

- Instructions :** (1) This paper contains **Five** questions.
(2) All questions are compulsory.
(3) Question No.1, 2, 3, 4 have internal options.
(4) Figures in the right side in parenthesis indicate marks.

Q:1 State the accounting concept/convention/principle stated in the below cases and (10)
explain the same in brief:

1. Life insurance premium paid on the proprietor's life is debited to drawings account.
2. A uniform policy of charging depreciation is adopted every year by the businesses.
3. The retirement of an experienced general manager of the company is not shown in the books of accounts of a company.
4. Unpaid expenses of the current year are debited to profit & loss account of the current year only.
5. Assets like patents and trademarks are written over a few years and not within a year.

OR

Q:1 State the accounting concept/convention/principle stated in the below cases and (10)
explain the same in brief:

1. Closing stock is valued either at its cost or market value, whichever is less not higher of the both in the balance sheet of a company.
2. Generally, the accounts of the business are prepared annually.
3. The loyalty of the employees is not recorded in the books of accounts, though it is very important for the company.
4. Personal expenses of a trader are not recorded in books of accounts of the business.

5. During the year, a case was filed against the company which could lead the company to pay a compensation of a huge amount, was clearly shown in the notes to accounts in the financial reports of the company.

Q:2 From the following information of Balaram club, prepare Receipts and Payments Account and Income and Expenditure Account for the year ending 31/3/2023: **(10)**

Particulars	Amount (₹)	Particulars	Amount (₹)
Cash balance (1/4/2018)	24,000	Salary:	
Subscription:		2021 – 22	4,000
2021 – 22	3,000	2022 – 23	35,000
2022 – 23	55,000	Purchase of investments	50,000
2023 – 24	2,000	Legacy	25,000
Purchase of furniture	15,000	Contribution from annual function	25,000
Telegram expenses	5,000	Expenses of annual function	15,000
Lockers' rent	2,500	Purchase of ground	75,000
Audit fees	4,500	Interest on investments	10,000
Donation	30,000		
Entrance fees	40,000		

Additional information:

- Subscription not received ₹ 500.
- Salary unpaid ₹ 3,750.
- Provide for depreciation ₹ 5,000 on sports equipment and ₹ 1,250 on furniture.
- 3/4th of entrance fees is to be capitalized.

OR

Q:2 (A) From the following transactions of The Trident club, prepare its Receipts & Payments Account for the year ending 31st March, 2023 and find out closing cash on hand. **(10)**

Particulars	Amount (₹)	Particulars	Amount(₹)
Cash on hand (1/4/23)	1,500	Expenses:	
Cash at bank (1/4/23)	16,000	2022	5,000
Subscription	75,000	2023	20,000
Entrance fees	4,000	Rent	1,500
Donation for prizes	6,500	Purchase of billiard table	16,000
Telephone connection deposit paid	12,000	Purchase of books	14,000
Salaries	14,250	Repairs	3,000
Cash at bank(31/3/23)	35,000	Ground rent received	15,000
		Sale of old newspapers	1,000
		Sale of furniture	4,250

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(B) From the Receipts and Payment account of Himanshu Gymkhana for the year 2023, you are required to prepare Income and Expenditure Account for the year ending 31/12/23.

Dr.		Receipts and Payment Account		Cr.	
Receipts	Amount(₹)	Payments		Amount(₹)	
To balance (1/1/23)	2,416	By purchase of table		424	
To interest	624	By rent		496	
To subscription	8,740	By stationery		1,508	
To rent	540	By subscription of newspapers		2,694	
To entrance fees	2,400	By expenses		1,882	
To sale of old newspapers	128	By salaries		2,400	
	420	By investments		4,770	
To receipts from lectures	732	By payment to staff		1,508	
		By balance (31/12/23)		318	
	<u>16,000</u>			<u>16,000</u>	

Adjustments:

1. Subscription for newspapers paid in 2023 includes ₹ 250 for 2022.
2. Subscription received includes ₹ 500 for 2021 and ₹ 200 for 2022.
3. ₹ 464 is outstanding for salaries.
4. Provide depreciation ₹ 300 on books and ₹ 250 on building.
5. Half of the entrance fees is to be capitalized.

Q:3 From the following balances as on 31/12/23 of Shri Jethalal and the adjustments (10) given below, prepare necessary final accounts and Balance sheet for the year ending 31/12/23:

Particulars	Amount(₹)	Particulars	Amount(₹)
Purchases	92,940	Machinery	30,000
Purchase returns	4,240	Bank overdraft	15,690
Sales	1,49,860	Cash in hand	300
Sales returns	2,860	Discount (Credit)	210
Capital	1,00,000	Bad debts	1,400
Drawings	7,600	Bad debts reserve	3,240
Income tax refund	400	Rent and insurance	1,000
Stock (1/1/2022)	11,460	Agent's commission	9,870

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Salary and wages	6,580	Stationery expenses	1,480
Leasehold land (from 1/7/23 for 5 years)	10,000	Office expenses	2,910
Bills receivable	2,240	Rent received	1,700
Debtors	61,400	Carriage inward	2,310
Building	32,000	Railway freight	16,940
Creditors	20,000	Furniture	3,500
		Dividend	1,000

Adjustments:

1. Closing stock ₹ 20,000
2. Goods worth ₹ 2,500 were burnt by fire and Insurance company accepted a claim of ₹ 2,000.
3. Write off ₹1,400 as bad debts and maintain BDR @ 5%.
4. Maintain discount reserve @ 2% on creditors.
5. Depreciate Building and machinery @ 5% and Furniture @10%.

OR

Q:3 The following is trial balance of Vijay Patel as on 31/3/22. Prepare necessary final accounts and Balance sheet: (10)

Names of account	Debit(₹)	Credit(₹)
Drawings - Capital	3,000	45,000
Purchases - Sales	82,000	1,20,000
Goods returns	2,100	1,700
Provident fund investments and Provident fund	12,000	13,000
Contribution to Provident fund		
Stock (1/4/21)	1,100	-
Furniture and fixtures	18,000	-
Building	5,000	-
Debtors - Creditors	40,000	-
Discount	30,360	41,000
Stationery	500	300
General expenses	200	-
Salary	11,200	-
Scooter	18,000	-
Carriage inward	10,000	-
Goods withdrawn	300	-
Bad debts - bad debts reserve	-	500
15% Khushali Patel's loan	240	2,500
	-	10,000
	<u>2,34,000</u>	<u>2,34,000</u>

Adjustments:

1. Value of closing stock is ₹ 35,000 and its market value is ₹ 30,000.

2. Calculate interest on capital @ 5%.
3. Depreciate building @ 2.5% and furniture and fixtures @5%.
4. Stationery stock on 31/3/22 is ₹ 20.
5. Bad debts of ₹ 360 is to be written off. Maintain BDR @5%.
6. Calculate interest on Khushali Patel's loan for the whole year.

OR

Q:5 Select the correct option for the following: (Attempt any 10 out of 12) (10)

- 5

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|----------------|---------------------|
| A. Speed | B. Accuracy |
| C. Cleanliness | D. All of the above |
11. Which of the following is not a non trading concern?
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|----------------|----------------------|
| A. Sports club | B. Hospital |
| C. Gymkhana | D. None of the above |
12. Which of the following is a software used computerized accounting?
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|----------------|---------------------|
| A. Tally | B. Zoho books |
| C. Quick books | D. All of the above |

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