

B.Com. Part—I (Semester—I) Examination
COMMERCE
(Advanced Accountancy)

Time : Three Hours]

[Maximum Marks : 80

- Note :—** (1) All questions are compulsory.
 (2) Give working notes wherever necessary.

SECTION—A

Choose an appropriate option :—

1. Paid salary to Ashutosh should be debited to :

(A) Cash A/c	(B) Salary A/c
(C) Ashutosh A/c	(D) Bank A/c
2. Receipt is issued for _____.

(A) Cash received	(B) Cash sale
(C) Cash paid	(D) Goods received
3. Trial Balance is prepared _____.

(A) To judge the profitability of a business	(B) To determine the financial position of business
(C) To judge the arithmetic accuracy of the books of accounts	(D) To judge the profit and loss of the business
4. Accounting is a _____.

(A) Language of Society	(B) Language of Individuals
(C) Language of Business	(D) All of the above
5. Entry for Bad debts is recorded in the _____.

(A) Cash Books	(B) Sales Books
(C) Purchase Book	(D) Journal Proper
6. The balance of the petty cash book is _____.

(A) Income	(B) Assets
(C) Expenses	(D) Liability

7. Direct deposit made by customer into our bank is recorded on the _____ side of the cash book.
- (A) Receipt (B) Payment
(C) Credit (D) Debit
8. Which of the following is subsidiary book of account ?
- (A) Sales book (B) Purchase book
(C) Sales return book (D) All of the above
9. A list of balances of all the accounts in ledger is called :
- (A) Trial Balance (B) Trading A/c
(C) P & L A/c (D) Balance Sheet
10. Interest on loan paid by business is an example of _____.
- (A) Income (B) Assets
(C) Liability (D) Expense
11. Drawing account is closed by transferring the Balance to the _____ account.
- (A) Assets (B) Capital
(C) Drawing (D) Liability
12. Outstanding salary is a _____ account.
- (A) Real (B) Nominal
(C) Representative personal (D) None of these
13. The amount realised at the end of working life of an asset :
- (A) Original cost (B) Market price
(C) Residual value (D) Straight line method
14. Depreciation = $\frac{\text{Cost of the Asset} + \text{Installation} - \text{Scrap value}}{\text{Estimated life of Asset}}$
- (A) Selling value (B) Scrap value
(C) Wages (D) Cost value
15. Reduction in book value of asset over period of time is called _____.
- (A) Depreciation (B) Depletion
(C) Appreciation (D) Proportion
16. In straight line method of depreciation the amount of depreciation remains _____ every year.
- (A) Increased (B) Fluctuating
(C) Decreased (D) Constant

17. Pass Book is _____ of account holders transaction with the Bank.
- (A) An extract (B) Credit
(C) Balance Sheet (D) Balance
18. Bank Reconciliation statement is _____.
- (A) Rent of Pass Book (B) Separate Statement
(C) Part of Cash Book (D) Part of Sale Book
19. Bank gives overdraft facility to _____ account.
- (A) Current (B) Saving
(C) Recurring (D) Fixed deposits
20. When cheque is not paid by the bank it is called :
- (A) Endorsed (B) Honour
(C) Dishonour (D) None of these
- 1×20=20

SECTION—B

1. Differentiate between Book Keeping and Accountancy. 4

OR

Prepare a Trial Balance with the following information :

Particulars	Amount (Rs.)
Capital	18,000
Stock	7,300
Cash	18,700
Debtors	28,000
Creditors	12,000
Sales	28,000
Bank loan	18,000
Purchases	22,000

4

2. Record the following transaction of Jan. 2021 in Sale Book of Sumit Brothers :

Date	Particulars	Rs.
Jan. 2021		
Jan. 5	Sold goods of Shubham & Co.	2,700
Jan. 10	Sold goods to Shrihari Co.	4,500
Jan. 15	Sold goods to Krishna & Co.	5,400
Jan. 31	Sold goods to Sanjay by Cash	4,500

4

OR

Enter the following transactions in single column's Cash Book :

Date	Particulars	Rs.
2021		
Jan. 1	Cash in hand	30,000
Jan. 8	Paid to Ajay	1,000
Jan. 9	Cash Purchase	6,300
Jan. 11	Cash Sales	1,500
Jan. 14	Rent paid	800
Jan. 30	Received from Jay	250

4

3. Prepare "Trading Account" for the year ended 31st March 2021 :

	Rs.
Opening Stock	45,000
Purchase	1,00,000
Sales	2,05,000
Purchase return	3,000
Sales return	9,000
Carriage inwards	8,000
Labours	17,000
Coal & Gas	13,750
Closing Stock	90,000

4

OR

From the following information prepare Profit & Loss Account for the year ended 31st Dec. 2021 :

	Rs.
Gross Profit	1,00,000
Interest (Cr.)	1,200
Profit on Sales Assets	7,500
Printing and Stationery	5,000
Bad Debts	1,200
Insurance	1,000
Rent and Taxes	10,200
Salaries	17,900

4

4. From the following particulars find out the Annual charge of depreciation :
- (i) Cash price Rs. 1,05,600.
 - (ii) Installation charge Rs. 8,800.
 - (iii) Expected life — 8 years
 - (iv) Scrap value Rs. 13,200. 4

OR

Akola trading company purchased machinery for Rs. 90,000 on 1st April 2016. On 1st Oct. 2016 additional machinery was purchased for Rs. 60,000. On 1st Oct. 2018 the company sold the machinery purchased on 1st Oct. 2016 for Rs. 40,000.

Depreciation is to be charged at 10% p.a. under straight line method on 31st March every year.

Prepare Machinery A/c for 3 years. 4

5. Prepare Bank Reconciliation Statement from the following particulars as on 30th Jan. 2020 :
- (i) Bank passbook showed to favourable balance Rs. 92,140.
 - (ii) Bank credited the sum of Rs. 16,500 by mistake.
 - (iii) Cheque of Rs. 45,000 issued on 29th June 2020 but presented for payment on 2nd July 2020.
 - (iv) As per standing instruction Bank transferred Rs. 9,500 to our loan account.
 - (v) A cheque of Rs. 6,000 received, deposited and credited by Bank, was recorded wrongly in cash column in the Cash Book.
 - (vi) Cheques of Rs. 85,000 were deposited in June but cheque of Rs. 60,000 only was cleared by Bank. 4

OR

State the Reasons of Difference between Cash-Book and Pass-Book Balance. 4

SECTION—C

1. Pass necessary journal entries to rectify the following errors :
- (i) Purchased Machinery for Rs. 50,000 from Akot Machinery Ltd. was debited to purchases account.
 - (ii) Life Insurance premium of the proprietor paid Rs. 2,000.
 - (iii) Sold old Motor for Rs. 9,600 to Ashutosh was posted to sales account.
 - (iv) An amount of Rs. 5,555 paid for rent was debited to Personal A/c of Mr. Naman the landlord to the premises.

- (v) An amount of Rs. 1,234 withdrawn by proprietor for his personal use was debited to sundry expenses account.
- (vi) Excess debit has been given to rent account Rs. 2,000 and excess credit has been given to commission received account Rs. 2,000.
- (vii) Received commission Rs. 777 was posted to interest account. 8

OR

Prepare a Trial Balance on the basis of following balances :

Particulars	Rs.
Salary	6,000
Rent	1,000
Printing	500
Discount paid	4,000
Creditors	46,000
Debtors	30,500
Building	2,000
Furniture	35,000
Goods A/c (Cr.)	10,000
Cash	21,000
Drawing	6,000
Capital	50,000

8

2. Prepare Purchase Book and Purchase Return Book of Shri Sunil Patil from the following details for the month April 2021 :

April 2021	Particulars	Rs.
1	Purchased goods from Hari	20,000
7	Purchased goods from Sumit	10,000
8	Returned goods to Hari	2,500
9	Purchased goods from Amol	30,000
12	Purchased goods from Vinod	15,000
19	Returned goods to Vinod	2,000
26	Purchased goods from Ashu in cash	10,000
30	Returned goods to Amol	5,000

8

OR

Prepare a Double column Cash Book from the following transactions :—

2021

Jan. 1 Balance of cash in hand Rs. 50,000.

Jan. 5 Bought furniture for Rs. 5,000.

Jan. 8 Received from Shubham Rs. 4,450 and allowed him Rs. 50 as discount.

Jan. 9 Cash sales Rs. 10,000 to Amardip.

Jan. 12 Paid to Gaytri Rs. 1,500 received discount of Rs. 80.

Jan. 14 Cash received from Modi Rs. 1,000 and we allowed him discount of Rs. 40.

Jan. 20 Wages paid Rs. 100.

Jan. 26 Rent paid Rs. 80.

Jan. 31 Cash paid Amol Rs. 800 and discount received Rs. 20.

8

3. Following are the balance of Karan Traders for the year ending 31st Dec. 2021 :

Trial Balance

Particulars	Rs.	Particulars	Rs.
Opening Stock	2,300	Capital	12,210
Purchase	10,000	Sales	15,000
Sales Return	200	Creditors	1,700
Debtors	4,410	Purchase Return	100
Building	4,400		
Salary	700		
Wages	4,630		
Rent	770		
Drawing	600		
Cash	1,000		
	29,010		29,010

Prepare “Trading A/c, Profit & Loss A/c” for the year ending on 31st Dec. 2021 and the Balance Sheet as on same date with the following adjustments :

(i) Closing Stock Rs. 5,650

(ii) Depreciate Building by 5%.

(iii) Outstanding expenses :

Salaries Rs. 300 and Wages Rs. 370.

8

OR

Prepare the Balance Sheet as on 31st March 2021 with the following information :—

Particulars	Rs.
Building	25,000
Creditors	16,000
Cash in hand	6,000
Unpaid Expenses	1,000
Furniture	5,000
Bills payable	7,000
Machinery	6,500
Bills Receivable	6,500
Capital	24,000
Net profit	2,000
Drawing	5,000
6% Debenture	12,000
Bank loan	12,000

Adjustment :—

- Closing Stock Rs. 20,000. 8
4. A Machine was purchased for Rs. 50,000 and Rs. 10,000 were spent on its installation. It was decided to charge 20% p.a. depreciation under the diminishing balance method. At the end of the second year the machine was sold for Rs. 28,000. Prepare a Machine A/c for two years. Machine purchased 1st Jan. financial year closed 31st Dec. 8

OR

- On 1st Jan. 2019 a Businessman purchased a plant for Rs. 1,00,000. The estimated life of the plant is of 10 years and its Residual value will be Rs. 10,000. Prepare a Plant Account for the three years on the fixed instalment method. 8
5. Prepare Bank Reconciliation Statement as on 31st March 2021 :
- Balance as per Cash Book overdraft Rs. 5,706.
 - Interest on overdraft Rs. 144 for six months was not entered in Cash Book.
 - Bank charges Rs. 27 was debited in Passbook not entered in Cash Book.
 - Cheques worth Rs. 1,051 were issued but not presented for payment as yet.
 - Cheques deposited into Bank of Rs. 1,950 were not yet collected and credited.
 - Rs. 1,080 as interest on investment collected and credited by bank were not entered in Cash Book. 8

OR

From the following details prepare a statement showing the balance of Cash Book of Ulhas Kumar as on 30th June 2021 :

- (i) Credit Balance as per Rs. 8,000.
- (ii) Interest on overdraft Rs. 200 was not entered in Cash Book.
- (iii) Bank charges Rs. 75 were debited in Passbook but not in Cash Book.
- (iv) Cheques worth Rs. 1,555 were not paid by the bank upto 30th June.
- (v) Cheques and draft worth Rs. 3,000 deposited into bank but not collected as yet.
- (vi) Rs. 1,333 interest on investment collected by the bank, not entered in Cash Book.

8