

Time: 3 hours

Full Marks: 100

Read the instructions carefully before attempting questions from each group.

GROUP – A*Q.No. 1. Answer all questions selecting the right options.**[1 X 10 = 10]*

- i. On 1.1.18 X draws a bill on Y for Rs.50,000 for 3 months. X got the bill discounted on 4.1.18 at 12% per annum. The amount of discount on bill will be:
A) Rs.1500 B) Rs.1600 C) Rs.1800 D) Rs.1450
- ii. A bill of Rs.12,000 was discounted by A with the banker for Rs.11,880. At maturity the bill returned dishonoured, noting charges Rs.20. How much amount will be the bank deduct from A's bank balance at the time of such dishonour?
A) Rs.12,000 B) Rs.11,880 C) Rs.12,020 D) Rs.11,900
- iii. If a transaction is completely omitted from the books of accounts, will it affect the agreement of a trial balance?
A) Yes B) No C) Transactions can't be omitted D) (None of these
- iv. Which of the following is true about a trial balance?
A) It lists down the balances of accounts B) It lists down the balances of a balance sheet
C) It is a kind of financial statement D) It is not a part of accounting cycle
- v. Which of the following will affect the agreement of a trial balance?
A) Complete omission of a transaction B) Partial omission of a transaction
C) Error of principle D) Compensating errors
- vi. Office equipment is a _____ asset for a computer manufacturer and the same office equipment is a _____ asset for a company that deals in these equipments
A) Current, Fixed B) Fixed, intangible C) Tangible, intangible D) Fixed, current
- vii. A statement or report that records the fluctuation in business's capital is referred as
A) Balance sheet B) Income statement
C) Cash flow statement D) Statement of changes in equity
- viii. Which of the following should be the most appropriate order of current asset in a balance sheet?
A) cash, debtor, bank, stock B) Bank, cash, stock, debtor
C) Stock, bank, cash, debtor D) Cash, bank, debtor, stock
- ix. Current assets are also known as
A) Working capital B) Invested capital C) Assets D) Cash
- x. Cash receipt from the sales fixed assets is recorded under the heading of
A) Operating activities B) Financing activities
C) Investing activities D) Other activities

GROUP – B*Q.No. 2. Answer any 4 (four) questions each within 50 words.**[5 X 4 = 20]*

- a) What is meant by promissory note? Discuss the features of promissory note.
- b) What is meant by bill of exchange and dishonour of a bill of exchange?

- c) Discuss the differences between Provision & Reserves with example.
- d) Discuss the different types of Expenditure
- e) What are the different types of assets use in a business?
- f) White is depreciation, explain the factors to compute the amount of depreciation.

GROUP – C

Q.No.3. Answer any 4 (four) questions each within 200 words.

[10 X 4 = 40]

- a) Why do the totals of two sides of Trial Balance are equal? Explain.
- b) What is Rectification of Errors? Discuss the procedure of rectification of errors before and after preparation of trial balance with example.
- c) Discuss the contents of Trading Account with example.
- d) Discuss the differences between Trial Balance and Balance Sheet with example.
- e) Mahendra draw a bill upon Akshaya for ₹7,000 at three months. Akshaya accepted the bill and returned the same to Mahendra. Pass journal entries in the books of both the parties in each of the following circumstances. The bill was met on the due date.
 - i. Mahendra retained the bill till the date of maturity
 - ii. The bill was discounted @ 10% p.a.
 - iii. Mahendra endorsed the bill in favour of Tapas; and
 - iv. Mahendra sends the bill to the bank for collection.
- f) On 1st April, 2012, S. Ltd purchased machinery for Rs.2,00,000. On 1st July 14 a part of the machinery purchased on 1st April, 2012 for Rs.50,000 was sold for Rs.32,000 and a new machinery at a cost of Rs.80,000 was purchased and installed on the same date. Depreciation is provided @10% on diminishing balance method. The accounts are closed on 31st march. Show machinery account and depreciation account.

GROUP – D

Q.No.4. Answer any 2 (two) questions each within 250 words.

[15 X 2 = 30]

- a) Explain the methods of depreciation with their merits, demerits and suitability.
- b) Explain the purposes of a balance sheet and describe the structure with suitable example.
- c) Entry the following transactions in respective ledger account of Mr. A and prepare the Trial Balance under both Balance method and Total Method as on 30th April 2016.
Started business with cash Rs.1,00,000, Purchased goods for cash Rs.20,000, Paid salaries Rs.5,000, Stationeries purchased Rs.1,000, Sold goods for cash Rs.17,000, Postage expenses Rs.400, Advertisement expenses Rs.3,000, Purchased goods on credit form Mr. Anand Rs.30,000, Cash Sales Rs.22,000, Credit Sale to Mr. Mohan Rs.8,000, Payment made to Mr. Anand on account Rs.25,000, Mr. Mohan paid 50% of the amount due, paid electricity bill in cash Rs.2,000
- d) From the following balances of Anil & Ankit Associates, a partnership firm as on 31st December, 2016, prepare trading & profit and loss account for the year ended 31st December, 2016 and the Balance Sheet as at that date.
Opening Stock Rs.30,000, Purchases Rs.1,10,000, Sales Rs.2,50,000, Building Rs.55,000, Wages Rs.23,000, Carriage inward Rs.3,000, Bills Payable Rs.10,000, Furniture Rs.9,000, Salaries Rs.42,000, Advertisement 24,000, Coal & coke 2,000, Cash at Bank Rs.14,000, prepaid wages Rs.1000, Machinery (including Rs.10000 new) 60,000, Sundry Debtors Rs.20,000, Bad Debts Rs.3,000, Sundry Creditors Rs.24,000, Rent, Rates & Taxes Rs.4,000, Trade Expenses Rs.4,000, Capital: Anil Rs.50,000, Capital Ankit Rs.40,000, Petty Expenses Rs.4,000, Provision for Bad Debts Rs.1,000, Gas and Water Rs.1,200, Cash in Hand Rs.800, Outstanding Rent Rs.400, Bank Loan Rs.34,600.