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ISSUE, FORFEITURE AND RE-ISSUE OF SHARES

Question.1

On 1st April, 2021, A Ltd. issued 43,000 shares of ₹ 100 each payable as follows:

₹ 20 on application;

₹ 30 on allotment;

₹ 25 on 1st October, 2021; and

₹ 25 on 1st February, 2022.

By 20th May, 40,000 shares were applied for and all applications were accepted. Allotment was made on 1st June. All sums due on allotment were received on 15th July; those on 1st call were received on 20th October. Journalise the transactions when accounts were closed on 31st March, 2022.

Marks -5

Standard Time : 9 Min.

Actual Time : _____

Question.2

Avent Limited is a company with an authorised share capital of ₹ 1,00,00,000 in equity shares of ₹ 10 each, of which 6,00,000 shares had been issued and fully paid up on 31st March, 2023. The company proposes to make a further issue of 1,35,000 of these ₹ 10 shares at a price of ₹ 14 each, the arrangement of payment being :

- ₹ 2 per share payable on application, to be received by 31st May, 2023;
- Allotment to be made on 10th June, 2023 and a further ₹ 5 per share (including the premium to be payable);
- The final call for the balance to be made, and the money received by 31st December, 2023.

Applications were received for 5,60,000 shares and dealt with as follows:

- Applicants for 10,000 shares received allotment in full;
- Applicants for 50,000 shares received allotment of 1 share for every 2 applied for; no money was returned to these applicants, the surplus on application being used to reduce the amount due on allotment;
- Applicants for 5,00,000 shares 'received an allotment of 1 share for every 5 shares applied for; the money due on allotment was retained by the company, the excess being returned to the applicants; and
- The money due on final call was received on the due date.

You are required to record these transactions (including bank transactions) in the Journal Book of Avent Limited.

Marks -15

Standard Time : 27 Min.

Actual Time : _____

Question.3

PQR Limited issued 2,00,000 equity shares of, 10 each payable as Rs. 3 per share on application & Rs. 5 per share (including Rs. 2 as premium) on allotment and Rs. 4 per share on call. All these shares were subscribed. Money due on all shares was fully received except from Mr. J, holding 5,000 shares who failed to pay the allotment and call money and Mr. K, holding 10,000 shares, who failed to pay the call money. All these 15,000 shares were forfeited. Out of the forfeited shares, 10,000 shares (including whole of J's shares) were subsequently re-issued to Mr. L as fully paid up at a discount of Rs. 1 per share.

Pass necessary journal entries in the books of PQR Limited. Also prepare Balance Sheet and notes to accounts of the company.

Marks -15

Standard Time : 27 Min.

Actual Time : _____

Question.4

Rashmi Limited issued at par 1,00,000 Equity shares of ₹10 each payable ₹2.50 on application; ₹3 on allotment; ₹2 on first call and balance on the final call. All the shares were fully subscribed. Mr. Nair who held 10,000 shares paid full remaining amount on first call itself. The final call which was made after 3 months from first call was fully paid except a shareholder having 1000 shares who paid his due amount after 2 months along with interest on calls in arrears. Company also paid interest on calls in advance to Mr. Nair. Give journal entries to record these transactions.

Marks -10**Standard Time : 18 Min.****Actual Time : _____****Question.5**

Mr. Y, who was the holder of 10,000 preference shares of ₹100 each, on which ₹70 per share has been called up, could not pay his dues on Allotment and First call each at ₹20 per share. The Directors forfeited the above shares and reissued 8,000 of such shares to Mr. Z at ₹60 per share paid-up as ₹70 per share.

Marks -5**Standard Time : 9 Min.****Actual Time : _____**



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ISSUE OF DEBENTURES

Question.1

On 1st April, 2023 Universe Ltd. issued 12% debentures of the face value of 40,00,000 at 10% discount.

Debenture interest after deducting tax at source @10% was payable on 30th September and 31st March every year. All the debentures were to be redeemed after the expiry of five year period at 5% premium.

Pass necessary journal entries for the financial year 2023-24.

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question.2

On 1st April 2023, Sapan Ltd. (an unlisted NBFC) took over assets of ₹ 9,00,000 and liabilities of 1,20,000 of Plus Herbs Ltd. for the purchase consideration of ₹ 8,80,000. It paid the purchase consideration by issuing 8% debenture of ₹ 100 each at 10% premium on same date.

Sapan Ltd. issued another 6000, 8% debenture of ₹ 100 at discount of 10% redeemable at premium of 5 % after 5 years. According to the terms of the issue ₹ 30 is payable on application and the balance on the allotment on debentures. It has been decided to write off the entire loss on issue of debentures in the current year itself.

You are required to pass the journal entries in the books of Sapan Ltd. for the financial year 2023-24.

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question.3

Strawberry farms Ltd. issued 20,000 11% debentures of ₹ 100 each at a discount of 5%, payable ₹ 50 on application and ₹ 45 on allotment redeemable after 3 years.

- (i) at a premium of 2%
- (ii) at a discount of 2%

Pass necessary journal entries for issue of debentures.

Marks -8

Standard Time : 15 Min.

Actual Time : _____

Question.4

HDC Ltd issues 1,00,000, 12% Debentures of ₹ 100 each at ₹ 94 on 1st January, 2022. Under the terms of issue, the debentures are redeemable at the end of 5 years from the date of the issue. Calculate the amount of discount to be written-off in each of the 5 years.

Marks -5

Standard Time : 9 Min.

Actual Time : _____

Question.5

X Company Limited issued 10,000 14% Debentures of the nominal value of ₹50,00,000 as follows:

- (a) To sundry persons for cash at 90% of nominal value of ₹ 25,00,000.
- (b) To a vendor for purchase of fixed assets worth ₹10,00,000 – ₹ 12,50,000 nominal value.

- (c) To the banker as collateral security for a loan of ₹ 10,00,000 – ₹ 12,50,000 nominal value. Pass necessary Journal Entries.

Marks -10**Standard Time : 18 Min.****Actual Time : _____****Question.6**

On 1st April 2020 Sheru Ltd. issued 1,00,000 12% debentures of Rs.100 each at a discount of 5%, redeemable on 31 March 2025. Issue was oversubscribed by 20,000 debentures, who were refunded their money. Interest is paid annually on 31 March. You are required to

prepare:

- a) Journal Entries at the time of issue of debentures.
- b) Discount on issue of Debenture Account
- c) Interest account and Debenture holder Account assuming TDS is deducted @ 10%.

Marks -15**Standard Time : 27 Min.****Actual Time : _____**



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ACCOUNTING FOR BONUS ISSUE AND RIGHT ISSUE

Question.1

Following is the extract of the Balance Sheet of Substance Ltd. as at 31st March, 2024

Authorised capital:	₹
45,000 12% Preference shares of ₹ 10 each	4,50,000
4,50,000 Equity shares of ₹ 10 each	<u>45,00,000</u>
	<u>49,50,000</u>
Issued and Subscribed capital:	
36,000 12% Preference shares of ₹10 each fully paid	3,60,000
4,05,000 Equity shares of ₹ 10 each, ₹ 8 paidup	32,40,000
Reserves and surplus:	
General Reserve	5,40,000
Capital Reserve(profit realized on sale of plant)	1,80,000
Securities premium	1,12,500
Profit and Loss Account	9,00,000

On 1st April, 2024, the Company has made final call @ ₹ 2 each on 4,05,000 equity shares. The call money was received by 20th April, 2024. Thereafter, the company decided to capitalize its reserves by way of bonus at the rate of one share for every four shares held. Company decides to use Capital Reserve for bonus issue as it has been realized in cash.

Show necessary journal entries in the books of the company and prepare the extract of the Balance Sheet as on 30th April, 2024 after bonus issue.

Marks -15

Standard Time : 27 Min.

Actual Time : _____

Question.2

A company has decided to increase its existing share capital by making rights issue to its existing shareholders. The company is offering one new share for every two shares held by the shareholder. The market value of the share is Rs. 240 and the company is offering one share of Rs. 120 each.

Calculate the value of a right. What should be the ex-right market price of a share ?

Marks -5

Standard Time : 9 Min.

Actual Time : _____

Question.3

Following notes pertain to the Balance Sheet of Mars Company Limited as at 31st March 2022:

	(₹)
Authorised capital:	
50,000 12% Preference shares of ₹ 10 each	5,00,000
5,00,000 Equity shares of ₹ 10 each	50,00,000
	55,00,000

Issued and Subscribed capital:	
50,000 12% Preference shares of ₹ 10 each fully paid	5,00,000
4,00,000 Equity shares of ₹ 10 each, ₹ 8 paid up	32,00,000
Reserves and surplus:	
General Reserve	1,60,000
Capital Redemption Reserve	2,40,000
Securities premium (collected in cash)	2,75,000
Revaluation Reserve	1,00,000
Profit and Loss Account	16,00,000

On 1st April, 2022, the Company has made final call @ ₹ 2 each on 4,00,000 equity shares. The call money was received by 25th April, 2022. Thereafter, on 1st May 2022 the company decided to capitalise its reserves by way of bonus at the rate of one share for every four shares held, it decided that there should be minimum reduction in free reserves.

On 1st June 2022, the Company issued Rights shares at the rate of two shares for every five shares held on that date at issue price of ₹ 12 per share. All the rights shares were accepted by the existing shareholders and the money was duly received by 20th June 2022.

Show necessary journal entries in the books of the company for bonus issue and rights issue.

Marks -15
Standard Time : 27 Min.
Actual Time : _____



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REDEMPTION OF PREFERENCE SHARES

Question.1

The Summarized Balance Sheet of Clean Ltd. as on 31st March, 2019 is as follows:

Particulars	Rs.
EQUITY AND LIABILITIES :	
1. Shareholder's funds:	
(a) Share Capital	5,80,000
(b) Reserves and Surplus	96,000
2. Current Liabilities"	
Trade Payables	1,13,000
Total	7,89,000
ASSETS:	
1. Non-Current Assets	
(a) Property , plant and Equipment	
Tangible Assets	6,90,000
(b) Non-Current Investments	37,000
2. Current Assets	
Cash and cash equivalents (Bank)	62,000
Total	7,89,000

The Share Capital of the company consists of ₹50 each Equity shares of ₹4,50,000 and ₹ 100 each 8% Redeemable Preference Shares of ₹ 1,30,000 (issued on 1-4-2017)

Reserves and Surplus comprises statement of profit and loss only.

In order to facilitate the redemption of preference shares at a premium of 10%, the Company decided:

- to sell all the investments for ₹ 30,000.
- to finance part of redemption from company funds, subject to, leaving a Bank balance of ₹ 24,000.
- to issue minimum equity share of ₹ 50 each at a premium of ₹ 10 per share to raise the balance of funds required.

You are required to

- Pass Journal Entries to record the above transactions.
- Prepare Balance Sheet as on completion of the above transactions.

Marks -15

Standard Time : 27 Min.

Actual Time : _____

Question.2

Dheeraj Limited had 5,000, 10% Redeemable Preference Shares of ₹100 each, fully paid up. The company had to redeem these shares at a premium of 10%.

It was decided by the company to issue the following:

- (i) 40,000 Equity Shares of ₹ 10 each at par
- (ii) 2,000 12% Debentures of ₹ 100 each.

The issue was fully subscribed and all accounts were received in full. The payment was duly made. The company had sufficient profits.

Show journal entries in the books of the company.

Marks -10
Standard Time : 18 Min.
Actual Time : _____
Question.3

The Capital structure of a company BK Ltd., consists of 30,000 Equity Shares of ₹10 each fully paid up and 2,000, 9% Redeemable Preference Shares of ₹100 each fully paid up as on 31-03-2020.

The other particulars as at 31-03-2020 are as follows:

Particulars	Amount (₹)
General Reserve	1,20,000
Profit & Loss Account	60,000
Investment Allowance Reserve (not free for distribution as dividend)	15,000
Cash at bank	1,95,000

Preference Shares are to be redeemed at a premium of 10%. For the purpose of redemption, the directors are empowered to make fresh issue of Equity Shares at par after utilizing the undistributed reserve & surplus, subject to the conditions that a sum of ₹ 40,000 shall be retained in General Reserve and which should not be utilized.

Company also sold investment of ₹ 4500 Equity Shares in G Ltd., costing ₹ 45,000 at ₹ 9 per share.

Pass Journal entries to give effect to the above arrangements and also show how the relevant items will appear in the Balance Sheet as at 31-03-2020 of BK Ltd., after the redemption is carried out,

Marks -15
Standard Time : 27 Min.
Actual Time : _____
Question.4

The following balances appeared in the Books of Mac Ltd. as on 31st December, 2023:

	Amount (₹)
80,000, 10% Preference shares of ₹ 100 each, ₹ 75 paid up	60,00,000
2,00,000 Equity share of ₹ 100 each fully paid up	2,00,00,000
Securities Premium	6,50,000
Capital Redemption Reserve	42,00,000
General Reserve	85,00,000

Under the terms of their issue, the preference shares are redeemable on 31st March, 2024 at a premium of 5%. In order to finance the redemption, the company makes a right issue of 60,000 equity shares of ₹ 100 each at a premium of 10%, ₹ 25 being payable on application, ₹ 45 (including premium) on allotment and the balance on 1st August, 2024. The issue was fully subscribed and the allotment made on 1st March, 2024. The amount due on allotment was duly received by 25th March, 2024.

The preference shares were redeemed after fulfilling the necessary conditions of section 55 of the Companies Act, 2023.

You are required to pass the necessary Journal Entries (including narrations) to give effect to the above arrangement. Also prepare the Notes to accounts on Share Capital Reserves and Surplus relevant to the Balance Sheet immediately after the redemption of preference shares as on 31st March, 2024. Ignore date column in Journal.

Marks -15

Standard Time : 27 Min.

Actual Time : _____





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REDEMPTION OF DEBENTURES

Question.1

The following balances appeared in the books of Sarrow Ltd. (unlisted company other than AIFI, Banking company, NBFC and HFC) as on 1-4-2021:

- (i) 12% Debentures ₹9,00,000
- (ii) Balance of DRR ₹35,000
- (iii) DRR Investment ₹ 1,35,000 represented by 10% 1,350 Secured Bonds of the Government of India of ₹100 each.

Annual contribution to the DRR was made on 31st March every year. On - 31.3.2022 balance at bank was ₹18,50,000 before receipt of interest. The investments were realised at par for redemption of debentures at a premium of 20% on the above date.

You are required to prepare the following accounts for the year ended 31st March, 2022

1. Debentures Account
2. DRR Account
3. DRR Investment Account
4. Bank Account
5. Debenture Holders Account.

Marks -15

Standard Time : 27 Min.

Actual Time : _____

Question.2

The Balance Sheet of Raman Ltd. (unlisted company other than AIFI, Banking company, NBFC and HFC) as at 31st March, 2021 is as under:

	Particulars	Note No.	₹
1.	EQUITY AND LIABILITIES		
	I. Shareholders' funds		
	(a) Share capital	1	4,00,000
	(b) Reserves and Surplus	2	1,80,000
	II. Non- Current Liabilities		
	(a) Long term borrowings	3	1,00,000
	III. Current Liabilities		
	(a) Trade Payables		1,20,000
	Total		8,00,000
2.	ASSETS		
1.	I. Non-Current Assets		
	(a) Property , Plant & Equipment	4	2,50,000
	II. Current Assets		
	(a) Inventories		1,50,000
	(b) Trade Receivables		1,00,000
	(c) Cash and bank Balance	5	3,00,000
	Total		8,00,000

Notes to Accounts

S No.		₹	₹
1.	Share Capital		
	Authorised share capital		
	50,000 shares of ₹10 each fully paid		5,00,000
	Issued and subscribed share capital		
	40,000 shares of ₹10 each fully paid		4,00,000
2.	Reserve and Surplus		
	Profit & Loss Account		1,80,000
3.	Long term borrowings		
	9% Debentures		1,00,000
4.	Property, Plant and Equipment		
	Freehold property		2,50,000
5.	Cash and bank balances		
	Cash at bank	2,80,000	
	Cash in hand	<u>20,000</u>	3,00,000

At the Annual General Meeting, it was resolved:

- To give existing shareholders the option to purchase one ₹ 10 share at ₹ 15 for every four shares (held prior to the bonus distribution). This option was taken up by all the shareholders.
- To issue one bonus share for every five shares held.
- To repay the debentures at a premium of 5%.

Give the necessary journal entries to record these transactions.

Marks -15

Standard Time : 27 Min.

Actual Time : _____

Question.3

A company had issued 20,000, 13% debentures of ₹ 100 each on 1st April, 2021. The debentures are due for redemption on 1st July, 2022. The terms of issue of debentures provided that they were redeemable at a premium of 5% and also conferred option to the debenture holders to convert 20% of their holding into equity shares (Nominal value ₹ 10) at a price of ₹ 15 per share. Debenture holders holding 2,500 debentures did not exercise the option. Calculate the number of equity shares to be allotted to the debenture holders exercising the option to the maximum.

Marks -5

Standard Time : 9 Min.

Actual Time : _____



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INVENTORIES

Question.1

Ram Setu Ltd. keeps no stock records but a physical inventory of stock is made at the end of each quarter and the valuation is taken at cost. The company's year ends on 31st March, 2024 and their accounts have been prepared to that date. The stock valuation taken on 31st March, 2024 was however, misleading and you have been advised to value the closing stocks as on 31st March, 2024 with the stock figure as on 31st December, 2023 and some other information is available to you:

- i) The cost of stock on 31st December, 2023 as shown by the inventory sheet was ₹ 7,20,000.
- ii) On 31st December, stock sheet showed the following discrepancies:
 - a) A page total of ₹ 45,000 had been carried to summary sheet as ₹ 54,000.
 - b) The total of a page had been undercast by ₹1,800.
- iii) Invoice of purchases entered in the Purchase Book during the quarter from January to March, 2024 totalled ₹ 6,30,000. Out of this ₹ 27,000 related to goods received prior to 31st December, 2023. Invoices entered in April, 2024 relating to goods received in March, 2024 totalled ₹ 36,000.
- iv) Sales invoiced to customers totalled ₹ 8,10,000 from January to March, 2024. Of this ₹ 45,000 related to goods dispatched before 31st December, 2023. Goods dispatched to customers before 31st March, 2024 but invoiced in April, 2024 totalled ₹ 36,000.
- v) During the final quarter, credit notes at invoiced value of ₹ 9,000 had been issued to customers in respect of goods returned during that period. The gross margin earned by the company is 25% of cost.

You are required to prepare a statement showing the amount of stock at cost as on 31st March, 2024.

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question.2

Inventory taking for the year ended 31st March, 2022 was completed by 10th April 2022, the valuation of which showed a inventory figure of ₹ 16,75,000 at cost as on the completion date. After the end of the accounting year and till the date of completion of inventory taking, sales for the next year were made for ₹ 68,750, profit margin being 33.33 % on cost. Purchases for the next year included in the inventory amounted to ₹ 90,000 at cost less trade discount 10 %. During this period, goods were added to inventory at the mark up price of ₹ 3,000 in respect of sales returns. After inventory taking it was found that there were certain very old slow-moving items costing ₹ 11,250, which should be taken at ₹ 5,250 to ensure disposal to an interested customer. Due to heavy flood, certain goods costing ₹ 15,500 were received from the supplier beyond the delivery date of customer. As a result, the customer refused to take delivery and net realizable value of the goods was estimated to be ₹ 12,500 on 31st March.

Compute the value of inventory for inclusion in the final accounts for the year ended 31st March, 2022.

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question.3

Physical verification of stock in a business was done on 23rd June, 2023. The value of the stock was ₹ 4,80,000. The following transactions took place between 23rd June, 2023 and 30th June, 2023:

- i) Out of the goods sent on consignment, goods at cost worth ₹ 24,000 were unsold.
- ii) Purchase of ₹ 40,000 were made out of which goods worth ₹ 16,000 were delivered on 5th July, 2023

- iii) Sales were ₹ 1,36,000 which include goods worth ₹ 32,000 sent on approval. Half of these goods were returned before 30th June 2023, but no information is available regarding the remaining goods.
- iv) Goods are sold at cost plus 25%. However, Goods costing ₹ 24,000 had been sold for ₹ 12,000.
- Determine the value of stock on 30th June, 2023.

Marks -5

Standard Time : 9 Min.

Actual Time : _____

Question.4

From the following information, ascertain the value of Closing Stock as on 31st March, 2023.

Particulars	(Rs.)
Opening Stock	1,47,500
Cash Sales	5,50,000
Credit Sales	4,00,000
Purchases	8,85,000
Manufacturing Expenses	1,35,000
Advertisement Expenses	43,000
Rate of Gross Profit on Cost	25%

At the time of valuing inventory as on 31st March, 2022, a sum of Rs. 12,500 was written off on a particular item, which was originally purchased for Rs. 50,000 and was sold during the year for Rs. 40,000.

Marks -5

Standard Time : 9 Min.

Actual Time : _____

Question.5

X who was closing his books on 31-3-2016 failed to take the actual Stock which he did only on 9th April, 2016, when it was ascertained by him to be worth ₹ 25,000.

It was found that sales are entered in the sales book on the same day of dispatch and return inwards in the return book as and when the goods are received back. Purchases are entered in the purchases day book once the invoices are received.

It was found that sales between 31-3-2016 and 9-4-2016 as per the sales day book are ₹1,720. Purchases between 31-3-2016 and 9-4-2016 as per purchases day book are ₹120, out of these goods amounting to ₹50 were not received until after the stock was taken.

Goods invoiced during the month of March, 2016 but goods received only on 4th April, 2016 amounted to ₹100. Rate of gross profit is $33\frac{1}{3}\%$ on cost.

Ascertain the value of physical stock as on 31-3-2016.

Marks -8

Standard Time : 15 Min.

Actual Time : _____

Question.6

The following details are available of raw material of a manufacturing unit:

1-5-2024	Opening Inventory	100 units @ ₹ 15 per unit
2-5-2024	Purchases	300 units @ ₹ 18 per unit
5-5-2024	Issued for consumption	250 units
16-5-2024	Purchases	500 units @ ₹ 21 per unit
21-5-2024	Issued for consumption	100 units
25-5-2024	Issued for consumption	450 units

The manufacturer also incurred the following expenses:

- Freight of ₹ 300 and unloading charges of ₹ 150 at the time of every purchase respectively.
- Warehouse rent of ₹ 2,000 per month.
- Administrative Expenses of ₹ 1,500 per month.

You are required to find out the value of inventory as on May 31, 2024 if the company follows:

- (a) Weighted Average method for inventory valuation.
- (b) First in First Out method for inventory valuation.

Marks -5

Standard Time : 9 Min.

Actual Time : _____



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DEPRECIATION AND AMORTISATION

Question.1

M/s. Deep lakshmi purchased a second-hand machine on 1st April, 2020 for ₹ 1,60,000. Overhauling and erection charges amounted to ₹ 40,000.

Another machine was purchased for ₹ 80,000 on 1st Oct, 2020.

On 1st Oct, 2022, the machine installed on 1st April, 2020 was sold for ₹ 1,00,000. Another machine for ₹ 30,000 was purchased and was installed on 31st December, 2022.

Under the existing practice the company provides depreciation @ 10% p.a. on original cost. However, from 1st April, 2023 it decided to adopt WDV method and to charge depreciation @ 15% p.a. You are required to prepare Machinery account for the years 2020 to 2024.

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question.2

The LG Transport company 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.

Give the motor truck account for two year ending 31 Dec, 2022.

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question.3

A Machine costing ₹ 6,00,000 is depreciated on straight line basis, assuming 10 years working life and Nil residual value, for three years. The estimate of remaining useful life after third year was reassessed at 5 years.

Required

Calculate depreciation for the fourth year.

Marks -5

Standard Time : 9 Min.

Actual Time : _____

Question.4

The following balances appear in the books of Dheeraj Enterprises:

	₹
Machinery account as on 01.04.2021	12,00,000
Provision for depreciation account as on 01.04.2021	4,65,000

On 1st October, 2021 the Machinery which was purchased on 1st April, 2018 for ₹ 2,00,000 was sold for ₹ 1,10,000 and on the same date another Machinery was purchased for ₹ 4,80,000. The firm has been charging depreciation at 10% p.a. on written down value of the Machinery every year. Prepare the Machinery account, Provision for Depreciation account and Machinery disposal account for the year ending 31st March, 2022.

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question.5

Cost of Machine = ₹ 20,000

Scrap Value = ₹ 2,000

Estimated life = 5 years

Calculate depreciation of all the years on the basis of Sum of Years of Digits Method.

Marks -5**Standard Time : 9 Min.****Actual Time : _____**



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ACCOUNTS FROM INCOMPLETE RECORDS

Question.1

Sameer Distributors are carrying on the retail business of electrical goods. They keep their books of account under single entry system.

The Balance Sheet as on 31st March, 2023 was as follows:

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital A/c	18,15,000	Motor Vehicle	3,30,000
Trade Creditors	2,25,600	Furniture	2,20,500
Salary payable	27,000	Stock in trade	5,12,400
		Trade Debtors	4,36,200
		6% Investments	1,80,000
		Cash in hand & at Bank	3,88,500
	20,67,600		20,67,600

The summary of Cash and Bank Book for the year ended 31st March, 2024 was given as below:

Receipts	Amount (₹)	Payments	Amount (₹)
Cash in hand & at Bank on 1st April, 2023	3,88,500	Cash Purchases	28,45,200
Cash Sales	30,67,200	Payment to Trade Creditors	2,26,35,000
Receipts from Trade Debtors	2,56,56,000	Salaries	12,38,400
Interest on investments	10,800	Rent & taxes	7,54,800
		Sundry Expenses	4,15,200
		Drawings	7,20,000
		Cash in hand & at Bank on 31st March, 2024	5,13,900
	2,91,22,500		2,91,22,500

Additional Information:

- Gross Profit ratio of 12.5% on Sales is maintained throughout the year.
- During the year, discount allowed to Trade debtors was for ₹ 1,87,500 and discount received from Trade Creditors amounted to ₹ 1,05,000.
- As on 31st March, 2024. The closing balances to Trade Debtors and Trade Creditors were ₹6,61,500 and ₹ 3,16,800 respectively.
- On 31st March, 2024 an amount of ₹ 44,400 was outstanding towards Salary.
- Depreciation @ 10% p.a. to be charged on Motor Vehicle and Furniture.

You are required to prepare Trading and Profit & Loss account for the year ended 31st March, 2024 and Balance Sheet on at that date.

Marks -12

Standard Time : 22 Min.

Actual Time : _____

Question.2

Lucky does not maintain proper books of accounts. However, he maintains a record of his bank transactions and also is able to give the following information from which you are required to prepare his final accounts for the year 2023:

	1.1.2023	31.12.2023
	₹	₹
Debtors	1,02,500	-
Creditors	-	46,000
Stock	50,000	62,500
Bank Balance	-	50,000
Fixed Assets	7,500	9,000

Details of his bank transactions were as follows:

	₹
Received from debtors	3,40,000
Additional capital brought in	5,000
Sale of fixed assets (book value ₹ 2,500)	1,750
Paid to creditors	2,80,000
Expenses paid	49,250
Personal drawings	25,000
Purchase of fixed assets	5,000

No cash transactions took place during the year. Goods are sold at cost plus 25%. Cost of goods sold was ₹ 2,60,000.

Marks -8
Standard Time : 15 Min.
Actual Time : _____
Question.3

Harshit Traders are carrying on the retail business of electrical goods. They keep their books of account under single entry system.

The Balance Sheet as on 31st March, 2023 was as follows:

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital A/c	6,05,000	Motor Vehicle	1,10,000
Trade Creditors	75,200	Furniture	73,500
Salary payable	9,000	Stock in trade	1,70,800
		Trade Debtors	1,45,400
		6% Investments	60,000
		Cash in hand & at	1,29,500
		Bank	
	6,89,200		6,89,200

The summary of Cash and Bank Book for the year ended 31st March, 2024 was given as below:

Receipts	Amount (₹)	Payments	Amount (₹)
Cash in hand & at Bank on 1st April,2023	1,29,500	Cash Purchases	9,48,400
Cash Sales	10,22,400	Payment to Trade Creditors	75,45,000
Receipts form Trade Debtors	85,52,000	Salaries	4,12,800
Interest on investments	3,600	Rent & taxes	2,51,600
		Sundry Expenses	1,38,400
		Drawings	2,40,000
		Cash in hand & at Bank on 31st March,2024	1,71,300
	97,07,500		97,07,500

Additional Information:

- Gross Profit ratio of 12.5% on Sales is maintained throughout the year.
- During the year, discount allowed to Trade debtors was for ₹ 62,500 and discount received from Trade Creditors amounted to ₹ 35,000.
- As on 31st Mrch,2024. The closing balances to Trade Debtors and Trade Creditors were ₹2,20,500 and ₹ 1,05,600 respectively.
- On 31st March,2024 an amount of ₹ 14,800 was outstanding towards Salary.
- Depreciation @ 10% p.a. to be charged on Motor Vehicle and Furniture.

You are required to prepare Trading and Profit & Loss account for the year ended 31st March,2024 and Balance Sheet as that date.

Marks -15

Standard Time : 27 Min.

Actual Time : _____

Question.4

Following are the details of Assets and Liabilities of Mr. Sarthak for the year ended 31st March, 2023 and 31 March, 2024:

	31 st March,2023 (₹)	31 st March,2023 (₹)
Assets:		
Building	2,00,000	?
Furniture	75,000	?
Inventory	1,05,000	1,95,000
Sundry Debtors	68,000	94,000
Cash at Bank	72,500	86,800
Cash in hand	2,400	3,800
Liabilities:		
Loans	1,50,000	1,25,000
Sundry Creditors	58,400	79,500

It was decided to depreciate Building by 5% p.a. and Furniture by 10% p.a. On 1st June, 2023 an additional capital of ₹ 40,000 was brought in the business. Proprietor has withdrawn @ ₹ 2,500 p.m. for meeting the family expenses.

Prepare Statement of Affairs as on 31stMarch, 2023 and 31stMarch, 2024. Find the profit or loss earned by Mr. Sarthak for the year ended 31stMarch, 2024.

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question.5

Following information relates to Mr. Prem who maintains his books under single entry system. He is not able to ascertain the amount of bad debts incurred by him and seeks your help.

Debtors as on 01.04.2023 ₹ 6,50,000

Debtors as on 31.03.2024 ₹ 8,50,000

Sale for Financial Year 2023-2024 is 16,00,000 out of which 80% is on credit.

Payment received during the year is ₹ 7,50,000 out of which cheques of ₹ 18,000 were dishonored.

Bills of exchange accepted by customers ₹ 2,90,000

Discount allowed is 1% of the credit sale.

Marks -5

Standard Time : 9 Min.

Actual Time : _____



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RECTIFICATION OF ERRORS

Question.1

Before preparation of the Trial Balance, the following errors were found in the books of Hare Rama & Sons. Give the necessary entries to correct them.

- (i) Minor Repairs made to the building amounting to Rs. 1,850 were debited to the Building Account.
- (ii) An amount of Rs. 3,000 due from Shayam Lal, which had been written off as bad debts in the previous year, recovered in the current year, and had been posted to the personal Account of Shayam Lal.
- (iii) Furniture purchased for office use amounting to Rs. 20,000 has been entered in the purchase day book.
- (iv) Goods purchased from Ram Singh amounting to Rs. 8,000 have remained unrecorded so far.
- (v) College fees of proprietor's son, Rs. 15,000 debited to the Audit fees Account.
- (vi) Receipt of Rs. 4,500 from Meet Kumar credited to the Pinki Rani.
- (vii) Goods amounting to Rs. 6,200 had been returned by a customer and were taken into inventory, but no entry was made in the books.
- (viii) Rs. 1500 paid for wages to workmen for making office furniture had been charged to wages account.
- (ix) Salary paid to a clerk Rs. 12,000 has been debited to his personal account.
- (x) A purchase of goods from Raghav amounting to Rs. 20,000 has been wrongly entered through the sales book.



Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question. 2

M/s. Applied Laboratories were unable to agree the Trial Balance as on 31st March, 2020 and have raised a suspense account for the difference. Next year the following errors were discovered:

- (i) Repairs made during the year were wrongly debited to the building A/c - Rs. 12,500.
- (ii) The addition of the 'Freight' column in the purchase journal was short by Rs. 1,500.
- (iii) Goods to the value of Rs. 1,050 returned by a customer, Rani & Co., had been posted to the debit of Rani & Co. and also to sales returns.
- (iv) Sundry items of furniture sold for Rs. 30,000 had been entered in the sales book, the total of which had been posted to sales account.
- (v) A bill of exchange (received from Raja & Co.) for Rs. 20,000 had been returned by the bank as dishonoured and had been credited to the bank and debited to bills receivable account.

You are required to pass journal entries to rectify the above mistakes.

Marks -5

Standard Time : 9 Min.

Actual Time : _____

Question. 3

Pass the Journal entries to rectify the following errors detected during preparation of the Trial Balance:

- (i) Wages paid for construction of office building debited to wages account Rs. 20,000.
- (ii) A credit sale of goods Rs. 1,200 to Ramesh has been wrongly passed through the Purchase Book.
- (iii) An amount of Rs. 2,000 due from Mahesh Chand which had been written off as a bad debit in the previous year was unexpectedly recovered and has been posted to the personal account of Mahesh Chand.

- (iv) Goods (Cost being Rs. 5,000 and Sales price being Rs. 6,000) distributed as free samples amount prospective customers were not recorded anywhere.
- (v) Goods worth Rs. 1,500 returned by Green have not been recorded anywhere.

Marks -5
Standard Time : 9 Min.
Actual Time : _____
Question. 4

Correct the following errors : (i) without opening a Suspense Account and (ii) with opening a Suspense Account:

- (1) The sales book has been totalled Rs. 2,100 short.
- (2) Goods worth Rs. 1,800 returned by Gaurav & Co. have not been recorded anywhere.
- (3) Goods purchased Rs. 2,250 have been posted to the debit of the supplier Sen Brothers.
- (4) Furniture purchased from Mary Associates, Rs. 15,000 has been entered in the purchase Daybook.
- (5) Discount received from Black and White Rs. 1,200 has not been entered in the books.
- (6) Discount allowed to Radhe Mohan & Co. Rs. 180 has not been entered in the Discount Column of the Cashbook. The account of Radhe Mohan & Co. has, however, been correctly posted.

Marks -10
Standard Time : 18 Min.
Actual Time : _____
Question. 5

Give journal entries (narrations not required) to rectify the following:

- (i) Purchase of Furniture on credit from Nigam for Rs. 3,000 posted to Subham account as Rs. 300.
- (ii) A Sales Return of Rs. 5,000 to Jyothy was not entered in the financial accounts though it was duly taken in the stock book.
- (iii) Investments were sold for Rs. 75,000 at a profit of Rs. 15,000 and passed through Sales account.
- (iv) An amount of Rs. 10,000 withdrawn by the proprietor (Darshan) for his personal use has been debited to Trade Expenses account.

Marks -4
Standard Time : 7 Min.
Actual Time : _____
Question. 6

Miss Daisy was unable to agree the Trial Balance last year and wrote off the difference to the profit and loss account of that year. On verifying the old books by a Chartered Accountant next year, the following mistakes were found.

- (i) Purchase account was undercast by Rs. 8,000.
- (ii) Sale of goods to Mr. Rahim for Rs. 2,500 was omitted to be recorded.
- (iii) Receipt of cash from Mr. Asok was posted to the account of Mr. Anbu Rs. 1,200.
- (iv) Amount of Rs. 4,167 of sales was wrongly posted as Rs. 4,617.
- (v) Repairs to Machinery was debited to Machinery Account Rs. 1,800.
- (vi) A credit purchase of goods from Mr. Paul for Rs. 3,000 entered as sale.

Suggest the necessary rectification entries.

Marks -8
Standard Time : 15 Min.
Actual Time : _____

Question. 7

Give journal entries (with narrations) to rectify the following errors located in the books of a Trader after preparing the Trial Balance:

- (i) An amount of Rs. 4,500 received on account of Interest was credited to Commission account.
- (ii) A sale of Rs. 2,760 was posted from Sales Book to the Debit of M/s Sobhag Traders at Rs. 2,670
- (iii) Rs. 35,000 paid for purchase of Air conditioner for the personal use of proprietor debited to Machinery A/c.
- (iv) Goods returned by customer for Rs. 5,000. The same have been taken into stock but no entry passed in the books of accounts.

Marks -4
Standard Time : 7 Min.
Actual Time : _____
Question. 8

Mr. Bhatt's trial balance as on 31st March, 2024 did not agree. The difference was put to a Suspense Account.

During the next trading period, the following errors were discovered:

- i) The total of the Purchases Book of one page, ₹ 5,615 was carried forward to the next page as ₹ 6,551.
- ii) A sale of ₹ 462 was entered in the Sales Book as ₹ 642 and posted to the credit of the customer.
- iii) A return to creditor, ₹ 300 was entered in the Returns Inward Book; however, the creditor's account was correctly posted.
- iv) Cash received from Geet, ₹ 895 was posted to debit of Meet.
- v) Goods worth ₹ 1,400 were dispatched to a customer before the close of the year but no invoice was made out.
- vi) Goods worth ₹ 1,600 were sent on sale or return basis to a customer and entered in the Sales Book at the close of the year, the customer still had the option to return the goods. The gross profit margin was 20% on Sale.
- vii) ₹ 500 due from Mr. Manas was omitted to be taken to the trial balance.
- viii) Sale of goods to Mr. Deep for ₹ 6,000 was omitted to be recorded.

You are required to give journal entries to rectify the errors in a way so as to show the current year's profit or loss correctly

Marks -10
Standard Time : 18 Min.
Actual Time : _____
Question. 9

Give journal entries to rectify the following errors located in the books of a trader after preparing the trial balance:

- i) An amount of ₹ 13,500 received on account of interest was credited to commission account.
- ii) A sale of ₹ 5,920 was posted from sales book to the debit of M/s Kamal traders at ₹ 5,290.
- iii) ₹ 44,000 paid for purchase of Air conditioner for the personal use of proprietor debited to Machinery A/c.
- iv) Goods returned by customer for ₹ 20,000. The same have been taken into stock but no entry passed in the books of accounts.

Marks -4
Standard Time : 7 Min.
Actual Time : _____
Question. 10

Mr. Manas was unable to agree the Trial Balance last year and wrote off the difference to the Profit and Loss Account of that year. Next year, he appointed a Chartered Accountant who examined the old books and found the following mistakes:

- i) Purchase of a scooter was debited to conveyance account ₹ 30,000. Mr. Manas charges 10% depreciation on scooter.
- ii) Purchase account was over cast by ₹ 1,00,000.

- iii) A credit purchase of goods from Mr. Sam for ₹ 20,000 was entered as sale.
- iv) Receipt of cash from Mr. Anand was posted to the account of Mr. Bhaskar ₹ 10,000.
- v) Receipt of cash from Mr. Paras was posted to the debit of his account, ₹ 5,000.
- vi) ₹ 5,000 due by Mr. Ramesh was omitted to be taken to the Trial Balance.
- vii) Sale of goods to Mr. Ram for ₹ 20,000 was omitted to be recorded.
- viii) Amount of ₹ 23,950 of purchase was wrongly posted as ₹ 25,930.

Suggest the necessary rectification entries.

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question. 11

The Trial Balance of Mr. Sarvesh Kumar as on 31st March, 2024 did not tally and the difference was posted to Suspense Account. On a scrutiny of the books the following errors were detected:

- i) The total of Sales Returns Book for January 2024 has been casted short by ₹ 1,000.
- ii) Freight paid for installation of a Machine ₹ 6,500 was posted to the Freight Account as ₹ 5,600.
- iii) Goods of the value of ₹ 2,500 returned by a customer were entered in the Sales day Book and posted there from to the credit of his account.
- iv) ₹ 18,000 paid for purchase of old Motorcycle for personal use of Mr. Sarvesh Kumar was debited to conveyance account.
- v) A purchase of ₹ 6,700 had been posted to creditor's account as ₹ 6,000.
- vi) Receipt of cash ₹ 5,000 from Mr. Avinash was posted to the debit of his account.
- vii) A cheque for ₹ 2,500 received from Mr. Alok had been dishonoured and was posted to the debit of Mr. Ashok.
- viii) Sale of ₹ 8,500 to Mr. Deepak was recorded in the sales book correctly but while posting in ledger credited to his account.
- ix) The total of "Discount Allowed" column in the cash for the month of December 2023 amounting to ₹ 3,800 was not posted.
- x) Sale of old office table for ₹ 2,200 treated as sale of goods.

You are required to pass necessary journal entries with narrations to rectify the above errors.

Marks -12

Standard Time : 22 Min.

Actual Time : _____

Question. 12

Pass the necessary journal entries to rectify the following errors, using a Suspense Account:

- i) Goods of the value of ₹ 500 returned by Mr. A were entered in the Sales Day Book and posted there from to the credit of his account;
- ii) ₹ 250 entered in the Sales Returns Book, has been posted to the debit of Mr. R, who returned the goods;
- iii) A sale of ₹ 700 made to Mr. Q was correctly entered in the Sales Day Book but wrongly posted to the debit of Mr. S as ₹ 70;
- iv) The total of "Discount allowed" Column in the Cash Book for September amounting to ₹ 350 was not posted.

Marks -4

Standard Time : 7 Min.

Actual Time : _____



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BANK RECONCILIATION STATEMENT

Question.1

From the following information prepare a Bank Reconciliation Statement as on 31st March 2022 for A Ltd.

		Rs.
	Bank overdraft as per cash book as 31st March, 2022	15,50,750
1.	Cheques deposited on 15th February, 2022 credited on 5th April, 2022	12,50,000
2.	Interest debited by bank on 31st March, 2022 but not entered in Cash Book	1,75,500
3.	Cheques issued before 31st March, 2022 but not yet presented	7,75,000
4.	On 10th March, 2022 bank credited to A Ltd. in error	1,50,000
5.	Draft deposited in bank but not credited till 31st March, 2022	12,75,000
6.	Bills for collection credited by bank but no advice received by the company	9,45,000
7.	Bank charges charged by bank but not entered in cash book	2,85,000
8.	Transport subsidy received from the state government directly by the bank not advised to the company	17,50,000

Marks -5

Standard Time : 9 Min.

Actual Time : _____



Question.2

The cash book of Mr. Karan shows Rs. 2,60,400 as the balance of bank as on 31st December, 2021 but you find that it does not agree with the balance as per the bank pass book. On analysis, you found the following discrepancies:

- On 15th December, 2021 the payment side of the cash book was overcast by Rs. 10,000.
- A Cheque for Rs. 1,18,000 issued on 6th December, 2021 was not taken in the bank Column.
- On 20th December, 2021 the debit balance of Rs. 8,460 as on the previous day, was brought forward as credit balance in the cash book.
- Of the total cheques amounting to Rs. 12,370 drawn in the last week of December 2021, cheques aggregating Rs. 9,360 were encashed in December, 2021.
- Dividends of Rs. 35,000 collected by the bank and fire insurance premium of Rs. 7,900 paid by the bank were not recorded in the cash book.
- A Cheque issued to a creditor of Rs. 1,75,000 was recorded twice in the cash book.
- Bill for collection amounting to Rs. 53,000 credited by the bank on 21st December, 2021 but no advice was received by Mr. Karan till 31st December, 2021.
- A Customer, who received a cash discount of 3% on his account of Rs. 60,000 paid a cheque on 10th December, 2021. The cashier erroneously entered the gross amount in the bank column of the cash book.

You are required to prepare the bank reconciliation statement as on 31st December, 2021.

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question. 3

From the following particulars, prepare a Bank Reconciliation Statement as on 31st December, 2022.

- (i) Debit balance (overdraft) shown by the pass book 2,48,000.
- (ii) Cheques of 2,10,000 were issued in the last week of December, but of these only Rs. 1,40,000 were presented for payment.
- (iii) A Cheque for Rs. 19,200 drawn for the payment of telephone bill had been entered in the cash book as Rs. 29,200 but was shown correctly in the bank statement.
- (iv) A cheque received for Rs. 37,520 entered twice in the Cash book.
- (v) A Cheque for Rs. 1,17,000 was issued for purchase of merchandise and was paid by the bank but not recorded in cash book.
- (vi) Interest on overdraft and bank charges amounting to Rs. 3,500 were not entered in the Cash Book.
- (vii) A Cheque for 45,000 was credited in the Pass Book but was not recorded in the Cash Book.
- (viii) A bill of exchange for Rs. 26,200 which was discounted with bank returned dishonored but on entry was made in the cash book.
- (ix) Payment side of the Cash Book has been undercast by Rs. 12,000.

Marks -10
Standard Time : 18 Min.
Actual Time : _____
Question. 4

On 31-3-2020, Mahesh's Cash Book Showed a Bank overdraft of Rs. 98,700. On comparison he finds the following :

- (i) Out of the total cheques of Rs. 8,900 issued on 27th March, one cheque of Rs. 7,400 was presented for payment on 4th April and the other cheque of Rs. 1,500 handed over to the customer, was returned by him and in lieu of that a new cheque of the same amount was issued to him on 1st April. No entry for the return was made.
- (ii) Out of total cash and cheques of Rs. 6,800 deposited in the Bank on 24th March, one cheque of Rs. 2,600 was cleared on 3rd April and the other cheque of Rs. 500 was returned dishonoured by the bank on 4th April.
- (iii) Bank charges Rs. 35 and Bank interest Rs. 2,860 charged by the bank appearing in the passbook are not yet recorded in the cash book.
- (iv) A cheque deposited in his another account of Rs. 1,550 wrongly credited to this account by the bank.
- (v) A cheque of Rs. 800, drawn on this account, was wrongly debited in another account by the bank.
- (vi) A debit of Rs. 3,500 appearing in the bank statement for an unpaid cheque returned for being 'out of date' had been re-dated and deposited in the bank account again on 5th April 2020.
- (vii) The bank allowed interest on deposit Rs. 1,000.
- (viii) A customer who received a cash discount of 4% on his account of Rs. 1,00,000 paid a cheque on 20th March, 2020. The cashier erroneously entered the gross amount in the bank column of the Cash Book.

Prepare Bank Reconciliation Statement as on 31-3-2020.

Marks -8
Standard Time : 15 Min.
Actual Time : _____
Question. 5

According to the cash-book of G there was balance of Rs. 4,45,000 in his bank on 30th June, 2021 On investigation you find that :

- (i) Cheques amounting to 60,000 issued to creditors have not been presented for payment till the date
- (ii) Cheques paid into bank amounting to 1,10,500 out of which cheques amounting to Rs. 55,000 only collected by bank up to 30th June 2021
- (iii) A dividend of Rs. 4,000 and rent amounting to 60,000 received by the bank and entered in the pass-book but not recorded in the cash book.

- (iv) Insurance premium (up to 31st December, 2020) paid by the bank Rs. 2,700 not entered in the cash book.
- (v) The payment side of the cash book had been under cast by Rs. 500
- (vi) Bank charges Rs. 150 shown in the pass book had not been entered in the cash book.
- (vii) A bill payable of Rs. 20,000 had been paid by the bank but was not entered in the cash book and bill receivable for Rs. 6,000 had been discounted with the bank at a cost of Rs. 100 which had also not been recorded in cash book.

You are required:

- (1) To make the appropriate adjustments in the cash book, and
- (2) To prepare a statement reconciling it with the bank pass book.

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question. 6

On 30th September, 2018, the bank account of XYZ, according to the bank column of the cash book, was overdrawn to the extent of Rs. 8,062. An examination of the Cash book and Bank Statement reveals the following:

- (i) A cheque for Rs. 11,14,000 deposited on 29th September, 2018 was credited by the bank only on 3rd October, 2018.
- (ii) A payment by cheque for Rs. 18,000 has been entered twice in the Cash book.
- (iii) On 29th September, 2018, the bank credited an amount of Rs. 1,15,400 received from a customer of XYZ, but the advice was not received by XYZ until 1st October, 2018.
- (iv) Bank charges amounting to Rs. 280 had not been entered in the cash book.
- (v) On 6th September 2018, the bank credited Rs. 30,000 to XYZ in error.
- (vi) A bill of exchange for Rs. 1,60,000 was discounted by XYZ with his bank. The bill was dishonoured on 28th September, 2018 but no entry had been made in the books of XYZ.
- (vii) Cheques issued upto 30th September, 2018 but not presented for payment up to that date totaled Rs. 13,46,000.
- (viii) A bill payable of Rs. 2, 00,000 had been paid by the bank but was not entered in the cash book and bill receivable for Rs. 60,000 had been discounted with the bank at a cost of Rs. 1,000 which had also not been recorded in cash book.

You are required:

To show the appropriate rectifications required in the cash book of XYZ, to arrive at the correct balance on 30th September, 2018 and to prepare a Bank Reconciliation Statement as on that date.

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question. 7

The Bank Pass Book of Account No.5678 of Mrs. Rani showed an overdraft of Rs. 33,575 on 31st March 2018. On going through the Pass Book, the accountant found the following:

- (i) A Cheque of Rs.1,080 credited in the pass book on 28th March 2018 being dishonoured is debited again in the pass book on 1st April 2018. There was no entry in the cash book about the dishonour of the cheque until 15 th April 2018.
- (ii) Bankers had credited her account with Rs. 2,800 for interest collected by them on her behalf, but the same has not been entered in her cash book.
- (iii) Out of Rs. 20,500 paid in by Mrs. Rani in cash and by cheques on 31 st March 2018 cheques amounting to Rs. 7,500 were collected on 7th April, 2018.
- (iv) Out of Cheques amounting to Rs. 7,800 drawn by her on 27th March, 2018 a cheque for Rs. 2,500 was encashed on 3rd April, 2018.
- (v) Bankers seems to have given here wrong credit for Rs. 500 paid in by her in Account No. 8765 and a wrong debit in respect of a cheque for Rs. 300 against her account No.8765.

- (vi) A cheque for Rs. 1,000 entered in Cash Book but omitted to be banked on 31st March, 2018.
- (vii) A Bill Receivable for Rs. 5,200 previously dishonoured (Discount Rs. 200) with the Bank had been dishonoured but advice was received on 1st April, 2018.
- (viii) A Bill for Rs. 10,000 was retired /paid by the bank under a rebate of Rs. 175 but the full amount of the bill was credited in the bank column of the Cash Book.
- (ix) A Cheque for Rs. 2,400 deposited into bank but omitted to be recorded in Cash Book and was collected by the bank on 31st March, 2018.

Prepare Bank Reconciliation Statement as on 31st March, 2018.

Marks -12

Standard Time : 22 Min.

Actual Time : _____

Question. 8

Prepare the Bank Reconciliation Statement of M/s. R.K. Brothers on 30th June 2018 from the particulars given below:

- (i) The Bank Pass Book had a debit balance of Rs. 25,000 on 30th June, 2018.
- (ii) A cheque worth Rs. 400 directly deposited into Bank by customer but no entry was made in the Cash Book.
- (iii) Out of cheques issued worth Rs. 34,000, cheques amounting to Rs. 20,000 only were presented for payment till 30th June, 2018.
- (iv) A cheque for Rs. 4,000 received and entered in the Cash Book but it was not sent to the Bank.
- (v) Cheques worth Rs. 20,000 had been sent to Bank for collection but the collection was reported by the Bank as under.
 - (1) Cheques collected before 30th June, 2018, Rs. 14,000
 - (2) Cheques collected on 10th July, 2018, Rs. 4,000
 - (3) Cheques collected on 12th July, 2018, Rs. 2,000.
- (vi) The Bank made a direct payment of Rs. 600 which was not recorded in the Cash Book.
- (vii) Interest on Overdraft charged by the bank Rs. 1,600 was not recorded in the Cash Book.
- (viii) Bank charges worth Rs. 80 have been entered twice in the cash book whereas Insurance charges for Rs. 70 directly paid by Bank was not at all entered in the Cash Book.
- (ix) The credit side of bank column of Cash Book was under cast by Rs. 2,000.

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question. 9

On 31st March 2024, the Bank Pass Book of Sita showed a balance of ₹ 3,00,000 to her credit while balance as per cash book was ₹ 2,55,500. On scrutiny of the two books, she ascertained the following causes of difference:

- i) She has issued cheques amounting to ₹ 1,60,000 out of which
- ii) only ₹ 64,000 were presented for payment.
- iii) She received a cheque of ₹ 10,000 which she recorded in her cash book but forgot to deposit in the bank.
- iv) A cheque of ₹ 44,000 deposited by her has not been cleared yet.
- v) Bank has credited an interest of ₹ 3,000 while charging ₹ 500 as bank charges.

Prepare a bank reconciliation statement

Marks -5

Standard Time : 9 Min.

Actual Time : _____

Question. 10

On 30th September, 2023, the bank account of Akhil, according to the bank column of the Cash- Book, was overdrawn to the extent of ₹ 16,248. On the same date the bank statement showed a credit balance of ₹ 83,032 in favour of Akhil. An examination of the Cash Book and Bank Statement reveals the following:

1. A cheque for ₹ 52,56,000 deposited on 29th September, 2023 was credited by the bank only on 3rd October, 2023
2. A payment by cheque for ₹ 64,000 has been entered twice in the Cash Book.
3. On 29th September, 2023, the bank credited an amount of ₹ 4,69,600 received from a customer of Akhil, but the advice was not received by Akhil until 1st October, 2023.
4. Bank charges amounting to ₹ 2,320 had not been entered in the Cash Book.
5. On 6th September, 2023, the bank credited ₹ 80,000 to Akhil in error.
6. A bill of exchange for ₹ 5,60,000 was discounted by Akhil with his bank. This bill was dishonoured on 28th September, 2023 but no entry had been made in the books of Akhil.
7. Cheques issued upto 30th September, 2023 but not presented for payment upto that date totalled ₹ 53,04,000.

You are required :

- a) to show the appropriate rectifications required in the Cash Book of Akhil, to arrive at the correct balance on 30th September, 2023 and
- b) to prepare a bank reconciliation statement as on that date.

Marks -10
Standard Time : 18 Min.
Actual Time : _____
Question. 11

Prepare Bank Reconciliation Statement and Adjusted Cash Book from the following particulars as on 31st December, 2023:

Particulars	₹
Bank Balance as per Cash Book(Debit)	1,98,000
Bank Charges debited by the bank not recorded in Cash Book	34,000
Received from debtors vide RTGS on 31st December, 2023 not recorded in Cash Book	1,00,000
Cheque issued but not presented for payment	45,000
Cheque deposited but not cleared	25,000
Cheque received and deposited but dishonoured. Entry for dishonour not made in the Cash Book	5,000
Instruction for payment given to the bank on 31st December, 2023 but the same effected by the Bank on 01 st January, 2024	4,000

Marks -5
Standard Time : 9 Min.
Actual Time : _____
Question. 12

State the causes of difference between the balance shown by the pass book and the cash book.

Marks -5
Standard Time : 9 Min.
Actual Time : _____

Question. 13

On 30th June, 2024, Cash Book of Ms. Suman (Bank Column of Account No. 1) shows a Bank Overdraft of ₹ 1,97,400. On going through the Bank Pass book for reconciling the Balance, she found the following:

- Out of cheques drawn on 26th June, those for ₹ 14,800 were cashed by the bankers on 2nd July.
- A crossed cheque for ₹ 3000 given to Abdul was returned by him and a bearer cheque was issued to him in lieu on 1st July.
- Cash and cheques amounting to ₹ 13,600 were deposited in the Bank on 29th June, but cheques worth ₹ 5,200 were cleared by the Bank on 1st July., and one cheque for ₹ 1,000 was returned by them as dishonoured on the latter date.
- According to Suman's standing instructions, the bankers have on 30th June, paid ₹ 1,280 as interest to her creditors, paid quarterly premium on her policy amounting to ₹ 640 and have paid a second call of ₹ 2,400 on shares held by her and lodged with the bankers for safe custody. They have also received ₹ 600 as dividend on her shares and recovered an Insurance Claim of ₹ 3,200, as their charges and commission charged on the above being ₹ 400. On receipt of information of the above transaction, she has passed necessary entries in her Cash Book on 1st July.
- Bankers seem to have given a wrong credit for ₹ 2,000 paid in by her in No. 2 account and wrong debit in respect of a cheque for ₹ 1,200 drawn against her No. 2 account.

Prepare a Bank Reconciliation Statement as on 30th June, 2024.

Marks -8
Standard Time : 15 Min.
Actual Time : _____
Question. 14

From the following particulars, prepare a Bank Reconciliation Statement on 31st March 2024.

Particulars	Amount(₹)
Bank balance as per Pass Book	75,00,000
Bills discounted dishonored not recorded in Cash Book	37,50,000
Cheque received entered twice in Cash Book	75,000
Bank charges entered twice in Cash Book	15,000
Insurance premium paid directly by Bank under-standing instruction	4,50,000
Cheque issued but not presented to Bank for payment	37,50,000
Cheque received, but not sent to Bank	84,00,000
Cheque deposited in Bank, but no entry passed in the Cash Book	37,50,000
Credit side of the Bank column cast short	15,000

Marks -5
Standard Time : 9 Min.
Actual Time : _____
Question. 15

Prepare a Bank Reconciliation statement for Ramesh Traders as on 31st March,2024.

The cash book of Ramesh Traders shows a debit balance of ₹ 8,24,400 at bank as on 31st March,2024, but you find that it does not agree with the balance as per Pass Book. After checking you find the following:

- On 12th March, 2024 the payment side of the Cash Book was under cast by ₹ 24,000/-
- A cheque of ₹ 1,70,000 issued on 20th March, 2024 was not taken in the bank column.
- On 22nd March, 2024 the debit balance of ₹ 37,000 as on the previous day, was brought forwards as credit balance.
- Out of the total cheques amounting to ₹ 84,000 issued in, the last week of March, 2024, cheques aggregating ₹ 57,000 were encashed in March, 2024.
- Dividends of ₹ 70,000 collected by the Bank and Fire insurance premium of ₹ 40,000 paid by it were not recorded in the cash book.
- One cheque issued to a creditor of ₹ 2,58,000 was recorded twice in the Cash book.

7. A debtor Mr. Sahid has deposited the Cheque for ₹ 64,000 into the bank directly in the month of March, 2024 without intimating to Ramesh Traders and the same cheque was dishonored by the bank due to insufficient funds in the month of March itself.
8. A cheque from customer for ₹ 10,000 was deposited in bank on 28th March, 2024 but was dishonored and advice received from bank on 3rd April, 2024.
9. Bank paid credit card bill of ₹ 5,000 which is not recorded in cash book.
10. Bank wrongly credited cheque of ₹ 50,000 of other customer in our account.
11. Bank credited cheque of ₹ 4,000 in savings account of proprietor of Ramesh Traders instead of crediting cheque in current account of Ramesh Traders.
12. ₹ 1,000 discount received wrongly entered in bank column in cash book.
13. Bank debited charges ₹ 400 on 25th March for which no intimation received till 31st March

Marks -12
Standard Time : 22 Min.
Actual Time : _____
Question. 16

From the following particulars, prepare the Bank Reconciliation Statement of businessman as on 31st March, 2024:

Sl. No.	Particulars	₹
1	Bank Overdraft as per cash book	24,000
2	Cheque deposited as per bank statement but not recorded in cash book	4,000
3	Cash received from Exe was entered in bank column of cash book.	3,150
4	Debit side of the bank column casted short	1,000
5	A cheque for ₹ 9,000 deposited but collection as per bank statement	8,950
6	Bills sent to the bank for collection, collected by the bank but not recorded in cash book	4,200
7	Bank charges recorded twice in cash book	40
8	Noting charges debited in Pass-Book for discounted bill dishonoured	60
9	Cheques deposited on 25th March, 2024 but collected by bank on 5th April, 2024	4,800
10	Cheques issued on 26th March, 2024 but presented for encashment on 6th April, 2024	3,000

Marks -8
Standard Time : 15 Min.
Actual Time : _____
Question. 17

The cash book of Hari showed a debit balance of ₹ 1,36,800 as on 31.12.2023 which was in disagreement with balance as per pass book. Following discrepancies were noticed:

- i) Dividend of ₹ 18,000 was deposited in the bank of which Hari had no information
- ii) Cheque was issued to Suresh of ₹ 14,780 on 18.12.2023 which was recorded in cash book as ₹ 14,870.
- iii) Cheques totaling of ₹ 55,000 were deposited into bank on 30.12.2023 which were not cleared until 31.12.2023.
- iv) Mediclaim premium of ₹ 14,160 was paid as per the standing instruction of Hari which was not recorded in cash book.
- v) Goods amounting ₹ 1,60,000 were sold to Ajay in November 2023. He deposited cheque on 15.12.2023 after deducting 4% cash discount. This entry was missed while preparing cash book.
- vi) Bank charges for issue of cheque book ₹ 150 was skipped while preparing cash book.
- vii) Hari received a UPI of ₹ 1,000 on 29.12.2023 for sale of scrap which was not entered in cash book.
- viii) Cheques amounting to ₹ 1,80,000 were issued during the month but cheques of ₹ 1,44,000 were only presented during the month for payment.

Prepare Bank Reconciliation Statement on 31.12.2023 and ascertain balance as per pass-book.

Marks -10
Standard Time : 18 Min.
Actual Time : _____



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FINAL ACCOUNTS

Question.1

The balance sheet of S on 1st April, 2021 was as follows:

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Trade Payables	6,50,000	Furniture and Fixtures	6,50,000
Expenses Payable	75,000	Vehicle	2,75,000
Capital	22,00,000	Trade Receivable	11,00,000
		Cash at Bank	4,75,000
		Inventories	<u>4,25,000</u>
	<u>29,25,000</u>		29,25,000

During 2021-22, his profit and Loss Account revealed a net profit of Rs. 6,70,000. This was after allowing for the following:

- Commission paid to selling agent Rs. 65,000
- Discount received from creditors Rs. 75,000
- Purchased a vehicle of Rs. 50,000 on 31st March, 2022
- Depreciation on Furniture and Fixtures @ 10% and on Vehicle @ 20%
- A provision for doubtful debts @ 3% of the trade receivables as at 31st March, 2022

But while preparing the Profit and Loss Account he had forgotten to provide for

- prepaid expenses Rs. 15,000 and
- outstanding commission Rs. 35,000.

His current assets and liabilities on 31st March, 2022 were: Inventories Rs. 6,50,000. Trade Receivables 13,00,000 (before provision for doubtful debts), cash at Bank 5,50,000 and Trade Payables Rs. 1,46,000.

During the year he introduced further capital of Rs. 3,00,000 into the business.

You are required to prepare the balance sheet as at March 31, 2022.

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question. 2

The following is the trial balance of Mr. B for the year ended 31st March, 2021:

Particulars	Dr.	Particulars	Cr.
Opening Stock:		Sundry Creditors	1,75,000
Raw Material	5,25,000	Purchase Return	17,500
Finished Goods	2,62,500	Capital	3,50,000
Purchase of Raw Material	17,50,000	Bills Payable	84,000
Land & Building	3,50,000	Long Term Loan	7,00,000

Loose Tools	1,05,000	Provision for bad	
Plant and Machinery	1,05,000	and doubtful debts	7,000
Investments	87,500	Sales	29,75,000
Cash in Hand	70,000	Bank Overdraft	80,500
Cash at Bank	17,500		
Furniture and Fixtures	52,500		
Bills Receivables	52,500		
Sundry Debtors	1,40,000		
Drawings	70,000		
Salaries	70,000		
Coal and Fuel	52,500		
Factory rent and rates	70,000		
General Expenses	14,000		
Advertisement	17,500		
Sales Return	35,000		
Bad Debts	14,000		
Direct Wages (Factory)	2,80,000		
Power	1,05,000		
Interest paid	24,500		
Discount allowed	10,500		
Carriage inwards	52,500		
Carriage outwards	24,500		
Commission paid	17,500		
Dividend paid	14,000		
	43,89,000		43,89,000

Additional Information:

- Stock of finished goods at the end of the year was Rs. 3,50,000.
- A provision for doubtful debts is to be created @ 5% on Sundry Debtors. Provide Depreciation on building 3,500 and Plant and Machinery 10,500.
- Accrued commission is 43,750. Interest has accrued on investment Rs. 52,500.
- Salary Outstanding is Rs. 7,000 and Prepaid Interest is Rs. 5,250.

You are required to prepare Manufacturing, Trading and Profit & Loss Account for the year ended 31st March, 2021 and Balance Sheet as at that date.

Marks -15
Standard Time : 27 Min.
Actual Time : _____

Question. 3

The following is the schedule of balances as on 31.03.23 extracted from the books of M/s RM & Co.

Particulars	Dr. (Rs.)	Cr. (Rs.)
Bank charges	24,000	
Buildings	9,00,000	
Capital A/c		19,48,000
Carriage Outwards	30,000	
Cash at bank	39,000	
Cash at hand	21,000	
Discount allowed	36,000	
Discount received		24,000
Drawings	1,80,000	
Electricity Charges	33,000	
Freight on purchases	18,000	
Furniture & fixtures	3,21,000	
General office expenses	45,000	
Insurance Premium	82,500	
Interest on loan	35,000	
Loan		6,00,000
Printing and Stationery	27,000	
Purchase Returns		39,000
Purchases	21,30,000	
Rent for Godown	82,500	
Salaries	1,65,000	
Sales		35,50,000
Sales Returns	63,000	
Stock on 1.4.2022	9,30,000	
Sundry Creditors		6,45,000
Sundry Debtors	12,90,000	
Vehicles	3,00,000	
Vehicles running expenses	54,000	
TOTAL	68,06,000	68,06,000

Prepare Trading and Profit & Loss Account for the year ended 31 st March 2023 and the Balance sheet as at that date after making provision for the following:

- Value of stock as on 31.03.2023 is Rs. 4,10,000. This includes goods returned by customers on 31st March, 2023 to the value of Rs. 22,000 for which no entry has been passed in the books.
- Purchases include furniture purchased on 01.10.2022 for Rs. 30,000.

- (iii) Depreciate:
- (1) Building by 5%
 - (2) Furniture and Fixtures by 10%
 - (3) Vehicles by 20%
- (iv) Sundry debtors include Rs. 35,000 due from Goku and Sundry creditors include Rs. 25,000 due to him.
- (v) Provision for bad debts is to be maintained at 4% of Sundry Debtors.
- (vi) Insurance premium includes Rs. 42,000 paid towards proprietor's life insurance policy and the balance of the insurance charges cover the period from 1.05.2022 to 30.4.2023.

Marks -15
Standard Time : 27 Min.
Actual Time : _____
Question. 4

Max & Co. employs a team of 9 workers who were paid Rs. 40,000 per month each in the year ending 31st December, 2018. At the start of 2019, the company raised salaries by 10% to Rs. 44,000 per month each.

On 1 July, 2019 the company hired 2 trainees at salary of Rs. 21,000 per month each. The work force are paid salary on the first working day of every month, one month in arrears, so that the employees receive their salary for January on the first working day of February, etc.

You are required to calculate :

- (i) Amount of salaries which would be charged to the profit and loss account for the year ended 31st December, 2019.
- (ii) Amount actually paid as salaries during 2019.
- (iii) Outstanding salaries as on 31st December, 2019.

Marks -10
Standard Time : 18 Min.
Actual Time : _____

Question. 5

Following are the Manufacturing A/c, Creditors A/c and Raw Material A/c provided by M/s. Shivam related to financial year 2019-20.

There are certain figures missing in these accounts.

Raw Material A/c

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To Opening Stock A/c	1,27,000	By Raw Materials Consumed	
To Creditors A/c	-	By Closing Stock	-

Creditors A/c

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To Bank A/c	23,50,000	By Balance b/d	15,70,000
To Balance c/d	6,60,000		-

Manufacturing A/c

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To Raw Material A/c	-	By Trading A/c	17,44,000
To Wages	3,65,000		
To Depreciation	2,15,000		
to Direct Expenses	2,49,000		

Additional Information:

- (i) Purchase of machinery worth Rs. 12,00,000 on 1st April; 2019 has been omitted, Machinery is chargeable at a depreciation rate of 15%.
- (ii) Wages include the following:
- | | |
|--------------------------|----------------|
| Paid to factory workers | - Rs. 3,15,000 |
| Paid to labour at office | - Rs. 50,000 |
- (iii) Direct expenses included the following :
- | | |
|-------------------------------|---|
| Electricity charges | - Rs. 80,000 of which 25% pertained to office |
| Fuel charges | - Rs. 25,000 |
| Freight inwards | - Rs. 32,000 |
| Delivery charges to customers | - Rs. 22,000 |

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

Marks -15
Standard Time : 27 Min.
Actual Time : _____
Question. 6

On 31st March, 2021 the Trial Balance of Mr. Black was as follows:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Stock on 1/4/2020		Sundry Creditors	1,50,000
Raw Materials	2,10,000	Bills Payables	75,000
Work-in-Progress	95,000	Sale of scrap	25,000
Finished Goods	1,55,000	Commission received	4,500
Sundry Debtors	2,40,000	Provision for doubtful debts	16,500
Carriages on Purchase	15,000	Capital account	10,00,000
Bills Receivables	1,50,000	Sales	16,72,000
Wages	1,30,000	Bank overdraft	85,000
Salaries	1,00,000		
Telephone and Postage	10,000		
Repairs to office furniture	3,500		
Cash at Bank	1,70,000		
Office Furniture	1,00,000		
Repairs to Plant	11,000		
Purchases	8,50,000		
Plan and Machinery	7,00,000		
Rent	60,000		
Lighting	13,500		
General Expenses	15,000		
	30,28,000		30,28,000

The following additional information is available:

Stocks on 31st March,2021 were:

Raw material	Rs. 1,62,000
Finished goods	Rs. 1,81,000
Work-in-progress	Rs. 78,000

Salaries and wages unpaid for the year ended 31st March,2021 were respectively, Rs. 9,000 and Rs. 20,000. Machinery is to be depreciated by 10% and office furniture by 7½%. A provision for doubtful debts is to be maintained @1% of sales. Rent is to be charged as to 3/4 to factory and 1/4 to office. Lighting is to be charged as to 2/3 to factory and 1/3 to office.

Prepare the Manufacturing Account, Trading Account and Profit and Loss Account for the year ended on 31st March,2021.

Marks -15

Standard Time : 27 Min.

Actual Time : _____

Question. 7

Mr. Shyamal runs a factory, which produces detergents. Following details were available in respect of his manufacturing activities for the year ended 31-03-2019. .

Opening work-in-progress (9000 units)	26,000
Closing work-in-progress (14,000 units)	48,000
Opening inventory of Raw Materials	2,60,000
Closing inventory of Raw Materials	3,20,000
Purchases	8,20,000
Hire charges of Machinery @ Rs. 0.70 per unit manufactured	
Hire charges of factory	2,60,000
Direct wages-contracted@ Rs. 0.80 per unit manufactured	
and @ Rs. 0.40 per unit of closing W.I.P.	
Repairs and maintenance	1,80,000
Units produced - 5,00,000 units	

You are required to prepare a Manufacturing Account of Mr. Shyamal for the year ended 31-03-2019.

Marks -5

Standard Time : 9 Min.

Actual Time : _____

Question. 8

The following are the balances extracted from the books of Shri Raghuram as on 31.03.2018, who carries on business under the name and style of M/s Raghuram and Associates at Chennai:

Particulars	Debit (Rs.)	Credit (Rs.)
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 the 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 31.03.2017	3,20,000	
Sundry debtors	2,80,000	
Cash at Bank	22,000	
Cash in Hand	16,000	
Total	30,73,400	30,73,400

Prepare Trading and Profit and Loss Account for the year ended 31.03.2018 and the Balance Sheet as at that date after making provision for the following:

- Depreciate Building by 5%, Furniture and Fixtures by 10%, Office Equipment by 15% and Motor Car by 20%.
- Value of stock at the close of the year was Rs. 4,10,000.
- One month rent for godown is outstanding.
- Interest on loan from Rajan is payable @ 10% per annum. This loan was taken on 01.07.2017
- Reserve for bad debts is to be maintained at 5% of Sundry debtors.
- Insurance premium includes Rs. 42,000 paid towards proprietor's life insurance policy and the balance of the insurance charges cover the period from 01.04.2017 to 30.06.2018.

Marks -15
Standard Time : 27 Min.
Actual Time : _____

Question. 9

Following particulars are extracted from the books of Mr. Sandeep for the year ended 31st December, 2018.

Particulars	Amount	Particulars	Amount
Debit Balances:	Rs.	Credit Balances:	Rs.
Cash in hand	1,500	Capital	16,000
Purchase	12,000	Bank overdraft	2,000
Sales return	1,000	Sales	9,000
Salaries	2,500	Purchase return	2,000

Tax and Insurance	500	Provision for Bad debts	1,000
Bad debts	500	Creditors	2,000
Debtors	5,000	Commission	500
Investments	4,000	Bills payable	2,500
Opening stock	1,400		
Drawings	2,000		
Furniture	1,600		
Bills receivables	3,000		
	35,000		35,000

Other information :

- (i) Closing stock was valued at Rs. 4,500
- (ii) Salary of Rs. 100 and Tax of Rs. 200 are outstanding whereas insurance Rs. 50 is prepaid.
- (iii) Commission received in advance is Rs. 100.
- (iv) Interest accrued on investment is Rs. 210
- (v) Interest on overdraft is unpaid Rs. 300
- (vi) Reserve for bad debts is to be kept at Rs. 1,000
- (vii) Depreciation on furniture is to be charged @ 10%

You are required to prepare the final accounts after making above adjustments.

Marks -10	Standard Time : 18 Min.	Actual Time : _____
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Question. 10

Discuss the limitations which must be kept in mind while evaluating the Financial Statements.

Marks -5	Standard Time : 9 Min.	Actual Time : _____
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Question. 11

Mr. Fazhil is a proprietor in business of trading. An abstract of his Trading and P&L account is as follows:

Trading and P&L A/c for the year ended 31st March, 2018

Particulars	(Rs.)	Particulars	(Rs.)
To Cost of Goods sold	22,00,000	By Sales	45,00,000
To Gross Profit C/d	_____?		45,00,000
		By Gross Profit B/d	_____?
To Salaries paid	12,00,000	By Other Income	45,000
To General Expenses	6,00,000		
To Selling Expenses	_____?		
To Commission to Manager			
(On net profit before charging such commission)	1,00,000		
To Net Profit	_____?		
	_____?		_____?

Selling expenses amount to 1% of total Sales

You are required to compute the missing figures.

Marks -8	Standard Time : 15 Min.	Actual Time : _____
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Question. 12

Mr. Mandeep runs a factory, which produces detergents.

Following details were available in respect of his manufacturing activities for the year ended 31-03-2024.

Opening work-in-progress (27,000 units)	78,000
Closing work-in-progress (42,000 units)	1,44,000
Opening inventory of Raw Materials	7,80,000
Closing inventory of Raw Materials	9,60,000
Purchases	24,60,000
Hire charges of Machinery @ ₹ 0.70 per unit manufactured	
Hire charges of factory	7,80,000
Direct wages-contracted @ ₹ 0.80 per unit manufactured and @ ₹ 0.40 per unit of closing W.I.P.	
Repairs and maintenance	5,40,000
Units produced - 15,00,000 units	

You are required to prepare a Manufacturing Account of Mr. Mandeep for the year ended 31-03-2024.

Marks -5

Standard Time : 9 Min.

Actual Time : _____



Question. 13

Mr. Mandeep runs a factory which produces motor spares of export quality.

The following details were obtained about his manufacturing expenses for the year ended on 31.3.2024.

			₹
W.I.P.	- Opening		3,90,000
	- Closing		5,07,000
Raw Materials	- Purchases		12,10,000
	- Opening		3,02,000
	- Closing		3,10,000
	- Returned		18,000
	- Indirect material		16,000
Wages	- direct		2,10,000
	- indirect		48,000
Direct expenses	- Royalty on production		1,30,000
	- Repairs and maintenance		2,30,000
	- Depreciation		40,000

		on factory Shed	
		- Depreciation on plant & Machinery	60,000
By-product at selling price			20,000

You are required to prepare Manufacturing Account of Mr. Mandeep for the year ended on 31.3.2024

Marks -5	Standard Time : 9 Min.	Actual Time : _____
-----------------	-------------------------------	----------------------------

Question. 14

The trial balance of Saurav as at 31st March, 2024 is as follows:

Particulars	Dr.	Cr.
	₹	₹
Saurav's capital account	-	1,91,725
Stock 1 st April, 2023	1,17,000	-
Sales	-	9,74,000
Returns inward	21,500	-
Purchases	8,04,250	-
Returns outward	-	14,500
Carriage inwards	49,000	-
Rent & taxes	11,750	-
Salaries & wages	23,250	-
Sundry debtors	60,000	-
Sundry creditors	-	37,000
Bank loan @14%p.a.	-	50,000
Bank interest	2,750	-
Printing and stationary expenses	36,000	-
Bank balance	20,000	-
Discount earned	-	11,100
Furniture & fittings	12,500	-
Discount allowed	4,500	-
General expenses	28,625	-
Insurance	3,250	-
Postage & telegram expenses	5,825	-
Cash balance	950	-
Travelling expenses	2,175	-
Drawings	75,000	-
	12,78,325	12,78,325

The following adjustments are to be made:

1. Provision for bad and doubtful debts be created at 5% and for discount @ 2% on sundry debtors.
2. Personal purchases of Saurav amounting to ₹ 1,500 had been recorded in the purchases day book.
3. Depreciation on furniture & fittings @ 10% shall be written off.
4. Included amongst the debtors is ₹ 7,500 due from Sunder and included among the creditors ₹ 2,500 due to him.
5. A quarter of the amount of printing and stationary expenses is to be carried forward to the next year.
6. Credit purchase invoice amounting to ₹ 1,000 had been omitted from the books.
7. Stock on 31.03.2024 was ₹ 1,96,500.
8. Interest on bank loan shall be provided for the whole year.

You are required to prepare Trading & Profit and Loss Account for the year ended 31.03.2024.

Marks -15

Standard Time : 27 Min.

Actual Time : _____

Question. 15

Mr. Prakash furnishes following information for his readymade garments business:

i) Receipts and Payments during 2023-24:

Receipts	Amount ₹	Payments	Amount ₹
Bank Balance as on 1-4-2023	16,250	Payment to Sundry creditors	3,43,000
Received from Sundry debtors	4,81,000	Salaries	75,000
Cash sales	1,70,800	General expenses	22,500
Capital brought in the business during the year	50,000	Rent and taxes	11,800
Interest on Investment Received	9,750	Drawings	96,000
	7,27,800	Cash purchases	1,22,750
		Balance at bank on 31-03-2024	36,600
		Cash in hand on 31-03-024	20,150
			7,27,800

ii) Particulars of other Assets and Liabilities are as follows:

	1st April, 2023	31st March, 2024
	(₹)	(₹)
Machinery	85,000	85,000
Furniture	24,500	24,500
Trade Debtors	1,55,000	?
Trade Creditors	60,200	?
Inventory	38,600	55,700
12% Investment	85,000	85,000
Outstanding Salaries	12,000	14,000

iii) Additional information:

1. 20% of total sales and 20% of total purchases are in cash.
2. Of the debtors, a sum of ₹ 7,200 should be written off as Bad debt and further a provision for doubtful debts is to be provided @2%.
3. Provide depreciation @10% p.a. on machinery and furniture

You are required to prepare Trading and Profit & Loss Account for the year ended 31st March, 2024, and Balance Sheet as on that date.

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question. 16

Mr. Dilip furnishes the following trial balance and some other information:

Trial Balance as on 31st March, 2024

Particulars	₹	₹
Capital		19,50,000
Purchases and Sales	12,90,000	29,10,000
Opening Inventory	3,30,000	
Freights Inward	1,20,000	
Salaries	6,30,000	
Administration Expenses	4,50,000	
Furniture	10,50,000	
Trade receivables and Trade payables	6,30,000	5,70,000
Returns	60,000	36,000
Discount allowed and Received	57,000	27,000
Bad Debts	15,000	
Investments in Government Securities	3,00,000	
Cash in Hand and Cash at Bank	5,67,000	
Input CGST	30,000	
Input SGST	30,000	
Output CGST		24,000
Output SGST		24,000
Output IGST		18,000
	55,59,000	55,59,000

Additional information

- Inventory as on 31st march,2024 was ₹ 5,40,000.
- Furniture is depreciated at 15% per annum.

Prepare Trading Account, Profit and Loss Account and Balance Sheet as on 31st March, 2024 of Mr. Dilip.

Marks -12
Standard Time : 22 Min.
Actual Time : _____
Question. 17

The following trial balance is the trial balance of a Proprietor as on March 31 2024. Prepare Trading and Profit & Loss Account for the year ending March 31st 2024 and a Balance Sheet as at that date.

Particulars	Amount (₹)	Particulars	Amount (₹)
Plant and Machinery	5,00,000	Capital	4,00,000
Office Furniture	26,000	Sundry Creditors	5,20,000
Opening Stock	4,80,000	Sales	48,00,000
Motor Van	1,20,000	Bills Payable	56,000
Sundry Debtors	4,57,000	Provision for Doubtful Debts	25,000
Cash in hand	4,000	Return Outwards	55,000
Cash at Bank	65,000	Discount Received	37,000
Wages	15,00,000		
Salaries	1,40,000		
Purchases	21,35,000		

Bills Receivable	72,000	
Return Inwards	93,000	
Drawings	70,000	
Advertisements	60,000	
Factory Rent	8,000	
Insurance	63,000	
General Expenses	10,000	
Bad debts	25,000	
Discount allowed	65,000	
	58,93,000	58,93,000

Additional Information to be considered:

- Closing Stock on March 31st 2024 is ₹ 5,20,000.
- During the year, plant and machinery was purchased for ₹ 3,00,000 but it was debited to purchase account.
- 3 months factory rent is due but not paid ₹ 3,000.
- Provide depreciation at 5% per annum on furniture and 10% on plant and machinery and motor van.
- Further bad debts ₹ 7,000.
- Provision for doubtful debts to be increased to ₹ 30,000 at year- end.
- Provision for discount on Debtors to be made at 2%.

Marks -12

Standard Time : 22 Min.

Actual Time : _____



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NOT FOR PROFIT ORGANISATION (NPO)

Question.1

Following is the Receipts & Payments account of Pune Medical Aid Society for the yr. ended 31.12.2022

Receipts and Payments Account for the year ended 31-12-2022

Receipts	Amount Rs.	Payments	Amount Rs.
To Opening cash in hand	12,000	By Medicine supply	35,000
To Subscription	65,000	By Honorarium to Doctors	15,000
To Donations	25,000	By Salaries	36,000
To Interest on Investment (10%)	10,000	By Sundry expenses.	950
To Charity show collection	16,500	By Purchase of Medical equipment	25,000
		By Charity show expenses	2,750
		By Closing Cash in hand	<u>13,800</u>
	<u>1,28,500</u>		1,28,500

The following is the additional information provided.

	01-01-2022	31-12-2022
	Amount Rs.	Amount Rs.
Subscription due	2,500	3,100
Subscription received in advance	1,800	1,400
Stock of medicine	12,500	17,250
Amount due for medicine supply	12,000	16,500
Value of equipment	21,500	37,200
Value of building	65,000	61,750

You are required to prepare Income and Expenditure account, and Balance sheet as on 31-12-2022.

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question.2

The Income and Expenditure Account of the Young Boys Club for the rear 2022 is as follows:

Expenditure	Amount (Rs.)	Income	Amount (Rs.)
To Salaries	3,750	By Subscription	8,500
To General Expenses	1,500	By Entrance Fees	250
To Audit fee	250	By Contribution for Annual Dinner	1,000
To Secretary's Honorarium	1,000	By Annual Sports meet receipts	750
To Stationery and Printing	450		
To Annual Dinner expenses	1,500		
To Interest and Bank Charges	150		
To Depreciation	400		
To Surplus	<u>1,500</u>		
	10,500		<u>10,500</u>

For the year ended March 31, 2021, the honorarium to the Secretary is to be increased by a total of Rs. 20,000 and Ground man is to receive a bonus of Rs. 20,000. Prepare the Income and Expenditure Account for period ended 31st March,2021 and the Balance Sheet as at that date.

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question. 4

ABC sports club had the following income and expenditure account for the year ended 31st Dec 2022.

Income and Expenditure Account for the year ended 31 December, 2022

Particulars	Amount Rs.	Particulars	Amount Rs.
To Salaries	2,35,000	By Subscriptions	2,50,000
To Stationary Expenses	30,000	By Interest	90,000
To Rent and Taxes	5,000	By Donations	40,000
To Insurance	2,000	By Misc. Receipts	3,000
To Office Expenses	8,000		
To Depreciation			
Building	37,500		
Furniture	1,200		
Sports Equipment	1,000		
To Excess of Income over Expenses	63,300		
	3,83,000		3,83,000

Additional information:

	31-12-2021 Rs.	31-12-2022 Rs.
Govt. Securities	18,00,000	18,00,000
Subscription outstanding	70,000	1,00,000
Subscription received in advance	2,000	6,000
Salaries unpaid	10,000	15,000
Furniture	20,000	19,800
Land and Building	20,00,000	19,62,500
Sports Equipment	35,000	39,000
Stock of stationary	3,000	5,500

Cash in hand and Cash at bank as on 31-12-2021 is Rs. 1,08,000.

You are required to prepare Receipts and Payments Account for the period ending 31.12.2022 and Balance Sheet as on 31.12.2022.

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question. 5

From the following balances and particulars of AS College, prepare Income & Expenditure Account for the year ended March, 2020 and a Balance Sheet as on the date :

Particulars	Amount (Rs.)	Amount (Rs.)
Security Deposit - Students	-	1,55,000
Capital Fund	-	13,08,000

Building Fund		19,10,000
Tuition Fee Received		8,10,000
Government Grants		5,01,000
Interest & Dividends on Investments	-	1,75,000
Hostel Room Rent	-	1,65,000
Mess Receipts (Net)		2,05,000
College Stores - Sales	-	7,60,000
Outstanding expenses	-	2,35,000
Stock of Stores and Supplies (opening)	3,10,000	-
Purchases - Stores & Supplies	8,20,000	-
Salaries - Teaching	8,75,000	-
Salaries - Research	1,25,000	-
Scholarships	85,000	-
Students Welfare expenses	37,000	-
Games & Sports expenses	52,000	-
Other investments	12,75,000	-
Land	1,50,000	-
Building	15,50,000	-
Plant and Machinery	8,50,000	-
Furniture and Fittings	5,40,000	-
Motor Vehicle	2,40,000	-
Provision for Depreciation :		-
Building	-	4,90,000
Plant & Equipment	-	5,05,000
Furniture & Fittings	-	3,26,000
Cash at Bank	3,16,000	-
Library	3,20,000	
	75,45,000	75,45,000

Adjustments :

(a) Materials & Supplies consumed (From college stores):

Teaching	-	Rs. 52,000.
Research	-	Rs. 1,45,000
Students Welfare	-	Rs. 78,000
Games or Sports	-	Rs. 24,000

(b) Tuition fee receivable from Government for backward class Scholars Rs. 82,000.

(c) Stores selling prices are fixed to give a net profit of 15% on selling price:

(d) Depreciation is provided on straight line basis at the following rates

Building	5%
Plant & Equipment	10%
Furniture & Fixtures	10%
Motor Vehicle	20%

Marks -12

Standard Time : 22 Min.

Actual Time : _____

Question. 6

The Income and Expenditure Account of the Women Club for the Year ended on December 31, 2021 is as follows.

Expenditure	Rs.	Income	Rs.
To Salaries	47,500	By Subscription	75,000
To General Expenses	5,000	By Entrance Fees	2,500
To Audit Fee	2,500	By Contribution for Annual Dinner	10,000
To Secretary's honorarium	10,000	By Annual Sports Meet Receipts	7,500
To Stationary and Printing	4,500		
To Annual Dinner Expenses	15,000		
To Interest and bank charges	1,500		
To Depreciation	3,000		
To Surplus	6,000		
	95,000		95,000

This account had been prepared after the following adjustments:

	Rs.
Subscription outstanding at the end of 2020	6,000
Subscription received in advance on 31st December, 2020	4,500
Subscription received in advance on 31st December, 2021	2,700
Subscription outstanding on 31st December, 2021	7,500

Salaries outstanding at the beginning and end of the year 2021 were respectively Rs. 4,000 and Rs. 4,500. General Expenses include insurance prepaid to the extent of Rs. 600. Audit fee for the year 2021 is as yet unpaid. During the year 2021 audit fee for the year 2020 was paid amounting to Rs. 2,000

The Club owned a freehold lease of ground valued at Rs. 1,00,000. The club had sports equipment on 1st January, 2021 valued at Rs. 26,000. At the end of the year 2021, after depreciation, this equipment amounted to Rs. 27,000. In the year 2020, the Club had raised a bank loan of Rs. 20,000. This was outstanding throughout the year 2021. On 31st December, 2021 cash in hand was Rs. 16,000.

You are required to:

Prepare the Receipts and Payments Account for the year ended on December 31, 2021 and the Balance Sheet as on that date.

Marks -10
Standard Time : 18 Min.
Actual Time : _____
Question. 7

From the following Income and Expenditure account and the Balance sheet of a club, prepare its Receipts and Payments Account and subscription account for the year ended 31st March, 2019:

Income & Expenditure Account for the year 2018-19

Particulars	Rs.	Particulars	Rs.
To Upkeep of ground	11,000	By Subscriptions	19,052
To Printing	1,100	By Sale of Newspapers (Old)	286
To Salaries	11,100	By Lectures (Fee)	1,650
To Depreciation on furniture	1,100	By Entrance Fee	2,145
To Rent	1,660	By Misc. Income	440
		By Deficit	2,387
	25,960		25,960

Balance sheet as at 31st March 2019

Liabilities		Rs.	Assets	Rs.
Subscription in advance (2019-20)		110	Furniture	9,900
Prize fund:			Ground and Building	51,700
Opening balance	27,500		Prize Fund Investment	22,000
Add: Interest	1,100		Cash in Hand	2,530
	28,600		Subscription (outstanding) (2018-2019)	770
Less: Prizes given	2,200	26,400		
General Fund:				
Opening balance	62,062			
Less: Deficit	2,387			
	59,675			
Add: Entrance Fee	715	60,390		
		86,900		86,900

The following adjustments have been made in the above accounts:

- Upkeep of ground Rs. 660 and printing Rs. 264 relating to 2017-18 were paid in 2018- 19.
- One fourth of entrance fee has been capitalized by transfer to General Fund.
- Subscription outstanding in 2017-18 was Rs. 880 and for 2018-19 Rs. 770.
- Subscription received in advance in 2017-18 was Rs. 220 and in 2018-19 for 2019-20 was Rs. 110.
- Furniture was purchased during the year.

Marks -15

Standard Time : 27 Min.

Actual Time : _____



Question. 8

From the following information supplied by M.B.S. Club, prepare Receipts and Payments account and Income and Expenditure Account for the year ended 31st March 2019

	01.04.2018 Rs.	31.03.2019 Rs.
Outstanding subscription	1,40,000	2,00,000
Advance subscription	25,000	30,000
Outstanding salaries	15,000	18,000
Cash in Hand and at Bank	1,10,000	?
10% Investment	1,40,000	70,000
Furniture	28,000	14,000
Machinery	10,000	20,000
Sports goods	15,000	25,000

Subscription for the year amount to Rs. 3,00,000/-. Salaries paid Rs. 60,000. Face value of the Investment was Rs. 1,75,000, 50% of the Investment was sold at 80% of Face Value. Interest on investments was received Rs. 14,000. Furniture was sold for Rs. 8000 at the beginning of the year. Machinery and Sports Goods purchased and put to use at the last date of the year. Charge depreciation @ 15% p.a. on Machinery and Sports goods and @10% p.a. on Furniture.

Following Expenses were made during the year:

Sports Expenses: Rs. 50,000
 Rent: Rs. 24,000 out of which Rs. 2,000 outstanding
 Misc. Expenses: Rs. 5,000

Marks -12

Standard Time : 22 Min.

Actual Time : _____

Question. 9

You are provided with the following:

Balance Sheet as on 31st March, 2017

Liabilities	(Rs.)	Assets	(Rs.)
Capital Fund	1,06,200	Building	1,50,000
Subscription received in Advance	6,000	Outstanding Subscription	3,800
Outstanding Expenses	14,000	Outstanding Locker Rent	2,400
Loan	40,000	Cash in hand	20,000
Sundry Creditors	<u>10,000</u>		
Total	<u>1,76,200</u>		<u>1,76,200</u>

The Receipts and Payment Account for the year ended on 31st March, 2018

Receipts	(Rs.)	Payment	(Rs.)
To Balance b/d		<u>By Expenses:</u>	
Cash in Hand	20,000	For 2017	12,000
To Subscriptions:		For 2018	20,000
For 2017	2000	By Land	40,000
For 2018	21,000	By Interest	4,000
For 2019	1,000	By Miscellaneous Expenses	4,700
	24,000	By Balance c/d	18,300
To Entrance Fees	38,000	Cash in Hand	
To Locker Rent	7,000		
To Sale proceeds of old newspapers	1,000		
To Miscellaneous Income	<u>9,000</u>		
	<u>99,000</u>		<u>99,000</u>

You are required to prepare Income and Expenditure account for the year ended 31st March, 2018 and a Balance Sheet as at 31st March, 2018 (Workings should form part of your answer).

Marks -10
Standard Time : 18 Min.
Actual Time : _____
Question. 10

The following information of M/s. Zara Club are related for the year ended 31st March, 2024:

1.

Balances	As on 01-04-2023 (₹)	As on 31-3-2024 (₹)
Stock of Sports Material	6,75,000	10,12,500
Amount due for Sports Material	6,07,500	8,77,500
Subscription due	1,01,250	1,48,500
Subscription received in advance	81,000	47,250

2. Subscription received during the years ₹ 33,75,000
3. Payments for Sports Material during the year ₹ 20,25,000

You are required to:

- (A) Ascertain the amount of Subscription and Sports Material that will appear in Income & Expenditure Account for the year ended 31.03.2024 and
- (B) Also show how these items would appear in the Balance Sheet as on 31.03.2024.

Marks -8

Standard Time : 15 Min.

Actual Time : _____

Question. 11

Dr. Gulleria started private practice on 1st April, 2023 with ₹ 2,00,000 of his own fund and ₹ 3,00,000 borrowed at an interest of 12 p.a. on the security of his life policies.

His accounts for the year were kept on a cash basis and the following is his summarized cash account:

Receipts	₹	Payments	₹
Own Capital	2,00,000	Medicines Purchased	2,45,000
Loan	3,00,000	Surgical Equipment	2,50,000
Prescription Fees	6,60,000	Motor Car	3,20,000
Visiting Fees	2,50,000	Motor Car Expenses	1,20,000
Lecture Fees	24,000	Wages and Salaries	1,05,000
Pension Received	3,00,000	Rent of Clinic	60,000
		General Charges	49,000
		Household Expenses	1,80,000
		Household Furniture	25,000
		Expenses on Daughter's college admission	2,15,000
		Interest on Loan	36,000
		Balance at Bank	1,10,000
		Cash in Hand	19,000
	17,34,000		17,34,000

1/3rd of the motor car expenses may be treated as applicable to the private use of car and ₹ 30,000 of salaries are in respect of domestic servants. The stock of medicines in hand on 31st March, 2024 was valued at ₹ 95,000.

You are required to prepare his private practice income and expenditure account and capital account for the year ended 31st March, 2024. Ignore depreciation on fixed assets.

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question. 12

The Receipts and Payments account of Gold Smith Club prepared on 31st March, 2024 is as follows:

Receipts and Payments Account

Receipts	₹	Amount ₹	Payments	Amount ₹
To Balance b/d		9,000	By Expenses (including Payment for sports material ₹54,000)	1,26,000
To Annual Income from Subscription	91,800		By Loss on Sale of Furniture (cost price ₹ 9,000)	3,600
Add: Outstanding of last year received this year	<u>3,600</u>		By Balance c/d	18,09,000
	95,400			
Less: Prepaid of last year	1,800	93,600		
To Other fees		36,000		
To Donation for Building		18,00,000		
		19,38,600		19,38,600

Additional information:

Gold Smith Club had balances as on 1.4.2023:

Furniture ₹ 36,000; Investment at 5% ₹ 5,40,000;

Sports material ₹ 1,33,200;

Balance as on 31.3.2024: Subscription Receivable ₹ 5,400;

Subscription received in advance ₹ 1,800;

Stock of sports material ₹ 36,000.

Do you agree with above Receipts and Payments account? If not, prepare correct Receipts and Payments account and Income and Expenditure account for the year ended 31st March, 2024 and Balance Sheet on that date.

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question. 13

New State Society showed the following position on 31st March, 2023:

Balance Sheet as on 31st March, 2023

Liabilities	₹	Assets	₹
Capital fund	15,86,000	Electrical fittings	3,00,000
Expenses payable	14,000	Furniture	1,00,000
		Books	8,00,000
		Investment in Securities	3,00,000
		Cash at bank	50,000
		Cash in hand	<u>50,000</u>
	16,00,000		16,00,000

The receipts and payment account for the year ended on 31st March, 2024 is given below:

	₹		₹
To Balance b/d		By Electric charges	14,400
Cash at bank 50,000		By Postage and stationary	10,000
Cash in hand <u>50,000</u>	1,00,000	By Telephone charges	10,000

To Entrance fee	60,000	By Books purchased	1,20,000
To Membership subscription	4,00,000	By Outstanding expenses paid	14,000
To Sale proceeds of old papers	3,000	By Rent	1,76,000
To Hire of lecture hall	40,000	By Investment in securities	80,000
To Interest on securities	16,000	By Salaries	1,32,000
		By Balance c/d	
		Cash at bank	40,000
		Cash in hand	<u>22,600</u>
	6,19,000		6,19,000

You are required to prepare Income and Expenditure account for the year ended 31st March, 2024 after making the following adjustments:

Membership subscription included ₹ 20,000 received in advance. Provide for outstanding rent ₹ 8,000 and salaries ₹ 6,000.

Books to be depreciated @ 10% per annum including additions. The additions to the books were made on 01.04.2023. Electrical fittings and furniture are also to be depreciated @ 10% per annum.

60% of the entrance fees is to be capitalized.

Interest on securities is to be calculated @ 15% p.a. including purchases made on 1.10.2023 for ₹ 80,000.

Marks -15
Standard Time : 27 Min.
Actual Time : _____
Question. 14

Summary of Receipts and Payments of Natures Beauty Society for the year ended 31st March, 2024 are as follows:

Receipts	Amount	Payments	Amount
Subscription Received	5,00,000	Payment for Medicine Supply	3,00,000
Donation Raised for meeting	1,50,000	Honorarium to Doctors	1,00,000
revenue expenditure			
Interest on Investments @ 9% p.a.	90,000	Salaries	2,80,000
Charity Show Collection	1,25,000	Sundry Expenses	10,000
		Equipment Purchase	1,50,000
		Charity Show Expenses	15,000

Additional Information:

Particulars	01.04.2023	31.03.2024
Subscription due	15,000	22,000
Subscription received in advance	12,000	7,000
Stock of medicine	1,00,000	1,50,000
Amount due for medicine supply	90,000	1,30,000
Value of equipment	2,10,000	3,00,000
Value of building	5,00,000	4,80,000
Cash Balance	80,000	90,000
Opening Balance of Capital Fund	18,03,000	

You are required to prepare:

- Income and Expenditure Account for the year ended 31st March, 2024.
- Balance Sheet as on 31st March, 2024.

Marks -10
Standard Time : 18 Min.
Actual Time : _____

Question. 15

The Receipts and Payments Account of Vandana Sports Club for the year ended 31st March, 2024 are as follows:

Receipts and Payments Account

Receipts	Amount (₹)	Payment	Amount (₹)
To Balance b/d		By Salaries	1,55,000
Cash in hand 5,200		By Rent & Electricity	69,750
Cash at Bank <u>35,500</u>	40,700	By Library Books	10,500
To Subscriptions	2,95,000	By Newspaper & Magazines	16,600
To Entrance fees	50,000	By Sports Equipment	28,500
To Miscellaneous	19,850	By Sundry Expenses	71,050
Income		By Balance c/d	
To Interest on Investments	8,000	Cash in hand 8,750	
		Cash at Bank <u>53,400</u>	62,150
	4,13,550		4,13,550

Details of other assets and liabilities are furnished as follows:

Particulars	31st March 2023 (₹)	31st March 2024 (₹)
Salaries Outstanding	10,200	12,400
Outstanding Rent & Electricity	6,500	7,600
Investment (8% Govt. Bonds)	1,00,000	1,00,000
Interest Accrued on Bonds	2,000	2,000
Subscription receivable	18,700	20,600
Subscription received in advance	7,000	8,400
Furniture	65,500	
Sports Equipment	41,500	
Library Books	22,000	

The closing values of furniture and sports equipment are to be determined after charging depreciation at 10% and 15% respectively inclusive of additions, if any during the year. The Club's library books are revalued at the end of every year and the value at the end of 31st March, 2024 was ₹ 30,000. 60% of the Entrance fee is to be capitalized.

You are required to prepare:

- Income and Expenditure Account for the year ended 31st March, 2024
- Balance Sheet as on 31st March, 2024

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question. 16

From the following Receipts and Payments Account of Delhi Club, prepare Income & Expenditure Account for the year ended 31.12.2023 and its Balance Sheet as on that date.

Receipts	Amount (₹)	Payments	Amount (₹)
Cash in hand (Opening)	8,100	Salary	3,000
Cash in Bank (Opening)	15,000	Repair Expenses	500
Donations	7,000	Purchase of furniture	7,000
Subscriptions	10,000	Miscellaneous Expenses	500
Entrance fees	1,500	Purchase of Investments	6,000

Interest on Investments	100	Insurance Premium	300
Interest received from Bank	400	Billiards Table	10,000
Sale of Old Newspaper	250	Paper, Ink, etc.	250
Sale of Drama Tickets	1,250	Drama Expenses	500
		Cash in hand (Closing)	4,500
		Cash in Bank (Closing)	11,050
	43,600		43,600

Information:

1. Subscriptions in Arrear for 2023 ₹ 1,200, subscription in advance for 2024 ₹ 550.
2. Insurance Premium outstanding ₹ 80, Miscellaneous Expenses prepaid ₹ 90.
3. 50% of Donation is to be capitalized.
4. Entrance fee are to be treated as Revenue Income.
5. 8% Interest has accrued on Investments for 5 months.
6. Billiards Table costing ₹ 30,000 were purchased during the last year and ₹ 20,000 were paid for it.

Marks -12
Standard Time : 22 Min.
Actual Time : _____



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BILLS OF EXCHANGE

Question.1

Journalise the following transactions in the books of Karthik:

- (i) Karthik accepted a bill of Balu for Rs. 3,500 discharged by a cash payment of Rs. 1,500 and a new bill for the balance plus Rs. 75 for interest.
- (ii) Gopal acceptance for Rs. 4,500 which was endorsed by Karthik to Mohan was dishonored. Mohan paid t 50 as noting charges. Bill was withdrawn against cheque.
- (iii) Doshi retires a bill for Rs. 2,500 drawn on him by Karthik for Rs. 25 discount.
- (iv) Karthik's acceptance to Prem for Rs. 6,500 discharged by Prem. Ashok's acceptance to Karthik for a similar amount.

Marks -8

Standard Time : 15 Min.

Actual Time : _____

Question.2

R draws a bill of exchange on P for Rs. 2,00,000 on 1st July, 2022 for 4 months P accepted the bill and sent it to R. R discounts the bill with his bankers for Rs. 1,88,000 R. immediately remits 75,200 to P. On the due date, R, being unable to remit the amount due accepts a bill for Rs. 2,50,00 for 4 months which is discounted by P for Rs. 2,36,250. P sends Rs. 56,700 to R. Before the bill is due for payment R becomes insolvent and his estate is paying fifty paise in a rupee.

Give the journal entries in the books of P. Also show R's account in P's books.

Marks -15

Standard Time : 27 Min.

Actual Time : _____

Question.3

On October, 2024, Samar sells goods to Amar for ₹ 25,000 plus IGST @ 18% and draws two bills of exchange on him; the first bill fort ₹ 15,000 for 2 months and second bill for the balance for 3 months. Amar accepts and returns these bills to Samar. Both the bills are sent to the bank for collection on 1st October, 2024. In due course, Samar receives the information from the bank on the due date of the respective bill that the bill for ₹ 15,000 has been duly met and the other bill has been dishonored. Noting charges paid on the dishonor of second bill are ₹ 500. Pass the journal entries in the books of Samar along with narration.

Marks -10

Standard Time : 18 Min.

Actual Time : _____

Question.4

Suresh draws a bill for Rs.15,000 on Anup on 15th April, 2020 for 3 months, which is returned by Anup to Suresh after accepting the same. Suresh gets it discounted with the bank for Rs. 14,700 on 18th April, 2020 and remits one-third amount to Anup. On the due date Suresh fails to remit the amount due to Anup, but he accepts bill of Rs. 17,500 for 3 months, which Anup discounts for Rs. 17,100 and remits Rs. 2,825 to Suresh. Before the maturity of the renewed bill Suresh becomes insolvent and only 50% was realized from his estate on 31st October, 2020.

Pass necessary Journal entries for the above transactions in the books of Suresh.

Marks -10

Standard Time : 18 Min.

Actual Time : _____