Time: 3 Hours] [Total Marks: 70

Instructions:

1. Figures to the right indicates marks.
2. Use of simple calculator is permitted.
3. There are five questions of equal marks.
4. All questions are compulsory.

1. Explain the following terms: (any seven) 14
   (i) Depreciation and Double entry
   (ii) Book keeping and Journal
   (iii) Going concern concept
   (iv) Personal account and Current assets
   (v) Capital and Fixed assets
   (vi) Goodwill and Occupation
   (vii) Debit credit rules for real account
   (viii) Journal and Ledger

2. Journalise following transactions: 14
   Prepare Journal of Dhirubhai for the following transactions:
   2016 January
   1. Brought in business cash Rs. 30,000, Stock of goods Rs. 2,000, Receivable from Azim Premji Rs. 4,000, Furniture Rs. 7,000, Bank Balance of Rs. 8,000.
   3. Sold furniture of Rs. 5,000 to Reliance Furniture Mart for Rs. 4,800.
4 Purchased a sari of Rs. 625 for daughter and for this purpose withdraw Rs. 600 from the business.
7 Purchased a furniture of Rs. 700 and in exchange goods given of Rs. 650.
10 Sold old newspapers for Rs. 42.
14 Sold goods to Mittal, Ambani and Birla in the proportion of 3:2:5 on credit. Cash sales is half of the credit sales. Cash sales for the day is Rs. 10,000.
16 Received Rs. 28,832 which includes Rs. 8,832 which were written off as bad in past, and remaining amount is received from Mr. Tata on the basis of 20 paise in a rupee due to his insolvency.
18 Paid 6% premium for the fire insurance policy of Rs. 1,00,000. The proportion of fire and life insurance is 3:2.
22 Goods of 50,000 was destroyed by fire. For 2/5th of the good Insurance Company paid 80% and for remaining goods it paid 40%.
27 Received Rs. 34,200 for Cash Sales at 5% cash discount.
28 Narayan Murthy (Salesman) sold goods of Rs. 8,000 in which proportion of cash and credit sales is 3:1. He sends the net amount after deducting 5% commission on cash sales and 3% commission on credit sales.
30 Cashier Mr. Kapoor informed that Rs. 100 has been stolen from cash box.
30 Appointed Mr. Bansal at a salary of Rs. 2,000 per month.

3 Do the ledger posting for following transactions and prepare Trial Balance from it.

February 2016
1 Brought in business Rs. 20,000 cash and stock of goods Rs. 3,000.
2 Deposited in bank Rs. 4,000
4 Withdrew from the bank Rs. 1,500 for office expense and Rs. 800 for household expense.
6 Purchase a furniture of Rs. 6,000 from Dhiraj Sons.
10 Paid Rs. 1,500 to Valentine Theatre for advertisement slide.
14 Paid salary Rs. 1,000 and wages Rs. 700.

DDD-1721] 2 [Contd...
18. Purchased goods of Rs. 4,000 from JK textiles bros at 10% trade discount and 3% cash discount. Paid half of the amount in cash.

20. Paid to Dhiraj Sons Rs. 3,000 cash and a cheque of Rs. 2,000 as a final payment.

OR

3. From the following transactions, prepare three columnar cash book of Ekta Kapoor.

March-2016

1. Opening Cash balance Rs. 4,000; opening bank balance Rs. 3,000

2. Goods of Rs. 4,000 sold to Mihir at 10% trade discount and cheque of necessary amount is issued by Mihir at the same time.

3. Cheque issued by Mihir is deposited in the bank.

5. Goods of Rs. 6,000 sold for cash to Kusum at 10% cash discount.

7. Rs. 3,000 deposited in the bank.

8. Rs. 2,000 for salary and Rs. 500 for wages are paid by cash.

11. Rs. 2,000 withdrawn from the bank for personal use.

13. Life Insurance premium of Rs. 600 is paid by cheque.

14. Cash purchases Rs. 1,000

16. Cash sales Rs. 3,000

18. Shop rent of Rs. 1,200 is paid by cash to Komalika.

21. Rs. 2,000 withdrawn from the bank for payment of fire insurance premium.

23. Fire insurance premium of Rs. 2,200 is paid by cash

25. Bank has credited Rs. 100 for bank interest and Rs. 50 for commission to our bank account

28. Dividend warrant of Rs. 1,500 is deposited in the bank.
The following is the Trial Balance of Asho as on 31st December, 2015.

<table>
<thead>
<tr>
<th>Debit Balance</th>
<th>Rs.</th>
<th>Credit Balance</th>
<th>Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock (1.1.15)</td>
<td>23,000</td>
<td>Sales</td>
<td>82,500</td>
</tr>
<tr>
<td>Salaries</td>
<td>4,200</td>
<td>Purchase Returns</td>
<td>4,000</td>
</tr>
<tr>
<td>Railway Freight and Octroi</td>
<td>1,250</td>
<td>16% Loan (from 1.7.2015)</td>
<td>2,500</td>
</tr>
<tr>
<td>Carriage inward</td>
<td>750</td>
<td>Interest on Investment</td>
<td>245</td>
</tr>
<tr>
<td>Drawings</td>
<td>7,500</td>
<td>Bills Payable</td>
<td>2,500</td>
</tr>
<tr>
<td>Machinery</td>
<td>12,500</td>
<td>Capital</td>
<td>50,000</td>
</tr>
<tr>
<td>Buildings</td>
<td>12,500</td>
<td>Discount</td>
<td>750</td>
</tr>
<tr>
<td>Debtors</td>
<td>37,500</td>
<td>Outstanding wages</td>
<td>500</td>
</tr>
<tr>
<td>Travelling Expenses</td>
<td>500</td>
<td>Bad debts reserve</td>
<td>1,000</td>
</tr>
<tr>
<td>Bad debts</td>
<td>1,000</td>
<td>Creditors</td>
<td>37,500</td>
</tr>
<tr>
<td>Investments</td>
<td>2,000</td>
<td>Commission</td>
<td>3,000</td>
</tr>
<tr>
<td>(for the year ending 29.2.16)</td>
<td>600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on hand</td>
<td>270</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank Balance</td>
<td>3,350</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture</td>
<td>4,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases</td>
<td>45,000</td>
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<td></td>
</tr>
<tr>
<td>Advertisement Exp.</td>
<td>1,000</td>
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<td></td>
</tr>
<tr>
<td>Sales Return</td>
<td>5,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wages</td>
<td>5,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postage and Stationery</td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount</td>
<td>1,525</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on 16% loan</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bills receivable</td>
<td>15,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1,84,495 1,84,495

Prepare Trading and Profit and Loss Account and Balance Sheet taking into account the following adjustments:

1. Stock on 31.12.15 is Rs. 9,000
2. Depreciate machinery @ 10%, value of Building on 31.12.15 is Rs. 12,000.
3. Maintain bad debts reserve at 5% on debtors.
4. Calculate interest on capital at 12% p.a. and charge interest for 6 months on drawings at 12% p.a.

Write short notes: (any two)

(i) Write features of Business
(ii) Major users of financial accounting system
(iii) Write meaning and differences between Profession and Service/Employment.