

- Instruction :** 1) All questions are compulsory
2) All questions carry equal marks.
3) Figures to the right indicate full marks.

- Q.1 a) Explain the users of accounting information. 08
b) Explain any 3 accounting principles. 07

OR

- a) What are the golden rule of Debit and credit? Give Examples 10
b) Give proforma of three columner Cash Book 05
Q.2 a) Journalise the following transactions. 08

Dec. 2008

1.	Tolaram invested in Business Rs.20,000 in cash, goods worth Rs.10,000 and office premises worth Rs.40,000.
2.	Purchased Goods from Zolaram worth Rs.30,000.
4.	Sold Goods to Kamalchand worth Rs.25,000
5.	Cash sales Rs.7,000
10.	Received cheque from Kamalchand Rs.24,000 on full settlement.
12.	Borrowed from Megharam Rs.25,000 and introduced amt. in business.
15.	Exchanged old personal furniture for cash Rs.500.

- b) What are the steps to prepare a Gross Trial Balance. 07
Q.3 a) What is an Accounting standard? 07
Explain procedure of formulation of Accounting stadards.
b) State with reasons whether you would consider the following as capital expenditure or revenue expenditure 08
1) Amount spent on uniform of workers.
2) Cost of stores consumed in manufacturing machinery for installation in own factory.
3) Wages paid for construction of the building extension
4) Import Duty on Raw Materials Purchased.

OR

Raghav Chemicals Trial Balance as on 31st December, 2003 is as follows :-

Particulars	Dr.Rs.	Cr. Rs.	Particulars	Dr.Rs.	Cr. Rs.
Stock (01/01/03)	1,48,000	—	Bills Receivable	6,000	—
Purchase	2,54,000	—	Commission Received	—	20,000
Purchase Returns	—	1,000	Freehold Land &	—	—
Salaries	30,000	—	Premises	80,000	—
Wages	48,000	—	Discount Allowed	12,000	—
Rent & Taxes	1,000	—	Sales	—	3,60,000
Electricity	16,000	—	office Furniture	10,000	—
Printing & Stationery	32,000	—	Cash at Bank	44,000	—
Miscellaneous Exp.	26,000	—	Cash on Hand	12,000	—
Sundry Drs.	72,000	—			
Sundry creditors	—	60,000			
Capital	—	3,50,000	Total	7,91,000	7,91,000

Additional Information :-

- a) Closing stock Rs 2,65,000

Prepare Trading and Profit and Loss A/C for the year ending December, 2003 of Raghav Chemicals and Balance Sheet as on date. Make necessary working Notes. 15

- Q.4 a) Distinguish between Receipts & Payments A/C and Income & Expenditure A/C 05
- b) Explain the advantages of computer in Accounting. 05
- c) Explain types of errors in brief. 05

OR

M/s. Sharvil Brothers Provides you with the information regarding their plant & Machinery A/C.

Date	Particulars	Rs.
1/01/2001	Purchase of Machinery	85,000
1/01/2001	Installation Expenses	15,000
1/07/2002	Purchase of Additional Machinery	47,000
1/07/2002	Installation Expenses	3,000
1/10/2003	1st Machine totally damaged due to floods; Insurance Company admitted claim for	20,000
1/10/2003	Purchased second hand machine	60,000
1/10/2003	Paid repairs charges for the above machine	40,000

Depreciation to be provided at 20% p.a. on written Down value Method on 31st December every year. Prepare Machinery A/C for the years 2001, 2002, 2003. Working Notes will be part of answer. 15

