[This question paper contains 8 printed pages.]

1897 *Your Roll No.* ....

B.Sc. (Gen.) (Qualifying) (Annual) E

Accountancy

Time : 3 Hours *Maximum Marks : 100*

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt **five** *questions in all, selecting at least* **two** *questions from each Part.*

PART A

1. Explain any **four** of the following giving suitable examples :

   (a) Accounting Period Concept

   (b) The Cost Concept

   (c) The Dual Aspect Concept

   (d) The Realisation Concept

   (e) The Business Entity concept (5×4=20)

2. (a) Explain the significance of :

   (i) Stock Turnover Ratio

(ii) Return on equity

(iii) Operating Profit Ratio (5×3=15)

(b) Gross Profit Ratio of a company was 20%. Its credit sales were Rs. 1800000 and its cash sales were 10% of the total sales. If the indirect expenses of the company were Rs. 50000, calculate its net profit ratio. (5)

3. The following is the Receipts and Payments Account of XYZ club for the year ended on March 1, 2012

Receipts		Rs.	Payments		Rs.
Balance b/d		4200	Rent		14000
Subscriptions :			**Salary :**		
March 31, 2011	Rs. 2100		March 31, 2011	Rs. 2800	
March 31, 2012	Rs. 39900		March 31, 2012	Rs. 8400	11200
March 31, 2013	Rs. 2800	44800	Sports material		12600
Donations		14000	Interest (6% loan)		1050
Interest on investments		2800	Match Expenses		5600
Entrance fees		9800	Newspapers		1400
			Balance c/d		29750
Totals		**75600**			**75600**

Other information :

As on March 31, 2012, Subscriptions Rs. 2800, Entrance fees Rs. 1400, Rent Rs. 1400, Salary Rs. 2800 and Repairs Rs. 700 were outstanding. Donations include Rs. 7000 for Match Fund as special donations.

On 1 April, 2011 the club had Buildings Rs. 28000, Sports Material Rs. 14000, Furniture Rs. 14000, Match Fund Investments Rs. 21000 (Interest accrued on that Rs. 700 for the year ended 31 March, 2012), Match Fund Rs. 21000.

Depreciation on Sports material for current year was charged Rs. 6600.

Prepare Income and Expenditure Account for the year 31 March, 2012 and also the balance sheet as on date of the XYZ Club. (20)

4. (a) What is a Funds Flow Statement ? What are the objectives of preparing a Funds Flow statement ? (10)

(b) Calculate fund from operation from the information given below as on 31.3.2012.

(i) Net profit for the year ended 31.3.2012 Rs. 6,50,000.

(ii) Gain on sale of buildings Rs. 35,500.

(iii) Goodwill appears in the books at Rs. 1,80,000 out of that 10% has been written off during the year.

(iv) Old machinery worth Rs. 8,000 has been sold for Rs. 6,500 during the year.

(v) Rs. 1,25,000 have been transferred to reserve fund.

(vi) Depreciation has been provided during the year on machinery and furniture at 20% whose value is Rs. 6,50,000. (10)

5. The following balances were taken from the books of A on 31 March, 2012

Particulars	Rs.	Particulars	Rs.
Capital Account	100000	Rent (Cr.)	2100
Drawings	17600	Freight	16940
Purchases	80000	Carriage Inwards	2310
Sales	140370	Office Expenses	1340
Purchases Returns	2820	Printing and stationery	660
Opening Stock	11460	Postage and Telegram	820
Bad Debts	1400	Sundry Debtors	62070
Bad Debt Provision as on 1 April, 2011	3240	Sundry Creditors	18920
		Cash at Bank	12400
Rates and Insurance	1300	Cash in hand	2210
Discount (Cr.)	190	Office furniture	3500
Bills Receivable	1240	Salary and commission	9870
Sales Returns	4240	Additions to buildings	7000
Wages	6280		
Buildings	25000		

Prepare Trading and P&L Account for the year ending 31 March, 2012 and Balance sheet as on date after taking into account the following adjustments :

(i) Depreciate old building @ 2½%, and new additions to building @ 2% and office furniture at 5%.

(ii) Write off further bad debts Rs. 570.

(iii) Increase the provision of Bad Debts to 6%.

(iv) On 31st March, 2012 Rs. 570 was outstanding for salaries.

(v) Rent receivable Rs. 200.

(vi) Interest on capital @ 5%.

(vii) Closing stock is valued at Rs. 14290.

(viii) Unexpired insurance Rs. 240. (20)

PART B

6. X Ltd. bought machinery for Rs. 20000 on Jan 1, 2001. One more machinery was purchased on July 1, 2002 costing Rs. 4000. On April 1, 2003, additions were made to the extent of Rs. 2560. On 30 June, 2004, machinery the original value of which Rs. 3200 on 1st

Jan 2001 was sold for Rs. 2400. The books of account were closed on 31st December every year. The rate of depreciation is 10% original cost method. Show the Machinery account in the books of company for years 2001 to 2004. (20)

7. A and B enter into a joint venture for construction of a cinema hall for a contract price of Rs. 600000. A puts Rs. 120000 and B puts Rs. 100000 in a joint Bank account for this purpose. The following payments were made from Bank A/c :

Materials	Rs. 75000
Wages	Rs. 120000
Plant	Rs. 20000

In addition to this, A provided cement bags of Rs. 10000 from his stock. The cinema hall was constructed but due to certain defects the owner deducted 10% from the contract money. The venture was closed. B took plant for Rs. 8000 and A took the remaining cement at Rs. 4000. A and B share profits in 3:2 ratio. Prepare necessary accounts in the books of joint venture. (20)

8. HV Ltd. sold three cars for a total cash price of Rs. 900000 on hire purchase basis to Mr. X on 1st Jan, 2005. The terms of agreement provided for Rs. 270000 as cash down and the balance of the cash

price in three equal instalments together with interest at 10% p.a. The instalments were payable at the end of each year. Mr. X paid the first instalment on time but failed to pay thereafter. On his failure to pay the second instalment, HV Ltd. repossessed two cars and valued them at 50% of the cash price. Mr. X charges 25% p.a., depreciation on written down value method. Prepare necessary ledger accounts in the books of both parties. (20)

9. X Ltd. issued 600000 shares of Rs. 10 each payable as :

Rs. 3 on application,

Rs. 3 on allotment,

Rs. 2 on first call,

Rs. 2 on final call.

Applications were received for 1000000 shares and allotment was made as under :

To applicants for 520000 shares	Full
To applicants of 360000 shares	80000
To applicants for 120000 shares	Nil

Excess money received on applications was utilised towards allotment and subsequent calls authorised by the articles of association. Journalise the transactions assuming all sums due were received. (20)

10. Distinguish between the following :

(a) Share Capital vs. Loan Capital (5)

(b) Double Entry system vs. Single Entry System (5)

(c) Capital expenditure vs. Revenue Expenditure (5)

(d) Joint Venture vs. Partnership (5)