

ROLL NO. _____

S48

Time : 3 Hours

(6 Pages)

Max. Marks: 100

1. Attempt any FOUR of the following:- **20**

(A) Answer in one sentence only:- **5**

1. What is Gross Profit?
2. What is Statement of Affairs?
3. What is goodwill?
4. What is discounting of a bill of exchange?
5. What is joint venture?

(B) Write the word/term/phrase which can substitute each of the following statements:- **5**

1. Expenses related to purchase or production.
2. Statement prepared to find profit/loss when books are maintained on single entry basis.
3. Sets of programs which enable a computer to perform operations.
4. Honouring a bill of exchange before maturity.
5. Account credited to record initial contribution of co-venturers which is deposited in Joint Bank Account.

(C) Match the following pairs:- **5**

‘A’

1. Excess of expenditure over income
2. Depreciation remains same
3. Tally
4. Noting Charges
5. Temporary partnership

‘B’

- a. Joint Venture
- b. Surplus
- c. Deficit
- d. Accounting software
- e. Fixed Installment Method
- f. WDV Method
- g. Expense of drawer
- h. Expense of drawee

(D) Select the most appropriate alternative from those given below:- 5

1. Power & Fuel Account is transferred to _____ at the end of the year.
(a) Trading A/c (b) Profit & Loss A/c (c) Balance Sheet (d) Trial Balance
2. Donation received for Building Fund is treated as _____.
(a) Revenue Receipt (b) Capital Receipt (c) Revenue Expense
(d) Capital Expnese
3. _____ is one of the reasons for an asset getting depreciated.
(a) Inflation (b) Overvaluation (c) Undervaluation (d) Wear & Tear
4. _____ profit is average profit expected in the industry.
(a) Super (b) Normal (c) Abnormal (d) Extra
5. For commission payable to an agent on joint venture _____ account is debited.
(a) Agent's (b) Joint Venture (c) Co-venturer's (d) Profit & Loss

(E) State whether True or False with reasons:- 5

1. Nominal due date is the date on which bill is required to be honoured.
2. Entrance Fees to be capitalised are transferred to Income & Expenditure A/c.

(F) From the following details prepare the format of Bill of Exchange:- 5

Drawer : Madhu Mehendale, M.G.Road, Mumbai.
Drawee : Narayan Nene, N.K.Road, Nagpur
Payee : Kailas Kamble, K.T.Road, Kolhapur
Date of bill : 19th December 2007
Date of acceptance : 20th December 2007
Duration : 2 months
Amount : Rs.9,500

2. T20 Traders purchased machinery of Rs.30,000 on 1st October 2004. Additions costing Rs.10,000 were made on 1st April 2005.
On 30th September 2006 part of machinery costing Rs.12,000 on 1st October 2004 was sold for Rs.5,300.
Depreciation was provided at 10% p.a. on reducing balance method & books were closed on 31st March every year.
Prepare Machinery Account and Depreciation Account for 2004-05, 2005-06 & 2006-07. 10

OR

2. (A) Profit earned by a partnership firm in last four years was:- 2003-04 Rs.32,000, 2004-05 Rs.48,000, 2005-06 Rs.44,000, 2006-07 Rs.72,000.
Find value of goodwill at 5 years' purchase of average profit of last 4 years. 5

2. (B) Write a short note on importance of computers in modern age. 5

3. Abhi drew a bill of Rs.16,000 on Kabhi which was accepted. Abhi discounted it at 12% p.a. for 2 months. On due date it was dishonoured. Kabhi accepted a new bill for the amount due including interest at 10% p.a. for 3 months. Before maturity of this bill Kabhi was declared insolvent & subsequently 25 paise in a rupee were recovered from his estate.

Pass necessary journal entries in the books of Abhi and prepare Abhi's Account in the books of Kabhi. 12

OR

3. Record the following transactions in the journal of Hemant:-
1. Yashwant's acceptance of Rs.4,000 to Hemant which was endorsed to Rajwant was dishonoured. Noting Charges paid by Hemant were Rs.100.
 2. Sumant's acceptance of Rs.2,000 to Hemant was renewed by him by paying Rs.500 in cash & accepting a bill for the balance including interest at 12% p.a. for 3 months.
 3. Jaywant's acceptance of Rs.6,000 to Hemant which was sent to bank for collection was honoured. Bank Charges were Rs.50.
 4. Vasant's acceptance of Rs.8,000 to Hemant retired by him one month before due date at rebate of 6% p.a. 12

4. Mr.BK & Mr.SP decided to enter into joint venture to supply journals required for XI & XII standard Mathematics Practicals to a few colleges in the city. They decided to share profits and losses in the ratio 3:2.

For this purpose they opened a joint account with the bank depositing there in the following amount:-

Mr. BK	Rs.1,20,000
Mr. SP	Rs. 80,000

Following payments were made from joint bank account:-

Paper	Rs.41,000
Designing Charges	Rs. 5,000
Printing Charges	Rs.50,000

Besides this Mr.BK spent Rs.3,400 on conveyance for his visits to different colleges.

Mr.SP allowed his personal cell phone to be used for calls of the venture. The cost amounted to Rs.600.

4,000 journals were printed and supplied to different colleges at Rs.40 per journal & venture was closed.

Record these transactions in the journal of the joint venture. **12**

5. Mahi did not maintain proper books of accounts. But he could give the following information from his records:-

Particulars	As on 1.4.2006 Rs.	As on 31.3.2007 Rs.
Machinery	60,000	60,000
Furniture	40,000	40,000
Debtors	38,000	56,000
Creditors	33,000	35,000
Cash and Bank	63,000	78,000
Stock	27,000	36,000
Investments	50,000	50,000
Bank loan	42,000	30,000

Additional Information:-

Machinery & Furniture to be depreciated at 10% p.a., R.D.D. to be maintained at 5%.

Interest on capital to be allowed at 5% p.a. Drawings during the year were Rs.20,000.

On 31st March 2007 outstanding expenses were Rs.1,000.

You are required to prepare:-

1. Statement of Affairs as on 1st April 2006
2. Statement of Affairs as on 31st March 2007
3. Statement of Profit/Loss for the year ended on 31st March 2007 **10**

6. Following is the balance sheet of OSO Club as on 1st April 2006:-

Liabilities	Rs.	Assets	Rs.
Capital Fund	1,20,000	Furniture	50,000
Outstanding Salary	2,000	Equipments	20,000
Subscription received in advance	1,000	Investments	10,000
		Cash in hand	7,000
		Cash at bank	33,000
		Subscription Receivable	3,000
Total	1,23,000	Total	1,23,000

Following was their Receipts and Payments Account for the year ended 31st March 2007:-

Receipts	Rs.	Payments	Rs.
To Balance b/d:		By Salary	24,000
Cash	7,000	By Stationery	16,500
Bank	33,000	By Telephone Expenses	9,800
To Subscription	77,000	By Electricity Expenses	12,400
To Entrance Fees	20,000	By Sports Day Expenses	11,000
To Donations	25,000	By Conveyance	1,300
To Collection for Sports Day	13,000	By Equipments	10,000
To Legacies	5,000	(Purchased on 1.4.2006)	
To Interest on investments	1,000	By Sundry Expenses	1,000
		By Balance c/d:	
		Cash	22,000
		Bank	73,000
	1,81,000		1,81,000

Additional Information:-

1. As on 31st March 2007 Subscription Receivable was Rs.2,500 & Subscription received in advance was Rs.1,500.
2. Outstanding Salary on 31st March 2007 was Rs.3,000.
3. Half of the entrance fees are to be capitalised.
4. Legacies are to be treated income.
5. Depreciate Furniture at 20% p.a. and Equipments at 10% p.a.

You are required to prepare Income & Expenditure Account for the year ended on 31st March 2007 and Balance Sheet as on that date. 16

7. Following is the trial balance of a firm in which Ulka and Alka shared profits and losses in the ratio 2:1:-

Trial Balance as on 31st March 2007

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Opening Stock	14,600	Capital: Ulka	1,60,000
Returns Inward	1,000	Alka	1,40,000
Drawings: Ulka	36,000	Sales	5,25,000
Alka	24,000	R.D.D.	800
Purchases	3,20,800	Returns Outward	800
Bad Debts	1,800	Creditors	32,000
Discount	2,300	Interest on Investments	1,000
Salary	24,000		
Octroi	7,400		
Carriage	4,000		
Printing & Stationery	8,500		
Travelling Expenses	9,600		
Furniture	1,40,000		
Office Equipments	60,000		
Debtors	36,700		
Bills Receivable	8,000		
Cash & Bank	95,700		
Office Electricity	17,200		
Office Rent	8,000		
10% Investments (w.e.f. 1/10/2006)	40,000		
Total	8,59,600	Total	8,59,600

Adjustments:-

1. Stock on 31.3.2007 was valued at Rs.16,000.
2. Goods costing Rs.6,000 were distributed as free samples.
3. Depreciate Furniture by 10% and Office Equipments by 5%.
4. Write off Rs.700 as bad debts and maintain R.D.D. at 5% on debtors.
5. Office Rent paid Rs.10,000 was wrongly debited to Office Equipments Account.
6. Ulka is to be allowed commission of 5% on gross profit.

You are required to prepare Trading and Profit & Loss Account for the year ended on 31st March 2007 and Balance Sheet as on that date. **20**
