

# GULF SAHODYA(SAUDI CHAPTER)EXAMINATION-2013

## SET-A

Subject :Accountancy

MM: 90

Class:XI

Time : 3 hours

General Instructions :

Total Pages : 5

*(a) All questions are compulsory.*

*(b) Draw proper format wherever required.*

*(c) Marks are indicated against each question .*

*(d) Use of calculator is not allowed.*

---

### PART-A [FINANCIAL ACCOUNTING-I]

1. Explain any one advantage of accounting . 1
2. Give any two example of intangible assets 1
3. If amount of 950 is received from a debtor of Rs.1,000 in final settlement then what will be the effect of this transaction on the capital ? 1
4. What is error of principle ? 1
5. What is operating profit ? 1
6. What adjustment entry will be passed for Rent received in advance ? 1
7. Explain the following terms (Any three)
  - (i) Goods (ii) Vouchers
  - (iii) Revenue Receipts (iv) Creditors3



8. Record the following transaction in the Purchase book and post them into ledger

2010

March 03 Purchased Goods from Jasim Rs. 800

March 10 Purchased stationery from Kamal Rs. 3,600

March 17 Purchased goods from Satish for cash Rs. 4,000

March 19 Manoj sold goods to us for Rs.1,300 3

9. Define accounting standards ? Explain any two objectives of accounting standards . 3

10. Pankaj purchased goods worth Rs.27,00,000 during the year , out of which goods worth Rs.14,00,000 remained unsold at the end of year due to poor demand . It is expected that the unsold will not realize more than Rs.7,00,000 . Pankaj is in process of obtaining loan from the bank but poor financial performance is making difficult for him to obtain the loan . To obtain the loan and maintaining credibility in the market Pankaj prepared financial statement without following the Generally Accepted accounting principles .He records the stock at cost price ,overstate revenue and underestimated the loss and liability to show better financial results .

(i) List out the values violated in the above case .

(ii) What would have been your response if you were in place of Pankaj ? 4

11. Journalise the following transactions

(i) Charge depreciation on building Rs.1500.

(ii) Goods destroyed by fire Rs. 58000.

(iii) Goods returned to Naved Rs. 400.

(iv) Bank charges Rs.45 . 4

12. Enter the following transaction in the bank column cash book

2011

Jan 01 Opening balance of cash Rs.26,300 and bank overdraft Rs. 2,000

Jan 07 Paid into bank Rs.2,500

Jan12 Cheque received from Sajid Rs. 34,000



Jan 19 Furniture purchased by cheque Rs. 4,000

Jan 22 Sajid's cheque deposited into bank

4

13. Prepare bank reconciliation statement as on 31<sup>st</sup> March 2010 from the following particulars.

(i) Balance as per cash book Rs.7,500 (Cr)

(ii) Interest debited by bank Rs. 360

(iii) Cheque received from Pratap Rs.3,700 was dishonored and entered only in the pass book .

(iv) Cheque amounting Rs. 48,000 were deposited during the month of March out of which cheque amounting Rs. 5,000 were credited by the bank in April .

(v) A cheque of Rs. 5,400 debited in the cash book was omitted to be banked

(vi) Dividend collected by bank Rs.460

6

14. Pass journal entries to rectify the following errors :

(i) Sale of goods Rs.4,600 to Naved was not posted

(ii) Goods returned from Ankita Rs. 6,000 was recorded in purchase return book .

(iii) Return inward book has been overcast by Rs. 3,100

(iv) Furniture purchased for Rs.5,700 was debited to purchase account.

(v) Goods purchased from Shakeel Rs.3,700 was posted to Saleem as Rs.7,300

6

15. (a) What is provision ? Give two example of provision .

(b) A firm purchased machinery costing Rs.68,000 on 31<sup>st</sup> March 2008 and spent Rs.7,000 on its installation . On 1<sup>st</sup> September 2010 1/3<sup>rd</sup> of the machinery was damaged by fire and replacement was done on the same day for the damaged part for Rs.20,000. The insurance company admitted a claim of Rs.7,000 for the damaged part .Prepare machinery account from 2008 to 2010 after charging depreciation @20% by diminishing balance method. Accounts are closed on 31<sup>st</sup> December

**OR**

(a) What is reserves ? Give two example of reserves .



- (b) On 1<sup>st</sup> March 2005 a company purchased machinery costing Rs. 1,20,000 .On 1<sup>st</sup> October 2006 it purchased another machinery for Rs. 90,000 . On 31<sup>st</sup> December 2006 it sold the first machinery for Rs. 58,000 .The depreciation is charged @10% p.a. on the original cost and the books are closed on 31<sup>st</sup> December every year. Prepare Machinery A/c and Provision for depreciation A/c for two years. Also prepare Machinery disposal A/c . [2+6]

16. (a) What is bill of exchange ?

(b) Journalise the following in the books of Akhilesh :

- (i) Akhilesh's acceptance to Danish for Rs. 2,000 renewed for 3 months together with interest @18% p.a. .
- (ii) Rajan request Akhilesh to renew his acceptance of Rs. 1,500 for two months . Akhilesh agrees to it provided interest @20% p.a. is paid in cash .
- (iii) Akhilesh's acceptance in favour of Hasan for Rs. 15,000 dishonored and noting charges Rs. 50 were paid by Hasan . Later on Akhilesh paid the due amount through cheque .

**OR**

(a) What is promissory note ?

- (b) On 1<sup>st</sup> August 2011 Habeeb sold goods to David for Rs. 15,000 and drew upon him a bill at 4 months for the amount . On 4<sup>th</sup> August 2011 Habeeb discounted the bill from bank @8% p.a..On the due date David dishonored the bill and noting charges paid by bank Rs.80 . After dishonor David accepted another bill for Rs. 15,200 including interest for two months. Before the maturity of second bill David became insolvent and paid 60% of due amount on 15<sup>th</sup> February 2012 . Show the journal entries in the books of Habeeb . [2+6]

17. From the following ledger balances of Hamid and sons ,prepare Trading and profit and loss account for the year ended 31<sup>st</sup> December 2009 and Balance Sheet as on that date after making necessary adjustments.

Trial Balance on 31<sup>st</sup> December 2009

Particulars	Amount(Rs.)	Particulars	Amount(Rs.)
Plant and machinery	31,000	Capital	52,050
Purchases	82,100	Creditors	12,300
Opening stock	14,450	Rent	6,500
Return inward	1,800	Sales	1,38,000
Carriage	3,500	Bill payable	800
Wages	8,000	Return outward	3,500
Drawings	24,000	Provision for bad debts	700
General expenses	7,550	8% Loan (on 1 <sup>st</sup> October 2009)	10,000
Salaries	14,000		



Debtors	16,800		
Interest on loan	150		
Trade expense	4,200		
Insurance and taxes	1,800		
Rent	11,000		
Bad debts	500		
Cash	3,000		
	<u>2,23,850</u>		<u>2,23,850</u>

Adjustments :

- (i) Closing stock Rs.8,700
- (ii) Further bad debts amounted to Rs. 800 and provision is made at 5% on debtors for doubtful debts
- (iii) Rent is paid for 11 months but received for 13 months .
- (iv) Goods worth Rs 4,000 were destroyed by fire and insurance company admitted a claim of Rs.3,400 .

10

## PART-B [FINANCIAL ACCOUNTING -II]

18. Name the account which show the classified summary of cash transaction in a not for profit organization ? 1
19. Give one disadvantage of incomplete records . 1
20. What is Accounting Information System ? 1
21. From the following Receipt and payment A/c and additional information show how the salary will appear in Income and Expenditure A/c and Balance sheet as on 31<sup>st</sup> December 2011 and on 31<sup>st</sup> December 2012 .

Extract of Receipts and Payment Account  
for the year ending 31<sup>st</sup> December 2012

Receipts	Amount	Payments	Amount
----------	--------	----------	--------



		Salaries	
		2011	40,000
		2012	5,60,000
		2013	36,000
			6,36,000

Additional Information :

(a) Salaries outstanding on 31 <sup>st</sup> December 2011	Rs.50,000	
(b) Salaries outstanding on 31 <sup>st</sup> December 2012	Rs. 90,000	
(c) Salaries paid in advance on 31 <sup>st</sup> December 2011	Rs.20,000	3

22. Explain any three type of accounting related MIS reports 3

23. Kailash commenced business on 1<sup>st</sup> April 2011 with capital of Rs.45,000 .He does not maintain proper system of accounting .On 31<sup>st</sup> March 2012 his books showed the following information

Account payable	Rs. 30,000
Furniture	Rs. 70,000
Stock	Rs.50,000
Account receivables	Rs.40,000
Cash	Rs.12,000
Drawings	Rs.2,400 per month
Additional capital	Rs.25,000
Provide depreciation @10% p.a. on furniture	
Make a provision for bad debts @5%	

You are required to calculate the profit or loss of Kailash for the year ended 31<sup>st</sup> March 2012.

4

24. Prepare Income and Expenditure account for the year ended 31<sup>st</sup> December 2012 and balance sheet as on that date from the following Receipts and Payment account and additional information .

Receipts and Payment account

For the year ended 31<sup>st</sup> December 2012

Receipts	Amount (Rs.)	Payments	Amount(Rs.)
----------	--------------	----------	-------------



Balance b/d	1,500	Salaries	2,400
Subscriptions		General expenses	300
2011 Rs.500		Electric charges	700
2012 Rs.2000		Books	500
2013 Rs.400	2,900	Newspaper	400
Sale of old furniture (costing Rs. 300)	140	Postage	120
Entrance fees	800	Furniture	800
Donation for tournament	1,300	Balance c/d	1,470
Sale of newspaper	50		
	<u>6,690</u>		<u>6,690</u>

Additional Information:

- (i) Club has 50 members each paying annual subscription of Rs. 50 .Subscription outstanding on 31<sup>st</sup> December 2011 was Rs. 600
- (ii) On 31<sup>st</sup> December 2012 salaries outstanding amounted Rs. 100 and salaries paid included Rs. 150 for the year 2011 .
- (iii) On 1-1-2012 the club has equipments valued at Rs.10,000 ,furniture Rs.1600 and books Rs.1,700.

6

25. Explain the following :

- (a) Data base
- (b) MIS
- (c) Tailored accounting software

6



# GULF SAHODYA(SAUDI CHAPTER)EXAMINATION-2013

## SET-B

Subject :Accountancy

MM: 90

Class:XI

Time : 3 hours

General Instructions :

Total Pages : 5

*(a) All questions are compulsory.*

*(b) Draw proper format wherever required.*

*(c) Marks are indicated against each question .*

*(d) Use of calculator is not allowed.*

---

### PART-A [FINANCIAL ACCOUNTING-I]

1. Explain any one objective of accounting 1
  
2. Give two examples of liquid assets . 1
  
3. If goods costing Rs. 2000 are sold for Rs.2300 then what will be the effect of this transaction on the capital ? 1
  
4. Why suspense account is opened ? 1
  
5. What is indirect expense ? 1
  
6. What journal entry will be passed for creating provision for doubtful debts . 1
  
7. Explain the following terms (Any three )  

(i) Business Transaction	(ii) Sales
(iii) Cash discount	(iv) Liquid assets

3





8. Record the following transaction in the Sales book and post them into ledger

2010

July 04 Sold goods to Salman for Rs.5,900

July 09 Sold old furniture for Rs.3,800

July 17 Sold goods to Farhan on credit for Rs.6,800

July 19 Sold goods to Sanjay in cash Rs. 2,400 3

9. Define accounting standards ? Explain any two objectives of accounting standards . 3

10. Pankaj purchased goods worth Rs.27,00,000 during the year , out of which goods worth Rs.14,00,000 remained unsold at the end of year due to poor demand . It is expected that the unsold will not realize more than Rs.7,00,000 . Pankaj is in process of obtaining loan from the bank but poor financial performance is making difficult for him to obtain the loan . To obtain the loan and maintaining credibility in the market Pankaj prepared financial statement without following the Generally Accepted accounting principles .He records the stock at cost price ,overstate revenue and underestimated the loss and liability to show better financial results .

(i) List out the values violated in the above case .

(ii) What would have been your response if you were in place of Pankaj ? 4

11. Enter the following transaction in the bank column cash book

2011

Jan 01 Opening balance of cash Rs.26,300 and bank overdraft Rs. 2,000

Jan 07 Paid into bank Rs.2,500

Jan 12 Cheque received from Sajid Rs. 34,000

Jan 19 Furniture purchased by cheque Rs. 4,000

Jan 22 Sajid's cheque deposited into bank 4

12. Journalise the following transactions

(i) Rs. 3000 due from Astha written off as bad debts

(ii) Goods returned from Shakir Rs.600



- (iii) Withdrawn from bank for office use Rs.4000
- (iv) Goods withdrawn for personal use Rs. 2800 4

13. Pass journal entries to rectify the following errors :

- (i) Sale of goods Rs.4,600 to Naved was not posted
- (ii) Goods returned from Ankita Rs. 6,000 was recorded in purchase return book .
- (iii) Return inward book has been overcast by Rs. 3,100
- (iv) Furniture purchased for Rs.5,700 was debited to purchase account.
- (v) Goods purchased from Shakeel Rs.3,700 was posted to Saleem as Rs.7,300 6

14. Prepare bank reconciliation statement as on 31<sup>st</sup> March 2010 from the following particulars.

- (i) Balance as per cash book Rs.7,500 (Cr)
- (ii) Interest debited by bank Rs. 360
- (iii) Cheque received from Pratap Rs.3,700 was dishonored and entered only in the pass book .
- (iv) Cheque amounting Rs. 48,000 were deposited during the month of March out of which cheque amounting Rs. 5000 were credited by the bank in April .
- (v) A cheque of Rs. 5,400 debited in the cash book was omitted to be banked
- (vi) Dividend collected by bank Rs.460 6

15. (a) What is provision ? Give two example of provision .

(b) A firm purchased machinery costing Rs.68,000 on 31<sup>st</sup> March 2008 and spent Rs.7,000 on its installation . On 1<sup>st</sup> September 2010 1/3<sup>rd</sup> of the machinery was damaged by fire and replacement was done on the same day for the damaged part for Rs.20,000. The insurance company admitted a claim of Rs.7,000 for the damaged part .Prepare machinery account from 2008 to 2010 after charging depreciation @20% by diminishing balance method. Accounts are closed on 31<sup>st</sup> December

**OR**

(a) What is reserves ? Give two example of reserves .



- (b) On 1<sup>st</sup> March 2005 a company purchased machinery costing Rs. 1,20,000 .On 1<sup>st</sup> October 2006 it purchased another machinery for Rs. 90,000 . On 31<sup>st</sup> December 2006 it sold the first machinery for Rs. 58,000 .The depreciation is charged @10% p.a. on the original cost and the books are closed on 31<sup>st</sup> December every year. Prepare Machinery A/c and Provision for depreciation A/c for two years .Also prepare Machinery disposal A/c [2+6]

16. (a) What is bill of exchange ?

(b) Journalise the following in the books of Akhilesh :

- (i) Akhilesh's acceptance to Danish for Rs. 2,000 renewed for 3 months together with interest @18% p.a. .
- (ii) Rajan request Akhilesh to renew his acceptance of Rs. 1,500 for two months . Akhilesh agrees to it provided interest @20% p.a. is paid in cash .
- (iii) Akhilesh's acceptance in favour of Hasan for Rs. 15,000 dishonored and noting charges Rs. 50 were paid by Hasan . Later on Akhilesh paid the due amount through cheque

**OR**

(a) What is promissory note ?

- (b) On 1<sup>st</sup> August 2011 Habeeb sold goods to David for Rs. 15,000 and drew upon him a bill at 4 months for the amount . On 4<sup>th</sup> August 2011 Habeeb discounted the bill from bank @8% p.a..On the due date David dishonored the bill and noting charges paid by bank Rs.80 . After dishonor David accepted another bill for Rs. 15,200 including interest for two months. Before the maturity of second bill David became insolvent and paid 60% of due amount on 15<sup>th</sup> February 2012 . Show the journal entries in the books of Habeeb . [2+6]

17. From the following ledger balances of Hamid and sons ,prepare Trading and profit and loss account for the year ended 31<sup>st</sup> December 2009 and Balance Sheet as on that date after making necessary adjustments.

Trial Balance on 31<sup>st</sup> December 2009

Particulars	Rs.	Particulars	Rs.
Plant and machinery	31,000	Capital	52,050
Purchases	82,100	Creditors	12,300
Opening stock	14,450	Rent	6,500
Return inward	1,800	Sales	1,38,000
Carriage	3,500	Bill payable	800
Wages	8,000	Return outward	3,500
Drawings	24,000	Provision for bad debts	700
General expenses	7,550	8% Loan (on 1 <sup>st</sup> October 2009)	10,000
Salaries	14,000		
Debtors	16,800		
Interest on loan	150		



Trade expense	4,200		
Insurance and taxes	1,800		
Rent	11,000		
Bad debts	500		
Cash	3,000		
	<u>2,23,850</u>		<u>2,23,850</u>

Adjustments :

- (i) Closing stock Rs.8,700
- (ii) Further bad debts amounted to Rs. 800 and provision is made at 5% on debtors for doubtful debts
- (iii) Rent is paid for 11 months but received for 13 months .
- (iv) Goods worth Rs 4,000 were destroyed by fire and insurance company admitted a claim of  
Rs. 3400 10

### PART-B [FINANCIAL ACCOUNTING –II]

- 18. What do you understand by legacy ? 1
- 19. What is Accounting Information System ? 1
- 20. Give one disadvantage of incomplete records . 1
- 21. Explain any three type of accounting related MIS reports 3
- 22. From the following Receipt and payment A/c and additional information show how the salary will appear in Income and Expenditure A/c and Balance sheet as on 31<sup>st</sup> December 2011 and on 31<sup>st</sup> December 2012 .

Extract of Receipts and Payment Account  
for the year ending 31<sup>st</sup> December 2012

Receipts	Amount	Payments	Amount
----------	--------	----------	--------



		Salaries	
		2011	40,000
		2012	5,60,000
		2013	36,000
			6,36,000

Additional Information :

- (a) Salaries outstanding on 31<sup>st</sup> December 2011 Rs.50,000
- (b) Salaries outstanding on 31<sup>st</sup> December 2012 Rs. 90,000
- (c) Salaries paid in advance on 31<sup>st</sup> December 2011 Rs.20,000 3

23. Kailash commenced business on 1<sup>st</sup> April 2011 with capital of Rs.45,000 .He does not maintain proper system of accounting .On 31<sup>st</sup> March 2012 his books showed the following information

Account payable	Rs. 30,000
Furniture	Rs. 70,000
Stock	Rs.50,000
Account receivables	Rs.40,000
Cash	Rs.12,000
Drawings	Rs.2,400 per month
Additional capital	Rs.25,000

Provide depreciation @10% p.a. on furniture

Make a provision for bad debts @5%

You are required to calculate the profit or loss of Kailash for the year ended 31<sup>st</sup> March 2012.

4

24. Prepare Income and Expenditure account for the year ended 31<sup>st</sup> December 2012 and balance sheet as on that date from the following Receipts and Payment account and additional information .

Receipts and Payment account

For the year ended 31<sup>st</sup> December 2012

Receipts	Amount (Rs.)	Payments	Amount(Rs.)
----------	--------------	----------	-------------



Balance b/d	1,500	Salaries	2,400
Subscriptions		General expenses	300
2011 Rs.500		Electric charges	700
2012 Rs.2000		Books	500
2013 Rs.400	2,900	Newspaper	400
Sale of old furniture (costing Rs. 300)	140	Postage	120
Entrance fees	800	Furniture	800
Donation for tournament	1,300	Balance c/d	1,470
Sale of newspaper	50		
	<u>6,690</u>		<u>6,690</u>

Additional Information:

- (i) Club has 50 members each paying annual subscription of Rs. 50 .Subscription outstanding on 31<sup>st</sup> December 2011 was Rs. 600
- (ii) On 31<sup>st</sup> December 2012 salaries outstanding amounted Rs. 100 and salaries paid included Rs. 150 for the year 2011 .
- (iii) On 1-1-2012 the club has equipments valued at Rs.10,000 ,furniture Rs.1600 and books Rs.1,700. 6

25. Explain the following :

- (a) Data base
- (b) MIS
- (c) Tailored accounting software 6



# GULF SAHODYA(SAUDI CHAPTER)EXAMINATION-2013

## SET-C

Subject :Accountancy

MM: 90

Class:XI

Time : 3 hours

General Instructions :

Total Pages : 5

(a) All questions are compulsory.

(b) Draw proper format wherever required.

(c) Marks are indicated against each question .

(d) Use of calculator is not allowed.

---

### PART-A [FINANCIAL ACCOUNTING-I]

1. Explain any one limitation of accounting 1
  
2. If a creditor of Rs.5,000 is settled by final payment of 4,800 then what will be the effect of this transaction on capital ? 1
  
3. What is direct expense ? 1
  
4. Give example of an error which affect the trial balance . 1
  
5. What adjustment entry will be passed for prepaid advertisement expenses ? 1
  
6. Give any one transaction which is not recorded in books of account even though it affects the financial position of the business . 1
  
7. Record the following transaction in the Sales Return book and post them into ledger:  
2010  
March 07 Goods return to Aman Rs.2,100

March 09	Kasim return goods for Rs.200	
March 17	Return inward from Javed Rs.4600	
March 24	Return outward to Razik Rs.3500	3

8. Explain the following terms (Any three ):

- |             |                          |   |
|-------------|--------------------------|---|
| (i) Account | (ii) Current liabilities |   |
| (iii) Gain  | (iv) Debtors             | 3 |

9. Define accounting standards ? Explain any two objectives of accounting standards. 3

10. Pankaj purchased goods worth Rs.27,00,000 during the year , out of which goods worth Rs.14,00,000 remained unsold at the end of year due to poor demand . It is expected that the unsold will not realize more than Rs.7,00,000 . Pankaj is in process of obtaining loan from the bank but poor financial performance is making difficult for him to obtain the loan . To obtain the loan and maintaining credibility in the market Pankaj prepared financial statement without following the Generally Accepted accounting principles .He records the stock at cost price ,overstate revenue and underestimated the loss and liability to show better financial results .

- |  |   |
|--|---|
| (i) List out the values violated in the above case .                     |   |
| (ii) What would have been your response if you were in place of Pankaj ? | 4 |

11. Journalise the following transactions

- |  |   |
|--|---|
| (i) Received Rs.1200 from Abid written off as bad debts. |   |
| (ii) Interest on capital Rs.450.                         |   |
| (iii) Goods distributed as free samples Rs.3600.         |   |
| (iv) Rent outstanding Rs. 2500.                          | 4 |

12. Enter the following transaction in the bank column cash book

2011

Jan 01 Opening balance of cash Rs.26,300 and bank overdraft Rs. 2,000

Jan 07 Paid into bank Rs.2,500

Jan12 Cheque received from Sajid Rs. 34,000





Jan 19 Furniture purchased by cheque Rs. 4,000

Jan 22 Sajid's cheque deposited into bank 4

13. Prepare bank reconciliation statement as on 31<sup>st</sup> March 2010 from the following particulars.

- (i) Balance as per cash book Rs.7,500 (Cr)
- (ii) Interest debited by bank Rs. 360
- (iii) Cheque received from Pratap Rs.3,700 was dishonored and entered only in the pass book .
- (iv) Cheque amounting Rs. 48,000 were deposited during the month of March out of which cheque amounting Rs. 5000 were credited by the bank in April .
- (v) A cheque of Rs. 5,400 debited in the cash book was omitted to be banked
- (vi) Dividend collected by bank Rs.460 6

14. Pass journal entries to rectify the following errors :

- (i) Sale of goods Rs.4,600 to Naved was not posted
- (ii) Goods returned from Ankita Rs. 6,000 was recorded in purchase return book .
- (iii) Return inward book has been overcast by Rs. 3,100
- (iv) Furniture purchased for Rs.5,700 was debited to purchase account.
- (v) Goods purchased from Shakeel Rs.3,700 was posted to Saleem as Rs.7,300 6

15. (a) What is provision ? Give two example of provision .

- (b) A firm purchased machinery costing Rs.68,000 on 31<sup>st</sup> March 2008 and spent Rs.7,000 on its installation . On 1<sup>st</sup> September 2010 1/3<sup>rd</sup> of the machinery was damaged by fire and replacement was done on the same day for the damaged part for Rs.20,000. The insurance company admitted a claim of Rs.7,000 for the damaged part .Prepare machinery account from 2008 to 2010 after charging depreciation @20% by diminishing balance method. Accounts are closed on 31<sup>st</sup> December

**OR**

(a) What is reserves ? Give two example of reserves .



- (b) On 1<sup>st</sup> March 2005 a company purchased machinery costing Rs. 1,20,000 .On 1<sup>st</sup> October 2006 it purchased another machinery for Rs. 90,000 . On 31<sup>st</sup> December 2006 it sold the first machinery for Rs. 58,000 .The depreciation is charged @10% p.a on the original cost and the books are closed on 31<sup>st</sup> December every year. Prepare Machinery A/c and Provision for depreciation A/c for two years. Also prepare Machinery disposal A/c . [2+6]

16. (a) What is bill of exchange ?

(b) Journalise the following in the books of Akhilesh :

- (i) Akhilesh's acceptance to Danish for Rs. 2,000 renewed for 3 months together with interest @18% p.a. .
- (ii) Rajan request Akhilesh to renew his acceptance of Rs. 1,500 for two months . Akhilesh agrees to it provided interest @20% p.a. is paid in cash .
- (iii) Akhilesh's acceptance in favour of Hasan for Rs. 15,000 dishonored and noting charges Rs. 50 were paid by Hasan . Later on Akhilesh paid the due amount through cheque .

**OR**

(a) What is promissory note ?

- (b) On 1<sup>st</sup> August 2011 Habeeb sold goods to David for Rs. 15,000 and drew upon him a bill at 4 months for the amount . On 4<sup>th</sup> August 2011 Habeeb discounted the bill from bank @8% p.a..On the due date David dishonored the bill and noting charges paid by bank Rs.80 . After dishonor David accepted another bill for Rs. 15,200 including interest for two months. Before the maturity of second bill David became insolvent and paid 60% of due amount on 15<sup>th</sup> February 2012 . Show the journal entries in the books of Habeeb . [2+6]

17. From the following ledger balances of Hamid and sons ,prepare Trading and profit and loss account for the year ended 31<sup>st</sup> December 2009 and Balance Sheet as on that date after making necessary adjustments.

Trial Balance on 31<sup>st</sup> December 2009

Particulars	Rs.	Particulars	Rs.
Plant and machinery	31,000	Capital	52,050
Purchases	82,100	Creditors	12,300
Opening stock	14,450	Rent	6,500
Return inward	1,800	Sales	1,38,000
Carriage	3,500	Bill payable	800
Wages	8,000	Return outward	3,500
Drawings	24,000	Provision for bad debts	700
General expenses	7,550	8% Loan (on 1 <sup>st</sup> october 2009)	10,000
Salaries	14,000		
Debtors	16,800		
Interest on loan	150		



Trade expense	4,200		
Insurance and taxes	1,800		
Rent	11,000		
Bad debts	500		
Cash	3,000		
	<u>2,23,850</u>		<u>2,23,850</u>

Adjustments :

- (i) Closing stock Rs.8,700
- (ii) Further bad debts amounted to Rs. 800 and provision is made at 5% on debtors for doubtful debts
- (iii) Rent is paid for 11 months but received for 13 months .
- (iv) Goods worth Rs 4,000 were destroyed by fire and insurance company admitted a claim of Rs. 3400

10

### PART-B [FINANCIAL ACCOUNTING –II]

18. What is life membership fund ? 1

19. Give one disadvantage of incomplete records . 1

20. What is Accounting Information System ? 1

21. From the following Receipt and payment A/c and additional information show how the salary will appear in Income and Expenditure A/c and Balance sheet as on 31<sup>st</sup> December 2011 and on 31<sup>st</sup> December 2012 .

Extract of Receipts and Payment Account  
for the year ending 31<sup>st</sup> December 2012

Receipts	Amount	Payments	Amount
		Salaries	
		2011      40,000	
		2012      5,60,000	
		2013      36,000	6,36,000



Additional Information :

(a) Salaries outstanding on 31 <sup>st</sup> December 2011	Rs.50,000	
(b) Salaries outstanding on 31 <sup>st</sup> December 2012	Rs. 90,000	
(c) Salaries paid in advance on 31 <sup>st</sup> December 2011	Rs.20,000	3

22. Explain any three type of accounting related MIS reports 3

23. Kailash commenced business on 1<sup>st</sup> April 2011 with capital of Rs.45,000 .He does not maintain proper system of accounting .On 31<sup>st</sup> March 2012 his books showed the following information

Account payable	Rs. 30,000
Furniture	Rs. 70,000
Stock	Rs.50,000
Account receivables	Rs.40,000
Cash	Rs.12,000
Drawings	Rs.2,400 per month
Additional capital	Rs.25,000

Provide depreciation @10% p.a. on furniture

Make a provision for bad debts @5%

You are required to calculate the profit or loss of Kailash for the year ended 31<sup>st</sup> March 2012.

4

24. Prepare Income and Expenditure account for the year ended 31<sup>st</sup> December 2012 and balance sheet as on that date from the following Receipts and Payment account and additional information .

Receipts and Payment account

For the year ended 31<sup>st</sup> December 2012

Receipts	Amount (Rs.)	Payments	Amount(Rs.)
----------	--------------	----------	-------------



Balance b/d	1,500	Salaries	2,400
Subscriptions		General expenses	300
2011 Rs.500		Electric charges	700
2012 Rs.2000		Books	500
2013 Rs.400	2,900	Newspaper	400
Sale of old furniture (costing Rs. 300)	140	Postage	120
Entrance fees	800	Furniture	800
Donation for tournament	1,300	Balance c/d	1,470
Sale of newspaper	50		
	<u>6,690</u>		<u>6,690</u>

Additional Information:

- (i) Club has 50 members each paying annual subscription of Rs. 50 .Subscription outstanding on 31<sup>st</sup> December 2011 was Rs. 600
- (ii) On 31<sup>st</sup> December 2012 salaries outstanding amounted Rs. 100 and salaries paid included Rs. 150 for the year 2011 .
- (iii) On 1-1-2012 the club has equipments valued at Rs.10,000 ,furniture Rs.1600 and books Rs.1,700.

6

25. Explain the following :

- (a) Data base
- (b) MIS
- (c) Tailored accounting software

6