

Duration: 2 Hours

Instructions:

- :- Start each question on fresh page.
- :- Figures to the right indicate maximum marks
- :- Question 1 is compulsory
- :- Answer any FOUR from Question 2 to Question 6
- :- Start each new question on a fresh page

Q.1. Write a short note on ANY FIVE of the following.

(05\*04= 20 Marks)

- a) Convention of Full Disclosure
- b) Dual Aspect Concept
- c) Fund Flow Statement
- d) Insurance policy method of depreciation
- e) Sinking fund method of depreciation
- f) System of Accounting

Q.2. Enter the following transaction in the Journal of Mr. Mudit & Associates.

(10 Marks)

Particulars	Amount (in Rs.)
January 01: Commenced business with cash	175000
January 01: Purchased building	100000
January 03: Sold goods to Mr. Ramesh	30000
January 05: Goods returned by Mr. Ramesh	5000
January 06: Sold goods for cash	10000
January 12: Cash received from Mr. Ramesh in full settlement of his accounts.	24500
January 14: Goods purchased from Mr. Sudhir	27000
January 18: Cartage paid	1000
January 22: Goods use for household	2000
January 25: Cash paid to Mr. Sudhir	26700

Q.3. Prepare ledger accounts with the information provided below.

Date	Particular	L.F	Debit (Amt in Rs)	Credit (Amt in Rs)
1 <sup>st</sup> April	Cash A/c----- Dr.  Bank A/c ----- Dr.  To Capital A/c  (Being business commenced with cash and bank)		150000  485000	635000
9 <sup>th</sup> April	Purchase A/c----- Dr.  To Cash A/c  To SG Suppliers A/c  (Being goods purchased on cash and credit basis)		250000	62500 187500
15 <sup>th</sup> April	Equipment A/c -----Dr.  To Bank A/c  (Being equipment purchased by cheque)		120000	120000
20 <sup>th</sup> April	Cash A/c-----Dr.  SK Traders A/c-----Dr  To Sales A/c  (Being goods sold for cash and on credit basis)		115000 300000	415000
25 <sup>th</sup> April	Investment A/c---Dr.  To Bank A/c  (Being equity shares purchased of City Bank Ltd)		50000	50000

Q.4. From the following information given below prepare Income Statement as on 31<sup>st</sup> March 2021 of Nirmal Ltd. As per schedule III of Companies Act 2013. (10Marks)

Particulars	Amount (in Rs.)	Particulars	Amount (in Rs.)
Depreciation on Premises	16000	Sales	2480000
Materials Consumed	1600000	Equity Share	1600000
Opening Stock	80000	Outstanding Wages	12000
Salaries	228000		
Bad Debts	7600		
Bonus to employees	40000		
Interest on Loan	32000		



Depreciation on Machinery	36000		
Conveyance	8000		
Loss on Sale of Machinery	40000		
Insurance	32400		
Sales Return	80000		
Provision for Tax	120000		
Machinery	1200000		
P.F Contribution	172000		
Premises	320000		
Computer	80000		
	<b>4092000</b>		<b>4092000</b>

Q.5 "Accounting vouchers are useful for upholding a higher level of control over the payment process" Elaborate. (10 Marks)

Q.6. M/s Dalmia Textile Mills purchased machinery on April 01, 2017 for Rs. 200000 on cash from M/s Ahuja and sons spent Rs. 10000 on installation. Deprecation is provided at 10% p.a. on written down value method of depreciation. Prepare machinery account for first four years. Books are closed on March 31<sup>st</sup> every year. (10 Marks)

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