

- 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. 40

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 PDD		88,450
Factory Building p	23,67,890	
Machinery p	27,33,230	
Furniture p	3,44,560	
Motor Car p	3,11,200	
Debtors/Creditors p/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 p	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
<b>Total</b>	<b>2,34,73,687</b>	<b>2,34,73,687</b>

#### 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.   
 $FR = 10,000 \times \frac{11}{12}$  OR  $OR = 15,000 \times \frac{15}{12}$  (Prepaid)
- (3) Write off further a sum of Rs. 89200 as Bad Debts and provide for doubtful debts at 3%   
 $(-)\ 89,200 \times \frac{3}{100}$
- (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- (5) Goods costing Rs. 75,200 withdrawn for personal use have not been recorded.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 20