

Time: 2½ Hours]

Instructions:

Give answer of all the questions in one answer book only.

Show working as a part of your answers.

Figures to the right side indicate full marks of the question.

Enter following transactions of Mr. Jayesh Kapdia in his Journal and prepare Cash A/c and Jay A/c. 14

July-2015

- 1 Jayesh started business with cash Rs. 25,000.
- 3 Purchased Goods of Rs. 7,500 at a trade discount of 10% from Jagruti.
- 5 Jagruti paid Rs. 5,000 on account.
- 7 Sold goods of Rs. 4,000 to Jaimini at Rs. 3,500 for cash and opened a bank account with that amount.
- 9 Purchased a computer for Rs. 4,250.
- 12 Sold goods for cash at a trade discount of 10% to Jayshree Rs. 6,000.
- 14 Sold goods of Rs. 2,500 purchased from Jagruti to Jay at a profit of 10%.
- 18 Jay returned the goods of Rs. 550 which we returned to Jagruti.
- 24 Received Rs. 1,500 by crossed cheque from Jay.
- 31 Paid Rs. 750 for rent by cheque.

OR

Write detailed notes on any Two of the following :

- (1) Advantages and Limitations of Accountings. 14
- (2) Dual Aspect of Accounting
- (3) Trade Discount and Cash Discount
- (4) Cash book and Pass book

Enter the following transactions in the purchase book, sales book, return books and journal of Amar. Also prepare Akbar's account. 14

July

- 1 Purchase goods from Akbar for Rs. 14,000 at 10% trade discount.
- 3 Sold goods to Ajay for Rs. 20,000.
- 4 Bought furniture from Soham Furniture Mart for Rs. 10,000.
- 4 Sold goods to Arpan for Rs. 24,000 at 5% Trade Discount.
- 7 Ajay returned the goods worth Rs. 7,000.
- 12 Bought goods worth Rs. 30,000 from Atul at 10% trade discount.
- 15 Returned goods to Akbar 5,000.
- 17 Sold machinery to Aakash Rs. 12,000.
- 20 Returned goods to Atul Rs. 6,000.
- 23 Paid to Akbar the amount due for purchase made on 1st July.
- 27 Received back goods worth Rs. 1,000 from Ajay.

OR

2.

Record the following transactions in the columnar cash book with cash bank and discount columns for Mr. Sheth for the month of March, 2016. 14

March-2016

- 1 Cash on hand 20,000; Bank overdraft 30,000.
- 1 Additional capital brought in the business by selling his personal scooter for Rs. 40,000 and the amount deposited in the bank.
- 5 Cash sales of Rs. 40,000 at 10% trade discount and 2% cash discount.
- 8 Sold goods to Chetan Rs. 20,000 at 10% trade discount and he gave crossed cheque for half the amount.
- 10 Withdrew from the bank Rs. 10,000 for personal expenses.
- 15 Cheque of Chetan was dishonoured and he gave cash against the cheque.
- 20 Received 3% commission on total sales of Rs. 60,000.
- 22 Cash deposited in the bank of Rs. 20,000.
- 25 Received a crossed cheque for Rs. 19,400 from Ram in the full settlement of his account of Rs. 20,000.
- 28 Issued a cheque to Amar for Rs. 15,680 after deducting 2% cash discount.
- 29 Salary paid to Ashwin Rs. 10,000 by cash and rent to landlord by cheque Rs. 16,000.
- 31 Keeping Rs. 2,000 cash on hand, the balance deposited in the bank.

An untrained accountant could not tally his trial balance.

The difference was temporarily placed to suspense account for preparing the final account. Later on, on the detection, the following errors were located:-

- 1 The sales book was under cast by Rs. 260.
- 2 Advertisement expenses Rs. 415, though entered in cash book were omitted to be posted in the ledger.
- 3 Discount column of the receipt side of the cash book was wrongly added Rs. 140 instead of Rs. 130.
- 4 Commissions of Rs. 245 paid was posted twice, once to discount account and once to commissions account.
- 5 A sale of Rs. 139 to Anil though correctly entered in sales book was posted wrongly to his Account Rs. 193.
- 14 6 A purchase from Mr. Shah of Rs. 92 though correctly entered in purchase book was wrongly debited to his personal account.

Pass necessary rectifying entries; prepare suspense account which had a credit balance of Rs. 338. State the effect to each of the rectification's on the profit, what would be the correct profit. Of the profit originally arrived at was Rs. 11,000?

OR

The following are the cash book and the pass book of Shri Viraj Patel. Prepare bank reconciliation statements on 30-6-2016 from them.

14

Cash Book (Bank Column)

Date	Receipts	Rs.	Date	Payments	Rs.
2016			2016		
June-2	To Baldev Prasad	1,800	June-1	By Balance b/d	11,000
June-8	To Vinay	3,100	June-3	By Vadilal	2,400
June-17	To Divyesh	2,400	June-11	By Lalitbhai	1,600
June-21	To Dividend	1,040	June-15	By Jashabhai	3,200
June-23	To Income tax refund	3,000	June-22	By Reserve Bank	
June-25	To Ashok	1,600		(Telephone Bill)	3,200
June-26	To Harish	3,200	June-26	By Insurance	
				Premium	2,200
June-30	To Balance C/d	7,710	June-28	By Dhirubhai	1,350
			June-30	By Kishorkumar	900
					23,850
		22,850			

Pass Book

Date	Particulars	Debit	Credit	Balance
2016				
June-1	To Balance b/d	11,000	-	11,000
June-4	By Baldev Prasad	-	1,800	9,200
June-5	To Vadilal	2,400	-	11,600
June-10	By Vinay	-	3,100	8,500
June-14	To Lalitbhai	1,600	-	10,100
June-18	To Jashabhai	3,200	-	13,300
June-18	By Bipinkumar	-	2,000	11,300
June-20	By Divyesh	-	2,400	8,900
June-24	To Reserve Bank	1,200	-	10,100
June-30	To Harish	-	3,200	6,900
June-30	To Bank Charges	400	-	7,300
June-30	To Balance c/d (Overdraft)	7,300	-	7,300

4. The following is the trial balance of Shri Vishnu as on 31-12-2012. 14
Prepare Final Accounts from the information given as under :

Name of Account	Debit Rs.	Credit Rs.
Printing and Stationery	1,000	-
Opening Stock	60,000	-
Drawings and Capital	20,000	1,78,000 /
Purchases and Sales	1,20,000	2,40,000
Debtors and Creditors	1,10,000	74,000
Plant and Machinery	80,000	=
Building on Lease (From 1-7-2012 for 5 Years)	80,000	-
Repairs	1,000	-
Goods Returned	2,000	1,000
Discount	440	1,200
Interest on Bank Overdraft	160	-
Wages and Octroi	10,400	-
Salesman's Commission	1,200	-
Bad debts and Bad debts reserve	800	3,800
Salary	10,000	-
Insurance, Rates and Taxes	1,600	-
Cash and Bank Balance	1,000	1,600
	4,99,600	4,99,600

Adjustments :

- (1) The Closing Stock is valued at Rs. 40,000 and includes damaged goods worth Rs. 8,000 which is estimate to realise Rs. 4,000.
- (2) Depreciate plant and machinery at 10%.
- (3) Calculate interest on Capital at 6% and interest on drawing Rs. 700.
- (4) Rs. 200 is outstanding for salaries.
- (5) Insurance includes Rs. 100 prepaid and Rs. 200 for life insurance premium.
- (6) Of the debtors Rs. 2,000 is to be written off as bad debts and provision of 5% of debtors is to be made for doubtful debts.
- (7) On 1-7-2012, Vishnu brought his personal machine worth Rs. 2,000 in the business but it has been credited to Vishnu's personal account and has been included in creditors.
- (8) Vishnu has withdrawn goods of Rs. 200 for personal use and goods worth Rs. 1,000 is stolen.
- (9) Goods worth Rs. 2,000 is burnt by fire against which the insurance Company accepted a claim of Rs. 1,600.
- (10) Stock of Stationery on 31-12-2012 is Rs. 200.

OR.

From the following Trial Balance of Shri Vignesh as on 31 December, 2014, prepare a Trading Account and Profit & Loss Account for year ended on 31st December-2014 and a Balance Sheet as on that date :

14

Name of Account	Debit Rs.	Credit Rs.
Capital Account	=	1,60,000
Drawing Account	12,000	=
Plant and Machinery (Balance as on 1st January-14)	40,000	=
Plant & Machinery (Addition on 1st July-14)	10,000	=
Stock 1st Jan. 14	30,000	=
Purchases	1,64,000	=
Returns Inward	4,000	=
Sundry Debtors	41,200	=
Furniture & Fixtures	10,000	=
Freight & Duty	4,000	=
Rent, Rates & Taxes	9,200	=

Printing & Stationery

Trade Expenses

Sundry Creditors

Sales

Return Outward

Postage & Telegraphs

Provision for Doubtful Debts

Discounts

Rent of Premises (Sublet for year

Up to 30th June-15)

Insurance

Salaries & Wages

Cash on hand

Cash at Bank

1,600

800

-

-

-

1,600

-

-

-

1,400

42,600

12,400

41,000

4,26,800

-

-

20,000

2,40,000

2,000

-

800

1,600

2,400

-

-

-

-

4,26,800

Adjustments :

- (1) Stock as on 31st December, 2014 is valued as Rs. 28,000.
- (2) Write off Rs. 1,200 as bad debts.
- (3) The provision for doubtful debts is to be maintained as 5% on Sundry Debtors.
- (4) Create a provision for discount on debtors and discount on creditors at 2%. Provide for depreciation on furniture at 5% and on plant & machinery at 20% per annum.
- (5) Insurance prepaid Rs. 200.
- (6) A fire occurred on 25 December-2014. In the godown and stock of the value of Rs. 10,000 was destroyed. It was fully insured and the Insurance Company admitted the claim in full.

5. Write short notes : (Any Two)

- (1) Importance of Ledger
- (2) Objectives of preparing Reconciliation Statement
- (3) Errors not affecting trial balance.
- (4) Debit Note and Credit Note.