

# E.D.U.C.A.T.I.O.N. POINT

Time Allowed-3hr

Accountancy Test

Max Marks-90

Min Marks- 75

## Part - A (Financial Accounting - I)

- Qus1 What do you mean by Expense? (1)
- Qus2 What is meant by Pay-In-Slip? (1)
- Qus3 What is meant by Reserve? (1)
- Qus4 What are the Fictitious Assets? (1)
- Qus5 Write any three limitations of accounting? (3)
- Qus6 Give Journal entries for the following:
- (i) Received only 60 paise in rupee from official receiver of Mr. Vinod who owed Rs.10,000.
- (ii) Paid Rs.7,300 to Vinod in full settlement of his account of Rs.7,500.
- (iii) Received cash from Vinod for a bad debt written off last year Rs.500. (3)
- Qus7 ABC Ltd have capital of Rs 40000 as on 1.4.2016. During the year owner withdrew money for private use Rs 5000 and introduce Rs 20000 as fresh capital as on 1.10.2016. There assets as on 31.3.2017 amounting Rs 55000 and owed Rs 5000 of Mr. Ram till yet. Calculate the profit/loss as on 31.3.2017? (3)
- Qus8 Why Cash Book is known as Primary Book as well as Subsidiary Book? (3)
- Qus9 Explain Historical cost principle and Consistency Assumption of accounting. (4)
- Qus10 Prepare Trial Balance from the following information: (4)
- Prepaid Expense Rs.5,000, Profit & Loss A/c (Profit) Rs.8,000, Outstanding Rent Rs.2,000, Bad Debts Recovered Rs.4,000, Interest on Investment Rs.1,000, Due to Mohan Rs.5,000, Bank overdraft Rs.2,000, Discount Allowed Rs.800, Due from Vinod Rs.1,200, Investment Rs.15,000, Patents Rs.4,000, MachineryRs.6,000, Capital Rs.10,000.
- Qus11 A sold goods to B for Rs.4,000 and drew a bill for the amount due. B after giving his acceptance returned the bill to A. A discounted it form his bank for Rs.3,900. On due date, bill returned dishonoured and bank paid Rs.50 as noting charges. After one week B paid the full amount of the bill including the noting charges. Give journal entries in the books of A & B? (4)
- Qus12 Prepare Double column Cash Book of Vinod from the following transactions: (4)

Date	Particulars	Amount
April 1	Cash in hand	800
	Cash at Bank(Overdraft)	2000
April 2	Received a cheque from Raman	3000
April 4	Deposited the above cheque in the bank	
April 8	Sold goods to Ravi and received cheque	5000
April 15	Raman's cheque returned dishonoured	
April 23	Ravi's cheque endorsed to Kamal	
April 30	Sales Tax Paid by Cheque	500
April 30	Paid Salary	400

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Qus13 Shyam has the following transactions. Show accounting equation for the same:

- (i) Started business with cash Rs.30,000; Stock Rs.12,000; Machinery Rs.20,000; Furniture Rs.10,000.
- (ii)  $\frac{1}{3}^{\text{rd}}$  of the above goods sold at a profit of 10% on cost and half of the payment is received in cash.
- (iii) Cash withdrawn for personal use Rs.2,000.
- (iv) Interest on drawings charged @ 5%. (4)

Qus14 Prepare a Bank Reconciliation Statement on 31 December 2009 for the following when credit balance as per bank column of cash book is Rs.1,800:

- (1) Cheques issued, but not presented for payment Rs.360.
- (2) Cheque deposited but not collected by the bank Rs.770
- (3) Interest on overdraft charged by the bank Rs.30
- (4) A customer directly deposited in bank Rs.500. (6)

Qus15 Crompton Ltd., purchased a Plant on 1st April, 2015 for Rs.15,000. It purchased another plant on 1st October, 2015 costing Rs.20,000 and on 1st July, 2016 costing Rs.30,000. On 1st January, 2007 the Plant purchased on 1st April, 2015 became useless and was sold for Rs.2,000. Show Plant Account charging 10% p.a. depreciation by fixed instalment method for four years. The plant purchased on 1st October, 2015 was sold for Rs.8,000 on 1st January, 2017. Accounts of the company are closed on 31st December each year. Prepare Plant A/c Till year ending 31<sup>st</sup> December 2017? (8)

## Part – B (Financial Accounting -- II)

Qus16 How will you deal with the Prepaid Rent appearing in the Trial Balance of a sole Proprietor in Final Accounts? (1)

Qus17 How Double Entry System is better than Single Entry System? (1)

Qus18 Calculate the missing figure:

Capital at the end	36,000
Drawings	8,000
Loss during the year	2,000
Capital in the beginning	40,000
Capital introduced during the year	?

(3)

Qus19 Show the following information in the Balance Sheet of the Cosmos Club as at 31<sup>st</sup> March, 2007:- (4)

Particulars	Debit	Credit
Tournament Fund	---	3,00,000
Tournament Fund Investment	3,00,000	----
Income from Tournament fund investment	---	36,000
Tournament Expenses	24,000	----

Additional Information:

Interest accrued on Tournament fund investment Rs.12,000.

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Qus20 Gagan maintains his account on Single Entry System. Calculate his profit on 31<sup>st</sup> March, 2013 from the following information: (6)

Particulars	1 April 2012	31 March 2013
Cash in hand	6,000	2,000
Bank Balance	18,000	14,000
Furniture	8,000	8,000
Stock	4,000	12,000
Creditors	16,000	12,000
Debtors	12,000	16,000

During the year his drawings were Rs.4,000 and additional capital invested Rs.8,000.

Qus21 How will you treat the following while preparing final accounts: (5)

Debtors	80,000
Bad Debts	2,000
Provision for doubtful debts	5,000

Adjustments:

Bad Debts Rs.500 and Provision on debtors @ 5%.

Qus22 Differentiate between Cash Basis Accounting & Accrual Basis Accounting: (6)

Qus23 How will you treat the following items of Receipt and Payment A/c as on 31<sup>st</sup> March 2017:- (6)

Receipts	Amount	Payments	Amount
		By Salaries:	
		2005	20,000
		2006	2,80,000
		2007	18,000

Additional Information:

- (i) Salaries outstanding on 31st December, 2005 Rs.25,000
- (ii) Salaries outstanding on 31st December, 2006 Rs.45,000
- (iii) Salaries paid in advance on 31st December, 2005 Rs.10,000

Qus24 From the following Trial Balance of M/s.Vinod and Sons as on 31st March 2012, prepare Trading and Profit & Loss Account and Balance Sheet. (8)

Particulars	Amount	Particulars	Amount
Office expenses	300	Stock (opening)	9,000
Selling expenses	11,100	Plant & Machinery (1.4.2011)	20,000
General expenses	1,000	Plant & Machinery (addition 1.10.2011)	5,000
Sundry debtors	20,600	Drawings	6,000
Furniture and Fixtures	5,000	Capital	75,000
Return inwards	13,000	Reserve for doubtful debts	800
Printing and stationery	400	Rent for Premises Sublet	1,600
Rent, Rates and taxes	4,600	Insurance charges	700

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Sundry creditors	15,000	Administrative expenses	11,000
Sales	1,31,000	Cash in hand	8,500
Return outwards	1,000	Cash at Bank	18,200
Purchases	90,000		

**Adjustments:**

- (i) Stock in hand at the end. 14,000.
- (ii) Write off Rs.600 as bad debts.
- (iii) Create 5% provision for bad and doubtful debts.
- (iv) Depreciate furniture and fixtures at 5% p.a. and Plant & Machinery at 20% p.a.
- (v) Insurance prepaid was Rs.100.
- (vi) A fire occurred in the godown and stock of the value of Rs.5,000 was destroyed. It was insured and the insurance company admitted full claim.