

QP Code : 19494

(3 Hours)

Total Marks: 80

- N.B. 1. Question No.1 is compulsory
2. Attempt any four questions out of the remaining
3. Answer to the questions should be grouped and written together
4. Figures to the right indicates full marks assigned to the question

- Q1 a What is Ratio Analysis? Explain the need of Ratio Analysis. Enumerate any two ratios classified under Profitability ratios related to Investment (10)
- b From the Following Trial Balance of Shri V.N. Chitale , Prepare Trading & Profit & Loss A/c for the year 31st March 2015 and Balance Sheet as on that date. (10)
- Trial Balance as on 31/03/2015

Particulars	Debit (₹)	Credit (₹)
Capital		1,80,000
Loan		1,50,000
Drawings	14,450	
Land and Building	2,00,000	
Opening Stock	35,500	
Cash in hand	25,000	
Purchases	3,75,000	
Sales		4,00,000
Bills Payable		60,000
Return Inward	5,000	
Return Outward		4,500
Plant & Machinery	1,00,000	
Vehicles	25,000	
Sundry Debtors	1,25,000	
Sundry Creditors		2,40,000
Cash at bank	77,550	
Wages	19,000	
Salaries	17,500	
Rent	7,000	
Insurance	3,000	
Printing & Stationery	2,000	
Power and Fuel	3,500	
Total	10,34,500	10,34,500

Adjustments:

- i. Depreciate Plant & Machinery by 5% and Vehicles by 5%
- ii. Provide for RDD at 5% on Sundry Debtors
- iii. Prepaid Insurance ₹ 250 and Outstanding Salary ₹ 2,500 , Outstanding Wages ₹ 1,000 , Outstanding Printing & Stationery ₹ 500.
- iv. Closing Stock , Cost Price ₹ 1,30,000 and Market Price ₹ 1,50,000
- v. Shri V.N. Chitale has taken goods worth ₹ 3,000 for personal use. No entry has been passed in the books

- Q2 a Journalise the following transactions in the Journal of Shri Godbole for the month of April 2015 (10)

1	Started business with cash ₹ 40,000, Furniture ₹ 40,000
2	Paid rent of building ₹ 2,000 used by proprietor for residential use
5	Purchased goods ₹ 5000
7	Purchased machine for ₹ 2000 and paid installation charges ₹ 200
10	Opened an account with bank by depositing ₹ 5,000
13	Sold goods ₹ 3000
15	Purchased goods from Ms. Urvashi for ₹ 10,000
20	Returned goods to Urvashi ₹ 2,000
25	Paid to Urvashi ₹ 7880 by cheque, discount allowed by her ₹ 120
30	Paid Salary to Mr. Sevakram an Employee ₹ 500

- b Differentiate between Journal and Ledger (05)

- Q3 a Explain the following Accounting Principles: (10)
i) Concept of Entity ii) Concept of Going Concern iii) Matching Concept iv) Dual Aspect Concept

- b Explain the types of Accounts. Give two examples of each and also state the rules of debit and credit for each type of account (05)

- Q4 a From the following particulars prepare a Three Columnar Cash Book with Cash, Bank and Discount columns for the month March 2015 in the books of Naresh. (10)

March 2015	
1	Cash Balance ₹ 100 and at Bank ₹ 8,000
2	Instructed the bank to issue a bank draft for ₹ 5,000 in favour of Suresh. The bank charged ₹ 10 for issuing the draft.
3	Received a crossed cheque for ₹ 5,760 from Mahesh in full settlement of ₹ 6,000 due from him.
8	Received a bearer cheque from Rakesh for ₹ 2,000 and allowed him discount ₹ 120
15	Paid to Harish ₹ 2,000 by cash
18	Issued a cheque of ₹ 50 in payment of school fees of Naresh's Son
20	Received ₹ 500 from Mr. Patil
22	Issued a cheque for goods purchased ₹ 1000
27	Purchased goods from Rajesh ₹ 2,000 on credit
30	Paid to Mr. Patel by cheque ₹ 500

- b How is contra Entry distinguished from other entries in three columnar cash book Explain with an example? (05)

Q5

- i) Calculate Current Ratio and Quick ratio for Company X and Company Y from the following information:

(10)

Particulars	Company X (₹)	Company Y (₹)	Particulars	Company X (₹)	Company Y (₹)
Equity Share Capital	8,00,000	12,00,000	Fixed assets	10,00,000	10,20,000
Retained Earnings	2,44,000	2,54,000	Debtors	2,74,000	4,24,000
Long Term Loans	8,00,000	10,00,000	Inventories	9,00,000	13,50,000
Current Liabilities	5,00,000	6,40,000	Cash	1,70,000	3,00,000
	<u>23,44,000</u>	<u>30,94,000</u>		<u>23,44,000</u>	<u>30,94,000</u>

- ii) Calculate Gross Profit Ratio and Net Profit Ratio from the following information :

Particulars	(₹)
Sales	25,00,000
Opening Stock	50,000
Purchases	16,50,000
Wages	80,000
Carriage Inward	20,000
Closing Stock	1,00,000
Rent	50,000
Advertisement	1,80,000
Salary	2,00,000
Interest	80,000
Printing & Stationery	50,000



- b Explain any five limitations of Financial Accounting

(05)

- Q6 a From the following prepare cash budget for the period from March to August

(10)

Month	Sales (₹)	Selling Expenses (₹)	Purchases (₹)	Wages (₹)	Factory Overhead (₹)	Administration Overhead (₹)
January	17,000	700	8,000	1,500	1,500	700
February	16,000	750	8,400	1,600	1,650	750
March	18,200	650	8,300	1,680	1,250	510
April	15,500	680	8,300	1,200	1,525	480
May	16,500	740	7,600	1,800	1,740	546
June	20,000	700	6,800	1,600	1,530	465
July	18,000	600	7,000	1,800	1,300	495
August	22,000	550	5,800	1,600	1,510	600

Additional Information:

- i. Opening Cash balance for the month of March ₹ 12,000/-
 - ii. Period of credit allowed by suppliers is one month
 - iii. Lag in Payment: Selling Expenses is 1 month, Wages is $1/8^{\text{th}}$ month, Factory overheads is 1 month.
 - iv. Administration overhead are paid in the month when they are incurred
 - v. Vehicle to be purchased in the month of March for ₹ 5,000/-
 - vi. Furniture to be purchased in the month of April for ₹ 15,000 payable in two equal installments in May and July
 - vii. Period of credit allowed to customers is one month
 - viii. All Purchases and sales are on credit basis
- b Explain the importance of cash budget (05)
- Q7 a Explain Operating Activities, Investing Activities and Financing Activities in a cash flow statement (10)
- b Write a note on Accounting Standards (05)

