

Date: \_\_\_\_\_

Full Name: \_\_\_\_\_

Email Id: \_\_\_\_\_

Test No: \_\_\_\_\_ Subject: \_\_\_\_\_

Marks Scored: Total \_\_\_\_\_/\_\_\_\_\_

Que. No.	Marks Obtained	Que. No.	Marks Obtained	Que. No.	Marks Obtained	Que. No.	Marks Obtained

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CA FOUNDATION – NEW SYLLABUS  
PRINCIPLES AND PRACTICE OF ACCOUNTING

MARKS: 50  
DURATION: 90 MINS

**TEST NO. 2**  
**QUESTION PAPER**  
**INSTRUCTIONS :**

- Mention your name, subject name & Test No on your first page of the Answer Sheet.
- Paper will only be accepted when uploaded on the Students dashboard.
- Login in to your dashboard, and upload your answers under “**My Answer sheet**” tab
- You can Use **Adobe Scan app or Other**, available in Play Store / App Store for scanning your answer sheet.
- Scan your answer sheet as a single pdf in order to avoid rejection or delay in evaluation.
- Upload your pdf copy in a clear format which is legible to read.

**OMR SHEET**

Q.N.		Q.N.		Q.N.	
1.	(A) (B) (C) (D)	11.	(A) (B) (C) (D)	21.	(A) (B) (C) (D)
2.	(A) (B) (C) (D)	12.	(A) (B) (C) (D)	22.	(A) (B) (C) (D)
3.	(A) (B) (C) (D)	13.	(A) (B) (C) (D)	23.	(A) (B) (C) (D)
4.	(A) (B) (C) (D)	14.	(A) (B) (C) (D)	24.	(A) (B) (C) (D)
5.	(A) (B) (C) (D)	15.	(A) (B) (C) (D)	25.	(A) (B) (C) (D)
6.	(A) (B) (C) (D)	16.	(A) (B) (C) (D)	26.	(A) (B) (C) (D)
7.	(A) (B) (C) (D)	17.	(A) (B) (C) (D)	27.	(A) (B) (C) (D)
8.	(A) (B) (C) (D)	18.	(A) (B) (C) (D)	28.	(A) (B) (C) (D)
9.	(A) (B) (C) (D)	19.	(A) (B) (C) (D)	29.	(A) (B) (C) (D)
10.	(A) (B) (C) (D)	20.	(A) (B) (C) (D)	30.	(A) (B) (C) (D)

MCQ Marks Scored:        /

**Note: Kindly mention the question number and sub-question properly.**

- Questions with incorrect question number/sub question number will not be evaluated.
- Start new questions on new page.

### QUESTION 1

State True and False for below statements

- Depreciation is a cash expenditure like other normal expenses
- Subscriptions outstanding for the current year are disclosed under the Fixed assets side of the Balance sheet
- All liabilities which become due for payment within the year are classified as long-term liabilities.

(3\*2 marks)

### QUESTION 2

Priya owed ₹5,00,000 to Pratika. On 1st October, 2022, Priya accepted a bill drawn by Pratika for the amount at 3 months. Pratika got the bill discounted with his bank for ₹4,95,000 on 3rd October, 2022. Being unable to pay the amount on due date, Priya approached Pratika for renewal of the bill. Pratika agreed on the conditions that ₹2,50,000 be paid immediately together with interest on the remaining amount at 10% per annum for 3 months and for the balance, Priya should accept a new bill at three months. These arrangements were carried out. But afterwards, Priya became insolvent and 60% of the amount could be recovered from his estate.

Pass journal entries (with narration) in the books of Pratika.

(5 Marks)

### QUESTION 3

From the following data, prepare an Income and Expenditure Account for the year ended 31st December 2022, and Balance Sheet as at that date of the Amar Leela Hospital:

Receipts and Payments Account for the year ended 31 December, 2022

RECEIPTS			PAYMENTS		
To Balance b/d			By Salaries:		
Cash	2,400		( ₹ 21,600 for 2021)		93,600
Bank	15,600	18,000	By Hospital Equipment		51,000
To Subscriptions:			By Furniture purchased		18,000
For 2021		15,300	By Additions to Building		150,000
For 2022		73,500	By Printing and Stationery		7,200
For 2023		7200			
To Government Grant:			By Diet expenses		46,800
For building		2,40,000	By Rent and rates		
For maintenance		60,000	( ₹ 900 for 2023)		6,000
Fees from sundry			By Electricity and water		
Patients		14,400	charges		7,200
To Donations (not to be capitalized)		24,000	By office expenses		6,000
To Net collections from			By Investments		60,000
			By Balances:		

benefit shows	<u>18,000</u>	Cash	
		Bank	24,600
	<u>4,70,400</u>		<u>4,70,400</u>
<b>Additional information:</b>			
Value of building under construction as on 31.12.2022			4,20,000
Value of hospital equipment on 31.12.2022			1,53,000
Building Fund as on 1.1. 2022			2,40,000
Subscriptions in arrears as on 31.12.2021			19,500
Investments in 8% Govt. securities were made on 1st July, 2022.			

(6 Marks)

#### QUESTION 4

A firm's plant and machinery account at 31st December, 2021 and the corresponding depreciation provision account, broken down by year of purchase are as follows

Year of Purchase	Plant and Machinery at cost	Depreciation Provision
2005	2,00,000	2,00,000
2011	3,00,000	3,00,000
2012	10,00,000	9,50,000
2013	7,00,000	5,95,000
2020	5,00,000	75,000
2021	3,00,000	15,000
	<u>30,00,000</u>	<u>21,35,000</u>

Depreciation is at the rate of 10% per annum on cost. It is the Company's policy to assume that all purchases, sales or disposal of plant occurred on 30th June in the relevant year for the purpose of calculating depreciation, irrespective of the precise date on which these events occurred.

During 2022 the following transactions took place:

- Purchase of plant and machinery amounted to ` 15,00,000
- Plant that had been bought in 2011 for ` 170,000 was scrapped.
- Plant that had been bought in 2012 for ` 90,000 was sold for ` 5,000.
- Plant that had been bought in 2013 for ` 2,40,000 was sold for ` 15,000.

You are required to:

Calculate the provision for depreciation of plant and machinery for the year ended 31st December, 2022.

In calculating this provision you should bear in mind that it is the company's policy to show any profit or

loss on the sale or disposal of plant as a completely separate item in the Profit and Loss Account.

You are also required to prepare the following ledger accounts during 2022.

- A. Plant and machinery at cost;
- B. Depreciation provision;
- C. Sales or disposal of plant and machinery.

(6 marks)

#### QUESTION 5

On 1st January, 2022, A sells goods for ₹10,000 to B and draws a bill at three months for the amount. B accepts it and returns it to A. On 1st March, 2022, B retires his acceptance under rebate of 12% per annum. Record these transactions in the journals of B

(6 Marks)

#### QUESTION 6

Following are the Manufacturing A/c, Creditors A/c and Trading A/c provided by Ms. Shivi related to 2021-22. There are certain figures missing from these accounts

##### Raw Material A/c

Date	Particulars	Amount	Date	Particulars	Amount
	To Opening Stock A/c	1,00,000		By Raw Material Consumed	.....
	To Creditors A/c	.....		By Closing Stock A/c	.....

##### Creditors A/c

Date	Particulars	Amount	Date	Particulars	Amount
	To Bank A/c	22,00,000		By Balance b/d	15,00,000
	To Balance c/d	6,00,000			

##### Manufacturing A/c

Particulars	Amount	Particulars	Amount
To Raw Material Consumed	.....	By Trading A/c	17,94,000
To Wages	3,50,000		
To Depreciation	2,00,000		
To Direct Expenses	2,44,000		

**Additional Information:**

- i. **Purchase of machinery worth ` 10,00,000 has been omitted. Machinery are chargeable at a depreciation rate of 10%.**
- ii. **Wages include the following**
  - Paid to Factory Workers - ` 3,00,000
  - Paid to labour at office - ` 50,000
- iii. **Direct Expenses include following:**
  - Electricity charges of ` 80,000 of which 30% pertained to office.
  - Fuel Charges of ` 20,000
  - Freight Inwards of ` 35,000
  - Delivery charges to customers - ` 20,000.

**You are required to prepare revised Manufacturing A/c, and Raw Material A/c**

**(10 Marks)**

**QUESTION 7**

**From the following transactions of a concern, prepare the Machinery Account for the year ending 31<sup>st</sup> December 2022:**

01.01.21	Purchased a second – hand Machinery for ` 2,00,000
01.01.21	Spent ` 50,000 on repairs for making it serviceable
30.06.21	Purchased additional new Machinery for ` 3,50,000
30.06.21	Installation charges of new Machine ` 15,000
01.04.22	Repairs and maintenance of Machinery ` 30,000
30.06.22	Sold second hand Machinery purchased on 01.01.21 for ` 1,55,000
31.12.22	Depreciate the Machinery at 10% per annum by WDV method

**(6 Marks)**

**QUESTION 8**

**The M/s PT Transport purchased 10 trucks at ` 45,00,000 each on 1st April 2019. On October 1st, 2021, one of the trucks is involved in an accident and is completely destroyed and ` 27,00,000 is received from the insurance in full settlement. On the same date, another truck is purchased by the company for the sum of ` 50,00,000. The company write off 20% on the original cost per annum. The company observe the calendar year as its financial year.**

**You are required to prepare the Truck account for two year ending 31 Dec, 2022.**

**(5 Marks)**