

Q.1 From the given Trial Balance of J. K. Manufacturers, prepare manufacturing Trading and Profit & Loss A/c and Balance Sheet for the year ended 31-12-2011. (15)

Particulars	Debit	Credit
	Amt (Rs.)	Amt (Rs.)
Capital	----	45,000
Drawings	1,800	----
Purchase of Raw Materials	1,00,000	----
Bills Receivable	14,000	----
Cash	6,890	----
Plant	12,500	----
Buildings	23,000	----
Sales	----	1,50,000
Sales Return	1,100	----
Purchase Return	----	1,500
Carriage Inward	1,100	----
Opening Stock		
Raw Material	6,000	----
Work - in - progress	10,000	----
Finished Goods	4,000	----
Wages	8,860	----
Investments (Interest 5% p.a.)	10,000	----
Loan to Lally	3,000	----
Bad Debts	450	----
Rent	1,380	----
Factory Lighting	350	----
Salary	4,750	----
Interest on Investment	----	350
Advertisement	2,850	----
Discount Received	----	3,870
Debtors	35,310	----
Creditors	----	39,200
Bills Payable	----	7,420
	2,47,340	2,47,340

Adjustments:

1. Closing Stock at the end was Raw Material Rs. 10,000, Work - in - process Rs. 3,500 & Finished Goods Rs. 80,000.
2. Depreciate Plant by 5% & Building by 10%.
3. Bills payable dishonoured Rs. 1,000 but no entry was made in the books of accounts.
4. Mr. John is a debtor & a creditor. He shows a debit balance of Rs. 2,000 & a credit balance of Rs. 5,000.
5. Finished Goods destroyed by fire Rs. 7,000. Insurance company admits a claim of Rs. 5,000.

Q.1 Enter the following transactions in the journal of Sanjeev Kumar for January 2012 & post them in Ledger Account.

(15)

1. Out of the cash balance of Rs. 6,000, Cash in excess of Rs. 1,500 was deposited into Dena Bank.
2. Dilip Kumar purchased old machinery from Sanjeev Kumar for Rs. 70,000. 10% of the full amount was received in cash & the balance by cheque. The cheque was deposited into bank.
5. Sanjeev Kumar made the following payments:
Conveyance Rs. 500; Salaries Rs. 5,000; Travelling Expenses Rs. 2,500; Rent Rs. 1,000; Life Insurance premium on self Rs. 500.
6. He purchased goods worth Rs. 25,000 from Ashok Kumar which he sold immediately to Deepak Kumar for Rs. 27,000.
10. Paid to Kishor Kumar in full settlement the due to him for the goods purchased from him last month worth Rs. 50,000 at 10% trade discount. Payment was made by cheque.
12. Anup Kumar invoiced goods worth Rs. 20,000 at 20% trade discount & 5% cash discount term.
15. Sanjeev Kumar settled the account of Anup Kumar by cheque.

Q.2 Record the following transaction for January 2012, in the appropriate books of prime entry of Hari.

(15)

1. Hari commenced business with a capital of Rs. 500 introduced in cash & Rs. 9,500 introduced by transfer from his personal Savings Bank A/c to Current A/c open in the name of the business with Dena Bank.
2. Cash purchases from Hemendra vide his cash memo no. 131, totaled Rs. 2,000. Payment was made by bearer cheque no. 501 on Dena Bank.
3. Sold for cash goods worth Rs. 1,000 vide cash memo no. 1 to 10.
6. Purchased from Sunil goods worth Rs. 1,500 vide Sunil's bill no.151.
9. Sold to Ashar goods worth Rs. 2,000 vide sales bill no. 1
10. Ashar issues a bearer cheque for Rs. 1,975 in full settlement. Hari acknowledges vide his receipt no.1
11. Issued to Sunil cheque no. 502 for Rs. 1,475 in full settlement.
12. Cash sales totaled Rs. 1,000 vide cash memo no. 11 to 25
13. Deposited the cash in hand in bank.
16. Purchased goods worth Rs. 5,000 from Jayesh vide his bill no. 501 & sold the same to Kashyap for Rs. 6,000 vide Hari's bill no. 2.
17. Kashyap returned 25% of the goods & the same were returned to Jayesh. Hari issues Debit note no.1 to Jayesh & Credit note no. 1 to Kashyap.
18. Received from Kashyap a cheque for Rs. 4,475 in full settlement. Issued receipt no. 2. The cheque was deposited in the bank on the same day.
22. Issued cheque no. 503 to Jayesh for Rs. 3,700 in full settlement.
30. Withdraw by cheque no. 504, Rs. 250 for office use.

Q.2 From the books of Zee Limited Company, the following particulars regarding its machinery account are available. (15)

1. Balance as on 1st January 2007 (at cost) Rs. 2,75,000.
2. Purchase of machinery on 1st July 2007 Rs. 1,00,000.
3. Sale of machinery on 1st October 2007 Rs. 60,000. (This was purchased on 1st July 2004 for Rs. 1,00,000)
4. Installed the machinery purchased on 1st July 2007. Date of installation was 1st October 2007. Installation expenses amount to Rs. 20,000.
5. Opening Balance of machinery also includes machinery purchased on 31st December 2006 for Rs. 1,75,000.
6. Rate of Depreciation on fixed installment system is 10% per annum.
7. Provision for depreciation as on 1-1-2007 is Rs. 25,000.

Prepare Machinery Account & Provision for Depreciation Account, in the books of Zee Limited Company for 2007.

Q.3 Nayan presents the following trial balance of his retail business as on 31.3.2012 (15)

	Debit (Rs.)	Credit (Rs.)
Stock on 1.4.2011	35,000	
Purchases & Sales	1,60,000	2,80,000
Returns	800	600
Carriage Inwards	600	
Carriage Outwards	400	
Building	60,000	
Bad Debts	500	
Salaries	14,000	
Rent, Rates & Taxes	3,000	
Insurance	2,400	
Cash in hand	3,000	
Bank of Maharashtra	4,000	
Furniture	45,000	
Wages (Productive)	26,000	
Debtors & Creditors	80,000	50,000
Discounts	1,000	2,700
Office Expenses	1,100	
Capital Account		1,03,500
*****	4,36,800	4,36,800

You are also told that his stock as on 31.3.2012 was valued at Rs. 28,000.

You are required to pass the adjusting & closing entries as on 31.3.2012 in the books of Nayan & prepare the adjusted Trial Balance.

OR

Q.3 State with reasons whether the following expenditures are capital, revenue or deferred revenue. (15)

1. Legal fees paid for acquisition of land Rs. 500.
2. Wages paid Rs. 500 for manufacturing of loose tools.
3. Fright paid Rs. 200 for purchase of second hand furniture.
4. Repairs of Rs. 1,000 spent on second hand machinery purchased.
5. Repair charges of Rs. 2,000 spent on existing machinery.
6. Advertisement of Rs. 20,000 on a new product introduced in the market.
7. Expenses of Rs. 8,000 incurred in connection with issued of Share capital.
8. Conversion of petrol - driven engine into diesel engine R. 25,000.

Q.4 From the following particulars prepare Bank Reconciliation Statement as on 31st December, 2011.

1. Overdraft on 31.12.2011 as per bank pass book of Rs. 15,000.
2. On 25th December, 2011 several chaques worth Rs. 8,000 were deposited in the bank out of which charges worth Rs. 5,000 are cleared & Credited in the pass book before 31st December 2011.
3. Cheques worth Rs. 16,000 were issued during the month but only cheques worth Rs. 9,500 were presented for payment.
4. Interest charged by the bank Rs. 750 is not recorded in the cash book.
5. Dividend on shares Rs. 1,250 was collected by the bank, but no entry was passed in the cash book.
6. A customer, Mr. Amit deposited Rs. 3,500 into bank a/c directly.
7. Bank charges & commission charged by bank Rs. 100.
8. Insurance premium Rs. 300 was directly paid by the bank but not recorded in the cash book.
9. Two cheques of Rs. 1,250 & Rs. 750 were issued on 25th December 2011 but were presented for payment on 2nd January 2012.

OR

Q.4 Write short notes on. (Any 3)

1. Types of Errors
2. Types of Petty Cash Book
3. Accounting Convention
4. Reducing Balance Method of Depreciation
5. Manufacturing Account

(15)
