Q-1(a) Give the definition of Accounting.

(b) $\quad$| State the rules of Accounting |
| :--- |
| [c] |
| what is Revenue Expenditure? |
| $\quad$ OR |

Q-1(a) Explain the following accounting terms:
(i) Liability (ii) Book value (iii) Debtors (iv) Sales
(b) Classify the following Accounts into Personal Account, Real Account
\& Nominal Account.
(i) Income tax account
(ii) Fire Insurance premium account
(iii) life insurance premium account
(iv) Stationery account
(v) Stationery Stock account
(vi)Rent account
(vii) Bank of Baroda account

Q-2 Maruti starts a new business. Transaction for the month of the March, 2012 are given below. Journalise the Transaction:

2012
March 1] Commenced business with cash Rs. 5,00,000, furniture Rs. 1,00,000, stock of goods Rs. 15000 and creditors of Rs. 3000 . 3] opened bank account with Rs. 10000
5] Bought from Pavan goods 200 kg . At Rs. 20 per kilo at a trade discount of $10 \%$ and cash discount of $5 \%$ and paid the amount by cheque. 8] Goods purchased from Pavan now sold to Anjali at a profit of $20 \%$ on cost.
12] Purchased stationery of Rs. 500 from Vidyarthi Stationery Mart. 15] Paid Rs 101 and Rs. 151 as challo on the occasion of the marriage of Accountant's son and Uncle's son respectively. 17] Paid Advertisement bill of Rs. 300 to " Sandesh"

OR
Q-2(a) on 1st January, 2012, the following were the ledger balances of Rajan \& Co. : Cash on hand Rs 9000; Cast at Bank Rs.25000; Soni(Cr.) Rs.3000; Zahir (Dr.) Rs. 2400; Stock Rs.12,000; Prasad (Cr.) Rs.6000, Sharma (Dr.) Rs.4,500; Lall (Cr.) Rs. 2700; Ascertain Capital
(b) Write a short note on Subsidiary Books.

Q-3 Ms. Viha Patel prepared the following trial balance on 31st March, 2012
You are requested to prepare her Trading and Profit \& Loss Account for the year ending 31-3-2012 and Balance Sheet as on that date after

Trial Balance as on 31-3-2012

| Debit Bal | Amount | Credit Bal. | Amount |
| :--- | ---: | :--- | ---: |
| Debtors | 23,310 | Creditors | 20,466 |
| Salaries | 4900 | Capital | 99,000 |
| Carriage inward | 3,250 | Sales | $1,42,034$ |
| Carriage outward | 958 | Rent | 1,200 |
| Land \& Building | 31,600 | Bills Payable | 507 |
| Machinery | 30,750 | Provident Fund | 4,350 |
| Stock(1-4-'12) | 34,200 | Purchase Returns | 500 |
| office Expenses | 1,240 | Bank Loan | 12,000 |
| Sales Return | 544 | Interest on Investment of PF | 360 |
| Furniture | 9,200 | Interest on Debentures | 600 |
| Stationery \& Ptg | 990 |  |  |
| Drawings | 12,795 |  |  |
| Bank Bal. | 1,150 |  |  |
| Tools | 1,000 |  |  |
| Taxes and Insurance | 590 |  |  |
| Investment of PF | 3,600 |  |  |
| Interest on Bank loan | 240 |  |  |
| Freight \& octroi | 260 |  |  |
| Contribution to P.F | 350 |  |  |
| Cash Bal. | 780 |  |  |
| Bills Receivable | 100 |  |  |
| 12\% Debentures | 10,000 |  |  |
| Leasehold Building | 20,000 |  |  |
| lfor 10 years) | 4,000 |  |  |
| Advertisement Suspense A/C | 200 |  |  |
| postage and Telegrams | 1,500 |  |  |
| Purchases |  |  |  |
| Wages |  |  |  |
| Bad debts |  |  |  |
| Rent |  |  |  |
|  |  |  |  |

## Adjustments:

1] Cost of closing stock is Rs. 21,000 but its market Value is $19,707$.

2] An Advertisement campaign was taken up during the year and its expenses were debitef to Suspense $A / C$ which is to be written off over 4 years.
3] (i) preppaid insurance Rs. 80 (ii) Salary unpaid Rs. 240 (iii) Commission due but not received Rs. 520 (iv) Rent Received in advance Rs 110
4] Depreciate Land \& Buildings @ $2.5 \%$, Furniture @ $5 \%$ and Machinery @ $10 \%$ p.a. The market value of tools was estimated @ Rs 900
5] Allow interest on Capital @ 5\%. Charge interest on Drawings Rs. 520
6) Write off Rs. 310 as bad debts from debtors

7] Salaries include Rs. 900 paid to Servant at home
8] Rent includes Rs 1500 paid for residential building
9] A credit Sale of Rs. 1200 was omitted to be recorded.

## OR

Q-3 ABC Ltd was registered with a nominal capital of Rs $5,00,000$ divided into shares of Rs. 100 each. The following trial balance is extracted from the books on 31st march 2012

| Dr | Amoubt |  | Amount |
| :---: | :---: | :---: | :---: |
| Buildings | 2,90,000 | Sales | 5,20,000 |
| Machineries | 1,00,000 | Salaries Outstanding | 2000 |
| Closing Stock | 90,000 | Provision for Bad debts |  |
| Purchaes (adjusted) | 2,10,000 | (1-4-2011) | 3000 |
| Salaries | 60,000 | Share Capital | 2,00,000 |
| Directors' fees | 10,000 | General Reserve | 40,000 |
| Rent | 26,000 | Profit \& loss | 25,000 |
| Depreciation | 20,000 | Creditors | 92,000 |
| Bad debts | 6,000 | Provision for Bad debts |  |
| Interest accrued on Investmen | 2,000 | Depreciation: |  |
| Investment <br> 12,000 shares of $A$ ltd of Rs 10 |  | on Building on machinery | 1,05,000 |
| each, Rs. 8 paid up | 1,20,000 | 14\% debentures | 2,00,000 |
| Debenture interest | 28000 | Interest on Debentures |  |
| Loose tools | 23,000 | accrued but not due | 14,000 |
| Advance Tax | 60,000 | Interest in Investment | 12,000 |
| Sundry Expenses | 18,000 | Unclaimed Dividend | 5000 |
| Debtors | 1,25,000 |  |  |
| Bank | 30,000 |  |  |
|  | 12,18,000 |  | 12,18,000 |

You are required to prepare Trading and Profit \& loss $A / C$ for the year ending 31-3-2012 and Balance Sheet as at that date after taking into consideration the following information;
1] Closing stock is more than opening stock by Rs, 30,000
2] Provide for Bad abd doughtful Debts @ $4 \%$ on debtors. General Reserve @ 10\%

3] Make a provision for Income tax @ $50 \%$.
4] Depreciation Expense includes depreciation of Rs.8,000 on Buildings and that of Rs. 12000 on machinery.
5] the Directors recommend a dividend @ $25 \%$.

Q-4 Draw the Proforma of Vertical format of Balance Sheet and Profit \& Loss Account.

OR
Q-4 Carlin \& Co has head office at New York (USA) and branch at Mumbai(India).
Mumbai branch furnishes you with its trial balance as on 31st March,2010 and the additional informationgiven thereafter.

|  | Dr. Rs | Cr. Rs |
| :--- | ---: | ---: |
| Stock on 1st April,2009 | 300000 |  |
| Purchases ans Sales | 800000 | 1200000 |
| Sundry Debtors \&Creditors | 400000 | 300000 |
| Bills of Exchange | $1,20,000$ | $2,40,000$ |
| wages \& salaries | $5,60,000$ |  |
| Rent rates \& taxes | $3,60,000$ |  |
| Sundry Charges | $1,60,000$ |  |
| computers | $2,40,000$ |  |
| Bank Balance | $4,20,000$ |  |
| New York office A/C |  | $16,20,000$ |
|  |  |  |
|  |  |  |
|  |  |  |

Additional Information:
a) Computers were acquired from remittances of US $\$ 6000$ received from NY. H.O and paid to the suppliers. Depreciate computers @ $60 \%$ for the year
"b) Unsold stock of Mumbai branch was worth Rs. 4,20,000 on 31-3-2010
c) The Rates of Exchange may be taken as follows
i] on 1-4-2009 @ Rs.40/\$
ii] On 31-3-2010 @ Rs. 42/\$
iii] Average Exchange rate for the year @ Rs. 41/\$
iv] Conversion in $\$$ shall be made up to two decimal accuracy. Yor are asked to prepare in US \$ the revenue statement for the year ended 31-3-2010 and the Balance sheet as on that date of mumbai Branch as would appearing in the books of N.Y H.O. of Carlin \& Co. you are informed that Mambai branch A/C showed a debit balance of US\$ 39,609.18 on 31-3-2010 in NY books and there were no items pending for reconciliation.

