

# Book-Keeping & Accountancy

Time : 3 Hrs.

March - 2008

Marks : 100

**Q. 1. Attempt any FOUR of the following sub-questions :**

**(A) Answer in 'One' sentence :**

- (1) What is a Balance Sheet ?
- (2) What is Single Entry System ?
- (3) What do you mean by Fixed Instalment Method ?
- (4) What is Goodwill ?
- (5) When Joint Bank A/c is opened ?

**(B) Write the word / term / phrase which can substitute each of the following statements :**

- (1) A partner who lends only his name to the firm.
- (2) Concerns established for providing services.
- (3) Profit earned over and above normal profit.
- (4) A temporary partnership without firm name.
- (5) A person who endorses the bill.

**(C) Match the following pairs :**

Group 'A'	Group 'B'
(1) Unpaid expenses	(a) Electronic device
(2) Single Entry System	(b) Partnership firm
(3) Computer	(c) Drawee
(4) Co-venturer	(d) Asset side
(5) Maker of a bill	(e) Unscientific
	(f) Liability side
	(g) Drawer
	(h) Joint venture

**(D) Select the most appropriate alternative from those given below :**

- (1) Subscription received in advance during the accounting year is .....  
(a) an income (b) an expense (c) an asset (d) a liability
- (2) Depreciation is charged only on the .....  
(a) current assets (b) intangible assets (c) immovable assets (d) fixed assets
- (3) Brain of computer is .....  
(a) micro processor (b) RAM (c) DRAM (d) DOS
- (4) Unsold stock of Joint Venture taken over by Co-venturer is credited to .....  
(a) Co-venturers' A/c (b) Joint Venture A/c (c) Joint Bank A/c (d) Stock A/c
- (5) A one month's bill drawn on 31st January, 2007 will be matured on .....  
(a) 3rd March, 2007 (b) 28th February, 2007 (c) 29th February, 2007 (d) 2nd March, 2007

**(E) State whether True / False (with reasons) :**

- (1) Receipts and Payments A/c is a Nominal A/c.
- (2) Drawee has no right to discount the bill with Bank.

**(F) From the following details prepare a format of Bill of Exchange :**

Shri Amar Patil, Guruwar Peth, Karad, draws a Two months' bill on Mehul Maniyar, Mul, payable to Yogesh Ghatkar, CIDCO, Aurangabad, on 31st December, 2007 for Rs. 9,500.

Shri Mehul Maniyar accepted it on 2nd January, 2008.

**Q. 2. M/s Jalaram Mill, Mul, showed a debit balance of Rs. 32,000 to the Machinery A/c on 1st April, 2001 (Original cost of the Machinery was Rs. 40,000). On 1st October, 2001 the Mill bought additional Machinery for Rs. 15,000 and spent Rs. 1,000 for its installation. (10)**

One more machinery costing Rs. 20,000 was purchased on 31st March, 2003. Depreciation is charged on 31st March, every year of 10% p.a. under the Diminishing Balance Method. On 31st March, 2004, the machinery which was purchased on 1st October, 2001 was sold for Rs. 12,000.

Prepare – Machinery A/c and Depreciation A/c for the years 2001 – 2002, 2002 – 2003 and 2003 – 2004.

OR

(A) Maruti and Dinesh are carrying on a business in partnership for last 5 years. Goodwill of the firm is to be valued at 2 years' purchase of last 5 years' average profit. The profits and losses were as under : (5)

Year	Amount
2000 - 2001	Rs. 19,000 (Profit)
2001 - 2002	Rs. 33,000 (Profit)
2002 - 2003	Rs. 18,000 (Loss)
2003 - 2004	Rs. 14,000 (Profit)
2004 - 2005	Rs. 32,000 (Profit)

Calculate the value of Goodwill of the firm.

(B) Explain the importance of computer in modern age. (5)

**Q. 3. Priti owed to Manisha Rs. 9,000. Priti accepted the bill drawn by Manisha for the amount at 4 months. (12)**

Manisha endorsed the same bill to Shital. Before the due date, Priti approached Manisha for renewal of the bill. Manisha agreed on the condition that Rs. 3,000 be paid immediately together with interest on the remaining amount at 8% p.a. for 3 months and Priti should accept a new bill. These arrangements were carried through. However, before due date Priti became insolvent and only 50% of the amount could be recovered from her estate.

Give Journal Entries in the books of Manisha.

OR

Journalise the following transactions in the books of Motilal :

- Bhavna informed Motilal that Jyoti's acceptance for Rs. 3,600 endorsed to Bhavna has been dishonoured and noting charges have been Rs. 150.
- Anil renews his acceptance to Motilal for Rs. 3,400 by paying Rs. 900 in case and accepting a new bill for the balance plus interest at 8% p.a. for 3 months.
- Prabhakar retired his acceptance to Motilal for Rs. 4,000 by paying Rs. 3,850 in case.
- Bank informed Motilal that Arun's acceptance of Rs. 7,000 which was discounted with bank has been dishonoured with noting charges Rs. 100.

**Q. 4. Yashpal of Udgir and Balu of Latur entered into Joint Venture to consign 300 machines to Amol of Amravati to be sold on their joint risk which is in the proportion of 2 : 3 respectively. Yashpal sent 180 machines at Rs. 300 each and paid freight Rs. 700 and sundry expenses Rs. 300. (12)**

Balu sent 120 machines at Rs. 250 each and paid for insurance Rs. 500 and carriage Rs. 500. Amol sold all the machines at Rs. 400 each.

He spent Rs. 4,000 for advertisement and Rs. 1,000 for godown charges.

Amol deducted 5% commission on sales and sent Rs. 80,000 to Yashpal and balance to Balu by bank draft.

Prepare :

(a) Joint Venture A/c (b) Balu's A/c (c) Amol's A/c in the Ledger of Yashpal.

Q. 5. Mrs. Archana keeps her books on Single Entry System and gives the following information:

Particulars	31/3/2006	31/3/2007
Cash at bank	5,000	3,000
Sundry debtors	25,000	4,000
Stock in trade	30,000	5,000
Furniture	20,000	2,000
Machinery	50,000	5,000
Bills Payable	5,000	1,000
Sundry Creditors	15,000	20,000

Mrs. Archana withdrew from business Rs. 15,000 for personal use.

She further introduced fresh capital of Rs. 25,000.

Depreciation is to be charged @ 10% p.a. on Furniture and Machinery.

Prepare :

- Statement of Affairs as on 31/3/2006
- Statement of Affairs as on 31/3/2007
- Statement of Profit and Loss for the year ending 31/3/2007.

Q. 6. Following is the Receipts and Payments A/c of Phoenix Cricket Club, Patan - Dr.  
Receipts and Payments A/c for the year ended 31st March, 2007

Receipts	Amount Rs.	Payments	Amount Rs.
To balance b/d	1,040	By Salaries	1,000
To Subscription		By Entertainment expenses	2,000
2005-06	85	By Electricity charges	1,000
2006-07	4,000	By General expenses	1,000
2007-08	103	By Rent and Taxes	1,000
To Donation	1,200	By Investments	3,000
To Entertainment receipts	876	By Printing and Stationery	1,000
To Interest	81	By Expenses of 2005-06	1,000
To Entrance fees	1,000	By Fixed deposit	1,000
		By balance c/d	1,000
	<b>8,385</b>		<b>8,385</b>

Information :

- Club had 450 members paying an annual subscription of Rs. 10 each.
- Rs. 20 is still in arrears towards subscription for the year 2005-06.
- Carry forward Rs. 20 for rent paid in advance.
- Outstanding salary Rs. 200.
- Land and building Rs. 15,000 and furniture Rs. 1,150 is standing in the books on 1st April 2007. Depreciation at 5% and 20% is to be written off respectively.
- Capital fund on 1/4/2006 was Rs. 16,695.

(7) 50% of the entrance fees and full donation are to be capitalised.

From the above Receipts and Payments A/c and information, prepare Income and Exp A/c for the year ended 31st March, 2007 and Balance Sheet as on that date.

Q. 7. Swati, Swity and Sweta were partners sharing profits and losses equally. Follow their Trial Balance for the year ended 31st March, 2006.

**Trial Balance as on 31st March, 2006**

Particulars	Debit Rs.	Credit Rs.
Purchases and Sales	1,04,000	1,95,300
Salaries	11,300	
Stock (1/4/2005)	28,000	
Debtors and Creditors	24,200	36,000
Bills Receivable and Bills Payable	62,400	18,100
Land and Building	48,300	
Returns	6,300	2,600
Wages	25,100	
Cash at Bank	30,000	
Insurance	4,500	
Advertisement	9,300	
Furniture	18,700	
Rent and Taxes	4,700	
Interest		4,800
Capitals :		
Swati		60,000
Swity		40,000
Sweta		20,000
	<b>3,76,800</b>	<b>3,76,800</b>

**Adjustments :**

- (1) Closing stock is valued at Rs. 37,500.
  - (2) Depreciate Furniture @ 10% p.a. and Land and Building @ 5% p.a.
  - (3) Goods of Rs. 3,000 are purchased on 31/3/2006 are included in the closing stock the entry is not passed in the books.
  - (4) Insurance is prepaid to the extent of Rs. 1,500.
  - (5) Salaries of Rs. 3,400 and wages of Rs. 4,700 are outstanding.
  - (6) Write off Rs. 1200 as bad debts from Debtors and provide 5% for Reserve for Doubtful.
- Prepare - Trading A/c and Profit and Loss A/c for the year ended 31st March and Balance Sheet as on that date.



(A) The net profits of Suchak Trading Company after providing taxation for the past five years are as under :

Year	Amount (Rs.)	
2001-02	80,000	Profit
2002-03	85,000	Profit
2003-04	92,000	Profit
2004-05	1,05,000	Profit
2005-06	1,18,000	Profit

The capital employed in the business is Rs. 8,00,000.

The normal rate of return expected in this type of industry is 10% p.a.

Calculate the value of goodwill at 'two' times of super profit.

(B) What are the Characteristics of Computer ?

Q. 3. Sanjay drew on Pappu a bill for Rs. 12,000 at 3 months. Pappu accepted it.

On the same day Sanjay discounted the bill with his bank at 10% p.a.

On due date Pappu dishonoured the bill. Noting charges were Rs. 200.

Pappu paid Rs. 4,000 in cash and accepted a new bill for balance amount.

Sanjay endorsed the new bill to Vinayak.

Pass Journal entries in the books of Sanjay and show Sanjay's account in the ledger of Pappu.

Journalise the following transactions in the books of Ranbir.

- Sonam informs Ranbir that Salman's acceptance for Rs. 3,200 endorsed to Sonam has been dishonoured and the noting charges amounted to Rs. 80.
- Ravindra renews his acceptance to Ranbir for Rs. 4,800 by paying Rs. 1,800 in cash and accepts a fresh bill for the balance, plus interest at 12% p.a. for 2 months.
- Dilip's acceptance to Ranbir for Rs. 8,000 is retired one month before the due date at a discount of 12% p.a.
- The bank informs Ranbir that Shirin's acceptance for Rs. 5,500 to Ranbir discounted with the bank earlier has been dishonoured and the noting charges amounted to Rs. 75.

Q. 4. Shivaji of Solapur and Sambhaji of Satara entered into a joint venture to purchase and sale goods and agreed to share profits and losses in the proportion of 3 : 2 respectively.

Shivaji sent goods of Rs. 75,000 to Sambhaji for sale.

Shivaji paid Rs. 5,500 for freight and insurance.

He drew a bill for Rs. 3,000 on Sambhaji.

Sambhaji paid Rs. 3,000 for carriage.

Sambhaji sold Goods for Rs. 1,25,000 and paid selling expenses Rs. 2,500.

He remitted the balance to Shivaji after charging 5% commission on sales.

Coventurers settled their accounts.

Give Journal Entries in the books of Shivaji.

Q. 5. Following records of Mr. Raj were kept on single entry system.

Particulars	31.3.2006	31.3.2007
	Rs.	Rs.
Stock	15,000	14,000
Furniture	53,500	44,000
Plant and Machinery	42,500	55,500
Loan Taken	21,000	21,000

