

TOPIC : Bills of Exchange & Promissory note, - Final Accounts for Sole trading concern and Manufacturer, - Final accounts for Not for Profit Organizations, - Single Entry System

QUESTION : 1

Mr. Mohan gives you the following trial balance and some other information:

Trial Balance as on 31st March, 2022

Particulars	Rs.	Rs.
Capital		6,50,000
Sales		9,70,000
Purchases	4,30,000	
Opening Inventory	1,10,000	
Freights Inward	40,000	
Salaries	2,10,000	
Other Administration Expenses	1,50,000	
Furniture	3,50,000	
Trade receivables and Trade payables	2,10,000	1,90,000
Returns	20,000	12,000
Discounts	19,000	9,000
Bad Debts	5,000	
Investments in Government Securities	1,00,000	
Cash in Hand and Cash at Bank	1,89,000	
Input CGST	10,000	
Input SGST	10,000	
Output CGST		8,000
Output SGST		8,000
Output IGST		6,000
	18,53,000	18,53,000

Other Information:

- (i) Closing Inventory was Rs. 1,80,000;
- (ii) Depreciate Furniture @ 10% p.a.

Required

Prepare Trading and Profit and Loss Account for the year ended on 31.3.2022 and Balance Sheet of Mr. Mohan as on that date.

(12 MARKS)

QUESTION : 2

The Income and Expenditure Account of the Youth Club for the Year 2022 is as follows:

Expenditure	Rs.	Income	Rs.
To Salaries	4,750	By Subscription	7,500
To General Expenses	500	By Entrance Fees	250
To Audit Fee	250	By Contribution for	
To Secretary's Honorarium	1,000	annual dinner	1,000
To Stationery & Printing	450	By Annual Sport meet	
To Annual Dinner Expenses	1,500	receipts	750
To Interest & Bank Charges	150		
To Depreciation	300		
To Surplus	600		
	9,500		9,500

This account had been prepared after the following adjustments:

	Rs.
Subscription outstanding at the end of 2021	600
Subscription received in advance on 31st December, 2021	450
Subscription received in advance on 31st December, 2022	270
Subscription outstanding on 31st December, 2022	750

Salaries Outstanding at the beginning and the end of 2022 were respectively Rs. 400 and Rs. 450. General Expenses include insurance prepaid to the extent of Rs. 60. Audit fee for 2022 is as yet unpaid. During 2022 audit fee for 2021 was paid amounting to Rs. 200.

The Club owned a freehold lease of ground valued at Rs. 10,000. The club had sports equipment on 1st January, 2022 valued at Rs. 2,600. At the end of the year, after depreciation, this equipment amounted to Rs. 2,700. In 2021, the Club has raised a bank loan of Rs. 2,000. This was outstanding throughout 2022. On 31st December, 2022 cash in hand amounted to Rs. 1,600.

Required

Prepare the Receipts and Payments Account for 2022 and Balance Sheet as at the end of the year.

(12 MARKS)

QUESTION : 3

Mr. Anup runs a wholesale business where in all purchases and sales are made on credit. Hefurnishes the following closing balances:

	31st March 2021	31st March 2022
Sundry debtors	70,000	92,000
Bills receivable	15,000	6,000
Bills payable	12,000	14,000
Sundry creditors	40,000	56,000

Inventory	1,10,000	1,90,000
Bank	90,000	87,000
Cash	5,200	5,300

Summary of cash transactions during the year 2021- 2022:

- (i) Deposited to bank after payment of shop expenses @ Rs. 600 p.m., salary @ Rs. 9,200 p.m. and personal expenses @ Rs. 1,400 p.m. Rs. 7,62,750.
- (ii) Cash Withdrawn from bank Rs. 1,21,000.
- (iii) Cash payment to suppliers Rs. 77,200 for supplies and Rs. 25,000 for furniture.
- (iv) Cheques collected from customers but dishonoured Rs. 5,700.
- (v) Bills accepted by customers Rs. 40,000.
- (vi) Bills endorsed Rs. 10,000.
- (vii) Bills discounted Rs. 20,000, discount Rs. 750.
- (viii) Bills matured and duly collected Rs. 16,000.
- (ix) Bills accepted Rs. 24,000.
- (x) Paid suppliers by cheque Rs. 3,20,000.
- (xi) Received Rs. 20,000 on maturity of one LIC policy of the proprietor by cheque.
- (xii) Rent received Rs. 14,000 by cheque for the premises owned by proprietor.
- (xiii) A building was purchased on 30-11-2021 for opening a branch for Rs. 3,50,000 and some expenses were incurred on this building, details of which are not maintained.
- (xiv) Electricity and telephone bills paid by cash Rs. 18,700, due Rs. 2,200.

Other transactions:

- (i) Claim against the firm for damage Rs. 1,55,000 is under legal dispute. Legal expenses Rs. 17,000. The firm anticipates defeat in the suit.
- (ii) Goods returned to suppliers Rs. 4,200.
- (iii) Goods returned by customers Rs. 1,200.
- (iv) Discount offered by suppliers Rs. 2,700.
- (v) Discount offered to the customers Rs. 2,400.
- (vi) The business is carried on at the rented premises for an annual rent of Rs. 20,000 which is outstanding at the year end.

Prepare Trading and Profit & Loss Account of Mr. Anup for the year ended 31st March 2022 and Balance Sheet as on that date.

(16 MARKS)

QUESTION : 4

State with reasons whether the given statement is True or False

1. Profits computed under single entry system by different business entities are not

comparable.

2. The term current asset is used to designate cash and other assets or resources which are reasonably expected to be realized or sold or consumed within one year.
3. If there remain unfinished goods at the beginning and at the end of the accounting period, cost of such unfinished goods is shown in the Manufacturing Account.
4. Amount received as donation by an Non-profit organisation under the will of a deceased person is termed as legacy.
5. Foreign bill is drawn in the country and payable outside the country.

(5 * 2 MARKS = 10)