**Sample Question Paper**  
  
1. What is Double Entry Book Keeping System?  
  
2. What is the purpose of preparation of Final Accounts?  
  
3. Journalise the following transaction :  
(a) Depreciation on machinery Rs. 5,000.  
(b) Salary paid to employees Rs. 6,000.  
  
4. Find net profit ratio from the following :  
Gross profit : Rs.1,50,000  
Salaries paid : Rs.10,000  
Tax paid : Rs. 10,000  
Dividend paid : Rs. 20,000  
Depreciation : Rs. 10,000  
Sales for the year : Rs. 2,00,000  
  
5. From the following balance sheets, prepare a schedule of changes in working capital.  
  
Balance Sheets  
  
Liabilities 2007 2008 Assets 2007 2008  
Rs. Rs. Rs. Rs.  
Share capital 1,00,000 1,50,000 Fixed Assets 75,000 1,50,000  
Reserves & Surplus 50,000 60,000 Stock 25,000 40,000  
Current Liabilities 20,000 40,000 Debtors 50,000 50,000  
Other liabilities 10,000 5,000 Cash in hand 10,000 10,000  
- - Cash at bank 20,000 5,000  
Total 1,80,000 2,55,000 Total 1,80,000 2,55,000  
  
6. What is Budget? Explain the types of budget.  
  
7. Write short notes on :  
(a) Error of Principle.  
(b) Error of Omission.  
(c) Error of Commission.  
  
8. The summarized balance sheets of ABC Limited as on 31.12.2007 and 31.12.2008 are given below :  
  
Balance Sheets (Rs. in thousands)  
  
Liabilities 2007 2008 Assets 2007 2008  
Rs. Rs. Rs. Rs.  
Share capital 400 400 Fixed Assets 400 320  
Reserves 300 310 Investment 100 80  
P & L a/c 60 66 Stock 300 200  
  
  
  
Creditors 100 66 Debtors 100 400  
Provision for taxation 75 10 Investment 100 80  
Bank Loan 148 Bank 35  
Total 935 1,000 Total 935 1,000  
  
Additional Information :  
(a) Provision for tax made during the year was Rs. 9,000 p.a.  
(b) Dividend paid during the year was Rs. 4,000 p.a.  
Prepare Funds Flow Statement.  
  
9. From the following particulars, find  
(a) P/V Ratio.  
(b) BEP Sales (in rupees).  
(c) Margin of Safety.  
Rs.  
Sales 1,00,000  
(—) Variable cost 60,000  
Contribution 40,000  
(—) Fixed cost 20,000  
Profit 20,000  
  
10. From the data given below compute the value of current asset, current liability and liquid ratio.  
Working capital – Rs. 60,000.  
Working capital ratio = 3.5.  
Current ratio = 4.5.  
Stock – Rs. 10,000.  
  
11. Prepare trading account of Archana for the year ending 31.12.96 from the following information :  
Opening stock : Rs. 80,000  
Purchases : Rs. 8,60,000  
Freight inward : Rs. 52,000  
Wages : Rs. 24,000  
Credit sales : Rs. 14,40,000  
Purchase returns : Rs.10,000  
Sales returns : Rs. 3,16,000  
Closing stock : Rs. 1,00,000  
  
Adjustments :  
(a) Outstanding wages Rs. 1,000.  
(b) Unrecorded cash sales amounted to Rs. 6,000.  
  
12. Compute working capital turnover ratio :  
Current Assets : Rs.  
Stock 60,000  
Debtors 40,000  
B/R 1,00,000  
Cash in hand 40,000  
Cash at bank 20,000  
Interest accrued 10,000  
Prepaid insurance 30,000  
Current Liabilities : Rs.  
B/P 40,000  
Outstanding expenses 20,000  
Creditors 40,000  
Sales for the year 4,00,000  
Sales return 40,000