

September 2009

Book-Keeping and Accountancy

Time : 3 Hours

Marks : 100

Q.1 Attempt any FOUR of the following :

[20]

(A) Answer in 'One' sentence each :

(5)

1. What is Balance Sheet?
2. What type of institutions prepare Income and Expenditure account?
3. What is Statement of Affairs?
4. Who is a Payee?
5. What is Joint venture?

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

(5)

1. Amount which is irrecoverable from debtors.
2. An expenditure, which is incurred for carrying the day to day business activities.
3. Realisable amount of the fixed assets at the end of useful life.
4. The money value of reputation of Business.
5. Bank account which is operated by all the Co-ventures.

(C) Match the following pairs :

(5)

Group 'A'	Group 'B'
1. Depreciation	(a) Partners of Joint Venture
2. Super profit	(b) Mouse
3. Noting charges	(c) Normal profit- Average profit
4. Co-venturers	(d) Fixed assets
5. Input Device	(e) Partners of the partnership firm
	(f) Dishonour of bill
	(g) Current assets
	(h) Average profit- Normal profit.

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

(5)

1. Debit balance of Trading account shows _____.
 - (a) Gross profit
 - (b) Net profit
 - (c) Net loss
 - (d) Gross loss.
2. The opening capital is greater than the closing, then the difference is _____.
 - (a) Loss
 - (b) Profit
 - (c) Assets
 - (d) Liabilities.

3. There are _____ parties to a bill of exchange.
 - (a) One
 - (b) Two
 - (c) Three
 - (d) Four
4. Expenses incurred by Co-Venturers are debited to the ----- account.
 - (a) Co-venturer's A/c
 - (b) Joint Venture A/c
 - (c) Joint Bank A/c
 - (d) Cash A/c
5. A set of instructions to computer is -----.
 - (a) Programme
 - (b) Procedure
 - (c) Method
 - (d) Scanning.

(E) State whether True/ False (with reasons) :

1. The Receipts and Payments Account record only cash transactions.
2. A bill can be endorsed only once.

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

1. Drawer : Renuka Hazari, 104, Umang, Ambajogai.
2. Drawee : Vimal Wadikar, Nanded Road, Udgir.
3. Payee : Radhika Desai, Parli Vaijanath.
4. Amount : Rs. 5,500
5. Period : 60 days.
6. Date of bill : 20th November 2007
7. Date of acceptance : 22nd November 2007

Q.2 Renuka Trading Company Ambajogai purchased furniture on 1 st April 2002, for Rs. 50,000. In the same year on 1st October additional furniture was purchased for Rs. 20,000. On 1st October 2003 the furniture purchased on 1st April 2002 was sold for Rs. 30,000 and on the same date, new furniture was purchased for Rs.25,000.

The company charges depreciation at 10% p.a. on Reducing balance method. Prepare Furniture A/c and Depreciation A/c for three years ending on 31.3.03, 31.03.04. and 31.03.05.

(10)

OR

(A) The capital employed of a firm is Rs. 10,00,000. Its Average Profit for last the three years is Rs. 2,00,000 and the normal rate of return in the firm is 15%. Calculate Goodwill at four years purchase of the super profit. (5)

(B) What do you mean by Computer Hardware and Software? Give their uses. (5)

Q.3 Prakash owes Subhash Rs.20,000.Prakash accepted a bill for three months drawn by Subhash for Rs.20,000. Subhash discounted the bill with bank @10% p.a. immediately.

On the due date the bill was dishonoured. Noting charge amounted to Rs. 100 paid by Bank.

Prakash paid half the amount of the bill and the full amount of the noting charges and accepted a fresh bill for the balance including interest Rs. 500.

Pass journal entries in the books of Subhash and show Prakash Account. (12)

OR

Journalise the following transactions in the books of Sharad.

(a) Hemant informed Sharad that Vasant's acceptance for Rs. 5,000 endorsed to Hemant has been dishonoured and noting charges amounted to Rs.50

(b) Pramod renews his acceptance to Sharad for Rs.15,000 by paying Rs. 5,000 in cash and accepting a fresh bill for balance plus interest @10%p.a for three months.

(c) Shishir retired his acceptance to Sharad for Rs. 7,600 by paying Rs. 7,500 in cash.

(d) Sharad sent a bill of Amol for Rs. 10,000 to bank for collection. But bank informed that the bill has been dishonoured by Amol.

Q.4 Krishna of Udgir and Sanjay of Lohara entered into Joint Venture to consign 500 bags of rice to Vijay Traders, Nerul to be sold on their joint risk which in proportion of 3/5 and 2/5 respectively.

Krishna sent 300 bags of rice @ Rs. 1,200 each paying carriage Rs.10,000, insurance Rs. 3,000 and other expenses Rs. 2,000. Sanjay sent 200 bags of rice @ Rs. 1,400 each, paying carriage Rs. 8,000 and other expenses Rs. 2,000.

Sanjay received an advance of Rs.40,000 from Krishna on account of venture. All the bags of rice were sold by Vijay Traders for Rs. 9,00,000 out of which they deducted 2% for expenses and 3% for their commission on total sales.

Vijay Traders remitted Rs. 4,00,000 to Krishna by Bank draft and the balance to Sanjay by one month's bill.

Co-venturers settled their accounts.

Prepare : (i) Joint Venture A/c, (ii) Sanjay A/c and (iii) Vijay Traders A/c in the books of Krishna. (12)

Q.5 Harshada keeps her books on single entry system and following information is disclosed by her. (10)

Particulars	31.3. 2005	31.3.2006
	Rs.	Rs.
Cash at Bank	10,000	15,000
Stock in Trade	8,000	10,000
Debtors	15,000	25,000
Furniture	20,000	20,000
Sundry Creditors	20,000	30,000
Bills Payable	1,000	5,000
Lone from Vimal		3,000
Investment		12,000

Harshada had withdrawn Rs. 2,500 in cash and took goods worth Rs. 500 for her private use from business.

She sold her private car for Rs.10,000 and invested it as additional capital.

Furniture is to be depreciated by 10% and Reserve for Doubtful Debts is to be maintained @ 5% on Debtors.

Prepare Opening and Closing Statement of Affairs and Profit/Loss statement for the year ending 31.03.2006.

- Q.6** Dr. Arjun Patil commenced Medical practice on 1.04.2006. He has prepared the following Receipts and Payments Account for the years 31.03.2007. (16)

Receipts and Payments Account
For the year 31 st March 2007

Dr.		Cr.	
Receipts	Amount Rs.	Payments	Amount Rs.
To Cash introduced (Capital Fund)	30,000	By Furniture	40,000
To Income from Visits	40,000	By Honorarium to Doctor	10,000
To Receipts from Dispensary	80,000	By Equipments	50,000
To Miscellaneous receipts	1,000	By Purchase of Drugs	10,000
To Interest received on Investment	500	By Compounders Salary	12,000
To Receipts from Operation fees	10,000	By Rent of Dispensary	6,000
		By Conveyance charges	2,000
		By Stationary	600
		By Operation Expenses	8,000
		By Lighting	400
		By Journals and Newspapers	800
		By Telephone expenses	500
		By Investments	7,200
		By Balance c/d (Closing balance)	14,000
Total	161,500	Total	161,500

Adjustment :

- (a) Rs. 5,000 were still to be received on account of the visits.
- (b) Compounders salary of Rs. 3,000 and Bill of stationary Rs. 1,000 and Rent of dispensary Rs. 1,000 are outstanding.
- (c) 25% amount of conveyance charges were for private use.
- (d) Stock of Drugs on hand was estimated at Rs. 2,000.
- (e) Furniture and Equipments are to be depreciated at 10%.

Prepare – Income and Expenditure Account for year ended 31 st March 2007 and Balance Sheet as on that date from the above information.

Q.7 Ganga and Godawari are partners sharing profits and losses equally the Trial Balance of their firm on 31 st March, 2007 was as following. (20)

Trial Balance as on 31 st march, 2007

Particulars	Debit balance Rs.	Credit balances Rs.
Stock (1.4..2006)	80,000	
Purchases and Sales	4,00,000	7,68,000
Return Inward	30,000	
Carriage	7,500	
Power and Fuel	40,000	
Wages	35,000	
Trade Expenses	8,000	
Debtors and Creditors	80,000	60,000
Salaries	72,000	
Insurance	6,000	
Postage	3,000	
Commission	8,000	12,000
Plant and Machinery	2,00,000	
Furniture	80,000	
Advertisement	15,000	
Buildings	4,00,000	
Drawings :		
Ganga	8,000	
Godawari	10,000	
Capital :		
Ganga		2,50,000
Godawari		2,50,000
12% Bank loan taken on 1.10.2006		1,50,000
Cash in hand	7,500	
	14,90,000	14,90,000

Adjustment :

- Stock on 31.3.2007 was valued at Cost price Rs. 1,00,000 and Market price Rs.1,20,000
- Depreciate Plant and Machinery and Buildings at 20% and 10% respectively.
- Insurance is paid for one year ending on 30.06.2007.
- Goods withdrawn by Ganga for her personal use of Rs. 10,000 during the year were not recorded in the books.
- Provide Rs. 10,000 as Bad debts and Reserve for Doubtful Debts is to be maintained at 5% on Debtors.

Prepare Trading Account, Profit and Loss Account for the year ending on 31st March 2007 and Balance Sheet as on that date after making the above adjustments.