



Marks : 40

Duration : 1 Hour

CA Foundation Sampurna 2.0 September 2025

27/07/2025

### Accounting

State with Reasons , whether the following statement is True or False :

- 1(a). If the balance of an account is on the debit side of the trial balance where the benefit has already expired then it is treated as an expense. (2 Marks)
- (b). The provision for discount on creditors is often not provided in keeping with the principle of conservatism. (2 Marks)
- (c). Medicines given to the office staff by a manufacturer of medicines will be debited to salaries account. (2 Marks)
- (d). A regular bank reconciliation discourages the accountants to be involved in any kind of funds embezzlement. (2 Marks)
- (e). When we start bank reconciliation with a debit balance in cash book, then cheques issued but not yet presented should be added back to arrive at the balance as per pass book. (2 Marks)

### Numerical :

2. From the following particulars of M/s Swapnil enterprises, prepare a Bank reconciliation statement:
1. Bank overdraft as per Pass Book as on 31st March, 2025 was ₹ 8,800.
  2. Cheques deposited in Bank for ₹5,800 but only ₹2,000 were cleared till 31st March.
  3. Cheques issued were ₹2,500, ₹3,800 and 2,000 during the month. The cheque of ₹5,800 is still with supplier.
  4. Dividend collected by Bank ₹1,250 was wrongly entered as ₹1,520 in Cash Book.
  5. Amount transferred from fixed deposit A/c into the current A/c ₹2,000 appeared only in Pass Book.
  6. Interest on overdraft ₹930 was debited by Bank in Pass Book and the information was received only on 3rd April 2023.
  7. Direct deposit by M/s Rajesh Trader ₹400 not entered in Cash Book.
  8. Corporation tax ₹1,200 paid by Bank as per standing instruction appears in Pass Book only.
- (7 Marks)
3. On 30th November, 2024, the Cash Book of Mr. Hari showed an overdrawn position of ₹4,480 although his Bank Statement showed only ₹3,200 overdrawn. An examination of the two records showed the following errors:
1. The debit side of the Cash Book was undercast by ₹ 400.
  2. A cheque for ₹1,600 in favour of Y suppliers Ltd. was omitted by the bank from the statement, the cheque was debited to another customer's Account.
  3. A cheque for ₹172 drawn for payment of telephone bill was recorded in the Cash Book as ₹127 but was shown correctly in the Bank Statement.
  4. A cheque for ₹425 from Mr. Pal paid into bank was dishonoured and shown as such on the Bank Statement, although no entry relating to the dishonoured cheque was made in the Cash Book.
  5. The Bank had debited a cheque for ₹150 to Mr. Hari's Account by mistake, it should have been debited by them to Mr. Kar's Account.



6. A dividend of ₹100 was collected by the bank but not entered in the Cash Book.
7. Cheques totalling ₹1,300 drawn on November was not presented for payment.
8. Cheque for ₹1,200 deposited on 30th November was not credited by the Bank.
9. Interest amounting to ₹300 was debited by the Bank but yet to be entered in the Cash Book.
- You are required to prepare a Bank Reconciliation Statement on 30th November, 2024.

(8 Marks)

4. The following are the balances extracted from the books of Shri Raghuram as on 31.03.2023, who carries on business under the name and style of M/s Raghuram and Associates at Chennai:

	Dr. (₹)	Cr. (₹)
Capital A/c		14,11,400
Purchases	12,00,000	
Purchase Returns		18,000
Sales		15,00,000
Sales Returns	24,000	
Freight Inwards	62,000	
Carriage Outwards	8,500	
Rent of Godown	55,000	
Rates and Taxes	24,000	
Salaries	72,000	
Discount allowed	7,500	
Discount received		12,000
Drawings	20,000	
Printing and Stationery	6,000	
Insurance premium	48,000	
Electricity charges	14,000	
General expenses	11,000	
Bank charges	3,800	
Bad debts	12,200	
Repairs of Motor vehicle	13,000	
Interest on loan	4,400	
Provision for Bad-debts		10,000
Loan from Mr. Rajan		60,000
Sundry creditors		62,000
Motor vehicles	1,00,000	
Land and Buildings	5,00,000	
Office equipment	2,00,000	



Furniture and Fixtures	50,000	
Stock as on 31.03.2022	3,20,000	
Sundry debtors	2,80,000	
Cash at Bank	22,000	
Cash in Hand	16,000	
	30,73,400	30,73,400

Prepare Trading and Profit and Loss Account for the year ended 31.03.2023 and the Balance Sheet as at that date after making provision for the following:

1. Depreciate Building by 5%, Furniture & Fixtures by 10%, Office Equipment by 15% and Motor Car by 20%.
2. Value of stock at the close of the year was ₹ 4,10,000.
3. One month rent for godown is outstanding.
4. Interest on loan from Rajan is payable @ 10% per annum. This loan was taken on 01.07 .2022
5. Reserve for bad debts is to be maintained at 5% of Sundry debtors.
6. Insurance premium includes ₹ 42,000 paid towards proprietor's life insurance policy and the balance of the insurance charges cover the period from 01.04.2022 to 30.06.2023.

**(15 Marks)**



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