

FUNDAMENTALS OF ACCOUNTING

Duration: 2 Hours

Max.Marks: 60

Instructions:

- *Figures to the right indicate maximum marks*
- *Answer any FIVE questions from the following*
- *Start each new question on a fresh page*

Q.1a) 'Concepts are those basic assumptions and conditions which form the basis upon which the accountancy has been laid'-Comment. (06)

Q.1b) Discuss the importance of Bank Reconciliation Statement. (06)

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

DATE	TRANSACTIONS
1/12/2014	Mr. Amar started business with cash Rs.40,000
15/12/2014	Purchased goods for cash Rs.15,000
20/12/2014	Sold goods for cash Rs.6,000
21/12/2014	Purchased furniture and paid by cheque Rs. 5,000
22/12/2014	Sold goods to Arvind & Co. Rs.4,000
23/12/2014	Purchased goods from Amrit Rs.10,000
26/12/2014	He returned goods to Amrit Rs.5,000
28/12/2014	Received cash from Arvind & Co.Rs.3,900 in full settlement of his account.
29/12/2014	Withdrew goods from business for personal use Rs.1,000
31/12/2014	Provide depreciation on furniture Rs.500
31/12/2014	Cash paid to Amrit in full settlement Rs.4,900.
31/12/2014	Goods distributed by way of free sample Rs.1,000.

Q.3) You are required to prepare Trading a/c, Profit and Loss a/c and Balance Sheet from the following trial balance of Shri Bajaj as on 31st December 2013: (12)

PARTICULARS	Rs.	PARTICULARS	Rs
Stock (1-1-2013)	46,800	Capital	76,690
Return Inward	8,600	Sales	3,89,600
Purchase	3,21,700	Return Outward	5,800
Carriage Inward	19,600	Sundry Creditors	14,800
Rent & Taxes	4,700	Bank Loan @ 14% p.a.	20,000
Salaries & Wages	9,300	Discount Earned	4,440
Sundry Debtors	24,000		
Bank Interest	1,100		
Cash Balance	380		
Bank Balance	8,000		
Printing & Stationery	14,400		
Discount Allowed	1,800		
Furniture & Fittings	5,000		
General Expenses	11,450		
Insurance	1,300		
Postage & Telegram	2,330		
Travelling Expenses	870		
Drawings	30,000		
	5,11,330		5,11,330

Additional Information:

1. Included amongst the debtors is Rs. 1,000 due from Ram and included amongst the creditors Rs.1,000 due to him.
2. Provision for bad and doubtful debts be created @ 5% and for discount @ 2% on sundry debtors.
3. Depreciate furniture & fittings shall be written off @ 10%
4. Personal purchase of Shri Bajaj amounting to Rs. 600 had been recorded in purchase day book.
5. Interest bank loan is due of Rs.1,700.
6. A quarter of the amount of printing and stationery expenses is to be carried forward to next year.
7. Credit purchase invoice amounting to Rs. 400 had been omitted to be recorded.
8. Stock on 31st December was Rs. 78,600.

Q.4) You are required to prepare in vertical form Profit and Loss a/c and Balance Sheet from the following trial balance of Murthi Company Ltd. for the year ended 31st March, 2013:

(12)

Particulars	Rs.	Particulars	Rs.
Opening stock	68,000	Equity Share Capital(Share @ Rs.10 each)	2,50,000
Furniture	50,000	11% Debenture	50,000
Discount	4,000	Bank Loan	64,500
Loan to directors	8,000	Bills Payable	12,500
Advertisement	2,000	Creditors	15,600
Bad debt	3,500	Sales	4,26,800
Commission	12,000	Rent Received	4,600
Purchases	2,31,900	Transfer Fees	1,000
Plant & Machinery	86,000	Profit & Loss appropriation a/c	13,900
Rentals	2,500	Provision for depreciation on Plant & Machinery	14,600
Current a/c	4,500		
Cash	800		
Interest on bank loan	11,600		
Preliminary expenses	1,000		
Wages	90,000		
Consumables	8,400		
Freehold land	1,54,600		
Tools & Equipment	24,500		
Goodwill	26,500		
Debtors	28,700		
Bills receivables	15,300		
Dealers Aid	2,100		
Transit Insurance	3,000		
Trade Expenses	7,200		
Distribution Freight	5,400		
Debenture Interest	2,000		
	8,53,500		8,53,500

Additional Information:

1. Closing stock is valued Rs.82,300.
2. Depreciation to be provided on Furniture & fixtures @ 5%, Freehold land @ 2% and Tools & equipments @ 5%.

Q.5) From the following transactions of M/s Choudhary, write up his Cash Book as on May 2015:

31st
(12)

DATE	PARTICULARS	Rs.
1 st May	Balance at Bank	1,50,000
2 nd May	Drew from bank for office use	50,000
3 rd May	Bought office furniture for cash	32,000
8 th May	Paid wages in cash	15,000
14 th May	Drew from bank for office use	25,000
16 th May	Sold goods for cash	22,000
19 th May	Received a cheque from Batliwala & Co in settlement of their account of Rs.75,000 less 5 per cent	
23 rd May	Bought goods for cash	45,000
25 th May	Drew cheque for self	40,000
31 st May	Paid Agarwal's account Rs. 40,000 by cheque less 2.5 per cent.	

Q.6a) Write down the steps in excel sheet assuming that the Loan amount Rs.25,00,000, Interest 10%, Repayment in 20 years. (06)

Q.6b) Enter the following transactions in the Purchase Day Book of M/s Chetan Cloth Merchant: (06)

January 2014:

- Jan 2: Bought of G Saha and Co. 60 yards of longcloth @ Rs. 140 per yard.
- Jan 8: Purchased from B Chandra & Co. piece goods for Rs.20,000.
- Jan 16: Purchased from A Basu & Co. 100 yards of shirting @ Rs.300 per yard trade discount @ 2%.
- Jan 28: Bought of SK Sarkar and Sons, 200 yards of terycot at Rs.1,200 per yard less 2.5% trade discount.
- Jan 31: Bought of G Gosh and Co. 10 yards of longcloth @ Rs. 140 per yard for cash.
- Jan 31: Bought of Roy and Co. furniture of Rs.50,000.

Q.7) Prepare the Ledger Accounts and the Trial Balance on the basis of following transactions in the books of Reena & Co. as on 31st March 2014 : (12)

1. Ram started business with a capital of Rs.10,000.
2. He purchased goods from Mohan on credit Rs.2,000.
3. He paid cash to Mohan Rs.1,000.
4. He sold goods to Suresh Rs.2,000.
5. He received cash from Suresh Rs.3,000.
6. He further purchased goods from Mohan Rs.2,000.
7. He paid cash to Mohan Rs.1,000.
8. He further sold goods to Suresh Rs.2,000.
9. He received cash from Suresh Rs.1,000.
