

## QUESTION BANK

### BCA III SEMESTER

#### BCA 304: ACCOUNTING & FINANCIAL MANAGEMENT

#### UNIT-I

1. What is meant by Accounting?
2. What do you mean by Generally Accepted Accounting Principles (GAAP)?
3. What is meant by recording?
4. What is meant by book-keeping?
5. List the main objectives & advantages of Accounting.
6. Explain following terms:-  
Assets, Liabilities, Capital, Revenue, Expenses, Purchases, Sales, Stock, Debtor, Creditor, Transaction, Event, Drawing, Receivables, Payables, Income, Expenditure.
7. Describe the basic accounting principles.
8. Discuss the classification of accounts on the basis of Double entry system along with the rules?
9. What is an Opening entry, Compound entry?
10. What are the golden rules of accounting?
11. How will you differentiate between capital and revenue expenditure? Why this differentiation is necessary?
12. Journalise the following transactions, prepare ledgers & Trial Balance .
  - i) Ramesh started business with cash Rs.150000, Bank Rs.65000, Stock Rs.25000, Furniture Rs.20000& Machinery Rs.30000.
  - ii) Goods purchased Rs.45000
  - iii) Goods purchased from Ram for Rs.2500
  - iv) Goods sold for Rs.15000
  - v) Goods withdrawn for private use Rs.12000 (costing 11000)
  - vi) Purchased Motor Car for business Rs.80000.

- vii) Deposited Cash at bank Rs.5000
- viii) Sold Goods to Shyam Rs.20000
- ix) Paid to Ram 95 paisa in a rupee.
- x) Paid salary through cheque Rs.12000
- xi) With draw from Bank Rs.2500. for private use
- xii) Goods send as charity Rs.5000
- xiii) Goods send as sample Rs.6000
- xiv) Received from Shyam by cheque 90 paisa in a rupee.
- xv) Sold goods to Ravi Rs.9000
- xvi) Purchased goods from Anita Rs.8000
- xvii) 5% of goods are returned to Anita
- xviii) Ravi rejected 2% goods
- xix) Sold goods to Sahil at a list price of Rs. 75000 less 20% trade discount & 2% cash discount & paid 40% by cheque.

13. Journalize the following transactions in the books of Shyamsunder &co:

- 1 Jan: Commence business with cash 25,000
- 4 Jan: Purchased goods for cash 5,000
- 5 Jan: Deposited in bank 10,000
- 6 Jan: Bought furniture for office use by cheque 8,000
- 8 Jan: Goods sold to Rakesh 6,000
- 14 Jan: Paid postal charges 400
- 16 Jan: Interest on capital charged 1,500
- 20 Jan: Withdrawn goods for personal use 5,000
- 22 Jan: Withdrawn from bank for office use 5,000
- 25 Jan: Paid Rent 1,000

14. Journalize the following transaction

- Jan 1 Jaideep started business with cash 10,000
- Jan 2 Goods purchased from Prasad on credit 5,000
- Jan 3 Goods sold to prem 8,000
- Jan 4 Paid for wages 1,000
- Jan 6 Paid for interest 4,000
- Jan 12 Cash received from prem 8,000

Jan 15 Withdrawn for personal use 2,000  
 Jan 18 Deposited in bank 6,000  
 Jan 22 Paid to Prasad in full settlement of accounts 4,950  
 Jan 28 Stationery purchased 50

15. “Ledger is the principal book of accounts in a business”. How far do you agree with it? Discuss.

## Unit-II

1. What is Purchase book?
2. What is sale book?
3. What is subsidiary book?
4. Describe the objective of preparing subsidiary books?
5. What do you mean by cash book? What are the different kinds of cash book? Discuss briefly each of them.
6. What is a petty cash book?
7. What is contra entry?
8. What do you mean by cash discount? What is its accounting treatment? What respect it is different from trade discount ?
9. Why subsidiary books necessary? Describe the objective of preparing it. Name important subsidiary books of accounts.
10. What do you mean by impressed system of petty cash book? Prepare a specimen of petty cash book. What are their advantages?
11. How would you record the following items in Three-Column Cash Book?

1.1.2014	Purchased machinery from Rajiv for Rs.5000 and paid him by means of bank draft purchased from bank for Rs. 5005.
2.1.2014	Discounted a bill for Rs.1000 at 1% through bank.
3.1.2014	Purchased 100 bonds for Rs.100 each at Rs.95 each and paid for them by cheque.
4.1.2014	Honoured our acceptance in favour of Shyam by cheque Rs.5000.
5.1.2014	Received Rs.2000 for a Bill of exchange from Hari Ram and deposited same into the bank.
6.1.2014	Received payment of a loan of Rs.5000 and deposited Rs.3000 out of it into the bank.

12. From the following transactions compile a simple cash book:  
2000

- April 1 Opening balance of Cash 4500
- April 5 Paid to Gopal (Discount received R.10) 290
- April 10 Purchase goods from Anand for cash 500
- April 11 Purchase goods from Amit 800
- April 12 Paid to Sachin 300
- April 18 Received from Gupta (Discount allowed Rs.50) 980
- April 19 Cash sales 500
- April 21 Paid to Bhavana (Discount Rs.25) 750
- April 21 Paid Rent 30
- April 23 Paid wages 50
- April 25 Purchase furniture from Suresh Rs.500; cash paid 200
- April 27 Paid to Naresh (Disc Rs.20) 380
- April 30 Received Commission 50

13. Prepare a two columnar cash book from the following transactions of shri R.k.Gupta:  
2011

- April 1 Cash in hand 2000
- April 6 Cash Purchases 2000
- April 10 Wages paid 40
- April 11 Cash sales 6000
- April 12 Cash received from Suresh 1980,Discount allowed 20
- April 19 Cash paid to Munna 2470,Discount Received 30
- April 27 Cash paid to Radhey 400
- April 28 purchased goods for cash 2070

14. Explain the Meaning and Importance of Bank Reconciliation Statement.

15. From the following particular prepare Petty cash book.

Date	Particular	Amount
Jan 1	Opening balance	600
2	Paid for stamp	72
3	Paid cleaners wages	90
4	Paid for fare	96
5	Paid for office tea etc	90
6	Paid for repair of cycle	60
7	Paid for advertisement`	180
10	paid for Stationery	18

16. Enter the following transactions in the proper subsidiary books of Ram.

Date	Particular	Amount
2015 July 1	Sold goods to Ramesh	525

	Bought from Hari	780
2	Ramesh returned goods	75
	Sold to Dino	550
	Purchased from Mangal	700
4	Returned to Mangal	100
	Bought from Devi	325
	Sold to zakir	350
5	Zakir returned goods	45
6	Purchased goods from Raghu subject to 1% trade discount	1000
10	Sold to Raja Goods subject 5% trade discount	500
11	Raja rejected 10% of goods sold to him	-
12	Sold goods to Rahul	500

17. Record the following transactions in the Purchase journal and post them into the ledger: 2010

March 5 Purchase from Ram & co on credit:

30 Immersions heaters @ Rs.10

20 Philips Tubelights @ Rs.20

March 4 Purchase from Shyam & co on credit:

40 Immersions heaters @ Rs.10

20 E.C.E. Tube lights @Rs.15

March 8 Purchase from Bajaj & co on credit:

20 Electric Irons @ Rs. 40

3 Electric Mixers @ Rs.100

March 24 Purchase from P.C. & co on credit:

20 Electric Kettles @ Rs. 20

3 Table fans @ Rs.100

18. Record the following transactions in the sales day book and post them into the ledger: 2007

Jan 1 Sold to Mukesh & co:

10 Electric heaters @ Rs.20

10 Table Lamps @ Rs.30

Jan 10 Sold to Suresh & Brothers:

10 Table fans @ Rs.250

20 Philips Tube lights @ Rs. 30

Jan 25 Sold to Ramesh & co:

10 Electric Kettles @Rs.520 E.C.E. Tube lights @Rs.30

19. Enter the following Transactions in proper subsidiary books of Ram:

2009

January 1 Sold goods to Rahul 525

January 1 Bought of Hari ram 780

January 2 Rahul returned goods 75

January 2 Sold to Dina nath 550

January 2 Purchase goods from Mangal 700

January 4 Retuned goods to Mangal 100

January 5 Bought of Devi Dayal 325  
 January 5 Sold to Zakir Hussain 350  
 January 7 Zakir Hussain returned goods 45  
 January 9 Sold to Ram Saran 500  
 January 10 Sold to Ghanshyam 300  
 January 10 Ram Saran returned goods 50  
 January 13 Bought of Devi Dayal 700  
 January 15 Returned goods to Devi Dayal 75  
 January 20 Purchased goods from Raghunath subjected to a trade discount of 10% Rs1000  
 January 28 Sold to Raja Ram goods subjected to trade discount 500 of 5%

20. Record in a three column cash book the following transactions taking place in the business of Mr.Hariharan:

2011 Jan.

1 Cash in hand.....Rs.1567  
 2 Cash at bank.....Rs.12,675  
 5 Deposited with bank.....Rs .500  
 7 Received from A Rs.790 and allowed him discount Rs.10  
 13 Purchase furniture .....Rs.1000  
 14 cash Paid to B by cheque and received discount Rs 250  
 15 Deposited into bank .....Rs.200  
 16 Cash sales.....Rs.1000

21. Prepare a three column cash book from the following transaction:

2009

1 Jan Cash in hand 20,000  
 1 Jan Cash at bank 8,000  
 6 Jan paid into bank 150  
 8 Jan Received cheques from shyam 200  
 Allowed discount 10  
 12 Jan Sold goods for cash 40  
 17 Jan paid into bank Cash 30,Cheque 200.  
 21 Jan Paid to Mohan by cheque 345,Discount received 5  
 24 Jan Paid carriage by cheque 180  
 28 Jan Drawn from bank cash for office 200  
 30 Jan Paid wages by cheque 60

22. What is a trial balance? What are its objectives?

23. Discuss various methods of preparation of trial balance and their merits and demerits?

24. Record the following transaction in the journal of the Delhi furniture mart. Post them into ledger account and drift a trial balance.

Jan.1 started business with cash Rs.40, 000

Jan.2 Deposited into bank Rs.19, 000

Jan.3 Purchase machinery for Rs.15, 000 from J.K and gave him a cheque

Jan 4 Paid installation charges of machinery Rs.1, 100  
 Jan 15 Purchased Timber from Naveen of the list price of Rs.2, 000.He allowed 10%Trade discount  
 Jan 16 Furniture costing Rs.500 was used in furnishing the office.  
 Jan 20 Sold furniture to Naresh of the list price Rs.1000 an allowed him 5% T.D  
 Jan.22 Received a cheque from Naresh for Rs.930 in full settlement and send the cheque to bank.  
 Jan23.Send to Naveen in full settlement a cheque for Rs.1, 750.  
 Jan.25 Paid wages Rs.350 and rent Rs.200.

25.What is a bank reconciliation statement? How is it prepared? Submit a pro-forma of a bank reconciliation statement with imaginary figures.

26. Prepare bank reconciliation statement from the following for 31/3/2015.

1	Balance accounting to cash book Rs.21000 ( Credit)
2	Cheque of A.B Ltd. Rs.1080 Has not been presented till 31/3/2015
3	A post dated cheque Rs.600 has been debited in the bank column of cash book.
4	3 cheques totaling Rs.2400 sent to bank have not yet been collected while a fourth cheque for Rs.800 deposited in the account has been dishonoured.
5	Fire insurance premium amounting to Rs.100 paid by the bank under a standing order.
6	A bill for Rs.2000 was retired by bank under a rebate of Rs.30 but the full amount of the bill was credited in the cash book.

27.The cash book of a firm shown a balance of Rs.22, 500.On comparing the cash book with Pass book the following points were noted:

- a) Cheque issued but not presented for payment 6000
- b) Cheque deposited in bank but not collected 9000
- c) Bank paid insurance premium 5000
- d) Directly deposited by a customer 8000
- e) Interest on investment collected by bank 2000
- f) Bank charges 300

Prepare bank reconciliation statement

28. On 31st December 2011, the pass book of a merchant shows a credit balance of Rs.3,375. The cheque and draft sent to the bank but not collected and credited amounted to Rs.790 and three cheques drawn for Rs.300, Rs.150 and Rs.200 respectively were not presented for payment till 31st January next year. The bank has settled a bill payable amounting to Rs.1,000 but it has not been entered in the cash book and a bill receivable of Rs.500 which was discounted with the bank was dishonored by the drawee on due date. The bank charged Rs.13 as its commission for collecting outstanding cheques and has allowed interest Rs.10 on the traders balance. Prepare a bank reconciliation statement and show the balance as per cash book.

29. The pass book of a company showed an overdraft of Rs.2560.comparison of pass book with the cash book showed the following:

- a) The company had send to the bank three cheques on 28th December, 2009. The cheques were for Rs.1100, Rs.1560 and Rs.930. of these only the cheque for Rs.1100 was credited by the bank before 31<sup>st</sup> December 2009.
- b) The company had issued on 15th December, the cheque for Rs.530 and Rs.760. The cheque for Rs.760 was paid before the 31st December. The other cheques were paid on 3rd January, 2010.
- c) The bank had debited the company with Rs.20 as bank charges and 120 as interest. Entries in the cash book had not yet been made.
- d) The bank had collected Rs.500 from a customer against a bill but the fact was not yet recorded in the cash book.

Prepare the bank reconciliation statement as on 31st December, 2009

30. Prepare a bank reconciliation statement on 31st December, 2010 from the following particulars:

- (a) A's overdraft as per pass book Rs.12000 as at 31st December.
- (b) On 30th December, cheque has been issued for Rs.70,000 of which cheques worth Rs.3,000 only has been encashed up to 31st December.
- (c) A cheque amounting to Rs.3,500 has been paid into bank for collection but of these only Rs.500 has been credited in the pass book.
- (d) The bank has charged Rs.500 as interest on overdraft and the intimation of which has been received on 2nd January 2011.
- (e) The bank Pass book show credit for Rs 1,000 representing Rs.400 paid by debtor of A direct into the bank and Rs.600 collected directly by bank in respect on A's investment. A has no knowledge of these items.
- (f) A cheque for Rs.200 has been debited in bank column of cash book by A, but it was not sent to bank at all.

31. Prepare a bank reconciliation statement from the following Particulars:

Bank overdraft as per cash book.....	8,000
Cheque deposited in bank but no entry was passed in the cash book.....	300
Cheque received but not sent to bank.....	1,000
Credit side of bank column cast short.....	100
Insurance premium paid directly by bank as per standing advice.....	500
Bank charges entered in cash book twice.....	10
Cheque returned back but no entry passed.....	400
Bills directly collected by bank.....	2000
Cheque issued returned back on account of technical ground.....	300
Bank charges debited by bank.....	12
Cheque received entered twice.....	500
Bills discounted dishonored.....	4000

32. Prepare a bank reconciliation statement from the following particulars and ascertain the bank balance as it would appear in cash book of Shri Govind as at 31st December, 2010:

- (a) The bank Pass book showed an overdraft of Rs.9,500 on 31st December 2010.
- (b) Interest on overdraft for 6 months ending 31st December 2010, Rs 250 is debited in the pass book, but is not entered in the bank column of cash book.
- (c) Cheque issued but not encashed, prior to 31st December, 2010 amounted to Rs.1,500.

- (d) Club bill directly debited his bank account not yet reflected in cash book Rs.2,700.
- (e) Cheque paid into bank, but not cleared and credited before 31st December 2010 Rs.2, 500
- (f) Interest on investment collected by banker and credited in the pass book amounted to Rs.1,800.
- (g) Shri Govind issued a cheque of Rs.900 for his L.I.C. premium which was returned as the amount in figures and words was not tallying. Shri Govind therefore, paid premium by cash and this was not reflected in the books of accounts.

33. Enumerate ten causes responsible for disagreement of the total of cash book with the balance of passbook. Discuss any three of them in detail.

34. Overdraft shown by the passbook of M/s. Mohit trader is Rs.40, 000.  
Prepare Bank Reconciliation statement on December 31,2006.

- (a) Bank charges debited as per pass book Rs.1,000
- (b) Received a payment directly from customer Rs.7,000
- (c) Cheques wrongly recorded in debit side of cash book Rs.4,000
- (d) Cheques issued but not presented for payment Rs.9,800
- (e) Cheques deposited with the bank but not collected Rs. 12,500
- (f) Insurance premium paid by the bank Rs.3,500

35. From the following particulars of Neha and Co. prepare Bank Reconciliation Statement on March 31, 2011

Overdraft as per pass book .....	16,500
Interest on overdraft .....	1,600
Insurance premium paid by the bank.....	800
Cheques deposited but not yet credited.....	5,500
Cheques issued but not present for payment .....	6,000
Wrongly credit to firm account by the bank .....	1,000

### Unit-III

1. Define Depreciation.
2. What are the causes of depreciation?
3. What is the need of providing depreciation?
4. Explain briefly the straight line method & Written down value method of providing depreciation?
5. On 1st January, 1999 Nagi Bros. purchased six machineries for Rs.15,000 each. Depreciation at the rate of 10% on original cost of machines has been provided and accumulated on depreciation provision accounts. On 1st January, 2000, one machine was sold for Rs.12,500 and on 1st January, 2001, a second machine was sold for Rs.13,000. An improved model with a cost of Rs.28,000 was purchased on 1st July 2000 and the arrangement for providing depreciation was kept to be same as the older machines. You are required to show Machinery A/c and depreciation provision A/c.

6. On 1st January, 2004, a merchant purchased some furniture costing Rs.55,000. It is estimated that its working life is 10 years at the end of which it will fetch Rs.5,000. Additions are made on 1st January, 2005 and 1st July, 2007 to the value Rs.9,500 and Rs.8,400 (residual values Rs.500 and Rs.400 respectively). Show the furniture account for the first four years if depreciation is written off according to the straight line method.

7. Company, whose accounting year is the calendar year, purchased on 1.1.2003 a machine for Rs. 40,000. It purchased further machinery on 1st October 2003 for Rs. 20,000 and on 1st July for Rs. 10,000. On 1.7.2005, 1/4th of the machinery installed on 1.1.2003 became obsolete and was sold for Rs. 6,800. Show how the machinery account would appear in the books of the company for all the 3 years under diminishing balance method. Depreciation is to be provided at 10% p.a.

8. A manufacturing company purchased on 1st January 2001, a second hand plant for Rs. 30,000 and immediately spent Rs 20,000 on overhauling it. On 1st July 2001, additional machinery costing Rs.25,000 was purchased. On 1st July 2003, the plant purchased on 1st January 2001 became obsolete and was sold for Rs.10,000. On that date a new machinery was purchased at a cost of Rs 60,000. Depreciation was provided for annually on 31st December, at the rate of 10% per annum on the original cost of asset. In 2005, however the company changed this method of providing depreciation and adopted the method of writing off 15% on diminishing value. Show the machinery account for the years 2001 to 2005.

9. A firm purchased on 1st January, 2004 certain machinery for Rs.1, 16,000 and spent Rs.3, 600 on its erection. On 1st July, 2004 additional machinery costing Rs.40, 000 was purchased. On 1st, 2006 the machinery purchased on 1st 2004 having become obsolete was auctioned for Rs.57, 200 and on the same date a fresh m/c was purchased at a cost of Rs.80, 000. Depreciation was provided for annually on 31<sup>st</sup> December at the rate of 10% on W.D.V method. In 2007, however the firm changed this method of providing for depreciation and adopted the method of providing 5% p.a. depreciation on original cost of the machinery.

10. On 1 Jan 2012 A Ltd. Purchased a second hand machine for Rs.48,000 & spent Rs.12,000 on its cartage, repairs & installation. The residual value is expected to be Rs.24,000 after 4 years of useful life. On Sep 2014 this machine is sold for Rs.30,000. Depreciation is provided according to S.L.M. Prepare Machinery Account assuming year ends on 31<sup>st</sup> March of each year.

11. On Jan/ 1/2010 X Ltd. Purchased a machinery worth Rs.1,16,000 & spent Rs.4,000 on its erection. On 1 July 2010 an additional machinery was purchased for Rs.40,000. On 1 July 2013 the 1<sup>st</sup> machinery was sold for Rs.57,200 & on the same date a new machinery was purchased for Rs.80,000. Depreciation was provided annually on December 31<sup>st</sup> @ 10% p.a. On W.D.V. Prepare machinery account for 5 years.

12. What are Financial Statements?

13. What is the need for preparing financial statement?

14. What is Trading & Profit & Loss account?

15. What is Balance Sheet?

16. Distinguish between the following:

- (a) Trail balance and Balance Sheet.
- (b) Outstanding Expenses and Prepaid expenses.
- (c) Outstanding Income and accrued Income.
- (d) Interest on capital and Interest on Drawing.

17. From the following trial balance item and additional information, you are required to prepare a Trading and P&L a/c and balance sheet:

Capital - 20,000  
Sundry Debtors -5,400  
Drawings -1,800  
Machinery- 7,000  
Sundry creditors - 2,800  
Wages - 10,000  
Purchase - 19,000  
Opening Stock - 4,000  
Bank Balance - 3,000  
Carriage Charges - 300  
Salaries - 400  
Rent and taxes - 900  
Sales - 29,000

Additional Information:

- 1) Closing Stock Rs.1, 200
- 2) Outstanding rent & taxes Rs.100
- 3) Charge depreciation on Machinery at 10%
- 4) Wages prepaid Rs.400

18. The following balance has been extracted from the books of Mr. Ganges on 31.03.2011.

Capital 8,00,000, Bad-debts 5,000  
Drawings 60,000, Sundry creditors 95,000  
Machinery 2,00,000, Sales 12,00,000  
Machinery additions 50,000 , Purchase returns 10,000  
Stock on 1,50,000 ,Provision for bad and doubtful debts 8,000  
Purchases 8,20,000 ,Commission received 16,000  
Carriage on purchases 20,000, Sundry debtors 52,000  
Furniture and fixtures 2,00,000, Insurance charges 10,000  
Carriage on sales 25,000, Salaries 2,10,000  
Sundry expenses 8,000, Cash in hand 62,000  
Printing and stationery 12,000, Cash at bank 2,05,000  
Rent, rates and taxes 40,000

Adjustments:

- (i) Closing stock Rs. 1, 40,000.
- (ii) Create provision for bad and doubtful debts at 5% on sundry debtors.

- (iii) Provide depreciation of 20% on plant and machinery and 10% on furniture and fixtures.
- (iv) Insurance paid in advance is Rs. 1,000.
- (v) Commission receivable in arrears is Rs. 5,000.
- (vi) Salaries payable are Rs. 15,000.

Prepare trading account, profit & loss account and B/S for the year ending 31-3-2011

19. From the following balances taken from the books of Ved & Co. prepare Trading and P & L a/c for the year ending 30th June 1998 and B/S as on that date.

Capital 35000, Return in wards 110  
 Building 18750, Salaries 1110  
 Machinery 9250, Discount allowed 200  
 Debtors 7000, Stock 1.7.97 16500  
 General expenses 800, Bills payable 5000  
 Rent paid 3710 Sales 63500  
 Drawings 650, Purchases 46850  
 Electric charges 190, Wages 2500  
 Carriage in wards 850, Cash in hand 1800  
 Cash at Bank 3000, Sundry creditors 10000  
 Closing stock 18210.

20. From the following balances taken from the ledger of Sri Krishna on 31st March 2005, prepare the Trading & Profit & Loss Account for the year ended 31st March,2005 and the Balance Sheet as at 31<sup>st</sup> March 2005 of Sri Krishna:-

Building 15000 ,Sundry Creditors 19000  
 Income Tax 1025, Bank Interest 75  
 Loose Tools 1000, Sales 185000  
 Cash at Bank 16200, Loan from Ram 2500  
 Sundry expenses 1990, Bad Debts reserve 1600  
 Purchases 157000, Capital 47390  
 Wages 10000, Discount received 535  
 Carriage inwards 1120, Bills Payable 10000  
 Motor Van 12500,Cash in Hand 335  
 Bad Debts 100,Sundry Debtors 9500  
 Investments 6500,Rent and Rates 850  
 Furniture 3000,Opening Stock 27350  
 Discount allowed 630,Drawings 2000  
 Adjustments to be taken into account:

- (a) Write off further Rs. 300 as Bad out of Sundry Debtors and create a Reserve for Bad Debts at 20% on Debtors.
- (b) Dividend accrued and due on Investments Rs. 135. Rates paid in advance Rs.100 and wages Owing Rs. 450.
- (c) Closing Stock RS. 15000, Loose Tools were valued at Rs. 800.
- (d) Write off 5% for depreciation on Buildings and 40% on Motor Van.
- (e) Provide for Interest at 12% per annum due on Loan taken on 1.6.2004.
- (f) Income Tax paid has to be treated as Drawings

20. What are the characteristics of Balance sheet?

21. From the following Trail balance prepare financial statement.

<b>Particular</b>	<b>Debit</b>	<b>Credit</b>
Capital/ drawing	5000	30000
Debtors/ Creditors	19300	10000
Loan	-	9500
Interest on loan	300	-
Cash	2000	-
Stock	6800	-
Motor Vehicles	10000	-
Bank	3500	-
Land & Building	12000	-
Bad debts	500	-
Purchases/ Sales	66000	110000
Returns	8000	1500
Carriage outward	2500	-
Carriage Inward	3000	-
Salaries	9000	-
Rent & insurance	3000	-
Advertising	3500	-
Discount	-	500
General Expenses	3400	-
Bills receivable/ Bills payable	6000	2000
Rent received	-	300

Closing Stock valued at Rs.7000.

22. From the following Trial Balance of Mr.A, Prepare a Trading and Profit & loss Account for the year ending 31<sup>st</sup> March 2014 and Balance sheet as on the same date:

Particulars	Dr.(Rs.)	Particulars	Cr. (Rs.)
Cash	10000	Sales	180500
Stock	40800	Returns	195
Wages	22525	Loans at 12% on 1.7.2013	20000
Purchases	130295	Creditors	30305
Returns	2400	Discount	530
Repairs	1675	Capital	37500
Bad Debt	2310		
Interest on loan	600		
Salaries	8000		
Sales tax	800		
Octroi	500		
Insurance	1000		
Charity	125		

Rent	2000		
Machinery	16000		
Debtors( Including a dishonoured bill of Rs.800)	30000		
	<b>269030</b>		<b>269030</b>

Adjustments: 1) Wages include Rs. 2000 for erection of new machinery on 1.4.2013.

2) Stock on 31<sup>st</sup> March, 2014 was Rs.40925.

3) Depreciation @5% on machinery by WDV method.

4) Salaries unpaid Rs.800

5) Half the amount of bill is irrecoverable.

6) Provision for bad debt 5%

7) Rent paid upto 31 July 2014

### Unit IV

1. What is Cash Flow statement?

2. What is Fund flow statement?

3. Explain the objective & importance of cash flow statement & fund flow statement.

4. Difference between Cash flow & Fund flow statement.

5. What do you mean by Ratio Analysis? Explain the various objectives or uses of Ratio Analysis.

6. "Ratio Analysis is a tool to examine the health of a business with a view to make the financial results more intelligible." Comment.

7. Explain the following terms and show their importance

Current Ratio

Net Profit Ratio

Quick Ratio

Debtors Turnover Ratio

Inventory Turnover Ratio

Debt-Equity Ratio

Proprietary Ratio.

Gross Profit Ratio.

8. Calculate:-

(a) If A Company Ltd.'s Current Ratio is 5.5:1, Quick Ratio is 4:1, Inventory is Rs.30,000; what are its current liabilities?

(b) If B Company Ltd.'s inventory is Rs.60,000; total current liabilities are Rs.1,20,000; Quick Ratio is 2:1, calculate Current Ratio.

(c) If C Company Ltd.'s Current Liabilities are Rs.25,000; Quick Ratio is 1.5:1, inventory is Rs.12,500; calculate current assets.

### **Unit-V**

1. What is Cost Accounting?
2. What are the scope & limitations of Cost accounting?
3. Explain the objects & benefits of cost accounts.
4. Describe briefly various types of costing?
5. Difference between cost accounting & financial accounting.
6. What do you understand by elements of cost? Explain in detail.
7. Distinguish between direct cost & indirect cost.
8. What is Cost Centre?
9. What are different types of Cost centre?
10. What do you mean by Prime cost?