : Charity` 101.

April,22 Paid for pens `40 : Speed post charge`
60. April,26 Paid for Postage ` 150.

April,30 Paid for refreshment to customers ` 120.
11. Explain the following terms with an example :
(a) Profit
(b) Drawings
(c) Insolvent
12. On which side of an account increase in following accounts will be recorded :
(a) Capital
(b) Rent received
(c) Bad Debts
(d) Outstanding Salary
(e) Loss by accident
(f) Bad Debts recovered
13. Give the correct answer for the following statements :
a) This principle requires that the same accounting method should be used from one accounting period to next.
b) According to this concept, a business is viewed as having an indefinite life
c) According to this concept, quality of efficient manager cannot be recorded in the books of accounts.
d) This concept requires that cost incurred during a particular period should be set out against the revenue of that period to ascertain profits.
14. Pass the necessary Journal Entry for the following transactions :

1. Sold goods costing ` 27,000 at a profit of $25 \%$ on sales at $20 \%$ Trade discount to Anjul Kumar. Charged

VAT @ $10 \%$. Paid cartage in cash `120 which is to be charged from Anjul Kumar. 2. Goods of` 40,000 lost due to fire but Insurance Company did not accept the claim to the extent of $40 \%$.
15. Prepare the 'Purchase Book' of 'Kumar Mani Furniture House, Kanpur' from the following transactions :
June, $7 \quad$ Purchased from Arora and Co., Nai Sarak, Delhi
10 Chairs @ `200 each 2 Tables @` 600 each
$10 \%$ trade discount
June, 10 Purchased by Sudha Furniture Co., Agra 10 Almirahs @ `3,000 each 6 Computer Table @ `500 each $10 \%$ trade discount
June, 12 Purchased scooter from Radhey Shyam Bihari, Lucknow for `10,000 June, 13 Sold to Meera Mart for cash 6 Tables @ Rs 700 each \(10 \%\) trade discount June, 15 Purchased from Fateh Chand \& Co., Meerut 20 Chairs @` 250 each
15 Tables @ `700 each
June, 20 Purchased from Hira Lal \& Sons., Mumbai for cash 20 chairs @ Rs 250 each
16. Even though the debit and credit sides agree, the Trial Balance contains mistakes. Redraft the Trial Balance.

| Particulars | Debit | Credit |
| :---: | :---: | :---: |
| Capital |  | 1,00,000 |
| Opening Stock | 16,590 |  |
| Closing Stock |  | 20,580 |
| Gross Block | 79,000 |  |
| Book Debts | 20,670 |  |
| Gross Purchases | 60,920 |  |
| Royalty | 200 |  |
| Credit Note issued | 2,400 |  |
| Debit Note issued |  | 1,230 |
| Carriage inwards | 600 |  |
| Carriage outwards |  | 1,850 |
| Import duty | 1,200 |  |
| Export duty |  | 800 |
| Wages and Salaries | 31,400 |  |
| Bills Receivables | 15,000 |  |
| Bills Payable |  | 8,000 |
| Rent received | 3,800 |  |
| Interest paid |  | 1,100 |
| Bank over draft | 11,000 |  |
| Cash in hand | 380 |  |
| Commission Received |  | 870 |
| Rates and Taxes | 7,130 |  |
| Discount Allowed |  | 760 |
| Sundry creditors |  | 12,500 |
| Gross Sales |  | 1,02,600 |
| Total | 2,50,290 | 2,50,290 |

17. Find Gross Profit from the given information :

Credit Sales ` \(3,00,000\); Cash Sales are \(25 \%\) of Total Sales; Purchases \({ }^{`} 2,70,000\); Carriage on Sales `20,000; Discount on purchases`10,000;Carriage on Purchases `50,000; Excess of Closing Stock over Opening Stock` 40,000.
18. Explain the following :
(a) Business Entity Concept
(b) Conservatism Principle
(c) Full Disclosure Principle

Explain the following : -
(A) (i) Verifiable objective concept (ii) Full Disclosure Principle
(B) According to the above two concepts which two values can be identified from them.
19. Prepare an Accounting Equation from the following :
a) Mr. Nawab started business with cash `1,00,000 and by taking loan @ \(12 \%\) p.a. from his wife `50,000.
b) Purchased goods from Ravish `30,000 @ 20\% Trade Discount and paid \(10 \%\) VAT, half of the amount was paid in cash. c) Paid salary` 15,000 out of which `3,000 related to next year. d) Sold goods worth` 8,000 at a profit of $20 \%$ on sales, less $10 \%$ trade discount and charged 10 \% VAT. e) Paid `12,000 to Ravish in full settlement. f) Paid Interest on Mrs. Nawab's Loan for 6 months along with the principal amount of` 20,000.
20. Prepare Cash Book with Bank Column of Karan from the following particulars :

Jan. 1 Cash balance `35,000 Cash at bank` 10,000
Jan. 4 Sold goods costing ` 10,000 at 20 \% profit above cost less $20 \%$ trade discount, to Rahim and
received a cheque.

Jan 5 Purchased goods costing `20,000 at 10\% trade discount from Kabir. Jan. 6 Purchased a second hand printer from 'All Printing Solutions' for` 800 and paid `200 on its repairs. Jan 12 Withdrew from bank` 6,000 out of which Karan deposited `2,000 into his personal bank A/c. Jan 13 Rahim's cheque endorsed to Kabir as part payment. Jan 18 Sold goods` 10,000 at `11,000 to Ketan and paid carriage of` 1,000 in cash on behalf of Ketan.
Jan 19 Rahim's cheque returned dishonoured and dishonoured charges were `200. Jan 31 Bank Pass book showed debit of` 1,000 as Bank Charges and credit of `400 for interest. Jan 31 Deposited the entire cash into bank after retaining` 8,800.
21. Record the following transactions of Sh. Keshar Chand, Bijapur in Sales Book and Sales [6] A/c and Surya Narayan A/c.
2002
Jan, 6 Sold goods to Surya Narayan, Santa Cruz,Mumbai 60 metre Silk @ `150 per metre 100 metre Cotton @` 70 per metre Less Trade Discount @ 12 1/2 \%
Jan, 19 Sold to Raman, Lahori Gate, Panipat 50 metre Silk @ `120 per metre 50 metre Cotton @` 60 per metre Less Trade Discount @ 15 \% Cash Discount allowed to him @ $10 \%$
Jan, 20 Mr. Keshar Chand took away 5 metres silk costing `100 per metre for his personal use. Jan, 22 Sold old furniture on credit to Satyam, New Delhi,` 1,200
Jan, 25 Old newspaper sold `400 Jan, 28 Sold 400 metres silk @` 160 per metres and 50 metres Cotton @ ` 80 per metre
Less

## Trade Discount @ 8 \% to Ganesh Chand, Gol Market, Patna

22. Pass the necessary Journal Entries in the books of 'Delhi Furniture House' for the following transactions :
a) Received `5,000 from Abhay Raj, which were earlier written off as bad debts. b) Timber worth` 3,000 were used for furnishing the office.
c) Paid rent`2,000 to Ajeet Tiwari (the proprietor) for the building hired by firm from him. d) Out of the insurance premium paid this year` 3,000 is related to next year.
e) A printing machine with the book value of `30,000 is exchanged for a new machine of` 1,25,000.
The old machine is valued at' 35,000 for exchange purposes by 'Xerox Printing Tools Ltd'
f) Paid ` 4,000 for carriage on sales to Mishri Lal. This amount is to be realized from Mishri Lal. g) Placed an order with Manjeet Singh for the supply of goods of the list price of ' 50,000. An advance of \(10 \%\) is paid through cheque. h) Paid repairs of car` 15,000 by cheque. $1 / 3^{\text {rd }}$ of car is being used for personal purposes.

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23. Prepare final Accounts Shri Brij Lal as on $31^{\text {st }}$ December, 2010 from the following balances.
[8]

| Particulars |  |  | Particulars |
| :--- | ---: | :--- | ---: |
| Stock 1-1-10 | 22,400 | Goodwill | 14,600 |
| Purchases | 81,000 | Book Debts | 28,500 |
| Productive Expenses | 11,500 | Creditors | 30,200 |
| Carriage on Purchases | 3,400 | Bank | 1,200 |
| Establishment | 12,000 | Charges | 8,600 |
| Expenses Furniture | 25,000 | Cash at | 400 |
| and Fixtures Sales | $1,52,000$ | Bank Bad | 4,400 |
| Returns (Dr.) | 2,000 | Debts | 1,200 |
| Returns (Cr.) | 1,000 | Commission | 13,000 |
| Factory Rent | 8,000 | (Cr.) Discount | 3,000 |
| Carriage on | 3,600 | (Dr.) Salary and | 14,400 |
| Sales | 8,400 | Wages | 20,000 |
| Unproductive Expenses | 2,000 | Depreciation | 2,000 |
| Loss on sale of Furniture | 23,000 | BP | 10,000 |
| Loan Cr. | 2,200 | Investment | 30,000 |
| Interest on Loan | 4,000 | s | 11,000 |
| Apprentice Premium | $1,00,000$ | Bad Debt recovered | 3,000 |

Closing Stock is valued at `30,500 at cost price and` 38,500 at market Price.

## $\xrightarrow{\underline{O}}$

From the following prepare Trading, Profit and Loss A/c and Balance Sheet on $31^{\text {st }}$ December,
2011:

| Particulars | Particulars |  |
| :--- | :--- | :--- | :--- |

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| Furniture and Fixtures | 10,000 | Advertisement | 2,000 |
| :--- | ---: | :--- | ---: |
| Opening Stock | 30,000 | Unproductive Expenses | 3,800 |
| Land \& | 40,000 | Loose Tools | 4,000 |
| Building Motor | 24,000 | Bad Debts | 1,200 |
| Vehicle Sundry | 23,500 | Salary and | 10,400 |
| Debtors | 45,500 | Wages | 4,000 |
| Purchases | $1,15,600$ | Commission | 85,000 |
| Sales | 300 | (Cr.) Capital | 10,000 |
| Discount (Cr.) | 22,400 | Patents | 500 |
| Sundry Creditors | 4,600 | Miscellaneous Expenses | 4,900 |
| Productive | 3,000 | Profit on sale of | 3,600 |
| Expenses Trade | 10,400 | Furniture Life | 2,400 |
| Expenses | 2,600 | Insurance Premium | 10,000 |
| Bank Overdraft | 400 | Rent Received | 2,400 |
| Legal Expenses | 13,000 | Rent (Factory $1 / 4)$ | 500 |

Closing Stock is valued at `35,800 at cost price and` 33,800 at market Price.

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