

ROLL NO. _____

8E

Time : 3 Hours

(Printed pages 7)

Max. Marks: 100

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

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

1. What do you mean by 'Accrued Income' ?
2. What is an 'Endowment Fund'?
3. How is the closing capital calculated under Single Entry System?
4. What is meant by the cost of an asset?
5. What is Foreign Bill of Exchange?

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

1. A temporary partnership without a firm name.
2. Minimum Rate of profit estimated or expected on capital employed.
3. Capital method, in which partner's current account is not opened.
4. The major source of revenue to a 'Not for profit' concern from its members.
5. Latin word for reduction or decline in the value of Fixed Asset due to its use.

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

- | 'A' | 'B' |
|------------------------------|--|
| 1. Profit under Single Entry | a. Input device |
| 2. Transfer of title of bill | b. Output device |
| 3. VDU | c. Endorsement of a bill |
| 4. Capital Employed | d. Retirement of a bill |
| 5. Trial Balance | e. Tangible Assets – Outside Liabilities |
| | f. List of ledger balances |
| | g. Statement of Profit/Loss |
| | h. Statement of Affairs |

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

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1. When goods of Joint Venture are sold by Agent, amount of sales is debited to _____ Account.
 - (a) Joint Venture
 - (b) Agent's
 - (c) Co-venturers'
 - (d) Joint Bank

2. Excess profit earned by business over its normal profit is called _____.
 - (a) Abnormal Profit
 - (b) Average Profit
 - (c) Super Profit
 - (d) Total Profit

3. Returns Outward are deducted from _____.
 - (a) Purchases
 - (b) Sales
 - (c) Capital
 - (d) Debtors

4. Expenditure on purchase of building is a _____ expenditure.
 - (a) Revenue
 - (b) Capital
 - (c) Recurring
 - (d) General

5. A Statement of Affairs is a summarized statement of an estimated _____.
 - (a) Financial position
 - (b) Income
 - (c) Profit
 - (d) Loss

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

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1. Depreciation is provided on Fixed as well as Current Assets.
2. Days of grace are not allowed on a demand bill.

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

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Drawer : Mr.Harish Hussein, Hasmukh Road, Hydrabad.
Drawee : Ms.Ishita Irani, Indira Road, Igatpuri.
Payee : Mr.Jagdish Jog, Jeevan Marg, Jaipur
Date of bill : 7th December 2011
Date of acceptance : 11th December 2011
Duration : 60 days
Amount : ` 30,000

2. On 1st October 2008 Big Boss Traders purchased Furniture costing ` 75,000 and ` 5,000 were spent on transport. Additions costing ` 20,000 were made on 1st July 2009.

On 30th September 2010, part of furniture costing ` 10,000 on 1st October 2008 was sold for ` 4,000 and on the same day new Furniture was purchased for ` 30,000.

Books were closed on 31st March each year and depreciation was provided at 10% p.a. on the original cost.

Prepare Furniture Account and Depreciation Account for the years 2008-09, 2009-10 and 2010-11.

10

OR

2. (A) Calculate goodwill based on 3 years' purchase of average profits/losses of last 5 years. Profits/Losses of last 5 years were :-

2006-07	` 40,000 Profit
2007-08	` 6,000 Loss
2008-09	` 24,000 Profit
2009-10	` 32,000 Profit
2010-11	` 50,000 Profit

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2. (B) Write a short note on 'History of Computer'.

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3. Manali accepted a bill of ` 60,000 drawn by Pranali payable after 3 months. Pranali discounted it on the same day at 10% p.a. Before maturity, Manali requested Pranali to renew it. Pranali agreed on the condition that ` 10,000 be paid immediately in cash and for the balance including interest at 12% p.a. Manali should accept a new bill payable after 2 months. These arrangements were carried through and Pranali paid necessary amount to the bank. Before maturity of the second bill Manali became insolvent and only 40 paise in a rupee could be recovered from her estate.

Journalise these transactions in the books of Pranali. Also prepare Pranali's Account in the books of Manali. 12

OR

3. Journalise the following transactions in the books of Pradeep :-

1. On 8th August 2011 Sandeep retired his acceptance of ` 4,000 to Pradeep at rebate of 12% p.a. for one month.
2. On 19th August 2011 Jaydeep's acceptance of ` 5,000 to Pradeep which was endorsed to Kuldeep was dishonoured. On the same day Pradeep paid necessary amount to Kuldeep in cash and Jaydeep accepted a new bill drawn by Pradeep payable after three months for the balance including interest at 10% p.a.
3. On 2nd Sept 2011 Pradeep sent Hardeep's acceptance of ` 8,000 to bank for collection. On 5th Sept 2011 bank collected it and credited proceeds to Pradeep's account, bank charges being ` 80.
4. On 5th Oct 2011 Rajdeep's acceptance of ` 15,000 to Pradeep which was retained was dishonoured. Noting Charges were ` 100. 12

4. Shah, Mehta and Gala entered in to joint venture to supply sound system to various Navratri Utsav Mandals in Mumbai and Surat and share profits and losses in proportion to their initial contribution.

For this purpose they opened a joint account with Bank of Baroda depositing there in contributions as follows:-

Shah	` 5,00,000
Mehta	` 3,00,000
Gala	` 2,00,000

Payments made from joint bank account were, Rent for equipments ` 6,00,000 and Travelling and Transport ` 1,00,000

Shah supplied two speakers at rent of ` 20,000 each. Mehta incurred telephone expenses ` 2,000 and Gala paid professional fees of DJs ` 48,000.

Total rent collected for providing sound systems was ` 8,60,000 by cheque and ` 20,000 by way of transfer of the music system owned by one Navratri Mandal to the joint venture.

Music system was taken over by Shah at book value. Joint Venture was closed.

Journalise these transactions in the books of Joint Venture.

12

8E/Page 4

5. Shama did not keep proper record of her business transactions but could provide the following information:-

Particulars	As on 1.4.2010	As on 31.3.2011
Equipments	35,000	35,000
Vehicles	20,000	20,000
Debtors	56,000	72,000
Creditors	34,000	41,000
Stock	43,000	56,000
Cash & Bank	27,000	39,000
10% Loan from Reema	10,000	10,000

Additional Information:-

During the year Shama paid ` 4,000 from business as school fees of her daughter.

She also withdrew ` 24,000 from business for personal use.

On 01.01.2011 additional capital of ` 5,000 was introduced.

Depreciate equipments at 10% and Vehicles at 5%, bad debts to be written off were ` 2,000 and R.D.D. was to be maintained at 5% on debtors.

Interest on loan from Reema was outstanding as on 31.03.2011.

You are required to prepare:-

1. Statement of Affairs as on 1st April 2010
2. Statement of Affairs as on 31st March 2011
3. Statement of Profit/Loss for the year ended on 31st March 2011

10

6. Following is the Receipt and Payment Account of 'Paryavaran Bachao Samiti' for the year ended on 31.3.2011:-

Receipts		Payments	
To Balance b/d:		By Honorarium to clerk	24,000

Cash	9,000	By Rent:	
Bank	10,000	2009-10	4,000
To Membership Fees :		2010-11	55,000
2009-10	1,000	By Electricity Charges	9,600
2010-11	64,000	By Telephone Expenses	6,000
2011-12	3,000	By Postage	3,400
To Interest on Investments	4,500	By Travelling Expenses	18,000
To Donations	40,000	By Printing & Stationery	7,000
To Entrance Fees	6,000	By Expenses for Exhibition	30,000
To Collection for Exhibition	29,500	By Balance c/d :	
To Legacies	50,000	Cash	12,000
		Bank	48,000
	2,17,000		2,17,000

8E/Page 5

P.T.O.

Additional Information:-

- Rent paid for 2010-11 was for 11 months.
- Entrance Fees are to be capitalised.
- 70% of legacies are to be treated income.
- Depreciate Furniture at 10% p.a.
- Travelling Expenses include cost of an air ticket ` 4,000 in respect of proposed Delhi visit of the Chairman of the Samiti to meet the Prime Minister, which is scheduled in the month of April 2011.
- Some of the balances as on 1.4.2010 were :-
Furniture ` 30,000, Investments ` 50,000, Capital Fund ` 96,000.

You are required to prepare Income & Expenditure Account for the year ended on 31st March 2011 and Balance Sheet as on that date. **16**

7. Following is the trial balance of Steve and Apple who shared profits and losses equally:-

Trial Balance as on 31st March 2011

Particulars	Debit `	Particulars	Credit `
Debtors	18,600	Capital: Steve	90,000
Sales Returns	100	Apple	60,000
Purchases	1,56,700	Purchase Returns	700
Opening Stock	16,000	Creditors	12,400
Drawings :		Bills Payable	3,000
Steve	40,000	10% Loan	20,000
Apple	34,000	(w.e.f. 1 st Oct 2010)	
Carriage	8,000	Sales	2,90,100
Office Expenses	9,000	R.D.D.	600
Advertisement	7,300	Discount	3,000

Bills Receivable	12,000		
Salary	25,700		
Machinery	50,000		
Patents	15,000		
Insurance	4,000		
Interest on loan	800		
Cash & Bank	82,600		
Total	4,79,800	Total	4,79,800

8E/Page 6

Adjustments:-

1. Closing Stock was valued at ` 20,000.
2. Write off ` 600 as bad debts & maintain R.D.D. at 5% on debtors.
3. Bills Receivable include dishonoured bill of ` 2,000.
4. Insurance was paid for one year ended on 30th June 2011.
5. Depreciate Machinery at 15% p.a. Write off patents over a period of 10 years starting from the current year.
6. The Sales Manager was to be allowed commission of 10% on Gross Profit.

You are required to prepare Trading and Profit & Loss Account for the year ended on 31st March 2011 and Balance Sheet as on that date. **20**

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