

SYN

Roll No.

Total No. of Printed Pages : 12

Total No. of Questions : 6

Maximum Marks : 100

Time allowed : 3 Hours

INSTRUCTIONS TO CANDIDATES

Answers to questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi Medium, his/her answers in Hindi will not be valued.

Question No. 1 is compulsory.

Candidates are also required to answer any **four** questions from the remaining **five** questions.

Working notes should form part of the respective answers. Wherever necessary, suitable assumptions may be made and disclosed by way of a note.

1. (a) State with reasons, whether the following statements are True or False:
- The financial statement must disclose all the relevant and reliable information in accordance with the full disclosure principle.
 - The gain from sale of capital assets is added to revenue to ascertain the net profit of the business.
 - Depreciation is non-cash and non-operating expense which is to be provided for if there are profits.
 - Sum of the year's digit method is an example of accelerated method of charging depreciation.
 - Inauguration expenses of ₹10 lakhs incurred on the new unit in an existing business is a capital expenditure.
 - Discount column of cash book records the trade discount.

(6 × 2 = 12 Marks)

SYN

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(2)

SYN

(b) Briefly explain the following terms :

- (i) Conversion Cost
- (ii) Diminishing Balance Method
- (iii) Money Measurement Concept
- (iv) Realisation Concept

(4 × 1 = 4 Marks)

(c) From the following information, ascertain the value of Closing Stock as on 31st March, 2023.

Particulars	(₹)
Opening Stock	1,47,500
Cash Sales	5,50,000
Credit Sales	4,00,000
Purchases	8,85,000
Manufacturing Expenses	1,35,000
Advertisement Expenses	43,000
Rate of Gross Profit on Cost	25%

At the time of valuing inventory as on 31st March, 2022, a sum of ₹ 12,500 was written off on a particular item, which was originally purchased for ₹ 50,000 and was sold during the year for ₹ 40,000. (4 Marks)

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(3)

SYN

2. (a) From the following particulars, prepare a Bank Reconciliation Statement as on 31st December, 2022.

- (i) Debit balance (overdraft) shown by the pass book ₹ 2,48,000.
- (ii) Cheques of ₹ 2,10,000 were issued in the last week of December, but of these ₹ 1,40,000 only were presented for payment.
- (iii) A Cheque for ₹ 19,200 drawn for the payment of telephone bill had been entered in the cash book as ₹ 29,200 but was shown correctly in the bank statement.
- (iv) A Cheque received of ₹ 37,520 entered twice in the Cash Book.
- (v) A Cheque for ₹ 1,17,000 was issued for purchase of merchandise and was paid by the bank but not recorded in cash book.
- (vi) Interest on overdraft and bank charges amounting to ₹ 3,500 were not entered in the Cash Book.
- (vii) A Cheque for ₹ 45,000 was credited in the Pass Book but was not recorded in the Cash Book.
- (viii) A bill of exchange for ₹ 26,200 which was discounted with bank, returned dishonored but no entry was made in the cash book.
- (ix) Payment side of the Cash Book has been undercast by ₹ 12,000.

(8 Marks)

SYN

P.T.O.

(4)

SYN

- (b) ABC sports club had the following income and expenditure account for the year ended 31st Dec 2022.

Income and Expenditure Account for the year ended 31 Dec 2022

Particulars	Amount ₹	Particulars	Amount ₹
To Salaries	2,35,000	By Subscriptions	2,50,000
To Stationary Expenses	30,000	By Interest	90,000
To Rent and Taxes	5,000	By Donations	40,000
To Insurance	2,000	By Misc. Receipts	3,000
To Office Expenses	8,000		
To Depreciation			
Building	37,500		
Furniture	1,200		
Sports Equipment	1,000		
To Excess of Income over Expenditure	63,300		
	3,83,000		3,83,000

Additional information:

	31-12-2021 ₹	31-12-2022 ₹
Govt. securities	18,00,000	18,00,000
Subscription outstanding	70,000	1,00,000
Subscription received in advance	2,000	6,000
Salaries unpaid	10,000	15,000
Furniture	20,000	19,800
Land and Building	20,00,000	19,62,500
Sports Equipment	35,000	39,000
Stock of stationary	3,000	5,500

Cash in hand and Cash at bank as on 31-12-2021 is ₹ 1,08,000.

You are required to prepare Receipts and Payments Account for the period ending 31.12.2022 and Balance Sheet as on 31.12.2022.

(12 Marks)

SYN

(5)

SYN

3. (a) R draws a bill of exchange on P for ₹ 2,00,000 on 1st July, 2022 for 4 months. P accepted the bill and sent it to R. R discounts the bill from his bankers for ₹ 1,88,000. R immediately remits ₹ 75,200 to P. On the due date, R, being unable to remit the amount due, accepts a bill for ₹ 2,50,000 for 4 months which is discounted by P for ₹ 2,36,250. P sends ₹ 56,700 to R. Before the bill is due for payment R becomes insolvent, his estate is paying fifty paise in the rupee.

Give the journal entries in the books of P. Also show R's account in P's books.

(10 Marks)

- (b) Mr. B and Mr. G had the following mutual dealings and allow each other one month's credit. At the end of three months the accounts rendered are as follow :

Date	Goods sold by Mr. B to Mr. G (₹)	Date	Goods sold by Mr. G to Mr. B (₹)
July 20	35,000	July 25	24,000
Aug 17	30,000	Aug 16	22,000
Sep 13	32,000	Sep 05	25,000

You are required to calculate the date upon which the balance should be paid so that no interest is due either to Mr. B or Mr. G (consider 20 Aug. as base date)

(5 Marks)

SYN

P.T.O.

(6)

SYN

(c) Attempt any ONE of the following two sub-parts i.e. either (i) or (ii).

(i) From the following particulars prepare account current, as sent by Rose to Lily as on 31st March, 2023 by means of product method charging interest @ 6% p.a.

		₹
01/01/2023	Balance due from Lily	8,500
10/01/2023	Sold goods to Lily	14,700
15/01/2023	Purchased goods from Lily	10,200
20/01/2023	Goods returned by Lily	2,500
25/02/2023	Lily paid by cheque	9,500

(5 Marks)

OR

(ii) Mr. X consigned goods costing ₹ 1,50,000 to Mr. Y and spent ₹ 1,800 on insurance. Mr. Y received the goods and spent ₹ 2,000 on freight. He also spent ₹ 1,500 on godown rent. Mr. Y sent bank draft of ₹ 50,000 to Mr. X as advance payment and sent his Account sales showing that 4/5 of the goods had been sold for ₹ 1,40,000. Mr. Y is entitled to a commission of 8%. One of customers turned insolvent and could not pay ₹ 5,000 due from him. (Commission does not include del-credere).

Show the necessary journal entries in the consignee's book.

(5 Marks)

SYN

(7)

SYN

4. (a) The following is the schedule of balances as on 31.03.23 extracted from the books of M/s RM & Co.

Particulars	Dr. ₹	Cr. ₹
Bank charges	24,000	
Buildings	9,00,000	
Capital A/c		19,48,000
Carriage Outwards	30,000	
Cash at bank	39,000	
Cash in hand	21,000	
Discount allowed	36,000	
Discount received		24,000
Drawings	1,80,000	
Electricity Charges	33,000	
Freight on purchases	18,000	
Furniture & fixtures	3,21,000	
General office expenses	45,000	
Insurance Premium	82,500	
Interest on loan	35,000	
Loan		6,00,000
Printing and Stationery	27,000	
Purchase Returns		39,000
Purchases	21,30,000	
Rent for Godown	82,500	

SYN

P.T.O.

(8)

SYN

Particulars	Dr. ₹	Cr. ₹
Salaries	1,65,000	
Sales		35,50,000
Sales Returns	63,000	
Stock on 1.4.2022	9,30,000	
Sundry Creditors		6,45,000
Sundry Debtors	12,90,000	
Vehicles	3,00,000	
Vehicles running expenses	54,000	
TOTAL	68,06,000	68,06,000

Prepare Trading and Profit & Loss Account for the year ended 31st March 2023 and the Balance Sheet as at that date after making provision for the following:

- (i) Value of stock as on 31.03.2023 is ₹ 4,10,000. This includes goods returned by customers on 31st March, 2023 to the value of ₹ 22,000 for which no entry has been passed in the books.
- (ii) Purchases include furniture purchased on 01.10.2022 for ₹ 30,000.
- (iii) Depreciate :
 - (1) Building by 5%
 - (2) Furniture and Fixtures by 10%
 - (3) Vehicles by 20%
- (iv) Sundry debtors include ₹ 35,000 due from Goku and Sundry creditors include ₹ 25,000 due to him
- (v) Provision for bad debts is to be maintained at 4% of Sundry Debtors.
- (vi) Insurance premium includes ₹ 42,000 paid towards proprietor's life insurance policy and the balance of the insurance charges cover the period from 1.05.2022 to 30.4.2023.

(15 Marks)

SYN

(9)

SYN

(b) P, Q and R are the 3 partners in partnership firm. Partnership deed includes the following :

- (i) R is entitled to get salary of ₹ 10,000 p.a.
- (ii) P, Q and R are to get interest @ 6% on their respective capital of ₹ 2,50,000 ; ₹ 1,50,000 and ₹ 1,00,000.
- (iii) R is to get extra benefit of 10% of profit in excess of ₹ 50,000 after providing for (i) and (ii) mentioned above.
- (iv) Q is entitled to 10% of profits after providing all the amounts in para (i), (ii) and (iii) mentioned above.
- (v) The balance of profits will be shared by P, Q and R in ratio of 5 : 3 : 2.

The profits for the year before providing above items are ₹ 3,50,000.

You are required to prepare Profit and Loss Appropriation Account.

(5 Marks)

5. (a) X, Y and Z were partners sharing profit and losses in the ratio of 5: 3 : 2. Their Balance Sheet as on 31 March 2023 is as follows.

Balance Sheet as on 31 March 2023

Liabilities	Amount ₹	Assets	Amount ₹
Capital Accounts		Building	2,00,000
X	4,25,000	Machinery	3,50,000
Y	2,55,000	Debtors	1,95,000
Z	1,40,000	Stock	1,05,000
General Reserve	25,000	Bank	25,000
Trade Creditors	30,000		
	8,75,000		8,75,000

Y retired from the business on 1 April 2023 on the following terms:

- (i) To appreciate building by 20% and to depreciate machinery by 5%.
- (ii) Provision for doubtful debts is to create at 10%.

SYN

P.T.O.

(10)

SYN

- (iii) Goodwill of the firm is valued at 1,60,000 and Goodwill is not to be raised in the books of accounts. New profit sharing ratio will be 5:3.
- (iv) Entire sum payable to Y should be brought by X and Z in such a way to make their capital ratios according to new profit ratio. Balance of Y to be paid immediately.

You are required to prepare Revaluation Account, Partners Capital Accounts and Balance Sheet after retirement.

(10 Marks)

- (b) From the following transactions of a concern, prepare the Machinery Account for the year ending 31st Dec, 2022 :

01.01.21	Purchased a second – hand Machinery for ₹ 2,00,000
01.01.21	Spent ₹ 50,000 on repairs for making it serviceable
30.06.21	Purchased additional new Machinery for ₹ 3,50,000
30.06.21	Installation charge of new Machine ₹ 15,000
01.04.22	Repairs and maintenance of Machinery ₹ 30,000
30.06.22	Sold second hand Machinery purchased on 01.01.21 for ₹ 1,55,000
31.12.22	Depreciate the Machinery at 10% per annum by WDV method

(5 Marks)

SYN

(11)

SYN

(c) Prepare a Triple Column Cash Book from the following transactions of G. Enterprises for the month of Jan 2023.

Date	Particulars	Amount ₹
01-01-2023	Cash in hand	14,500
	Cash at Bank	1,95,000
03-01-2023	Received from K	
	– Cash	7,300
	– Cheque	15,000
	Discount allowed to him	400
06-01-2023	Goods sold for cash	9,100
07-01-2023	Withdrew from bank by self-cheque	3,000
12-01-2023	Issued a cheque to B	10,590
	Discount received	410
14-01-2023	Received a cheque from R (in full settlement of her account ₹ 6,500) by cheque	6,350
17-01-2023	Withdrew from bank for personal use	15,000
18-01-2023	Paid electricity bill by cheque	5,000
20-01-2023	Cash purchases of stationary	1,200
31-01-2023	Deposit the entire cash in bank in excess of ₹ 10,000	

(5 Marks)

6. (a) A Ltd issued 25000 equity shares of ₹ 100 each at a premium of ₹ 25 per share payable as follows :

On Application ₹ 50

On Allotment ₹ 50 including premium, and

On Final Call ₹ 25

Applications were received for 29000 shares. Letter of regret were issued to applicants for 4000 shares and shares were allotted to all other applicants.

Mr. A, the holder of 150 shares, failed to pay the allotment and call money, the shares were forfeited.

Show the journal entries and cash book in the books of A Limited. (15 Marks)

(b) What are the sub-fields of Accounting? (5 Marks)

SYN

P.T.O.