

FY/AIF
CODE - COPPER

OCT - 2008

INSTRUCTIONS :

- Pin Acctg - I
- 1) Question No. 1 & 2 is compulsory.
 - 2) Solve question nos 3 and 4 after exercising internal option.
 - 3) Maximum marks : 60.
 - 4) Maximum Time : 2 hours.

Q.1 Soujanya keeps records of all machines in one ledger A/c only
 She purchased the following machineries at dates given below.

15

Date of Purchase	Amount of purchase in Rs.
1.4.2006	16,00,000
1.7.2006	9,50,000
1.10.2006	20,00,000
1.04.2007	21,50,000
31.03.2008	25,00,000

The machine purchased on 1st April 2006 caught fire on 1st October 2006. The Scrap value collected was Rs. 1,00,000.
 The machine purchased on 1st July 2006 was sold for Rs. 10 lakhs on 31st March 2008.
 Depreciation is charged under the straight line Method @ 10% per annum
 You are required to prepare machinery A/c in the books of Soujanya for the financial years 2006-07 and 2007-08. Give working notes where required.

Q.2 A) State with reasons whether the item is capital or revenue in nature (2 Marks each)

- 1) Legal expenses incurred in connection with issue of equity shares of the company.
- 2) A Cinema theatre incurred Rs. 2 lakhs on additional exits (doors) to comply with municipal regulations.
- 3) Cash of Rs. 5,00,000 brought in the business by the proprietor.
- 4) Sale of finished goods by a company.
- 5) Loss of fixed Assets in fire and insurance claim received.

B) Pass the following Journal entries in the books of Ms. Reema for the following transactions :-

Date	Particulars of Transactions	
5 th September 2008	Ms. Reema received cheque from Ms. Seema for Rs. 9000 & accepted as full and Final settlement in lieu. of Rs. 10,000 due from Ms. Seema.	2
9 th September 2008	Ms. Reema was to receive Rs. 5,000 from Ms. Tina Ms. Tina turned insolvent; only 20% received from her estate.	2
11 th September 2008	Ms. Reema purchased a small table for office for Rs. 5,000. Payment made by cash	1

Q.3 Vijendra & Co. purchased the plant and Machinery given below on different dates.

15

Date of Purchase	Amount of purchase in Rs.
1 st April 2005	1,25,000
1 st June 2006	50,000

On 1st October 2007, the machinery purchased on 1st April 2005 was sold for Rs.1,00,000.

The Company follows written down value method @ 20% per annum.

You are required to prepare plant and Machinery A/c. in the ledger of Vijendra & Co. for the financial years 2005-06, 2006-07 & 2007-08.

OR

Q.3 Prepare Bank Reconciliation statement in the books of Sudha & Co. as on 31st March 2008

15

- 1) The Company's cash book shows a bank balance of Rs. 2,10,000.
- 2) A post dated cheque Rs. 40,000 issued to Radha & Co. has been debited in the bank column of the cash book, but it has not been presented for payment to bank by Radha & Co.
- 3) A Cheque of Rs. 1,50,000. Given by Dhoni & Co. deposited in the bank has been dishonoured.
- 4) A Cheque of Rs. 5,000. deposited in the bank has not been cleared in RBI cleaning.
- 5) A Cheque of Rs. 13,500. issued to Medha & Co. has not been presented for payment by her to bank.
- 6) Bank paid Rs. 60,000. for insurance premium for Co's. General Insurance policy directly, for which no entry was passed in cash books of Sudha & Co.

Q.4 Ajanta Ltd. has the following ledger balance as on 31st March 2008.

15

Particular	Debit Rs.	Credit Rs.
Good will	1,25,000	—
Factory shed	50,000	—
Machinery	3,25,000	—
Furniture	20,000	—
Investments	25,000	—
Capital	—	4,87,500
Bank loan	—	7,50,000
Creditors	—	3,75,000
Debtors	3,37,500	—
Stock as on 01.04.2007		
- Materials	3,25,000	—
- work-in-progress	18,750	—
- Finished goods.	2,06,250	—
Net sales	—	27,50,000
Miscellaneous Income	—	10,000
Bad debts Reserve	—	12,500
Purchase of materials	21,50,000	—
Freight on materials	1,25,000	—
Factory power	37,500	—
Salaries & wages		
- Factory	3,75,000	—
- Office	1,62,500	—
Repairs & Renewals	6,250	—
Rent & Taxes	41,250	—
Insurance	9,750	—
General Expenses	45,250	—

Additional Information :-

1. Closing stock as on 31.03.2008
Raw materials Rs. 5,25,000
Work-in Progress Rs. 31,250
Finished Goods Rs. 5,18,750
2. Depreciation to be provided @ 2½ on Factory shed, 10% on Machinery and 15% on Furniture.
3. Repairs and rent and taxes are to be apportioned between Factory & office in the ratio of 3 : 2.
4. Reserve for bad and doubtful debts to be provided at 4% on debtors.
5. Insurance Premium Covers a period of one month in advance.
You are required to prepare manufacturing, Trading and Profit & Loss A/c. for year ended 31.03.2008 and Balance Sheet as on 31.03.2008.

OR

Q.4 Answer any **THREE** of the following :- **(5 marks each)**

- 1) Explain Accounting period concept.
 - 2) Explain Convention of Materiality.
 - 3) Explain objectives of Accounting.
 - 4) What is Deferred Revenue Expenditure ? Explain & give examples.
 - 5) Distinguish between capital Expenditure & Revenue Expenditure.
 - 6) What are types of errors which can be committed while preparing Trial balance ?
- *****