

**Paper: Commercial Book Keeping
(without Books)**

Time: 3 hours

Max. Marks: 100

Note:

- i. Q.No.1 and 9 are compulsory
- ii. Attempt any two questions out of three practical question Nos. 2 to 4
- iii. Attempt any three questions out of four theory question Nos 5 to 8
- iv. All parts of the question attempted together

Q.No.1 The following is trial balance of xyz co. on 31st March, 2010. Prepare trading and profit and loss account and balance sheet of the firm after making the following adjustments. (30)

1. Value of closing stock Rs. 29,638
2. Depreciate plant and machinery 10 %, furniture 10 %, horses and craft Rs. 1000. Also write off goodwill by Rs.3000.
3. Provide 5 % for doubtful debts,
4. Prepaid expenses: insurance Rs. 300 and taxes Rs. 190
5. $\frac{3}{4}$ th of insurance and taxes, rent and general expenses to be charged to factory and the balance to office.
6. Advertising to be written off over three years.
7. Commission to manger at 10 % on the net profit after charging such commission.

Plant & Machinery	19,720		Capital	80,000
Wages	34,965		Creditors	50,160
Salaries	10,135		Bank loan	10,000
Furniture	9480		Purchase Return	1140
Freight on Purchase	1980		Provision for bad debts	6000
Freight on sales	2150		Sales	2,46,850
Building	25,000			
Manufacture Exp.	9455			
Fuel & Power	1276			
Electricity(Factory)	986			
Insurance and Taxes	4175			
Goodwill	30,000			
Rent	2,400			
Debtors	78,140			
Stable expenses	2473			
Opening Stock	34170			

Horses & carts	5165			
Purchases	97165			
Sales return	3170			
General Expenses	8000			
Bad debts	1485			
Interest and bank Charges	475			
Advertising	4500			
Bank Balance	7540			
Cash	145			
Total	3,94,150			3,94,150

Q.No.2 On June 30, 2011, the bank column of Hari's cash book showed a debit balance of Rs. 8250. On examination of the cash book and the bank statement you find that:

(10 marks)

- i. Out of total cheques amounting to Rs. 8000 issued, cheques amounting to Rs. 5,800 have been presented for payment upto 30th June, 2011.
- ii. Out of total cheques amounting to Rs. 6000 sent to bank for collection, cheques of Rs. 4100 were credited in passbook upto 30th June, 2011
- iii. On 28th June a customer deposited Rs. 3500 direct in the bank account, but it was entered only in the pass book
- iv. Debit side of Hari's cash book(Bank column) has been overcast by Rs. 100
- v. No entry has been made in the cash book for the rent of Rs. 800 paid by bankers according to Hari's standing instructions.
- vi. The pass book showed a credit of Rs. 320 for interest and a debit of Rs. 40 for bank charges, but these have not been entered in the cash book.

Prepare a bank Reconciliation Statement as on 30th June, 2011

Q.No. 3 On 1st April, 2011, a company purchased machinery worth Rs. 50,000. On 1st October, 2013, it purchased additional machinery worth Rs. 10,000 and spent Rs. 1000 on its installation. The accounts are closed each year on 31st March. Assuming the annual depreciation to be 10%, show the machinery A/C for 5 years under Straight line method.

(10 Marks)

Q.No. 4 Pass the necessary journal entries to rectify the following errors. (10 Marks)

- 1) A credit sale of Rs. 1700 to Ram has been recorded as Rs. 7100.
- 2) A credit sale of Rs. 1700 to Mohan was recorded as sales to Krishna.
- 3) A credit sale of Rs. 1700 to Asha was recorded as sale to Anshul as Rs. 7100.
- 4) A credit sale of Rs. 1700 to Mohan was recorded in the purchase book.
- 5) A credit sale of old machinery to sohan for Rs. 1700 was entered in the sales book for Rs. 7100

Q.No.5 Distinguish between: (15 Marks)

- a) Capital reserve and reserve capital
- b) One sided errors and two sided errors
- c) A bill at sight and bill after sight

Q.No.6 (a) Explain the objective and methods of preparing a trail balances. (15 Marks)
(b) While giving characteristics of a journal explain why journal is called a book of original entry.

Q.No. 7 (a) Explain the imprest system of petty cash book and its advantages. (15 Marks)
(b) Explain the advantages of subsidiary books

Q.No. 8 Enter the following transactions in a simple cash book. (15 Marks)

2012		Rs.
January 1	Ram Started Business with Cash	1,00,000
January 2	Opened a Bank a/c and deposited	50,000
January 3	Purchased goods for cash	20,000
January 3	Sold goods to Shyam on credit	5,000
January 5	Received from Shyam	3,000
January 7	Paid rent	4,000
January 8	Sold goods for cash	10,000
January 10	Withdrew from Bank	7,000
January 27	Purchased furniture	15,000
January 31	Paid Salary	5,000

Q.No. 9 Define any five of the following: (5 Marks)

- 1. Preference Shares
- 2. Current Assets
- 3. Return inwards
- 4. Non Performing assets
- 5. Specific Reserve
- 6. Subsidiary Books
- 7. Work in process