



<b>SECTION B</b> ( 20 Marks)			
<b>Attempt any four questions</b>			
Q1	Give any three points of distinction between cash basis and accrual basis of accounting.	<b>5 marks</b>	<b>CO2</b>
Q2	List the three major activities of cash flow statement.	<b>5 marks</b>	<b>CO2</b>
Q3	Calculate net profit ratio if cash sales Rs. 2,00,000; Gross profit 20% on sales; Non operating expenses Rs. 20,000; credit sales 80% of total sales	<b>5 marks</b>	<b>CO3</b>
Q4	Explain any two accounting concepts with examples.	<b>5 marks</b>	<b>CO1</b>
Q5	Write any two methods of depreciation.	<b>5 marks</b>	<b>CO2</b>

<b>SECTION-C</b> ( 30 Marks)			
<b>Attempt any three questions</b>			

Q1	Journalize the following transactions; prepare Ledger (a) Mr. X started business with a capital of Rs 5,00,000 (b) He opened a bank account and deposited Rs 1,00,000 (c) Purchased goods from Rakesh Rs 25,000 (d) Sold to Mr. Ram for Rs 5,000 (e) Paid wages Rs 500 (f) Purchased goods from Mr. Ramesh for Rs 10,000 (g) Received a cheque for Rs 2,000 from Mr. Ram and deposited into the bank (h) Sent a cheque to Mr. Ramesh for Rs 5,000. (i) Cash sales Rs 10,000 (j) Cash Rs 2000 and goods worth Rs 1000 withdrawn by the owner for personal use (k) Goods worth Rs 2,500 distributed as a free sample.	<b>10 marks</b>	<b>CO3</b>
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Q2	From the following trial balance of M/s Kaushal Traders, prepare Trading and Profit and Loss Account for the year ended 31st March 2012 and a Balance Sheet as on that date:	<b>10 marks</b>	<b>CO3</b>																																																												
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Dr. Balances</th> <th style="width: 15%;">Amount</th> <th style="width: 30%;">Cr. Balances</th> <th style="width: 15%;">Amount</th> </tr> </thead> <tbody> <tr> <td>Opening stock on 1st April, 2011</td> <td style="text-align: right;">16,000</td> <td>Capital</td> <td style="text-align: right;">80,000</td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">75,000</td> <td>Sales</td> <td style="text-align: right;">2,00,000</td> </tr> <tr> <td>Sales returns</td> <td style="text-align: right;">5,000</td> <td>Purchases returns</td> <td style="text-align: right;">2,000</td> </tr> <tr> <td>Carriage inwards</td> <td style="text-align: right;">1,500</td> <td>Discount</td> <td style="text-align: right;">500</td> </tr> <tr> <td>Plant and Machinery</td> <td style="text-align: right;">40,000</td> <td>Sundry creditors</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>Furniture and fixtures</td> <td style="text-align: right;">5,000</td> <td>Bills payable</td> <td style="text-align: right;">1,500</td> </tr> <tr> <td>Freehold property</td> <td style="text-align: right;">45,650</td> <td></td> <td></td> </tr> <tr> <td>Cash in hand</td> <td style="text-align: right;">5,000</td> <td></td> <td></td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">30,000</td> <td></td> <td></td> </tr> <tr> <td>Salaries</td> <td style="text-align: right;">18,000</td> <td></td> <td></td> </tr> <tr> <td>Lighting (factory)</td> <td style="text-align: right;">800</td> <td></td> <td></td> </tr> <tr> <td>Sundry debtors</td> <td style="text-align: right;">28,000</td> <td></td> <td></td> </tr> <tr> <td>Travelling expenses</td> <td style="text-align: right;">1,200</td> <td></td> <td></td> </tr> <tr> <td>Rent and taxes</td> <td style="text-align: right;">4,800</td> <td></td> <td></td> </tr> </tbody> </table>	Dr. Balances	Amount	Cr. Balances	Amount	Opening stock on 1st April, 2011	16,000	Capital	80,000	Purchases	75,000	Sales	2,00,000	Sales returns	5,000	Purchases returns	2,000	Carriage inwards	1,500	Discount	500	Plant and Machinery	40,000	Sundry creditors	10,000	Furniture and fixtures	5,000	Bills payable	1,500	Freehold property	45,650			Cash in hand	5,000			Wages	30,000			Salaries	18,000			Lighting (factory)	800			Sundry debtors	28,000			Travelling expenses	1,200			Rent and taxes	4,800				
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<b>SECTION-D ( 30 Marks)</b>																					
	Attempt both the questions																				
Q1	<p>On April 01, 2010, Bajrang Marbles purchased a Machine for ₹ 1,80,000 and spent ₹ 10,000 on its carriage and ₹ 10,000 on its installation. It is estimated that its working life is 10 years and after 10 years its scrap value will be ₹ 20,000. Prepare Machine account and Depreciation account for the first four years by providing depreciation on straight line method. Accounts are closed on March 31st every year.</p> <p style="text-align: center;">Or</p> <p>For financial analysis, how significant is the cash flow statement?</p>	<b>15 marks</b>	<b>CO4</b>																		

Q2

Given below are the balances extracted from the books of Nagarajan as on 31<sup>st</sup> March, 2016.

Particulars	Amount	Particulars	Amount
purchases	10,000	Sales	15,100
Wages	600	Commission Received	1,900
Freight Inward	750	Rent Received	600
Advertisement	500	Creditors	2,400
Carriage Outwards	400	Capital	5,000
Cash	1,200		
Machinery	8,000		
Debtors	2,250		
Bills Receivables	300		
Stock on 1 <sup>st</sup> January	1,000		
<b>Total</b>	<b>25,000</b>		<b>25,000</b>

Prepare the trading and profit and loss account for the year ended 31st March, 2016 and the balance sheet as on that date after adjusting the following:

- i. Commission received in advance Rs. 400
- ii. Advertisement paid in advance Rs. 150
- iii. Wages outstanding Rs. 200
- iv. Closing stock on 31st March 2016, Rs. 2,100

Or

2. How final accounts relate to the terms "trading account," "profit and loss account," and "balance sheet." Give a brief description of the contents and objectives of each of these accounts.

**15  
marks**

**CO4**