



1. Recovery of bad debts.
2. Amount received as a loan from the bank.
3. Additional Capital introduced.
4. Income tax refund.
5. Insurance claim received for destruction of machinery.

c) Explain the three golden rules of Accounting

**3. Answer any Two, Each carry 5 Marks.**

a) Following are Balance Sheets of ABC Ltd as at 31st December:

Liabilities	2016	2017	Assets	2016	2017
Eq Sh. Capital	3,00,000	3,00,000	Goodwill	1,15,000	90,000
8% Debentures	1,50,000	1,00,000	Land & Bldg	2,00,000	1,70,000
General Reserve	40,000	70,000	Plant	80,000	1,00,000
P & L A/c	30,000	48,000	Debtors	1,60,000	2,00,000
Prop. Dividend	42,000	50,000	Stock	77,000	1,09,000
Creditors	55,000	83,000	Bills Receivable	20,000	30,000
Bills payable	20,000	16,000	Cash	15,000	10,000
Provision for taxation	40,000	50,000	Bank	10,000	8,000
	<b>6,77,000</b>	<b>7,17,000</b>		<b>6,77,000</b>	<b>7,17,000</b>

Considering the above and make out:

- 1 Statement of changes in working capital and
- 2 Funds Flow statement

b) From the following balances extracted by M/s Molhotra & Co. You are required to prepare their trial balance. as on 31.3.19.

Rupees		Rupees	
Capital a/c	45,000	Sundry Creditors	27,000
Drawings a/c	9,000	Bills payable	18,000
Sales	60,000	Bad debts	1,500
Purchases	24,000	Advertisements	1,500
Salaries	1,500	Building	30,000
Wages	4,500	Machinery	43,500
Sales returns	3,000	Interest Received	1,500
Purchase returns	1,500	Sundry receipts	3,000
Rates and taxes	3,000	Furniture and Fixtures	30,000
Sundry expenses	1,500	Cash on hand	3,000
Sundry debtors	15,000	Overdraft with Dena Bank	15,000

c) Explain the benefits of preparing Cash Flow Statement.

**4. Answer any Two, Each carry 5 Marks.**

a) Following are Balance Sheets of ABC Ltd as at 31st December :

Liabilities	1991	1992	Assets	1991	1992
Eq Sh. Capital	3,00,000	3,00,000	Goodwill	1,15,000	90,000
8% Debentures	1,50,000	1,00,000	Land & Bldg	2,00,000	1,70,000
General Reserve	40,000	70,000	Plant	80,000	1,00,000
P & L A/c	30,000	48,000	Debtors	1,60,000	2,00,000
Prop. Dividend	42,000	50,000	Stock	77,000	1,09,000

Creditors	55,000	83,000	Bills Receivable	20,000	30,000
Bills payable	20,000	16,000	Cash	15,000	10,000
Prov for taxation	40,000	50,000	Bank	10,000	8,000
	<b>6,77,000</b>	<b>7,17,000</b>		<b>6,77,000</b>	<b>7,17,000</b>

**Prepare a Cash Flow Statement**

b) The Following information is provided by 'S' Ltd. For the fortnight at April 2019. Stock 1-4-2019 of Material 'X' 100 units @ Rs. 5 per units.

Purchases	Units
05-04-2019	300 @ Rs. 6
08-04-2019	500 @ Rs. 7
12-04-2019	600 @ Rs. 8

Sales	Units
06-04-2019	200
010-04-2019	400
14-04-2019	500

**Calculate using FIFO method the Value of stock of Material as on 14-04-2019.**

c) Discuss in details the methods for inventory management.

**5. Answer any Two, Each carry 5 Marks.**

a) Find out as per cash flow statement following activities are :

- |  |   |   |
|--|---|---|
| <b>a) Operating activities</b>   | <b>b) Financing Activities</b>                                      | <b>c) Investing Activities</b>                                      |
| 1. Cash payments to an insurance enterprise for premiums and claims, annuities, and other policy benefits. | 2. Cash repayments of amounts borrowed.                             | 3. Cash receipt from disposal of fixed assets including intangibles |
| 2. Cash repayments of amounts borrowed.  | 3. Cash receipt from disposal of fixed assets including intangibles | 4. Interest paid on debentures and long-term loans and advances.    |
| 3. Cash receipt from disposal of fixed assets including intangibles  | 4. Interest paid on debentures and long-term loans and advances.    | 5. Dividends paid on equity and preference capital.                 |
| 4. Interest paid on debentures and long-term loans and advances.   | 5. Dividends paid on equity and preference capital.                 |   |

b) Journalise the following transactions in the books of Rahul.

**Jan 2017**

- Received from Rakesh Rs 890 in full settlement of Rs 900.
- Paid to Mr Bimal Rs 3980 in full settlement of Rs 4,000.
- Paid by cheque Rs 1980 to Vinay in full settlement of Rs 2,000.
- Received from Ajay Rs 2000 less 5% cash discount.
- Paid to Vijay Rs 4,000 less 10% cash discount.
- Paid to Anil Rs 3900 who allowed Rs 100 as discount.
- Received Rs 3,800 from Ashok after allowing a discount of Rs 100.
- Paid to Avinash Rs 4,000 less 10% cash discount .
- Withdrew cash Rs. 300/- and goods worth Rs 500/- for personal use.

c) Explain, why does a company prepare Balance sheet?

**6. Answer any Two, Each carry 5 Marks.**

a) Following is the Balance Sheet of Taxoco Ltd. as on 31<sup>st</sup> March 2019 rearrange the same as per Companies Act 2013 vertical Format. **(Only Assets side to be rearranged )**

**Balance Sheet As at 31<sup>st</sup> March, 2019**

Liabilities	Rs.	Assets	Rs.
Share capital:		Goodwill	70,000
Equity	2,00,000	Land and Buildings	4,40,000
8% Preference	2,00,000	Plant and Machinery	2,00,000
16% Debentures	80,000	Furniture	60,000
15% Bank Loan	40,000	Investments	40,000
Reserves	3,00,000	Debtors	1,40,000
Creditors	1,20,000	Prepaid Insurance	20,000
Bank Overdraft	80,000	Stock	60,000
Outstanding Rent	14,000	Cash in Hand	14,000
Provision for Tax	40,000	Cash at Bank	70,000
Proposed Dividend	20,000	Preliminary Exp.	20,000
Profit and Loss A/c	40,000		

	<b>11,34,000</b>		<b>11,34,000</b>
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- b) Discuss INDIAN GAAP V/S US GAAP V/S IFRS.  
c) Discuss Difference between Capital Receipt and Revenue Receipt.

**7. Answer any Two, Each carry 5 Marks.**

a) From the following transactions find out the type of account state which account should be debited and which account should be credited

1. Sale of goods
2. Customer paid some cash
3. Telephone charges paid
4. Cash paid to supplier for material
5. Discount Received

b) From the following particulars prepare a statement showing (a) the prime cost of goods produced, (b) the works cost of such goods, (c) total cost of production and (d) net profit for the month:

	Rs.		Rs.
Raw Material Purchased	66,000	Sales	2,11,000
Direct Wages	52,500	Factory	
Indirect Wages	2,750	Rent, Rates & Power	15,000
Stock of Raw Materials		Depreciation of	
(1-9-14)	75,000	Plant & Machinery	3,500
Stock of Materials		Buying Expenses	1,500
(30-9-14)	91,500	Sundry Factory Expenses	10,000
Stock of Finished Goods		Travelling, Wages	
(1-9-14)	54,000	& Commission	6,500
Stock of Finished Goods		Office Rent, Rates etc.	2,500
(30-9-14)	31,000	Sundry Office Expenses	6,500
Work-in-Progress(1-9-14)	28,000	Advertising	3,500
Work-in-Progress(30.9.14)	35,000	Carriage Outwards	2,500

c) Discuss Causes of Frauds in Ethical Accounting.