



[4247] – 105

Seat No.	
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Diploma in Taxation Law Examination, 2012
BOOK KEEPING AND ACCOUNTANCY (Paper – V)
(2006 Course)

Time : 3 Hours

Max. Marks : 100

- N.B. :** 1) Question No. 1 is **compulsory** and carries **20** marks.
2) Answer **any five** of the remaining carrying **16** marks **each**.

1. From the following information prepare Trading and Profit and Loss Account of Patel for the year ended 31st March 2012 and Balance Sheet as on the date.

Trial Balance as on 31-3-2012

	Dr.(₹.)	Cr. (₹.)
Patel's Capital		35,000
Purchases and Sales	75,000	1,25,000
Returns	2,700	1,300
Debtors and Creditors	46,000	30,000
Bank Overdraft		10,000
Stock (1-4-2011)	30,000	
Drawings	11,000	
Miscellaneous expenses	675	
Wages	3,500	
Salaries	5,600	
Travelling expenses	660	
Advertisement	420	
Rent, Rates and Insurance	2,800	
Bad debts	400	
Discount	300	
Interest and Commission	215	
Building	6,000	
Plant and Machinery	10,000	
Furniture	5,000	
Cash in hand	1,030	
Total	2,01,300	2,01,300

P.T.O.



Adjustments :

- 1) Stock on 31st March 2012 ₹. 45,000
 - 2) There were outstanding liabilities in respect of Rent of ₹. 250 and wages ₹ .200.
 - 3) Insurance paid in advance amounted to ₹. 150 and salaries were unpaid to the extent of ₹. 350.
 - 4) Write-off ₹. 400 as further bad debts and provide for doubtful debts at 5% on Sundry Debtors.
 - 5) Depreciate Building by 2.5%, Machinery by 7.5% and Furniture by 10%.
2. Shri. Pratap Patil has kept his books under single system. Following information is obtained from his books.

Particulars	1-4-2011	31-3-2012
	(₹.)	(₹.)
Cash at Bank	1,500	–
Debtors	12,000	15,000
Stock in Trade	18,000	12,000
Furniture	1,000	1,200
Loose Tools	1,800	1,800
Creditors	15,000	14,000
Bank Overdraft	–	3,000

During the year he has withdrawn from business ₹. 5,000 of which ₹. 3,000 are spent in purchasing shares of Pragati Trade Ltd., as business investment. Loose Tools are to be written off by 20%.

Charge depreciation on furniture at 10% and make Reserve for debts at 5% on debtors.

Prepare :

- 1) Statement of affairs,
- 2) Statement of Profit/Loss for the year ending 31-3-2012.



3. The Balance Sheet of Pravin and Prashant were in partnership sharing profits and losses in the ratio 3 : 1 is as follows :

Balance Sheet as on 31st December, 2011

Liabilities	Amount	Assets	Amount
Bills Payable	6,000	Cash	20,000
Banks Overdraft	6,500	Stock	8,000
Sundry Creditors	24,000	Furniture	8,000
Capitals :		Sundry Debtors	16,000
Pravin	20,000	Plant and Machinery	20,000
Prashant	20,000	Land and Buildings	9,500
General Reserve	5,000		
	81,500		81,500

Atul is taken as partner on 1st January, 2012 on the following terms :

- 1) Atul will pay ₹. 15,000 as his capital for share in future profit and ₹. 5,000 as his share as goodwill.
- 2) Furniture be depreciated by 10%.
- 3) Stock be appreciated by 10% and plant and machinery by 20%.
- 4) 5% provisions for bad and doubtful debts be created on sundry debtors.
- 5) The capital account of all the partners be adjusted in their new profit sharing ratio.

Prepare :

- a) Profit and Loss Adjustment Account
- b) Partner's Capital Account
- c) Balance Sheet of the new firm.

4. Rectify the following errors :

- 1) A sale of goods to Raja Ram for ₹. 5,000 was passed through the purchases book.
- 2) Salary of ₹. 1,600 paid to Hari Babu was wrongly debited to his Personal A/c.
- 3) Furniture purchased on credit from Mohan Singh for ₹. 2,000 was entered in the Purchases Book.
- 4) ₹. 10,000 spent on the extension of building was debited to Buildings Repairs Account.
- 5) Goods returned by Mani Ram ₹. 2,400 were entered in the Returns Outward Book.



5. Enter the following transactions in a Simple Cash Book.

January 2012		₹.
1	Cash in hand	5,000
3	Received from Mr. B	500
6	Received from Nandu	370
8	Paid to Mahesh on Account	750
10	Made Cash Purchases	1,500
17	Sold goods to Shirish for cash	350
22	Purchased Furniture for Office use	300
25	Received for Interest on Debentures	75
27	Paid electricity charges	25
29	Paid rent	150
31	Paid salaries to staff	570

6. On 31st March, 2012, the Cash Book of Shri Girdhar Chandak showed a balance of ₹.14,000, but the Bank Pass Book showed a different balance. On comparing the Cash Book with the Pass Book, the following discrepancies were noticed.

- 1) Cheques of ₹. 300, ₹. 200 were issued on 25th March 2012, but both the cheques were presented for payment on 5th April, 2012.
- 2) Cheques of ₹. 600 received from the customers were paid into the Bank, but they were collected on 1st April, 2012.
- 3) Mr. Trustworthy directly deposited ₹.300 into the Bank Account, the entry of the same was made in the Cash Book on 4th April, 2012.
- 4) The Bank has debited the Pass Book by ₹.10 for Bank charges. The corresponding entry of the same was not found in the Cash Book.

Prepare a Bank Reconciliation Statement as on 31st March, 2012.

7. Write short notes on (any 3) :

- 1) Single entry System
- 2) Drawings
- 3) Two column Cash Book
- 4) Creditor
- 5) Goodwill

8. Journalise the following transactions in the books of Shriram, May, 2012.

May 2012

- 1 Started business with cash of ₹. 6,000
- 5 Deposited into Bank ₹. 1,300
- 9 Purchased goods for cash ₹. 800 from S. Mohan and Co.
- 11 Spent ₹.15 for postage
- 17 Paid for Travelling ₹.32
- 19 Purchased Machinery from M/s. Kelkar Bros. ₹. 1,200
- 24 Paid salary by cheque ₹. 225
- 28 Paid rent ₹. 230.