

**CODE - OSLO**

**Instructions :**

- 1) Solve all 4 questions after exercising internal option.
- 2) Maximum Time : 2 Hours.
- 3) Maximum Marks : 60
- 4) Neatness will be suitably rewarded.

**Q.1**

**5 marks each**

- 1) Who are users of Accounting information generated by a company ?
- 2) What are considerations in selection of Accounting Policies as per AS-1?
- 3) Explain procedure of issuing Accounting standards in India by Accounting standards Board.

**OR**

**Q.1**

**5 marks each**

- 1) Define Book-keeping, Financial Accounting Explain Book-keeping versus financial Accounting.
- 2) What are objectives of Financial Accounting?
- 3) Explain requirements of AS-1 regarding disclosure of Accounting policies.

**Q.2**

- 1) Distinguish between Journal & Ledger.

**5 marks**

- 2) Pass the following entries in the books of Ms. Ria who owns a jewellery shop for the month of January 2008.

**10 marks**

Date

- |            |                                                                                                    |
|------------|----------------------------------------------------------------------------------------------------|
| 01.01.2008 | Purchased jewellery worth Rs. 25,000 from Sia jewellery co on credit.                              |
| 07.01.2008 | Sold Jewellery worth Rs. 5,000 to Mr. Aakash after cash payment                                    |
| 14.01.2008 | Purchase of Air-conditioner for shop Rs. 30,000/- paid by cash to Air Cool Ltd.                    |
| 21.01.2008 | Amount due to Raima jewellers Rs. 20,000 sent cheque in full & final settlement for Rs. 19,750.    |
| 28.01.2008 | Amount due from Moonmoon Rs. 15,000. Received cash as full & final settlement from her Rs. 14,800. |

**OR**

**Q.2**

- 1) Distinguish between straight Line method & written down value method.

**5 marks**

- 2) Gold coin co. purchased on 1<sup>st</sup> April 2005, machinery at Rs. 1,20,000

**10 marks**

The co. also purchased machinery on 1st October 2005, costing Rs. 80,000 & on 1st July 2006 costing Rs. 40,000.

On 1st January 2007; one fourth of the machinery installed on 1st April 2005, became irreparable & was sold for Rs. 12,000.

You are required to show Machinery Account in the books of co. Company follows policy of straight line method on 31st December

- Q.3** 1) What is Deferred Revenue expenditure ? Explain & give examples. 5
- 2) State with reasons, whether following items are Capital, Revenue, Deferred Revenue, specifying receipt or expenditure. 10 marks
- i) Loss of fixed and current assets in fire & Insurance claim received.
  - ii) Recovery of a debt written off as bad debt earlier.
  - iii) A Cinema theatre incurred Rs. 2 Lakhs on additional exits (doors) to comply with municipal regulations.
  - iv) Amount spent on uniform for the staff.
  - v) Heavy expenses on launching a new product.

OR

- Q.3** Following is the TimePass Library's Account for the ending 31.03.2007  
Receipts & payments A/c for the period. 15  
**1<sup>st</sup> April 2006 to 31<sup>st</sup> March 2007.**

Receipts	Amount in Rs.	Payments	Amount in Rs.
To bal. b/d.	9,000	By Salaries & wages	13,600
To Admission Fees	7,000	By Rent	16,500
To subscriptions	39,000	By Investments	7,000
To Lecture		By stationery	2,500
Hall hire		By Electricity Charges	1,460
Charges	5,000	By Books	12,000
To Miscellaneous		By outstanding expenses	1,400
Income	700	By bal c/d.	7,440
To interest on Investments	1200		
	<b>61,900</b>		<b>61,900</b>

You are required to prepare an Income and Expenditure Account for the year ended 31.03.2007 and a Balance Sheet as at 31.03.2007.

Additional information :

- 1) On 31.03.2007 Library had following assets also Furniture Rs. 11,000  
Books valued at Rs. 90,000.  
Investments at cost Rs. 40,000.
- 2) Subscriptions realised in advance this year amounted to Rs. 1200.
- 3) Outstanding Liabilities as on 31.03.2007.  
Salaries & wages Rs. 2400  
Rent Rs. 1500
- 4) 60% of the Admission fees should be capitalised.
- 5) Furniture & library Books should be depreciated at 6% & 10%

- Q.4** From the following Trial balance of Suraj Enterprises prepare manufacturing Trading and Profit & Loss Account for the period 1<sup>st</sup> April 2006 to 31<sup>st</sup> March 2007. and Balance Sheet as on 31<sup>st</sup> March 2007.

Particulars	Debit Rs.	Credit Rs.
Opening stock		
Raw material	18,000	-
Finished Goods	3,500	-
Purchases of Raw material	95,800	-
Carriage	12,000	-
Wages	18,000	-
Salaries	14,000	-
Power/Lighting	4,500	-
Insurance for Machinery	700	-
Repairs to Machinery	1,300	-
Sales	-	2,03,500
Returns outward	-	2,500
Returns Inward	3500	-
Scrap sold	-	8,500
Interest	-	1,000
Conveyance	9,500	-
Professional Fees	6,000	-
Stationery	3,750	-
Electricity	1,250	-
Capital	-	62,500
Drawings	30,000	-
Bank balance	-	27,000
Creditors	-	61,000
10% Investment (Purchased on 1.04.2006)	15,000 -	- -
Debtors	54,000	-
Furniture	30,000	-
Machinery	45,000	-
Cash in hand	200	-
	<b>3,66,000</b>	<b>3,66,0000</b>

**Adjustments :**

- 1) Closing stock :  
Raw material Rs. 28,000 Finished Goods Rs. 2300/-
- 2) 1/3 rd of carriage is for sale of goods and 2/3 rd is for purchase of raw material
- 3) Goods purchased worth Rs. 3,000 are included in closing stock, but no entry is

- 4) Depreciate plant & Machinery & Furniture by 10% p.a.
- 5) Create provision of 10% for bad & doubtful debts.
- 6) In fire, finished goods costing Rs. 5,000 were destroyed, but insurance company admitted the claim of Rs. 3,000 only.
- 7) Debtors include Rs. 5,000 due from Sumit. An amount of Rs. 4,000 is also due to him and it is included in creditors.

OR

**Q.4 Answer any 3 questions :**

**5 marks each**

- 1) What are Accounting policies? Give 6 examples of different areas in which different Accounting policies can be followed ?
- 2) What are causes of depreciation ? Explain.
- 3) What are tests for determining capital or revenue expenditure ?
- 4) What is the need for computerised Accounting ?
- 5) What are the outputs of computerised Accounting system ?

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