

Accounts Questions Paper

Q. 1. What is meant by capital receipts? [1]

Q. 2. Which source document is used for recording entries in Sales Book? [1]

Q.3. A sold goods to B for no,000 on January 15, 2013, and drew a bill payable after 2 months. B accepted it and returned to A. On the due date, A sent someone to realize the payment but B refused to honor the bill. Identify the value missing in the above case. [VB] [1]

Q. 4. Pass entries for the following: [3]

(a) Out of Insurance premium paid this year. t 1,500 related to next year.

(b) Goods costing ₹ 20,000 sold to Manoj at a profit of 20% on cost less 10% trade discount.

(c) Goods worth ₹ 2,500 and cash ₹ 500 were given away as charity.

Q.5. Distinguish between cash basis and accrual basis of accounting.
[3]

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Q.6. What is a contra entry? How can you deal with this entry while preparing the triple column cash book? [3]

Q.7. Following Trial Balance has been prepared wrongly. You are required to prepare a correct trial Balance. [4]

Name of Account	Balance Dr. (₹)	Balance Cr. (₹)
Bank overdraft	2,800	—
Cash in hand	—	400
Purchase Return	800	—
Sundry Expenditures	—	2,400
Sales Return	—	1,600
Salaries	1,600	—
Purchase	5,600	—
Sales	—	8,800
Creditors	—	2,400
Debtors	—	1,600
Opening Stock	—	2,000
Plant and Machine	4,000	—
Capital	4,400	—

Q. 8. (a) Describe various branches of accounting.

(b) The management of ABC Ltd. changed the depreciation method for the last three years. Which principle is not followed? [VB] [4]

Q. 9. On 1st May, A drew and B accepted a bill at three months for ₹ 2,000. On 4th May, A discounted the bill @ 6 percent per annum and

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remitted half the proceeds to B. On 1st June, B drew and A accepted a bill at three months for ₹ 500. On 4th June, B discounted the bill @6% per annum and remitted half the proceeds to A. A and B agreed to share the discount equally. At maturity, A met his acceptance but B failed to meet his, and A had to pay for it. A then drew and B accepted a new bill at three months for the amount of the original bill plus ₹ 30 for interest. On

1st November, B became insolvent and paid to his creditors @ 50 paise in the rupee. Write up

the entries in A's Journal. [4]

Q. 10. Briefly explain the limitations of Accounting. [6]

Q. 11. Bajaj Ltd. which depreciates its machines @ 10% p.a. on the written down value method, provides you the following information:

[6] Machinery A/c as on 1.1.2010 ₹ 5,00,000 Provision for

Depreciation A/c as on 1.1.2010 ₹ 1,35,000

No depreciation is charged in the year of sale of machinery but a full charge is being made for ₹ the years during which the machinery is purchased.

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On 1.7.2011, new machinery was purchased for ₹ 80,000 and old machinery purchased on 1.7.2008 for ₹ 60,000 was discarded but could not be sold immediately. However, it was expected to realize ₹ 10,000. Prepare (i) Machinery Account, (ii) Provision for Depreciation Account, and (iii) Machinery Disposal Account for the years 2010 and 2011.

Q. 12. Rectify the following entries: [6]

(i) Purchase of building was passed through purchase book amounting to ₹ 80,000.

(ii) Wages paid for the construction of the building was debited to wages account with ₹ 20,000.

(iii) Expenses of erecting of a shed amounting to ₹ 3,000 were debited to trade expenses account.

(iv) Wages paid for an extension of building was debited to wages account amounting to ₹ 7,000.

(v) Repair to a second-hand car purchased was debited to repairs account with ₹ 18,000.

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(vi) Material purchased for construction of the building was debited to purchase account amounting to ₹ 28,000.

Q.13. Jagdeep Singh's Cashbook on 31st March 2012 showed an overdraft balance of ₹ 12,100 on his No. 1 Account at the bank. On investigation, it is found that:

(a) Cheque drawn amounting to ₹ 4,200 had not been presented to the bank for payment.

(b) Cheque ₹ 3,600 entered in the Cash Book and paid into the bank had not been credited by the bank.

(c) The receipts side of the Cash Book had been undercast by ₹ 1,000.

(d) Bank charges of ₹ 50 entered on the bank statement had not been entered in the Cash Book.

(e) A cheque for ₹ 5,200 drawn on the Account No.1 had been charged by the bank in error to the Account No.2.

(f) A dividend of ₹ 300 paid directly to the bank had not been entered in the Cash Book.

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(g) A cheque for ₹ 700 received from a debtor paid into the bank dishonored and shown as such by the Bank but no entry of dishonor had been made in the Cash Book.

(h) A cheque of ₹ 420, drawn by Bank's another customer of the same name, had been charged to Jagdeep's bank account by error.

You are required:

(i) To show the necessary adjustments to be made in the Cash Book;
and

(ii) To prepare a Bank Reconciliation Statement for No.1 Account as at 31st March 2012. [HOTS] [8]

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Or

Enter the following transactions in the triple columns Cash Book:		[8]
2011		₹
Jan. 1	Cash in Hand	4,000
	Cash at Bank	12,000
Jan. 4	Sold goods for cash	13,200
Jan. 5	Received from Suresh	2,500
Jan. 6	Received a Cheque from Ravi and deposited it into Bank.	6,400
Jan. 7	Salary paid to office staff by Cheque	7,600
Jan. 10	Paid Sudhir by Cheque	5,000
Jan. 12	Cash Purchases	8,000
Jan. 16	Cash deposited into Bank	10,000
Jan. 20	Cash Sales	15,100
	Purchased Machinery and payment made by Cash	6,800
Jan. 21	Paid wages for erection of above Machinery	400
Jan. 22	Withdrew from Bank for office use	7,500
Jan. 23	Received a Cheque from Anil and deposited it into Bank	4,600
Jan. 27	Anil's Cheque returned by bank dishonoured	4,600
Jan. 31	Paid into Bank	12,000

Part B – Financial Accounting II [40 Marks]

Q. 14. What is a subscription? How is it treated in accounts of an NPO?

[1]

Q. 15. How is entrance fees treated In case of an NPO? [1]

Q. 16. If Opening capital is less than closing capital, it shows: [1]

(a) Loss

(b) Profit

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(c) No Profit – No Loss.

(d) Profit, if no additional capital is introduced.

Q.17. Calculate the amount of medicine consumed for the year 2012.

[3]

Opening Stock of Medicines 10,000 ₹

Opening Creditors of Medicines 9,000 ₹

Cash Purchase of Medicines during the year 30,000 ₹

Closing Stock of Medicines 15,000 ₹

Closing Creditors of Medicines 3,000 ₹

Q. 18. Ajay started the business with a capital of ₹ 2,25,000 on 1st April 2011. During the year, he withdrew ₹ 40,000 for his personal use and introduced ₹ 7,000 as fresh capital. On 31st March 2012, his position of assets and liabilities stood as follows: [3]

Cash in hand 18,500 ₹

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Stock 20,000 ₹

Bills receivable 25,000 ₹

Debtors 4,00,000 ₹

Creditors 1,50,000 ₹

Bills Payable 3,000 ₹

You are required to prepare Statement of Profit or Loss for the year ended 31st March 2012.

Q.19. Make adjustment entries for the following in the books of A on 31st-March,2012 : [3]

(i) Closing Stock ₹ 50,000.

(ii) Outstanding wages ₹ 2,000 and Outstanding salaries ₹ 3,000.

(iii) Interest on Capital ₹ 4,800, and Interest on Drawings ₹ 1,200.

Q.20. Explain the major components of DBMS. [4]

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Q.21. How will you deal with the following items while preparing for the Bombay Women Cricket Club, its income and Expenditure account for the year ending 31.03.2008 and its balance sheet as on 31.03.2008? [4]

Head of Accounts	(₹)
(a) Donation received during the year of the construction of Permanent Pavillion	12,25,000
Expenditure incurred up to 31.03.2007 on its construction	10,80,000
Total estimated expenditure on construction of Pavillion Being	25,00,000
(b) Tournament Fund:	
Balance as on 1.4.2006	10,700
Subscriptions for tournament received during the year	65,800
Expenditure incurred on conducting tournaments during the year	72,400
(c) Life membership fee received during the year	28,000

Q.22.State the importance of MIS. [6]

Q.23.The following is the Receipts and Payments Account of Ganga Club for the year ending on 31st Dec. 2012:

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Receipts	Amount (₹)	Payments	Amount (₹)
Balance on Jan. 1, 2012	300	Rent	5,000
Subscription : 2011	200	Printing & Stationery Exp.	3,068
2012	16,900	Wages	5,330
2013	300	Billiard Table	5,900
Entrance Fees	350	Repairs etc.	806
Locker's Rent	500	Interest	1,500
Received Special subscription for Governor's Party	3,450	Balance on 31st Dec., 2012	396
	22,000		22,000

Locker's Rent includes ₹ 60 for 2011 and ₹ 90 are still due. Rent includes ₹ 1,300 for 2011 and ₹ 1,300 are still outstanding; Printing and Stationery include ₹ 312 for 2011 while ₹ 364 are still outstanding. Outstanding subscription for 2012 ₹ 468 and ₹ 350 are still receivable for a special subscription for Governor's party. Prepare Income and Expenditure Account with the help of the above information. [HOTS]

[6]

Q. 24. From the following Trial Balance, prepare a Trading and Profit & Loss Account for the year ended 31st March 2012 and a Balance Sheet as on that date: [8]

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Particulars	Amount Dr. (₹)	Amount Cr. (₹)
Furniture	640	
Scooter	6,250	
Building	7,500	
Capital		12,500
Bad Debts	125	
Provision for Bad Debts		200
Creditors & Debtors	3,800	2,500
Opening Stock	3,460	
Purchases & Sales	5,475	15,450
Bank overdraft		2,850

Returns	200	125
Advertising	450	
Interest	118	
Commission		375
Cash	650	
Taxes and Insurance	1,250	
General Expenses	782	
Salaries	3,300	
	34,000	34,000

The following adjustments are to be made:

1. Stock on 31-3-2012 was ₹ 3,250.
2. Depreciate Building @ 5%, Furniture @10%and Scooter @20%.
3. One-third of the commission received is in respect of work to be done next year.

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Or

Q. From the following Trial Balance 30th June 2012 and prepare Trading and Profit & Loss A/c and Balance Sheet: [8]

Particulars	(₹)	Particulars	(₹)
Purchases	2,10,000	Sales 3,60,000	
Wages and Salaries	16,200	Bills Payable	2,500
Repairs and Renewals	2,100	Capital	2,00,000
Freight on Purchases	4,500	Returns	2,000
Furniture	6,000	Mortgage and Interest to date	10,750
Dead Stock	8,000	Bad Debts Recovered	1,650
Returns	5,200	Interest on Govt. Bonds	500
Bank balance	7,300	General Reserve	6,800
Sundry Debtors	75,000	Sundry Creditors	24,000
Advertisement Expenses	10,000	Outstanding Salaries	4,400
Unexpired Insurance	500		
Miscellaneous Expenses	2,570		
Freehold Premises	1,28,100		
Patent Rights	20,000		
Delivery Van	50,000		
Audit fees	4,000		
Agent's Commission	5,780		
Insurance	2,000		
Drawings	8,400		
10% Govt. Bonds (Purchased on Oct. 1, 2011)	10,000		
Mortgage Interest	750		
Stock on 30th June, 2012	36,200		
	6,12,000		6,12,000

Adjustments :

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1. Sales include a sale of Furniture on 30th June 2012 at an actual sale price of ₹ 750. The Book value of furniture sold on that date was ₹ 1,000.
2. ₹ 2,500 paid to Ajay against our acceptance were debited by mistake to Ajay's A/c and from there it was included in the list of Sundry Debtors.
3. Depreciate furniture by 10% p.a. and Dead Stock by 30% p.a.