

- N.B.:**
1. Q. No.1 and Q.2 are compulsory carrying 15 marks each, further attempt any TWO more questions from Q.3, Q.4 and Q.5.
 2. Q.3 has internal option, carrying 15 marks.
 3. Q.4 and Q.5 carrying 15 marks each.
 4. In all FOUR questions as indicated above are to be attempted.
 5. Simple non-programmable calculator is allowed.

Q.1 From the following Trial Balance of Mr. Baljit, a manufacturer, prepare Manufacturing Account, Trading and Profit and Loss Account for the year ended 31st March, 2011 and Balance sheet as on that date.

Trial Balance As on 31st March, 2011

Particulars	Rs.	Particulars	Rs.
Opening Stock		Sales	24,37,000
Raw Materials	25,400	Capital	4,00,000
Work in Progress	12,900	Creditors	2,00,000
Finished goods	1,09,000	Bills Payable	50,000
Purchase of -		Returns	15,000
Raw Materials	11,12,000	Interest on	5,000
Plant & Machinery	8,00,000	Investment	
Motor Vehicle	3,00,000	Prov. for Bad and	
Investment	1,00,000	Doubtful Debts	3,000
Debtors	3,00,000		
Bills Receivable	1,50,500		
Cash and Bank	4,000		
Wages	39,600		
Power and Fuel	24,250		
Factory Rent	44,000		
Insurance	4,000		
Printing and Stationery	10,700		
Office Rent	32,300		
Bad debts	5,000		
Returns	12,000		
Carriage outwards	24,350		
	31,10,000		31,10,000

Adjustments :-

- 1) Closing stock valued as under -
 Raw material Rs. 45,000
 Work in progress Rs. 25,000
 Finished goods Rs. 1,80,000
- 2) Insurance includes Factory Insurance (¾) and office insurance (¼)
- 3) Depreciate plant and Machinery @ 15% p.a. and Motor Vehicle @ 20% p.a.
- 4) Investment was purchased on 1st April 2010
- 5) Provide for outstanding factory Rent Rs. 6,000

Q.2 A) State whether following statement are TRUE or FALSE

(Reasons are not required)

- 1) From manufacturing Account we can ascertain the profit or loss of organization.
- 2) Excess of Income over Expenditure is called surplus.
- 3) AS-6 Relates to Accounting for Fixed Assets.
- 4) Receipt and payment Account is a summary of Cash book.
- 5) Closing stock is always valued at cost price.
- 6) Trading Account shows the Gross Profit or Gross Loss of Business.
- 7) Goodwill is a Intangible Asset.
- 8) AS-1 Relates to disclosure of Accounting Policies.
- 9) Income and Expenditure Account is a Real Account.
- 10) Extension of building is a capital expenditure.

B) Match the following group items.

Group A

- a) Revenue Receipt
- b) Capital Receipt
- c) Revenue Expenditure
- d) Capital Expenditure

- e) Deferred Revenue Expenditure

Group B

- 1) Heavy Advertising incurred
- 2) Commission received
- 3) Capital introduced
- 4) Carriage paid on Raw Material- Purchased
- 5) Amount spent on construction of buildings.

Q.3 Amarjeet & Co. purchased on 1st April, 2008 machinery costing Rs. 2,40,000 and paid installation charges Rs. 60,000 on same date. It purchased another machinery on 1st October, 2008 costing Rs. 1,60,000 and paid installation charges Rs. 40,000.

On 1st January, 2011 Machinery which was installed on 1st April, 2008 become obsolete and was sold for Rs. 45,500. On the same date ie. 1st January 2011 it purchased another machinery costing Rs. 2,00,000.

Depreciation is being charged @ 20% p.a. on WDV basis Company closes accounts on 31st March every year.

You are required to prepare-

- 1) Machinery Account for 2008-09, 2009-10 & 2010-11.
- 2) Depreciation Account for 2008-09, 2009-10 & 2010-11.

OR

Q.3 Azad & Co. purchased on 1st April, 2008 machinery costing Rs. 3,00,000. It purchased another machinery on 1st October 2008 costing Rs. 2,50,000 and on 1st July, 2009 costing Rs. 1,00,000.

On 1st October 2010, Machinery which was installed on 1st April, 2008 totally damaged due to floods and insurance company admitted claim for Rs. 85,000.

Depreciation to be provided at 20% p.a. on original cost on 31st March every year.

Prepare -

- 1) Machinery Account for 2008-09, 2009-10 & 2010-11.
- 2) Depreciation Account for 2008-09, 2009-10 & 2010-11.

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Q.4 Following is the Receipt and payment Account of M/S Ajay Sports Club for the first year ended 31/3/11

Receipt and Payment Account
For the year ended 31st March, 2011

Receipt	Rs.	Payment	Rs.
To Subscriptions	1,87,000	By Sports Materials	85,000
To Entrance Fees	8,000	By Furniture	14,000
To Life membership Fees	20,300	By Salaries	45,600
To Interest on Investment	1,500	By Investment (Int. @ 10% p.a.)	30,000
To Misc. Receipt	1,300	By Electricity	8,900
		By Rent	10,800
		By Telephone Charges	6,500
		By Stationery	7,250
		By Balance c/d	10,050
	2,18,100		2,18,100

Additional Information -

- 1) 50% of the Entrance fees to be capitalised.
- 2) Subscription outstanding as on 31st March, 2011 is Rs. 6,000.
- 3) Subscription includes Rs. 3,000 for year 2011-12 Advance .
- 4) Unpaid salary as on 31st March, 2011 is Rs. 4,900.
- 5) Closing stock of stationery as on 31st March, 2011 is Rs. 1,250
- 6) Depreciate Sports Materials @ 20% p.a. and Furniture @ 10% p.a.
- 7) Investment was purchased on 1st April, 2010.
- 8) Life membership fees to be capitalized.

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

Q.5 State with reasons which of the following items are Capital, Revenue, or deferred revenue expenditure.

- 1) Purchased computes for installation by Computer dealer.
- 2) Heavy Expenditure incurred on the advertising of a new product.
- 3) Purchased second-hand computers for office use.
- 4) Purchased Raw-Materials for production.
- 5) Custom duty paid on Imported car.

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