

- N.B. (1) Question No. 1 is compulsory carrying 40 marks.
 (2) Attempt any three questions from the rest.
 (3) In all four questions to be attempted.
 (4) Suitable assumptions, working notes, cleanliness shall form part of your answers.

1. From the following Trial Balance and additional information extracted from the books of M/s. Asoka Agencies, Prop. Mr. Ashok Rao for the year ended 31-3-2009, you are required to prepare Manufacturing Account, Trading Account, Profit and Loss Account for the year ended 31-3-2009 and also Balance Sheet as at 31-03-2009.

Particulars	Debit (Rs.)	Credit (Rs.)
*Factory Rent ^m	1,10,000	
*Office Rent ^p	2,25,000	
Purchases & Sales ^{m/p}	88,23,450	99,21,320
Returns ^m	44,230	28,910
Wages ^m	11,21,300	
Salaries ^p	6,27,220	
Workers Welfare Expenses ^m	51,775	
Travelling & Conveyance ^p	3,18,940	
Telephone & Mobile Expenses ^p	2,23,556	
Salesman Commission ^p	1,89,600	
Bad Debts ^p	84,700	
Reserve for Bad Debts ^p old ^{RDD}		88,450
Factory Building ^a	23,67,890	
Machinery ^a	27,33,230	
Furniture ^a	3,44,560	
Motor Car ^a	3,11,200	
Debtors/Creditors ^{a/l}	34,55,670	28,12,200
Factory Insurance ^m	11,044	
General Expenses ^p	22,870	
Power & Fuel ^m	3,33,342	
Commission Received ^p		66,770
Bank Interest and charges ^p	66,940	
Selling & Distribution Expenses ^p	1,88,200	
Advertisement Expenses ^p	89,910	
Carriage Inward ^m	78,970	
Cartage ^m	21,230	
Bank Overdraft ^L		11,11,230
Stock on 1-4-2008 : ^{opening stock}		
Raw Materials ^m	4,72,310	
Finished Goods ^T	9,76,550	
Drawings ^{(-) Capital}	1,80,000	
Capital Account ^L		94,44,807
Total	2,34,73,687	2,34,73,687

Additional Information :

- (1) Closing Stock : Raw materials Rs. 612,900, Finished Goods Rs. 12,23,450.
 (2) Factory Rent is for 11 months and Office Rent paid is for 15 months. Proper adjustment is necessary. ^{FR = 10,000 (+) / L (3)} OR ^{OR = 45,000 (-) / A (prepaid)}
 (3) Write off further a sum of Rs. 89200 as Bad Debts and provide for doubtful debts at 3% ^{(-) / A (+) / L}
 (4) Depreciate factory and machinery at 10% and other fixed assets at 15%.
 (5) Goods costing Rs. 75,200 withdrawn for personal use have not been recorded.

2. Discuss in brief the advantages and limitations of Book Keeping and Accountancy. 20

3. Explain the Vertical Form and Horizontal Form of Profit and Loss Account through illustration. 20

4. M/s. Sonal Garments gives you the following information about its Plant and Machinery. 20
 On 1-4-2006, the balance in Plant and Machinery Account was Rs. 88,20,500. On 21-09-2006 a new machine costing Rs 48,00,000 was purchased and was installed on 30-09-06 by spending additional Rs. 2,00,000/-. The machine was put to use on 1-10-06. On 1-1-2007 a Machinery Purchased on 1-10-2004 for Rs. 8,20,000 was sold for Rs. 5,11,230. On 1-1-2008 further new machine was purchased for Rs. 23,55,000/- and on 30-09-2008 a machine purchased on 1-4-2005 for Rs. 18,40,000/- was sold for Rs. 15,00,000/-.
 The Company follows Financial year as accounting year and charges Depreciation @20% under Straight Line Method.
 You are required to prepare Machinery Account for the years 2006-07, 2007-08 and 2008-09.

5. Alpha Novelties Ltd. offered to Public 60,00,000 Equity shares of Rs. 10 each at a premium of Rs. 60 per share. On following terms :— 20

- (a) On Application Rs. 62 (including full amount of Premium)
- (b) On Allotment Rs. 3
- (c) On 1st Call Rs. 2.50
- (d) On Final Call Rs. 2.50.

The Company received applications for 74,00,000 shares with application money. The cheques accompanying applications for 200,000 Equity Shares could not be cleared. While the applications for 12,00,000 shares were not considered and money was refunded immediately.

The Calls were made and everyone except Mr. A and Mrs. B, paid all the money whenever due.

Mr. A holding 10,000 shares failed to pay both the calls while Mrs. B failed to pay final call on 8,500 shares.

The directors after following prescribed procedure forfeited the shares and immediately re-issued them at a price of Rs. 55/- per share.

You are required to pass Journal Entries to record the above transactions in the books of the Company.

6. Mr. Shekhar is having Current Account with Bank of Baroda Fort Branch. While comparing his Bank Book with Bank Statements for the month of March 2009, he found that : 20

- (a) Out of the cheques deposited in the last week of March 09, cheques for Rs. 2,12,200 and Rs. 89,100 were cleared only in First week of April 2009.
- (b) Out of cheques issued to parties, cheques worth Rs. 18,12,200 were not presented to the bank till 31-3-2009.
- (c) One of the Customers has directly credited a sum of Rs. 1,78,000/- which was wrongly recorded by Mr. Shekhar as Rs. 1,87,000/-
- (d) Bank Interest of Rs. 39,230/- charged on O.D. and Bank Charges of Rs. 613/- were not recorded by him till 31-3-2009
- (e) There was a mistake in totaling at his end whereby his payment side was totaled short by Rs. 32,200/-.

balance as per bank Statement on 31-3-2009 was Overdraft of Rs. 45,98,300/-.
 are required to find out the balance as per Mr. Shekhar's books by preparing Reconciliation statement for March 2009.

7. Write short notes on any four of the following :— 20

- (a) Non Trading Organization
- (b) Depreciation Fund Method
- (c) Bad Debts
- (d) Secured Loan
- (e) Outstanding Liabilities
- (f) Accounting Concepts.