

Quarterly Common Examination, September-2017

12th Std]

PART - III ACCOUNTANCY
(Maximum marks : 200)

Time Allowed : 3 Hours

- Instructions: (1). Check the question paper for fairness of printing . If there is any lack of fairness, inform the Hall Supervisor immediately.
(2). Use Black or Blue ink to write and underline and pencil to draw diagrams

Part - A

30 × 1 = 30

Note : Answer All the questions

I. Fill in the Blanks :

1. Net profit is transferred from profit and loss account to ----- account
2. Income received in advance will be shown on the ----- side of the Balance sheet.
3. The Trial Balance as on 31-03-2013 shows capital Rs. 6,00,000. Interest on capital at 6% per annum is Rs. -----.
4. Statement of affairs method is also called as ----- method.
5. Credit sales is obtained from -----.
6. The total assets of a proprietor are Rs. 5,00,000. His liabilities is Rs. 3,50,000. Then his capital in the business -----.
7. ----- method of depreciation is calculated on the original cost of assets.
8. The estimated sale value of the asset at the end of its economic life is called as ---- value
9. ----- method of depreciation is suitable for special type of assets like loose tools.
10. Ratio helps in ----- forecasting.
11. Bank overdraft is an example for ----- liability.
12. When total sales is Rs. 2,00,000 cash sales is Rs. 65,000 then credit sales will be Rs. ----.
13. There are ----- methods by which a cash budget is prepared.
14. Cash budget is also useful tool for -----.
15. Cash budget is also called as -----.

II. Choose and write the correct answer.

16. Closing stock is shown in
a) profit and loss account b) trading account and balance sheet c) none of the above
17. Rent outstanding is a) a liability b) an asset c) an Income
18. The trial balance on 31.03.2014 shows sundry debtors Rs.60,000/- Bad debts to be written off Rs.4,000 and provision for bad and doubtful debts @ 10% is a) Rs.5,600 b) Rs.6,600 c) Rs.6,000
19. Incomplete records are generally used by
a) Small Traders b) Company c) Government
20. Credit Sales is obtained from
a) Total debits account b) Total creditors account c) Bills payable account
21. A firm's Total Sales is Rs.80,000 and its Credit Sales is Rs.60,000 then its Cash Sales is a) Rs.20,000 b) Rs.1,40,000 c) Rs.70,000
22. Depreciation arises due to a) Wear and tear of the asset
b) Fall in the market value of asset c) Fall in the value of money
23. Under diminishing balance method, depreciation
a) Decreases every year b) Increases every year c) Constant every year
24. Cost of an asset is Rs.3,00,000. Rate of depreciation is at 10% per annum. Depreciation is calculated under straight line method. Book value of asset at the end of third year is a) Rs.2,70,000 b) Rs.2,40,000 c) Rs.2,10,000
25. All solvency ratios are expressed in terms of a) Proportion b) Times c) Percentage
26. Liquid Liabilities means a) Current Liabilities
b) Current Liabilities - Bank over draft c) Current Liabilities + Bank over draft
27. Current assets of a business concern is Rs.60,000 and current liabilities are Rs.30,000. Current ratio will be. a) 1 : 2 b) 1 : 1 c) 2 : 1
28. Purchase of furniture is an example for
a) Cash receipts b) Cash payment c) none of the above
29. Budget is expressed in terms of
a) Money b) Physical Units c) Money and Physical Units
30. Cash Budget deals with a) Estimated cash receipts b) Estimated cash payments
c) Estimated receipts and Estimated cash payments

Part - B

10 × 5 = 50

Note: i). Answer any ten questions

ii). Answers to theory questions not exceed fifty words each

31. What is accrued income ?

[P.T.O.]

32. What are bad debts ?
 33. What is statement of affairs ?
 34. Define single Entry system.
 35. What is obsolescence ?
 36. Name five methods of calculating depreciation.
 37. Define ratio.
 38. Explain solvency ratios.
 39. Give five examples for cash payments.
 40. Write notes on cash budget.
 41. Give adjusting entry and transfer entry for bad debts Rs. 3,500
 42. What shall be the profit of the concern if
- | | |
|--------------------|--------------|
| Opening Capital | Rs. 1,60,000 |
| Closing Capital | Rs. 1,80,000 |
| Drawings | Rs. 36,000 |
| Additional Capital | Rs. 10,000 |
43. From the following particulars find out the rate of depreciation under straight line method :
- | | |
|---------------------------------|--------------|
| Cost of plant | Rs. 1,30,000 |
| Installation charges | Rs. 2,000 |
| Expected life in years 10 years | |
| Scrap value | Rs. 30,000 |
44. Calculate Fixed Assets Turnover Ratio.
- | | |
|--------------|--------------|
| Fixed Assets | Rs. 1,00,000 |
| Depreciation | Rs. 25,000 |
| Sales | Rs. 3,00,000 |

Part - C

5 × 12 = 60

Note : i). Answer any Five questions including question No. 45 which is compulsory.
 ii). Answer to theory questions should not exceed 150 words each

45. a) The trial balance shows on 31.3.2016 Sundry debtors Rs. 56,000
 Adjustments :
 i) Bad debts to be written off Rs. 6,000
 ii) Provision for bad and doubtful debts be created at 5%
 iii) Provide discount on debtors at 2% pass adjusting entries and also show how these items will appear in the final accounts. (or)
 b) Mr. Ganesh keeps his books by "Single Entry System". His position on 01.04.2015 and 31.03.2016 was as follows :

	01.04.2015 Rs.	31.03.2016 Rs.
Cash on hand	20,000	25,000
Sundry debtors	90,000	1,05,000
Investments	30,000	30,000
Furniture	10,000	10,000
Sundry Creditors	60,000	70,000
Stock	45,000	75,000

46. Define depreciation. What are the factors determining the amount of depreciation?
 47. What are the reasons for the needs of providing depreciation?
 48. Define Budget and give four examples of cash receipts and four examples of cash payments
 49. Lavanya Company Purchased a machinery worth Rs. 4,70,000 on 01.04.2010. They spent Rs. 30,000 on its erection. The company writes off depreciation at the rate of 10% on straight line method every year. On 31.03.2013 the machinery was found to be unsuitable and sold for Rs. 3,50,000. The books of accounts are closed on 31st March every year. Prepare Machinery Account and depreciation account for three years.
 50. From the following details calculate.
 a) Gross profit ratio b) Net profit ratio c) Operating profit ratio
- | | |
|---------------------------|----------|
| Particulars | Rs. |
| Sales | 1,00,000 |
| Gross Profit | 30,000 |
| Administrative Expenses | 1,000 |
| Selling Expenses | 2,000 |
| Loss on Sale of Machinery | 800 |
| Dividend Received | 400 |
| Net Profit | 26,600 |
51. From the following information prepare a Cash Budget for June and July 2004.
 a) Opening cash balance 1st June 2004, Rs. 4,025
 b) Cash Purchases June Rs. 12,000, July Rs. 16,000
 c) Cash Sales June Rs. 18,000, July Rs. 24,000
 d) Salary paid. June Rs. 5,000, July Rs. 5,000
 e) Loan payable in July Rs. 6,500

52. From the following information prepare a cash budget for the months of March and April 2011.

Month	Credit Sales Rs.	Credit Purchase Rs.	Office expenses Rs.
January 2011	7,500	15,000	12,000
February 2011	20,000	13,500	13,500
March 2011	18,500	17,500	6,500
April 2011	22,500	12,000	7,000

- Cash balance as on 01.03.2011 Rs.8,000
- Suppliers allowed credit of two months
- Credit of one month allowed to the customers
- Office expenses are payable in the same month

Part -D

3 × 20 = 60

Note: Answer any three questions including Question No. 53 which is compulsory

53. a) The following are the balance extracted from the books of Mr. Udhayakumar as on 31.03.1998. Prepare Trading and Profit and Loss Account and the Balance Sheet as on 31.03.1998.

Debit Balance	Rs.	Credit Balance	Rs.
Drawings	40,000	Capital	2,00,000
Cash in hand	17,000	Sales	1,60,000
Cash at bank	65,000	Sundry Creditors	45,000
Wages	10,000		
Purchases	20,000		
Stock (01.04.1997)	60,000		
Building	1,00,000		
Sundry Debtors	44,000		
Bills receivable	29,000		
Rent	4,500		
Commission	2,500		
General Expenses	8,000		
Furniture	5,000		
	4,05,000		4,05,000

The following adjustments are to be made :

- Stock on 31.03.1998 was Rs.40,000
 - Interest on capital at 6% to be provided
 - Interest on drawings at 5% to be provided
 - Wages yet to be paid Rs.1,000
 - Rent Prepaid Rs.500
- b) Mr. Chandran keeps his books on incomplete double entry. From the following details, prepare Trading and Profit and Loss Account for the year ended 31st March 2013 and Balance Sheet as on that date.

01.04.2012 Rs. 31.03.2013 Rs.

Cash	18,750	30,000
Stock	75,000	37,500
Machinery	7,500	7,500
Sundry Debtors	1,87,500	2,62,500
Sundry Creditors	1,12,500	1,31,250

Other details :	Rs.
Cash received from Debtors	4,05,000
Cash paid to creditors	3,37,500
Sales returns	11,250
Purchases returns	3,750
Discount received	11,250
Discount allowed	7,500
General expenses	26,250
Drawings	30,000

54. From the following Trial Balance of Mrs. Sumathi as on 31st March 2012, Prepare Trading and Profit and Loss account for the year ended 31.03.2012 and the Balance Sheet as on that date.

Trial Balance as on 31.03.2012

Debit Balance	Rs.	Credit Balance	Rs.
General expenses	16,500	Capital	1,20,000
Cash	2,500	Commision received	11,000
Furniture	80,000	Bank overdraft	25,000
Wages	50,000	Sales	5,00,000
Purchase	3,00,000	Creditors	60,000
Drawings	16,000	Bills payable	24,000
Opening stock	1,00,000		
Insurance premium	1,000		
Debtors	1,50,000		
Salaries	15,000		
Bills receivable	9,000		
	7,40,000		7,40,000

Adjustment :

- Closing Stock on 31.03.2012 Rs.40,000
- Outstanding Wages Rs.5,000
- Prepaid Insurance Premium Rs.500
- Depreciate Furniture by 5%
- Interest on drawings at 2% per annum.

55. From the following calculate a) Gross profit ratio b) Net profit ratio
c) Operating profit ratio d) Operating ratio

Trading and Profit and Loss A/C of Kumar & Co for the year ending 31.03.2014.

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Opening Stock	35,000	By Sales	4,00,000
To Purchase	2,25,000	By Closing stock	50,000
To wages	10,000		
To gross profit c/d	1,80,000		
	4,50,000		4,50,000
To admission expenses	10,000	By gross profit b/d	1,80,000
To interest	5,000	By dividend	2,000
To loss on sale of machinery	2,000		
To selling expenses	10,000		
To net profit	1,55,000		
	1,82,000		1,82,000

56. Prepare a cash budget of Mrs. Suguna Ltd. for the months of January to March 2015 from the following information :

Month	Credit purchases Rs.	Credit Sales Rs.	Expenses Rs.
2014 November	2,00,000	2,50,000	50,000
2014 December	3,50,000	3,00,000	60,000
2015 January	3,00,000	4,50,000	70,000
2015 February	4,00,000	2,00,000	80,000
2015 March	5,00,000	3,50,000	70,000

Additional informations :

- Expected cash balance as on 01-01-2015 Rs. 75,000
- Suppliers allowed credit of two months
- Customers are allowed credit of two months
- Expenses are paid in the same month
- Sale of fixed assets in the month of February Rs. 95,000

57. From the following information prepare a cash budget for June, July and August 2013 :

Month	Credit sales Rs.	Credit Purchases Rs.	wages Rs.
April 2013	250000	180000	25000
May 2013	265000	125000	10000
June 2013	325000	175000	25000
July 2013	375000	190000	15000
August 2013	350000	225000	20000

Additional information :

- Opening cash balance 1st June 2013 Rs. 120000
- Period of credit allowed to customers - one month
- Period of credit allowed by suppliers - two months
- Lag in payment of wages is one month
- Sale of machinery Rs. 40000 in July