



PART – C

Answer **any six** questions. Answer should **not** exceed **one** page **each**. **Each** question carries **three** marks **each**.

11. Distinguish between Trail Balance and Balance Sheet.

12. Enter the following transaction in the Journal of Raman :

2015

May 10 Sold goods to Kailash of the list price of Rs. 1,00,000 at trade discount of 15%.

May 13 Kailash returned goods of the list price of Rs. 4,000/-

May 18 Received from Kailash the amount due from him under a cash discount of 5%.

13. Prepare Sales Return Book in the Books of Ram Lal & Co. from the following transactions :

2015 April 6 Goods returned by Ganga Parshat & Co. : 2 Table Fans @ Rs. 600 each

Less : Trade discount 15% .

April 12 Shyam Oil Mills returned defective goods valued Rs. 4,000.

April 18 Allowance allowed to Sanjay & Co. on account of mistake in the invoice Rs. 250.

14. Calculate Gross Profit when

Total purchases during the year are Rs. 8,00,000

Return outward Rs. 20,000

Direct expenses Rs.60,000

$\frac{2}{3}$ of the goods are sold for Rs. 6,10,000.

15. Explain the characteristics of a Balance Sheet.

16. Briefly explain different types of Cash book.



17. Calculate gross profit and Net profit on the basis of the following balances extracted from the books of M/S Raju & Sons for the year ended March 31, 2015.

	Rs.		Rs.
Opening stock	50,000	Net Sales	11,00,000
Net purchases	6,00,000	Direct expenses	60,000
Administration expenses	45,000	Loss due to Fire	20,000
Selling and distribution expenses	65,000	Closing stock	70,000

18. Rectify the following Journal Entries assuming that the narration is correct :

	Rs.	Rs.
1) Cash A/c	Dr. 1,500	
To Vikas		1,500
(Interest received from Vikas)		
2) Mohan	Dr. 5,000	
To Salary A/c		5,000
(Salary paid to Mohan)		
3) Furniture A/c	Dr. 12,000	
To Cash		12,000
(Sofa-set purchased for the Proprietors)		
4) Purchase return A/c	Dr. 2,000	
To X		2,000
(Goods returned to X)		
5) Insurance premium A/c	Dr. 12,000	
To Cash		12,000
(Insurance premium paid for next year)		
6) Purchases A/c	Dr. 8,000	
To Cash		8,000
(Furniture purchased for cash)		(3×6 = 18)

PART – D

Answer **any two** questions. Answers should **not** exceed **four** pages **each**. **Each** question carries **eight** marks **each**.

19. Discuss role and limitations of Accounting.



20. The following is the Trial Balance of a trader as on 31st December, 2015.

	Dr. (Rs.)	Cr. (Rs.)
Sales		1,20,000
Purchases	85,000	
Import duty	5,000	
Factory expenses	3,000	
Office expenses	6,000	
Sundry debtors	30,000	
Commission		1,500
Bad debts	2,500	
Sundry creditors		28,500
10% Investments	20,000	
Interest on Investments		1,500
Opening stock	15,000	
General expenses	3,000	
Cash in hand	2,000	
Machinery	40,000	
Capital		60,000
	2,11,500	2,11,500

Adjustments :

- 1) Closing stock is valued at Rs. 21,500
- 2) Provide 5% of debtors for bad debts.
- 3) Interest on investments for 3 months is outstanding.
- 4) Commission received in advance amounts to Rs. 300.

Prepare Trading and Profit and Loss Account and also a Balance Sheet as on 31st Dec. 2015.

21. a) What is compound Journal Entries ?

b) Enter the following transactions in the Journal of Hari.

2015 April 1 Purchased goods from Vinod of the list price of Rs. 40,000 at 10% trade discount.

April 2 Returned to Vinod of the list price of Rs. 1,000

April 6 Paid cash to Vinod Rs. 34,000 in full settlement of his account.

c) What do you understand by trade discount ?

(2×8 = 16)