**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