

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) Explain the various Concepts and Convention applicable for business organization. **(06)**

Q.1b) Distinguish between Cash Accounting System and Accrual Accounting System. **(06)**

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

DATE	TRANSACTIONS	Rs.
1/12/2017	Sushil & Co. started business with cash	200000
12/12/2017	Paid into Bank	50000
12/12/2017	Cash Purchase	70000
15/12/2017	Purchased Machinery cash	20000
19/12/2017	Bought Office Furniture	40000
20/12/2017	Bought goods from Naresh	20000
21/12/2017	Paid Naresh by cheque in full settlement of his A/c	19750
22/12/2017	Withdrawn cash for personal use	8000
23/12/2017	Cash Sales	80000
26/12/2017	Bought Goods for cash	25000
29/12/2017	Purchased goods from Raj Motors	30000
29/12/2017	Paid salaries	20000

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 31st December 2016: **(12)**

PARTICULARS	Rs.	PARTICULARS	Rs.
Furniture	20000	Capital	100000
Purchase	150000	Interest	4000
Sundry Debtors	200000	Sales	321000
Salaries	30000	Purchase return	5000
Wages	20000	Sundry Creditors	122000
Rent	15000	Bad debt provision	6000
Sales Return	10000		
Bad debt written off	7000		
Drawings	24000		
Printing & Stationery	8000		
Insurance	12000		
Opening stock	50000		
Office Expenses	12000		
	558000		558000

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.3000 were unpaid and Rs.2000 were paid in advance.
4. Insurance is prepaid to the extent of Rs.2000.
5. Provide for outstanding office expenses of Rs.8000.
6. A stock of Rs.6000 used for personal use.
7. Closing Stock valued at Rs.60000.

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 31st March, 2016: (12)

Particulars	Amount (Rs.)
Equity Share Capital	300000
10% Preference Capital	100000
General Reserves	60000
12% Debenture	400000
Buildings	600000
Intangible Asset	400000
Bank Overdraft	490200
Inventories	336000
Bills payable	135700
Interest Payable	135700
S. Creditors	135700
Bills Receivables	170620
Cash Balance	293660
Long Term Bank loan	42980
Sales	1900000
Finance Cost	100000
Other Income	100000
Other Expenses	740000
Depreciation	600000

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

DATE	PARTICULARS
1/11/2017	Opening Cash balance Rs. 2000; Bank balance Rs. 40000.
4/11/2017	Cash sales Rs. 3700; Credit sales Rs. 1800 would be received at near future.
6/11/2017	Paid Reliance Bros. by cash Rs. 500; Received cash by debtors Rs. 1800.
19/11/2017	Drew from Bank for office use Rs. 160; Personal withdrawal of cash Rs. 1000.
20/11/2017	Received a cheque from Mohan Rs. 2700 and deposited into the bank.
21/11/2017	Received by cheque from Munir Rs. 1360; Discount Rs. 140 .
25/11/2017	Cash sales Rs. 2100; Paid wages by bank Rs. 1500
28/11/2017	Deposited Munir's cheque into bank.
29/11/2017	Payment by cheque to Anand for Rs. 175; Discount received Rs. 25.
30/11/2017	Cash sales Rs.80000
30/11/2017	Printing expenses incurred Rs.10000
30/11/2017	Paid salary by cash Rs.20000

Q.6a) What do you mean by Bank Reconciliation Statement? Explain its need. (06)

Q.6b) Enter the following transactions in the Sales Day Book of R.P Ltd in 2017 : (06)

DATE	PARTICULARS
1 st Feb	Sold Nutrela oil to R.K. Superstore, 2000 litre @ Rs.150 per liter, less trade discount 5%.
3 rd Feb	Sold Sweekar Oil to Lakshmi Traders Super Store, 5000 liters @ Rs.200 per liter, less trade discount 2%, packing charges Rs.1,000
4 th Feb	Sold Nutrela Oil to Malakar Stores, 2000 liters @ Rs.250 per liter, less trade discount 5%, other charges made of Rs.2000
5 th Feb	Sold Vimal Oil to Bardez Stores 3000 liters @ Rs.250 per liter on cash basis
7 th Feb	Sold Vimal oil to Borkar Stores, 3000 liters @ Rs.150 per liter less trade discount of 5%.
7 th Feb	Sold Mahakosh oil to Bandar Stores, 3000 litre @ Rs.200 per litre
28 th Feb	Sold goods to Rohan's SuperStore, 1000 litre @ Rs.100 per litre on cash basis
28 th Feb	Purchased ground nut oil from Ravi, 1000 kg @ Rs.50 per kg
28 th Feb	Sold Mahakosh oil to AJ Supermarket, 3000 litre @ Rs.200 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 2017: (12)

DATE	PARTICULARS
1 st March	Bought additional capital Rs.2000000
2nd March	Purchased goods from Tata group on credit Rs.400000
3rd March	Paid cash to Tata group Rs.200000
14th March	Sold goods to Infosys. Rs.400000.
15th March	Received cash from Infosys Rs.600000.
16th March	Further purchased goods from Tata group Rs.400000.
17th March	Paid cash to Tata group Rs.200000
28th March	Further sold goods to Infosys Rs.400000.
30th March	Received cash from Infosys Rs.200000
