

Instructions

Solve all questions

Q 1

5 marks each

(I) Durga purchased a car on hire purchase system on 1-03-2013. The cash price of the truck is Rs. 12,00,000.

Down payment was Rs. 3,00,000

The balance was to be paid in 3 equal annual installment plus interest.

Interest was charged on the outstanding balance @ 10% p. a.

You are required to prepare for 3 years a statement showing calculation of hire purchase installments paid by Durga.

(II) Gaurav received a bill of Rs. 20,00,000 from Saurav for goods sold to him on 1st November 2015 payable on 31st January 2016

Gaurav sent the bill for collection to bank. The bank duly collected the bill on due date.

You are required to pass the Journal entries in the books of both.

(III) Following information is given with respect to certain items of Dashing Sports Club. You are required to show them in the Balancesheet as on 31st March 2015

Particulars	Rs.
Sports Fund as on 1 st April 2014	5,00,000
Sports Fund Investment	10,00,000
Interest on Sports Fund Investment	1,00,000
Donation for Sports Fund	2,00,000
Sports prize awarded	3,00,000
Expenses on Sports Fund	2,50,000
General Fund	20,00,000
General Fund Investment	40,00,000
Interest on General Fund Investment	4,00,000

The following details are provided of Binda Ltd. for the month of January 2016. You are required to find out the value of closing inventory on 31st January by adopting the Weighted Average method.

Date for the month of January 2016	Receipt/ Issues (units)	Rate per unit in Rs.
5.01.2016	Balance 400	200
10.01.2016	Receipt 300	220
18.01.2016	Issue 500	----
27.01.2016	Receipt 600	230
31.01.2016	Issue 400	----

OR

Q 2

15 marks

Kashi keeps all records of Machinery purchased in one ledger account only. The details of purchases are as below

Particulars	Amount in Rs.
1-04-2012	5,00,000
1-07-2012	6,00,000
1-10-2012	4,50,000
1-04-2013	3,00,000
1-10-2014	9,00,000

The Plant and machinery purchased in April 2012 was destroyed in fire on 1st October 2014. The scrap value collected was Rs. 1,80,000. You are required to prepare the Plant and Machinery account in his books for the year ended 31st March 2015. Depreciation to be charged @ 20 % p. a. on 31st March every year by adopting the Written down value method

Q.3 (I)

7 marks

Following information is given for Munna Ltd.

1. Years	Profit after tax Rs.
1.	5,00,000

- | | |
|----|-----------|
| 3. | 7,00,000 |
| 4. | 10,00,000 |
| 5. | 12,00,000 |

2. Average Capital employed Rs.45,00,000.

3. Normal rate of return is 10 %

4. Annuity value of Re. 1 for 5 years @ 10 % is 3.7907.

5. Calculate Goodwill by the following methods:

(i) Superprofit method

(ii) Annuity method

(iii) Capitalization method

(II)

8 marks

Sachin Ltd's Cash book shows the bank balance of Rs.25,00,000 as on 30th January 2016. Following additional information is available :-

1. Sachin Ltd. issued a cheque to Tina for Rs. 22,00,000. But this cheque was not presented for payment by Tina till date .
2. Sachin Ltd. deposited a cheque for Rs.5,00,000 received from Kapil. But cheque not yet cleared by RBI.
3. Yuvraj , a sundry debtor deposited a cash amount of Rs.60,000 in bank account directly.
4. Bank debited insurance premium of Rs. 20,000 directly.

You are required to prepare the Bank Reconciliation Statement

OR

Q.3 Explain the following with reasons whether it is Capital or Revenue 15 marks

1. Replacement of petrol engine of bus with diesel engine.
2. Amount spent on uniform for staff.
3. Legal expenses incurred for issue of equity shares of a company.
4. Loss of current assets in fire and insurance claim received.

Q 4

15 marks

Following Trial Balance and adjustments are given in respect of Mrs. Joshi for the year ended 31st March 2015.

You are required to prepare Profit and Loss Account and Balancesheet for the year ended 31st March 2015 .

Trial balance for the year ended 31st March 2015

Particulars	Debit Rs.	Particulars	Credit Rs.
Mrs. Joshi's Drawings	40,000	Mrs Joshi's Capital	2,25,000
Opening stock	62,500	Purchase return	7,500
Office Salaries	18,250	Sales	2,95,000
Advertising	3,500	Sundry Creditors	27,500
Discount	2,500	Bad debts Reserve	1,000
Bad Debts	2,000	Discount	1,500
Furniture	12,500		
Cash in hand	3,000		
Purchases	1,75,000		
Sales Returns	5,000		
Wages	35,000		
Freight and duty on raw materials	5,000		
Carriage inwards	1,250		
Rent	5,000		
Insurance	3,750		
Plant and Machinery	62,500		
Sundry Debtors	51,500		
Office expenses	1,000		
Postage and telegram	2,000		
Cash at bank	63,750		
Depreciation on Furniture	2,500		
Total	5,57,500		5,57,500

1. Closing stock Rs. 84,270
2. Prepaid Insurance Rs.500
3. Write off bad debts Rs. 1,500 and maintain Reserve for bad debts @ 5% on Sundry Debtors.
4. Goods destroyed by fire Rs. 5,000 and Insurance company accepted full claim.
5. Provide depreciation on Plant and Machinery @10 % p.a.

OR

Q. 4

15 marks

Kamini Ltd. has authorized capital of Rs.45,00,000 divided into 4,50,000 equity shares of Rs. 10 each. The company has brought an Initial Public Offering of 2,00,000 equity shares .

The terms of payment are as follows :

- (i) 1st April 2015 amount on application Rs. 4.
- (ii) 1st July 2015 amount on allotment Rs. 3 .
- (iii) 1st October 2015 amount on first and final call Rs. 3 .

Applications were received for 2,50,000 Shares . On 30th April 2015 excess amount on application was refunded. On 20th July 2015 amount on allotment was received in full. On 20th October 2015 amount on first and final call was received in full.

You are required to pass Journal entries in the books of Kamini Ltd. for all the above transactions.

Q 4 Answer any 3 out of 5

5 marks each

1. Who are the users of Financial Accounting ?
2. What are the Accounting Policies as per AS-1 ? Give examples of different areas in which different Accounting policies are followed.
3. What is IFRS ? Explain in detail.
4. Distinguish between Journal and Ledger.
5. What is Revenue Expenditure ? Explain and give examples.