

CODE : AMOEBA

Time : 2 Hrs.

Marks : 50

- Instructions :**
- 1] Question No.1 carries 14 marks and the remaining questions carry 12 marks each
 - 2] Question No.1 and Question No.2 are compulsory.
 - 3] Question No.3 contains internal option , i.e. Q.No.3 or Q.No.3 out of which any one is to be attempted
 - 4] Question No.4 contains internal option, i.e. Q.No.4 or Q.No.4 out of which any one is to be attempted
 - 5] In all, four questions are to be attempted i.e. Q.No.1, Q.No.2, Q.No.3 and Q.No.4.

Q.1 Following is the trial balance of Shri Vinod Joshi-you are required to prepare manufacturing, Trading and Profit and loss account for the year ended on 31st March 2008, and the Balance Sheet as on that date

Particulars	Debit	Credit
Raw Material purchases and Finished Goods Sales	2,00,000	7,70,000
Sundry Debtors and Creditors	2,00,000	30,000
Commission paid and Commission received	1,000	2,000
Purchase Return and sales return	25,000	5,000
Discount	4,000	1,000
Bad debts W/o	4,000	-
Travelling Expenses	8,000	-
Office salaries	22,000	-
Carriage Inward	5,000	-
Rates and Taxes	1,000	-
Factory Rent	20,000	-
Manufacturing wages	49,000	-
Opening Stock :-		
Rawmaterial	40,000	-
work in progress	60,000	-
Finished goods	80,000	-
Drawings and Capital	20,000	1,40,000
Plant and machinery	2 00,000	-
Motor Vehicles	50,000	-
Furniture	75,000	-
office Building	1,08,000	-
Cash	14,000	-
Bank Overdraft	-	91,000
Loan taken on 1.1.2008 @ 12% p.a.	-	2,00,000
Interest on Bank overdraft	12,000	-
Insurance premium paid	1,000	-
Motor Car expenses	4,000	-

CODE : AMOEBA

Additional Information :

1. In October, 2007 finished goods worth Rs. 20,000 were destroyed by fire. A claim for the same was made to the insurance Company. The insurance company however admitted the claim for Rs.15000 only.
2. Depreciate Plant and Machinery @ 15% p.a., Motor vehicles @ 20% p.a. furniture @ 10% p.a. and office building @ 5% p.a.
3. Further Bad debts to be written off are Rs.2000 and provision for doubtful debts is to be created at 5% on debtors.
4. Closing stock on 31st March 2008 was as follows :-
Raw material 5000
Work in progress 15000
finished Goods 40,000.

Q.2 (Objective) (12 sub-questions carrying one mark each)

In each of the following cases, state whether the given statement is TRUE OR FALSE. Reasons need not be given.

- a) Closing Entries are passed at the end, of the financial year to close Nominal Accounts.
- b) Credit Balance in Provision for Depreciation Account is transferred to the Profit and Loss Account at the end of the year.
- c) For a fixed asset, Net Book Value means Gross Book Value minus Accumulated Depreciation
- d) AS - 9 deals with Revenue Recognition. ✓
- e) As per AS - 2, stock of finished goods must be valued at Cost or Net Realisable value, whichever is less. ✓
- f) Money received by an enterprise when it takes a loan from a Bank is a capital receipt.
- g) Depreciation provided for the year is recorded on the payments side of the cash Book.
- h) For a Non-Trading Organisation, the excess of Income over Expenditure for the year is called Net profit.
- i) The Balance Sheet is an Account.
- j) Balances in Real and Personal accounts at the year-end are carried forward to the next accounting year.
- k) Any amount receivable in future is called a liability of the enterprise.
- l) Subscriptions received in advance from members is an asset for the non-trading organisation.

Q.3 State whether each of the following items are capital, revenue or deferred revenue in nature Also give reasons for your answer in each case :-

- a) Purchase of a second hand Car for Rs.50,000 having estimated balance life of 3 years. *CE*
- b) Sale proceeds of old machinery Rs.60,000 *CR*
- c) Cost Rs.5000 for replacement of tyre of office Car. *RE*
- d) Expenditure on annual painting of existing factory building. *RE*
- e) Commission paid to Salesmen @2.5% on sales *RE*
- f) Custom duty paid on machinery imported from Germany. *CE*

OR

Q.3 Mulund Gymkhana was registered on 1st January, 07 from which date it started its activities. From the following receipts and payments account of Mulund Gymkhana for the first year ended 31st December 2007, Prepare :-

- 1. Income and Expenditure account for the year ended 31st December, 2007 and
- 2. Balance sheet as on 31st December 2007.

Receipts and Payment account for the year ended 31st December, 2007

Receipts		Payments	
To Entrance fees	1,00,000	By Land	23,000
To Subscription	85,000	By Building	1,80,000
To Interst on Securities	5,000	By 10% Investment on 1.1.07 at par	1,00,000
To Donations for Buldg. fund	1,10,000	By Furniture	9,000
To Govt. Grants.	1,00,000	By Salary to two Coaches	1,20,000
To Sale of old News papers	500	By Insurance	2,000
To canteen Collection	10,000	By Tournament expenses	20,500
To Tournament Revenue	30,000	By Purchase of	
To Life Membership fees	70,000	Sports material	25,000
		By Newspapers & Magazines	1,000
		By Canteen Exps	5,000
		By Bal c/d	
		Cash	5,000
		Bank	20,000
	5,10,500		5,10,500

Additional Information :

1. The above subscription included amount received for the year 2008 Rs. 5000 and for the year 2009 Rs.4000.
2. Depreciate building by $2\frac{1}{2}$ % p.a. and furniture by 10% p.a.
3. Salary to the 1st Coach Rs.5000 was outstanding for the month of December, 07 and the 2nd coach took Advance salary for the Month of Jan, 2008 Rs.5000.
4. closing stock of sports Material Rs.5000 on 31.12.2007.
5. 100% of life membership fees is to be Capitalised.
6. 50% of Entrance fees are to be capitalised.

- Q.4** On 1st April, 2005 a Manufacturing unit purchased a machinery for Rs.2,00,000 On 1st Oct, 2005 additional machinery costing Rs. 75,000 was purchased. On 1st October, 2006 the machinery costing Rs.2,00,000 purchased on 1st April 05 was sold for Rs. 98,000. On 1st October, 2007 the old machinery purchased at Rs.75,000 on 1st October, 2005 was sold for Rs. 50,000. On the same day a new machine costing Rs.5,00,000 was purchased.

The firm provides depreciation on machinery @ 10% p.a. of Straight line method. The books of account are closed on 31st March every year.

You are required to prepare

- a) Machinery Account
- b) Provision for Depreciation on Machinery A/C
for the 3 years 2005-06, 2006-07. and 2007-08.

OR

- Q.4** Write short notes on : (Any Three)

- a) Accounting Standards
 - b) Cost of Production
 - c) Accumulated Depreciation
 - d) Fixed Asset
 - e) Revenue Recognition
- *****