

**FUNDAMENTALS OF ACCOUNTING****Duration: 3 Hours****Max. Marks: 60****Instructions:**

- Figures to the right indicate maximum marks.
- Start each question on a fresh page
- Question One is compulsory
- Answer any Four from question 2 to question 7

**Q.1a)** 'Concepts are basic assumptions and conditions which form the basis for accountancy'.  
Comment. (06)

**Q.1b)** Explain the various reasons for disagreement between cashbook and passbook. (06)

**Q.2)** Journalize the following transactions: (12)

DATE	TRANSACTIONS	Rs.
1/12/2016	Sushil & Co. started business with cash	1,00,000
15/12/2016	Paid into Bank	60,000
15/12/2016	Purchased Machinery and paid by cheque	30,000
20/12/2016	Bought goods from Naresh	20,000
20/12/2016	Paid salaries	5,000
21/12/2016	Paid Naresh by cheque in full settlement of his A/c	19,750
22/12/2016	Withdrawn cash for personal use	8,000
23/12/2016	Cash Sales for the month	16,500
26/12/2016	Bought Goods for cash	25,000
28/12/2016	Bought Office Furniture	40,000
29/12/2016	Purchased goods from Maya Co. at a trade discount of 10%	30,000
31/12/2016	Depreciate Furniture	3,000

Q.3) You are required to prepare Trading a/c, Profit and Loss a/c and Balance Sheet from the following trial balance of Hindustan Aeronautics Ltd as on 31<sup>st</sup> December 2016: (12)

PARTICULARS	Rs.	PARTICULARS	Rs.
Furniture	20,000	Capital	1,00,000
Purchase	1,50,000	Interest	4,000
Sundry Debtors	2,00,000	Sales	3,21,000
Salaries	30,000	Purchase return	5,000
Wages	20,000	Sundry Creditors	1,22,000
Rent	15,000	Bad debt provision	6,000
Sales Return	10,000		
Bad debt written off	7,000		
Drawings	24,000		
Printing & Stationery	8,000		
Insurance	12,000		
Opening stock	50,000		
Office Expenses	12,000		
	5,58,000		5,58,000

**Additional Information:**

1. Depreciate furniture by 10% on original cost.
2. Provision for Doubtful Debt is 5% of debtors.
3. Salaries for the month of December amounting to Rs.3,000 were unpaid and Rs.2,000 were paid in advance.
4. Insurance is prepaid to the extent of Rs.2,000.
5. Provide for outstanding office expenses of Rs.8,000.
6. A stock of Rs.6,000 used for personal use.
7. Closing Stock valued at Rs.60,000.

Q.4) You are required to prepare in vertical form profit and loss a/c and balance sheet from the following trial balance of Soltex Petroproducts Ltd. for the year ended 31<sup>st</sup> March, 2015: (12)

PARTICULARS	Rs	PARTICULARS	Rs
Stock	6,80,000	Equity share capital(shares of Rs.10 each)	25,00,000
Furniture	2,00,000	11% Debentures	5,00,000
Discount	40,000	Bank Loan	6,45,000
Loan to directors	80,000	Bills payable	1,25,000
Advertisement	20,000	Creditors	1,56,000
Bad debt	35,000	Sales	42,68,000
Commission	1,20,000	Rent received	46,000
Purchases	23,19,000	Transfer fees received	10,000
Plant and machinery	8,60,000	Profit & loss account	1,39,000
Rentals	25,000	Provision: Machinery	1,46,000



Current account	45,000		
Cash	8,000		
Interest on bank loan	1,16,000		
Preliminary expenses	10,000		
Fixtures	3,00,000		
Wages	9,00,000		
Consumables	84,000		
Freehold land	15,46,000		
Tools & Equipment	2,45,000		
Goodwill	2,65,000		
Debtors	2,87,000		
Bills receivable	1,53,000		
Dealer aids	21,000		
Transit insurance	30,000		
Trade expenses	72,000		
Distribution freight	54,000		
Debenture interest	20,000		
	<b>85,35,000</b>		<b>85,35,000</b>

Additional information: Closing stock as on 31.03.15 is Rs. 8,23,000

Q.5) From the following transactions of Foster Wheeler Ltd., write up his Cash Book as on 31<sup>st</sup> January 2016: (12)

DATE	TRANSACTION
Jan. 1	Sitaram commences his business with cash Rs. 30,000
Jan 2	He pays into bank current account Rs. 20,000
Jan. 3	He receive cheque from kulwant Rai on account Rs. 1,000
Jan. 7	He pays kulwant rai's cheque into bank Rs. 1,000
Jan. 10	He pays Radha Sharan by Cheque Rs. 1980 and receive discount of Rs. 20
Jan. 11	He receive cheque from Wasim Rs. 970 and allow him discount of Rs. 30
Jan. 15	He makes sales for cash Rs. 2,000
Jan. 17	Cash deposited into bank Rs. 3,000
Jan. 19	He purchased a motor car by cycle of Rs. 6,500
Jan. 20	He purchased goods by chequeRs. 1,500
Jan. 22	He pays jajoo traders in cash Rs. 2,000 and receives discount of Rs. 100
Jan. 29	He withdraws from bank for office use Rs. 500
Jan. 30	He purchases furniture by cheque Rs. 1200

Q.6a) Explain the internal users of accounting information.

(06)

Q.6b) Enter the following transactions in the Sales Day Book of Questar Merchant Ltd: (06)

February 2016:

- a. 1<sup>st</sup> Feb: Sold Nutrela oil to Bandar Stores, 200 litre @ Rs.200 per liter, less trade discount 7%.
- b. 3<sup>rd</sup> Feb: Sold Sweekar Oil to Borkar Stores, 500 liters @ Rs.250 per liter, less trade discount 5%, packing charges Rs.3,000.
- c. 4<sup>th</sup> Feb: Sold Nutrela Oil to Malakar Stores, 200 liters @ Rs.200 per liter, less trade discount 5%, other charges made of Rs.2,500.
- d. 5<sup>th</sup> Feb: Sold Vimal Oil to Bardez Stores 300 liters @ Rs.200 per liter on cash basis.
- e. 7<sup>th</sup> Feb: Sold Vimal oil to Borkar Stores, 300 liters @ Rs.200 per liter less trade discount of 10%.
- f. 7<sup>th</sup> Feb: Sold Mahakosh oil to Bandar Stores, 300 litre @ Rs.250 per litre.
- g. 28<sup>th</sup> Feb: Sold goods to Raju Stores, 100 litre @ Rs.100 per liter on cash basis.
- h. 28<sup>th</sup> Feb: Purchased ground nuts from Ravi, 1000 kg @ Rs.50 per kg.
- i. 28<sup>th</sup> Feb: Sold Mahakosh oil to Malakar Stores, 300 litre @ Rs.250 per litre

Q.7) Prepare the Ledger Accounts and the Trial Balance on the basis of following transactions in the books of Hill Textile Ltd. as on 31st March 2016 : (12)

- 1<sup>st</sup> March. Started business with a capital of Rs.2,00,000.
- 2<sup>nd</sup> March. Purchased goods from Victoria Mills Ltd on credit Rs.40,000.
- 3<sup>rd</sup> March. He paid cash to Victoria Mills Ltd Rs.20,000.
- 14<sup>th</sup> March. He sold goods to Ruby Mills Ltd. Rs.40,000.
- 15<sup>th</sup> March. He received cash from Ruby Mills Ltd Rs.60,000.
- 16<sup>th</sup> March. He further purchased goods from Victoria Mills Ltd Rs.40,000.
- 17<sup>th</sup> March. He paid cash to Victoria Mills Ltd Rs.20,000.
- 28<sup>th</sup> March. He further sold goods to Ruby Mills Ltd Rs.40,000.
- 30<sup>th</sup> March. He received cash from Ruby Mills Ltd Rs.20,000.

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