

ROLL NO. _____

T22

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 'direct expenses' ?
2. What is 'Life Membership Fee' ?
3. How is the Profit calculated under Single Entry System?
4. State formula for calculating depreciation under the Fixed Instalment Method.
5. What are 'days of grace'?

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

1. Debit balance of joint venture.
2. A memory that is generally used to hold the program being currently executed in the computer.
3. An asset which is not fictitious but intangible in nature, having sizable value.
4. A statement showing financial position of the business on a particular date.
5. The expenditure which is recurring in nature.

(C) Match the following pairs:- 5

- | ‘A’ | ‘B’ |
|---|--|
| 1. Closing capital is less than opening Capital | a. Partner in joint venture |
| 2. Residual Value | b. Sale proceeds of used asset |
| 3. Dividend | c. Volatile Memory |
| 4. Co-venturer | d. Non-volatile Memory |
| 5. RAM | e. Profit |
| | f. Loss |
| | g. Income from debentures |
| | h. Amount received from private estate of insolvent. |

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

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1. Goodwill = _____ x Number of years purchase as per Average Profit Method.
 - (a) Average Profit
 - (b) Normal Profit
 - (c) Total Profit
 - (d) Super Profit

2. As per Income Tax Act, financial year ends on _____ every year.
 - (a) 31st December
 - (b) 30th June
 - (c) 30th September
 - (d) 31st March

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

4. For a library, expenditure on purchase of books is _____ expenditure.
 - (a) Revenue
 - (b) Capital
 - (c) Recurring
 - (d) General

5. Further capital introduced during the year is _____ closing capital in order to find out the correct profit under single entry system.
 - (a) Added to
 - (b) Divided by
 - (c) Deducted from
 - (d) Multiplied by

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

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1. There is no need to depreciate an asset if it is maintained with care.
2. There are four parties to a bill of exchange.

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

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Drawer : Ms. Manisha More, Maitri Road, Mumbai
Drawee : Ms. Nayna Nagraj, Natraj Road, Nagpur
Payee : Mr. Omprakash Oswal, Om Nagar, Ooty
Date of bill : 24th December 2012
Date of acceptance : 26th December 2012
Duration : 3 Months
Amount : ` 18,000
Accepted for : ` 16,000

2. On 1st July 2009 Gayle & Co. purchased machinery costing ` 59,000 and spent ` 1,000 on installation. Additions costing ` 10,000 were made on 1st April 2010.

On 31st March 2012, machinery costing ` 20,000 on 1st July 2009 was sold for ` 6,000 and on the same day new machinery costing ` 40,000 was purchased.

Books were closed on 31st March each year and depreciation was provided at 20% p.a. on reducing balance method.

Prepare Machinery Account and Depreciation Account for the years 2009-10, 2010-11 and 2011-12.

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OR

2. (A) Calculate goodwill based on 3 years' purchase of super profit from the following information :-

1. Assets ` 4,00,000, Outside Liabilities ` 1,50,000.
2. Normal Rate of Return : 20% of capital employed.
3. Profit in last 5 years: ` 90,000, ` 80,000, ` 95,000, ` 85,000 & ` 1,00,000. **5**

2. (B) Explain various advantages of a computer.

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3. Ashwin purchased goods of ` 40,000 on credit from Ajmal and accepted a bill for the same amount drawn by Ajmal payable after 2 months.

Ajmal endorsed it to Sunil. On maturity bill was dishonoured and noting charges paid by Sunil were ` 100. Ajmal paid necessary amount to Sunil and drew a bill for the amount due including interest of ` 200 on Ashwin which was accepted.

This bill was retired by Ashwin at rebate of ` 150.

Pass journal entries in the books of Ajmal and prepare Ajmal's Account in the books of Ashwin. 12

OR

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

1. On 10th May 2012 Mukherjee's acceptance of ` 7,500 to Bannerjee was renewed by paying cash ` 1,500 and accepting a bill for the balance including interest at 12% p.a. for 3 months.
2. On 25th May 2012 Chatterjee's acceptance of ` 10,000 to Bannerjee was sent to bank for collection. On 30th May 2012 it was collected by bank, charges being ` 100.
3. On 3rd June 2012 Sorabjee's acceptance of ` 4,000 to Bannerjee which was retained was honoured.
4. On 15th June 2012, Anandji's acceptance of ` 2,000 to Bannerjee which was discounted was dishonoured, noting charges ` 50. 12

4. Khan, Kaif and Anushka entered in to joint venture to take up interior work of a shopping mall for total price of ` 1,20,000 with the condition that 10% penalty will be levied for late completion of work which will be adjusted while making payment. Profits and losses were to be shared equally.

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

Khan	` 40,000
Kaif	` 30,000
Anushka	` 30,000

Payments made from joint bank account were, Material ` 38,000, Labour ` 25,000 and Other Expenses ` 10,000.

Kaif paid ` 5,000 for carriage.

Material worth ` 3,000 was destroyed in an accident during transit and insurance claim was received in full by cheque from the insurance company.

Completion of job was delayed by 3 months and penalty was levied. Joint Venture was closed.

Prepare Joint Venture Account, Co-venturer's Accounts and Joint Bank Account in the books of Joint Venture. 12

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

Particulars	As on 1.4.2011	As on 31.3.2012
Machinery	20,000	20,000
Furniture	30,000	30,000
Vehicles	15,000	40,000
Debtors	45,000	59,000
Creditors	16,000	24,000
Stock	25,000	35,000
Loan from Sidhartha	5,000	5,000
Cash and Bank	37,000	43,000

Additional Information:-

Additions to vehicles were made on 1/10/2011.

Depreciate Machinery & Furniture at 10% p.a. and Vehicles at 15% p.a.

Write off bad debts ` 4,000.

Drawings during the year were ` 15,000.

Interest on capital was to be allowed and on drawings was to be charged at 10% p.a.

You are required to prepare:-

1. Statement of Affairs as on 1st April 2011
2. Statement of Affairs as on 31st March 2012
3. Statement of Profit/Loss for the year ended on 31st March 2012 10

6. Following is the Receipt and Payment Account of a social organisation working against the use of Child Labour, for the year ended on 31.3.2012:-

Receipts	`	Payments	`
To Balance b/d:		By Balance b/d	
Cash	2,000	Bank	7,000
To Subscription :		By Outstanding Salary	

2010-11	3,000	(2010-11)	1,500
2011-12	72,000	By Salary	16,000
2012-13	1,000	By Rent	6,000
To Donations	28,000	By Stationery	3,800
To Legacies	10,000	By Telephone Expenses	1,200
To Life Membership Fees	6,000	By Agitation Expenses	2,900
To Collection for agitation	2,400	By Travelling Expenses	1,100
		By Electricity Charges	2,800
		By Balance c/d :	
		Cash	4,000
		Bank	18,100
		8% Fixed Deposit (from 1/1/2012)	60,000
	1,24,400		1,24,400

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P.T.O.

Additional Information:-

1. On 1/4/2011 following were some of the balances in the ledger :-
Furniture ` 30,000, Stock of Stationery ` 600, Capital Fund ` 27,100.
2. Depreciate Furniture at 10% p.a..
3. Outstanding Salary as on 31/3/2012 was ` 2,000.
4. Stock of stationery as on 31/3/2012 was valued at ` 700
5. The organisation had 800 members, each paying annual contribution of ` 100.
6. Legacies were to be capitalised and Life Membership Fees were to be treated income.

You are required to prepare Income & Expenditure Account for the year ended on 31st March 2012 and Balance Sheet as on that date. 16

7. Following is the trial balance of Samar and Meera who shared profits and losses in the ratio 3:2:-

Trial Balance as on 31st March 2012

Particulars	Debit `	Particulars	Credit `
Carriage	6,400	Sales	2,52,000
Returns Inward	2,000	Returns Outward	1,000
Purchases	1,23,000	Capital : Samar	40,000
Insurance	12,000	Meera	23,000
(For one year up to 30/6/12)		Creditors	15,120
Furniture	15,000	Bills Payable	1,000
Office Equipment	10,000	R.D.D.	2,200
Debtors	41,000	Reserve for discount on debtors	300
Opening Stock	15,000	Interest on Investments	1,500
Bills Receivable	4,000		

Discount	320		
Office Electricity	9,000		
Drawings : Samar	24,000		
Meera	18,000		
Office Expenses	24,600		
Octroi	2,600		
Bad Debts	1,200		
Printing & Stationery	8,000		
10% Investments	20,000		
Total	3,36,120	Total	3,36,120

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Adjustments:-

1. Closing Stock was valued at ` 24,000.
2. Write off ` 4,000 as bad debts, maintain R.D.D. at 5% and Reserve for discount on debtors at 1%.
3. Goods worth ` 2,000 were distributed as free samples.
4. Depreciate Furniture at 20% p.a. & Office Equipment at 10% p.a.
5. Bills Receivable included dishonoured bill of ` 3,000.

You are required to prepare Trading and Profit & Loss Account for the year ended on 31st March 2012 and Balance Sheet as on that date. **20**

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