



Payment to sundry creditors	2,64,000
General expenses	42,900
Wages	30,000
Drawings	13,600

During the year Mr. Harish had taken goods from business for his own consumption which amounted to Rs. 3,900. Charge 10% depreciation on plant and machinery and 5% on furniture.

You are required to prepare Trading and Profit and Loss Account for the year ended 31-3-2011 and a Balance Sheet as on that date.

4. Dell Computers Ltd. Bangalore despatched 100 computers costing to Rs. 22,000 each to Bright Electronics Mysore. Dell Computers incurred the following expenses on consignment :

Freight Rs. 10,000, cartage Rs. 1,000 and insurance Rs. 22,000. The proforma invoice to the agents was at Rs. 25,000 per computer. The consignee is entitled to 4% commission on gross sale proceeds.

During transit 2 computers were totally damaged and the insurance company accepted a claim of Rs. 30,000.

The consignee received the remaining computers in good condition and incurred Rs. 2,000 for cartage and Rs. 1,000 for loading and unloading. Immediately they sent Rs. 5,00,000 as advance. They sent an account sales stating that 75 computers were sold at invoice price and Rs. 12,000 was incurred for warehousing and advertising.

Prepare the necessary ledger accounts in the books of Dell Computers Ltd.

5. A ledger keeper of Acharya and Co. could not agree the trial balance. He transferred an amount Rs. 296 being excess of debit side total to the Suspense Account. The following errors were subsequently discovered

- Sales book was overcast by Rs. 300.
- Purchase of furniture worth Rs. 615 was passed through the purchases book.
- An amount of Rs. 55 received from M/s Shah and Co. was posted to their account as 550.
- Purchase returns book total on a folio was carried forward as Rs. 221 instead of Rs. 112.
- A cash sale of Rs. 1,235 though entered in the cash book, was posted to the sales account as Rs. 235.
- Rest of the difference was due to a wrong total in the Salaries Account in the ledger.

Pass the necessary journal entries and prepare the Suspense Account in the books of Acharya and Co.



PART – B

Answer **any 3** questions. **Each** question carries **10** marks.

6. Explain briefly the various Accounting concepts.
7. What is depreciation ? Explain the causes for depreciation.
8. What is an accounting error ? Explain the different types of accounting errors.
9. Arun draws a bill of exchange on Barun for Rs. 1,000. Barun accepts the bill and returns it to Arun. The latter endorse it to Tarun. Tarun discounts the bill for Rs. 980. At maturity the bill is dishonoured and Tarun bankers incurred noting charges of Rs. 20. Pass the necessary Journal entries in the books of all the parties.
10. Khan and Sunil building contractors entered into a joint venture to construct a building for Rs. 10,00,000. The consideration was payable in cash. A bank account was opened in their joint names into which Khan paid Rs. 2,50,000 and Sunil paid Rs. 1,50,000. They agree to share the profit and losses in the ratio of 2 : 1. The transactions were as follows :

	Rs.
Materials bought	5,00,000
Wages paid	3,00,000
Materials supplied by Khan	50,000
Materials supplied by Sunil	20,000
Architects fee paid by Khan	25,000

The contract was completed and the materials at site valued Rs. 30,000 were taken over by Khan. The amount was duly received. Prepare the necessary ledger accounts.

PART – C

Answer **any 3** questions, **Each** question carries **5** marks.

11. Name the accounting conventions. Explain the convention of consistency.
12. Define a Bill of Exchange. Mention its essentials.
13. What is an Account Sales ? Why it is prepared ?
14. Explain the different types of commission payable by the consignor to the consignee.
15. Distinguish between consignment and sale.

