

[Pick the date]

OMTEX CLASSES

OMTEX CLASSES	III RD PRELIMINARY EXAMINATION	BOOK KEEPING & ACCOUNTANCY	GROUP: A
TIME: - 3 HRS	DATE: -	DAY - THURSDAY	MARKS: -100

Q1. Answer Any four of the following.

(20 marks)

A. Answer the following. (5)

1. What is Balance Sheet?
2. Who is co – venture?
3. What is Super Profit?
4. What is Endorsement of Bill?
5. What is Good will of the firm?

B. Write word/term/phrase which can substitute each of the followings:

(5)

1. Reputation of a firm expressed in terms of money.
2. Payment of expenses before they have become due.
3. Payment of bill of exchange before its due date at rebate.
4. The person on whom the bill of exchange is drawn.
5. The account that is credited when depreciation is charged.

C. Match the pairs.

(5)

A	B
1. Depreciation	1. Temporary Partners
2. Dishonour of bill	2. Intangible Asset
3. Joint Venture	3. Wear and tear
4. Goodwill	4. Notary public
5. Co – Ventures	5. Temporary partnership
	6. Tangible Asset

D. Select the most appropriate alternative from those given below: (5)

1. Debit Balance in Profit and Loss Account shows _____
 - a. Net profit
 - b. Gross profit
 - c. Net loss
 - d. Gross loss
2. A bill of exchange must be accepted by _____
 - a. A drawer
 - b. A payee
 - c. An endorsee
 - d. A drawee
3. At the end of the financial year balance of Depreciation account is transferred to _____
 - a. Depreciation account
 - b. Asset account

- c. Trading account
- d. Profit and loss account.

4. In the absence of partnership deed the partners share the profit and loss of the firm _____
- a. In the ratio of capital
 - b. Equally
 - c. As per rights in management
 - d. On the basis of experience.
5. _____ has to ultimately bear the noting charges.
- a. Drawer
 - b. Drawee
 - c. Endorser
 - d. Bank

E. State True / False with reasons. (Any Two) (5)

1. Under fixed capital method for each partner two accounts are maintained.
2. Under fixed instalment method depreciation is charged on the diminishing value of the asset.
3. Interest on partner's drawings is debited to Profit and loss appropriation account.

F. Prepare a bill of exchange from the following information:

Drawer: Vilas Patil, 21. M.G. Road, Pune

Drawee: Vikas Pawar, 31. S.V. Road, Nasik.

Payee: Viraj Potade, 41, A.B. Road, Sholapur,

Period: 2 months

Amount: Rs. 7,500/-

Date of Bill: 1st January, 2007.

Date of acceptance: 3rd January, 2007.

Q2. M/s Jalaram Mill, Mulund, showed a debit balance of Rs. 32,000 to the Machinery A/c on 1st April, 2001 (Original cost of the Machinery was Rs. 40,000). On 1st October, 2001 the Mill bought additional Machinery for Rs. 15,000 and spent Rs. 1,000 for its installation. One more machinery costing Rs. 20,000 was purchased on 31st March, 2003. Depreciation is charged on 31st March, every year at 10% p.a. under the Diminishing Balanced Method. On 31st March, 2004, the machinery which was purchased on 1st October, 2001 was sold for Rs. 12000. Prepare Machinery A/c and Depreciation A/c for the years 2001 – 2001, 2002 – 2003 and 2003 – 2004.

OR

Q2. (A) The books of a business showed that the capital employed on 31st December, 1992 was Rs. 1,00,000/-. Profits for the last five years are 1988, 1989, 1990, 1991 & 1992 were Rs. 60,000, Rs. 55,000, Rs. 75,000, Rs. 85,000 & Rs. 65,000 respectively. Goodwill is valued at 2 years purchase of the Super profit of the business. NRR is 10%.

Q2. (B) Write a short notes on uses of computer in modern age.

Q3. Ameet draws a bill for Rs. 7500 on Tushar for four months. Ameet discounts the bill with the bank at 8%p.a. On the due date Tushar requested Ameet to accept Rs. 4,700 (**including Rs. 200 for interest**) and to draw a bill for the balance of three months. Ameet agrees this proposal. Before the due date of the new bill Tushar retires the bill for Rs. 2960. Pass the journal entries in the books of Tushar and open Tushar's account in the books of Ameet.

Q3. Journalize the following transactions in the books of Kamesh:

- Nanda informs Kamesh that Shanti's acceptance for Rs. 4,000 endorsed to Nanda has been dishonoured and noting charges have been Rs. 100
- Ashok renews his acceptance to Kamesh for Rs. 2400 by paying Rs. 800 in cash and accepting a new bill for the balance plus interest @ 12 p.a. for 3 months.
- Deva's acceptance to Kamesh Rs. 12,000 is retired one month before its due date at a discount of 12% p.a.
- The bank informs Kamesh that Sudhakar's acceptance for Rs. 4,000 sent to bank for collection has been honoured. Bank charges debited Rs. 40.
- Our acceptance to Shanthi for Rs. 5000 is settled by endorsing Malliga's acceptance to us for Rs. 4,800.

Q4. Anil and Sunil entered in to a joint venture to consign 500 bales of cotton to Mukesh to be sold on their joint risk. Anil sends 150 bales at Rs. 300 each and pays Rs. 2000 for freight and insurance. Sunil purchases 350 bales at Rs. 250 each paying for insurance and other charges Rs. 4000. Anil advances a cheque of 12,000 to Sunil and also accepts a bill for the same amount drawn by Sunil which was discounted by Sunil @ 90% of its value. Mukesh sold all the bales @ Rs. 400 each. The expenses incurred by Mukesh are Rs. 5000 and his commission was 10% of the sales value. Mukesh remits Rs. 100000 to Sunil and the balance to Anil by a cheque. Venturers settle their accounts by a draft. Pass journal entries in the books of Anil.

Q5. Priya and Supriya are equal partners, who maintain their books under single entry.

Their position as on 1st April 02 are as follows:

Liabilities	Amt	Asset	Amt
<u>Capitals:</u>		Plant	1,60,000
Priya	2,00,000	Furniture	10,000
Supriya	1,20,000	Stock	67,600
Creditors	40,000	Debtors	97,300
Bills payable	12,400	Bills receivable	9,200
		Cash	540
		Bank	27,760
	3,72,400		3,72,400

On 31st march 03 their statement of affairs was as follows :

Cash Rs.800 , Bank Rs 31,600 , Creditors Rs 42,400 , Stock Rs 73,400 , Debtors Rs 1,32,600 , Bills payable Rs 1,200 , Bills receivable Rs 17,600 .

Plant and Furniture are to be depreciated by 10%

From the debtors Rs 4,600 are considered irrecoverable and R.D.D at 5% is to be created.

An amount of Rs1,600 is to be set aside from bills receivable.

Priya and Supriya have withdrawn Rs20,000 and Rs 16,000 for their personal use.

Interest at 5% on the opening balances of partners capital is to be.

Prepare : statement of affairs as on 31st March 02 and statement of profit and loss for the year ending 31.03.03

Q6. From the following information, prepare Income and Expenditure account for the year ended 31st March, 2008 and a Balance Sheet as on that date.

Receipts	Amount	Payments	Amount
To Cash in hand (1.4.2007)	1750	By Bank Overdraft	2500
To Subscriptions		By Salaries	5300
2006 – 07	150	By Furniture	2000
2007 – 08	14100	By Investments in Securities	4000
2008 – 09	75	By Printing and Stationery	800
To proceeds from Drama	2500	By Cost of Staging drama	1500
To Entrance Fees	800	By Sundry Expenses	1300
To Interest on Securities	500	By Cash at Bank	2500
To sale of Old Furniture	200	By Cash in Hand	175
	20075		20075

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1. The society has 1500 members, each paying an annual subscription of Rs. 12.
2. Subscriptions of Rs. 100 pertaining to the year 2006 – 07 are still in arrears.
3. Value of Stationery at hand on 31st March, 2007 was Rs. 200 and on 31st March, 2008 was Rs. 150.
4. Entrance fees are to be treated as Capital receipts.
5. Salary of Rs. 700 for the current year is unpaid.
6. Balances as on 31st March, 2007: Investment Rs. 4500, Building Rs. 25000, Furniture Rs. 200.
7. Depreciate building by 2 ½ % and furniture by 5%.

Q7. Following is the Trial balance of a firm as on 31st December, 1997

Trial Balance as at 31st December, 1997

Debit Balance	Amount	Credit Balance	Amount
Bank	2,000	A's Capital	25,000
Bills Receivable	8,000	B's Capital	15,000
Sundry Debtors	23,000	Bills Payable	7,500
Stock on 31.12.97	31,000	Sundry Creditors	33,300
Purchases(net)	1,80,000	Reserve for bad debts	600
Petty cash A/c	4,000	Sales	2,90,000
Wages	38,300		
Salaries	20,800		
Rent (for 10 months)	1,000		
Electricity Charges	2,180		
Drawings – A	6,000		
Drawings – B	4,000		
Buildings	34,000		
Furniture	4,000		
Carriage Inwards	2,000		
Donations	1,000		
Carriage Outwards	3,500		
Miscellaneous Expenses	1,500		
Printing and Stationery	2,300		
Postage and Telegram	1,430		
Fuel and power	1,390		
	3,71,400		3,71,400

Adjustments:

1. Wages include Rs. 3,300 paid for the construction of a part of the building.
 2. Provide for outstanding rent
 3. Depreciation is to be provided on furniture @ 10% and Building @ 5%
 4. Bills Receivable and Bills Payable include dishonoured bills for Rs. 2,000 and Rs. 1,500 respectively.
 5. Bad debts to be written off Rs. 500. Provide reserve for doubtful debts @ 5% on debtors.
 6. Petty cash A/c shows the amounts transferred from cash book. Actual petty cash expenses are Rs. 3,100.
- You are required to prepare Trading and profit and loss account for the year ended 31st December 1997 and a balance sheet as on that date.