


Name:	
Enrolment No:	

**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**End Semester Examination, December 2018**

**Course: BUSINESS ACCOUNTING**  
**Programme: BBA AVO**  
**Time: 03 hrs.**  
**Instructions: SOB**

**Semester: 1<sup>ST</sup> SEM**  
**CC: FINC 1001**  
**Max. Marks: 100**

**SECTION A**

S. No.		Marks	CO
Q 1	Select the most appropriate answer from the following: Note – Attempt all questions carrying two marks each.	<b>(20)</b>	
	a) Current Ratio is a: (a) Efficiency Ratio (b) Profitability Ratio (c) Solvency Ratio (d) Yield Ratio		<b>CO1</b>
	b) Balance sheet discloses- (a) Cash position of the business (b) Financial position of the business (c) Income position of the business (d) Profit-earning capacity of the business		<b>CO2</b>
	c) The process of entering transactions in the ledger is called (a) Journalizing (b) Posting (c) Summarizing (d) Balancing		<b>CO1</b>
	d) The term current assets does not include (a) Payment in advance (b) Bills Receivable (c) Goodwill (d) None of the above		<b>CO2</b>
	e) Plant and machinery account is a — (a) Personal account (b) Tangible real account (c) Intangible real account (d) Nominal account.		<b>CO2</b>
	f) Capital is shown on the liability side because of: (a) Business Entity Concept. (b) Conservatism Concept. (c) Accrual Concept. (d) Duality Concept.		<b>CO1</b>
	g) General reserve is created on the basis of convention of — (a) Conservatism (b) Uniformity (c) Materiality (d) Full disclosure.		<b>CO1</b>
	h) Cash flow statement is based upon: (a) Accrual basis of accounting (b) Cash basis of accounting (c) Both (a) and (b) (d) None of these		<b>CO3</b>
	i) Equity Dividend paid would be considered as cash flow from (a) Operating activities (b) Financing activities (c) Investing activities (d) None of the above		<b>CO3</b>

	j) Return on Investments ratio measures of a business (a) Profitability (b) Liquidity (c) Solvency (d) Activity		<b>CO2</b>
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**SECTION B**

Q 2	Attempt any four questions:	<b>(20)</b>	
	a) Discuss the limitations of Accounting	<b>5</b>	<b>CO1</b>
	b) Discuss the objective of preparation of Cash Flow Statement	<b>5</b>	<b>CO3</b>
	c) Discuss the Convention of Conservatism with example.	<b>5</b>	<b>CO1</b>
	d) Distinguish between straight line and diminishing balance method of depreciation	<b>5</b>	<b>CO4</b>
	e) Discuss the need to Journalize the business transactions.	<b>5</b>	<b>CO1</b>

**SECTION-C**

	<b>Attempt any three questions. Each question carries 10 marks</b>	<b>30</b>	
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Q 3: From the given Profit & Loss Account and Balance sheet of XYZ Ltd. Calculate:  
i) Current ratio ii) Proprietary ratio iii) Debt Equity ratio iv) Debtors Turnover ratio & Average collection period and v) Creditors turnover ratio

Profit & Loss A/c  
for the year ended 31<sup>st</sup> March 2017

Particulars	Amount	Particulars	Amount
To, Cost of goods sold	175000	By, Sales (Credit)	3,00,000
To, Administrative expenses	25,000		
To, Finance expenses	15,000		
To, Selling expenses	20,000		
To, Depreciation	15,000		
To, Provision for tax	20,000		
To, Net Profit	30,000		
	300000		3,00,000

Balance Sheet  
as on 31<sup>st</sup> March 2017

Liabilities	Amount	Assets	Amount
Equity Share Capital	100000	Land & Building	185000
Preference Share Capital	50000	Long term Investment	40000
Reserves	35000	Stock	35000
10% Debentures	50000	Debtors	30000
Creditors	20000	Cash & Bank	10000
Outstanding expenses	45000		
	300000		300000

**10**      **CO4**

Q4	<p>Following are the balances of accounts of Great Ltd. :</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">31.03.2014</th> <th style="width: 20%; text-align: center;">31.03.2013</th> </tr> <tr> <th></th> <th style="text-align: center;">(₹)</th> <th style="text-align: center;">(₹)</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Equity and Liabilities</b></td> </tr> <tr> <td>Share capital</td> <td style="text-align: right;">10,00,000</td> <td style="text-align: right;">8,00,000</td> </tr> <tr> <td>Reserves</td> <td style="text-align: right;">2,00,000</td> <td style="text-align: right;">1,50,000</td> </tr> <tr> <td>Profit and loss (Surplus)</td> <td style="text-align: right;">1,00,000</td> <td style="text-align: right;">60,000</td> </tr> <tr> <td>Proposed dividend</td> <td style="text-align: right;">2,00,000</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td>Debentures</td> <td style="text-align: right;">2,00,000</td> <td style="text-align: center;">—</td> </tr> <tr> <td>Provisions for taxation</td> <td style="text-align: right;">1,00,000</td> <td style="text-align: right;">70,000</td> </tr> <tr> <td>Trade payables</td> <td style="text-align: right;">7,00,000</td> <td style="text-align: right;">8,20,000</td> </tr> <tr> <td></td> <td style="text-align: right;"><b>25,00,000</b></td> <td style="text-align: right;"><b>20,00,000</b></td> </tr> <tr> <td colspan="3"><b>Assets</b></td> </tr> <tr> <td>Plant and machinery</td> <td style="text-align: right;">7,00,000</td> <td style="text-align: right;">5,00,000</td> </tr> <tr> <td>Land and building</td> <td style="text-align: right;">6,00,000</td> <td style="text-align: right;">4,00,000</td> </tr> <tr> <td>Investment</td> <td style="text-align: right;">1,00,000</td> <td style="text-align: center;">—</td> </tr> <tr> <td>Trade receivables</td> <td style="text-align: right;">5,00,000</td> <td style="text-align: right;">7,00,000</td> </tr> <tr> <td>Stock</td> <td style="text-align: right;">4,00,000</td> <td style="text-align: right;">2,00,000</td> </tr> <tr> <td>Cash in hand/bank</td> <td style="text-align: right;">2,00,000</td> <td style="text-align: right;">2,00,000</td> </tr> <tr> <td></td> <td style="text-align: right;">25,00,000</td> <td style="text-align: right;">20,00,000</td> </tr> </tbody> </table> <p>Additional information is as follows:  (i) Depreciation @ 25% was charged on the opening value of plant and machinery.  (ii) During the year, one old machine costing ` 50,000 (written down value `20,000) was sold for ` 35,000.  (iii) ` 50,000 were paid towards income-tax during the year.  (iv) Building under construction was not subject to any depreciation.  Prepare cash flow statement as per Accounting Standard-3.</p>		31.03.2014	31.03.2013		(₹)	(₹)	<b>Equity and Liabilities</b>			Share capital	10,00,000	8,00,000	Reserves	2,00,000	1,50,000	Profit and loss (Surplus)	1,00,000	60,000	Proposed dividend	2,00,000	1,00,000	Debentures	2,00,000	—	Provisions for taxation	1,00,000	70,000	Trade payables	7,00,000	8,20,000		<b>25,00,000</b>	<b>20,00,000</b>	<b>Assets</b>			Plant and machinery	7,00,000	5,00,000	Land and building	6,00,000	4,00,000	Investment	1,00,000	—	Trade receivables	5,00,000	7,00,000	Stock	4,00,000	2,00,000	Cash in hand/bank	2,00,000	2,00,000		25,00,000	20,00,000	<b>10</b>	<b>CO2</b>
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Q5	<p>‘Trial Balance is not a conclusive proof of the accuracy of the books of accounts.’ Explain this statement and explain the errors which are not disclosed in spite of the agreement of the trial balance.</p> <p style="text-align: center;">or</p> <p>“Accounting provides useful information to the various parties interested in financial performance of a company”. Discuss.</p>	<b>10</b>	<b>CO1</b>																																																									
Q6	<p>From the following financial statements of ABC Ltd. for the years ended 31<sup>st</sup> March 2014 and 31<sup>st</sup> March 2015, Prepare Common size Income statement and Balance sheet</p> <p style="text-align: center;">Balance Sheet as on</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 10%;">2014 Amount ,</th> <th style="width: 10%;">2015 Amount ,</th> <th style="width: 30%;"></th> <th style="width: 10%;">2014 Amount ,</th> <th style="width: 10%;">2015 Amount ,</th> </tr> </thead> <tbody> <tr> <td><b>Liabilities</b></td> <td></td> <td></td> <td><b>Assets</b></td> <td></td> <td></td> </tr> <tr> <td>Equity share Capital</td> <td style="text-align: right;">400000</td> <td style="text-align: right;">400000</td> <td>Land</td> <td style="text-align: right;">100000</td> <td style="text-align: right;">100000</td> </tr> <tr> <td>9 % Preference Share Capital</td> <td style="text-align: right;">300000</td> <td style="text-align: right;">300000</td> <td>Building</td> <td style="text-align: right;">300000</td> <td style="text-align: right;">270000</td> </tr> <tr> <td>General Reserve</td> <td style="text-align: right;">200000</td> <td style="text-align: right;">245000</td> <td>Plant</td> <td style="text-align: right;">300000</td> <td style="text-align: right;">270000</td> </tr> <tr> <td>17 % Debentures</td> <td style="text-align: right;">100000</td> <td style="text-align: right;">150000</td> <td>Furniture</td> <td style="text-align: right;">100000</td> <td style="text-align: right;">140000</td> </tr> <tr> <td>Creditors</td> <td style="text-align: right;">150000</td> <td style="text-align: right;">200000</td> <td>Stock</td> <td style="text-align: right;">200000</td> <td style="text-align: right;">300000</td> </tr> <tr> <td>Bills Payable</td> <td style="text-align: right;">50000</td> <td style="text-align: right;">75000</td> <td>Debtors</td> <td style="text-align: right;">200000</td> <td style="text-align: right;">300000</td> </tr> </tbody> </table>		2014 Amount ,	2015 Amount ,		2014 Amount ,	2015 Amount ,	<b>Liabilities</b>			<b>Assets</b>			Equity share Capital	400000	400000	Land	100000	100000	9 % Preference Share Capital	300000	300000	Building	300000	270000	General Reserve	200000	245000	Plant	300000	270000	17 % Debentures	100000	150000	Furniture	100000	140000	Creditors	150000	200000	Stock	200000	300000	Bills Payable	50000	75000	Debtors	200000	300000	<b>10</b>	<b>CO3</b>									
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Tax Payable	100000	150000	Cash	100000	140000
	1300000	1520000		1300000	1520000
Profit & Loss Account for the year ended.....					
Dr.			Cr.		
Particulars	2014 Amount	2015 Amount	Particulars	2014 Amount	2015 Amount
To, Cost of goods sold	600000	750000	By, Net Sales	800000	1000000
To, Administrative Expenses	30000	40000			
To, Selling Expenses	20000	20000			
To, Net Profit	150000	190000			
	800000	1000000		800000	1000000

### SECTION-D

Attempt both questions				<b>30</b>	
Q 7:	Following Trial balance was extracted from the books of M/s Vijay & Co. as on 31 <sup>st</sup> March 2015				
	Particulars	Amount	Particulars	Amount	
	Cash in Hand	1,080	Return outward	1,000	
	Cash at Bank	5,260	Sales	197,560	
	Purchase	81,350	Capital	142000	
	Sales returns	1,360	Creditors	12,600	
	Wages	20,960			
	Fuel and Power	9,460			
	Carriage Outward	6,400			
	Carriage Inward	4,080			
	Stock ( 1.4.2014)	11,520			
	Buildings	60,000			
	Land	20,000			
	Machinery	40,000			
	Patents	15,000			
	Insurance	7,200			
	Drawings	10,490			
	Debtors	29,000			
	Salaries	30,000			
	Total	353160		353,160	
	Taking into account the following adjustments prepare Trading, Profit and loss account for the year ended 31 <sup>st</sup> March 2015 and Balance sheet as on that date				
	1. Stock at hand as on 31 <sup>st</sup> March 2015 ` 13,600				
	2. Machinery to be depreciated at the rate of 10% and Patent at 20%				
	3. Salaries for the month of March 2015 amounting to ` 3,000 were unpaid				

**20**

**CO2**

	<p>4. Insurance included a premium of ` 170 for the next year</p> <p>5. A provision for doubtful debt is to be created at 5% on Debtors and also create 2% provision for discount on debtors.</p>		
Q8	<p>On 1<sup>st</sup> January, 2016 A company purchased a machine for ` 2,45,000 and spent ` 5,000 on its installation. On 1<sup>st</sup> July 2016 an additional machinery costing ` 1,00,000 was purchased. On 1st July 2018 the machinery purchased on January 1<sup>st</sup>,2016 was sold for ` 1,40,000 and on same date a new machine was purchased at a cost of ` 2,00,000. Show machinery account for the first three accounting period after charging depreciation at 5% under straight line method. Assume that books are closed on 31<sup>st</sup> December every year.</p>	<b>10</b>	<b>C03</b>

<b>Name:</b>	
<b>Enrolment No:</b>	

**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**End Semester Examination, December 2018**

<b>Course: BUSINESS ACCOUNTING</b>	<b>Semester: 1<sup>ST</sup> SEM</b>
<b>Programme: BBA AVO</b>	
<b>Time: 03 hrs.</b>	<b>Max. Marks: 100</b>
<b>Instructions: SOB</b>	

**SECTION A**

S. No.		Marks	CO
Q 1	Select the most appropriate answer from the following: Note – Attempt all questions carrying two marks each.	<b>(20)</b>	
	a) Current Ratio is a: (b) Efficiency Ratio (c) Solvency Ratio (b) Profitability Ratio (d) Yield Ratio		<b>CO1</b>
	b) Balance sheet discloses- (b) Cash position of the business (b) Financial position of the business (c) Income position of the business (d) Profit-earning capacity of the business		<b>CO2</b>
	c) The process of entering transactions in the ledger is called (a) Journalizing (b) Posting (c) Summarizing (d) Balancing		<b>CO1</b>
	d) The term current assets does not include (a) Payment in advance (b) Bills Receivable (c) Goodwill (d) None of the above		<b>CO2</b>
	e) Plant and machinery account is a — (b) Personal account (b) Tangible real account (c) Intangible real account (d) Nominal account.		<b>CO2</b>
	f) Capital is shown on the liability side because of: (b) Business Entity Concept. (b) Conservatism Concept. (c) Accrual Concept. (d) Duality Concept.		<b>CO1</b>
	g) General reserve is created on the basis of convention of — (a) Conservatism (b) Uniformity (c) Materiality (d) Full disclosure.		<b>CO1</b>
	h) Cash flow statement is based upon: (e) Accrual basis of accounting (f) Cash basis of accounting (g) Both (a) and (b) (h) None of these		<b>CO3</b>
	i) Equity Dividend paid would be considered as cash flow from (e) Operating activities (f) Financing activities (g) Investing activities (h) None of the above		<b>CO3</b>

	j) Return on Investments ratio measures of a business (a) Profitability (b) Liquidity (c) Solvency (d) Activity		<b>CO2</b>
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**SECTION B**

Q 2	Attempt any four questions:	<b>(20)</b>	
	a) Discuss the limitations of Cash Flow Statement	<b>5</b>	<b>CO3</b>
	b) Discuss the objective of Trial Balance	<b>5</b>	<b>CO1</b>
	c) Discuss the Convention of Consistency with example.	<b>5</b>	<b>CO1</b>
	d) Discuss the cause of decrease in Value of Asset and charging depreciation	<b>5</b>	<b>CO3</b>
	e) Discuss the Turnover Ratios.	<b>5</b>	<b>CO2</b>

**SECTION-C**

	<b>Attempt any three questions. Each question carries 10 marks</b>	<b>30</b>	
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Q 3:	<p>From the given Profit &amp; Loss Account and Balance sheet of XYZ Ltd. Calculate:  i) Current ratio ii) Proprietary ratio iii) Debt Equity ratio iv) Debtors Turnover ratio &amp; Average collection period and v) Creditors turnover ratio</p> <p align="center">Profit &amp; Loss A/c for the year ended 31<sup>st</sup> March 2017</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Particulars</th> <th>Amount</th> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>To, Cost of goods sold</td> <td align="right">175000</td> <td>By, Sales (Credit)</td> <td align="right">3,00,000</td> </tr> <tr> <td>To, Administrative expenses</td> <td align="right">25,000</td> <td></td> <td></td> </tr> <tr> <td>To, Finance expenses</td> <td align="right">15,000</td> <td></td> <td></td> </tr> <tr> <td>To, Selling expenses</td> <td align="right">20,000</td> <td></td> <td></td> </tr> <tr> <td>To, Depreciation</td> <td align="right">15,000</td> <td></td> <td></td> </tr> <tr> <td>To, Provision for tax</td> <td align="right">20,000</td> <td></td> <td></td> </tr> <tr> <td>To, Net Profit</td> <td align="right">30,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td align="right">300000</td> <td></td> <td align="right">3,00,000</td> </tr> </tbody> </table> <p align="center">Balance Sheet as on 31<sup>st</sup> March 2017</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Liabilities</th> <th>Amount</th> <th>Assets</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Equity Share Capital</td> <td align="right">100000</td> <td>Land &amp; Building</td> <td align="right">185000</td> </tr> <tr> <td>Preference Share Capital</td> <td align="right">50000</td> <td>Long term Investment</td> <td align="right">40000</td> </tr> <tr> <td>Reserves</td> <td align="right">35000</td> <td>Stock</td> <td align="right">35000</td> </tr> <tr> <td>10% Debentures</td> <td align="right">50000</td> <td>Debtors</td> <td align="right">30000</td> </tr> <tr> <td>Creditors</td> <td align="right">20000</td> <td>Cash &amp; Bank</td> <td align="right">10000</td> </tr> <tr> <td>Outstanding expenses</td> <td align="right">45000</td> <td></td> <td></td> </tr> <tr> <td></td> <td align="right">300000</td> <td></td> <td align="right">300000</td> </tr> </tbody> </table>	Particulars	Amount	Particulars	Amount	To, Cost of goods sold	175000	By, Sales (Credit)	3,00,000	To, Administrative expenses	25,000			To, Finance expenses	15,000			To, Selling expenses	20,000			To, Depreciation	15,000			To, Provision for tax	20,000			To, Net Profit	30,000				300000		3,00,000	Liabilities	Amount	Assets	Amount	Equity Share Capital	100000	Land & Building	185000	Preference Share Capital	50000	Long term Investment	40000	Reserves	35000	Stock	35000	10% Debentures	50000	Debtors	30000	Creditors	20000	Cash & Bank	10000	Outstanding expenses	45000				300000		300000	<b>10</b>	<b>CO4</b>
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Q4	<p>Following are the comparative balance sheet of a Company as on 31<sup>st</sup> March 2015 and 31<sup>st</sup> March 2016. <b>(15 marks)</b></p> <table border="1" data-bbox="204 317 1271 716"> <thead> <tr> <th>Liabilities</th> <th>2015</th> <th>2016</th> <th>Assets</th> <th>2015</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Share Capital</td> <td>2,00,000</td> <td>2,50,000</td> <td>Goodwill</td> <td>30,000</td> <td>20,000</td> </tr> <tr> <td>12% Preference share capital</td> <td>50,000</td> <td>40,000</td> <td>Buildings</td> <td>1,00,000</td> <td>80,000</td> </tr> <tr> <td>General Reserve</td> <td>35,000</td> <td>55,000</td> <td>Plant</td> <td>40,000</td> <td>70,000</td> </tr> <tr> <td>Profit and Loss A/c</td> <td>15,000</td> <td>17,000</td> <td>Debtors</td> <td>1,20,000</td> <td>1,60,000</td> </tr> <tr> <td>Creditors</td> <td>23,000</td> <td>5,000</td> <td>Stock</td> <td>18,000</td> <td>20,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Cash</td> <td>15,000</td> <td>17,000</td> </tr> <tr> <td></td> <td><b>3,23,000</b></td> <td><b>3,67,000</b></td> <td></td> <td><b>3,23,000</b></td> <td><b>3,67,000</b></td> </tr> </tbody> </table> <p>Depreciation charged on Plant was ` 30,000 and on Buildings ` 50,000. Prepare Cash Flow statement.</p>	Liabilities	2015	2016	Assets	2015	2016	Share Capital	2,00,000	2,50,000	Goodwill	30,000	20,000	12% Preference share capital	50,000	40,000	Buildings	1,00,000	80,000	General Reserve	35,000	55,000	Plant	40,000	70,000	Profit and Loss A/c	15,000	17,000	Debtors	1,20,000	1,60,000	Creditors	23,000	5,000	Stock	18,000	20,000				Cash	15,000	17,000		<b>3,23,000</b>	<b>3,67,000</b>		<b>3,23,000</b>	<b>3,67,000</b>	10	CO2																																				
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Q5	<p>‘Trial Balance is not a conclusive proof of the accuracy of the books of accounts.’ Explain this statement and explain the errors which are not disclosed in spite of the agreement of the trial balance.</p> <p style="text-align: center;">or</p> <p>“Accounting provides useful information to the various parties interested in financial performance of a company”. Discuss.</p>	10	CO1																																																																																				
Q6	<p>From the following financial statements of ABC Ltd. for the years ended 31<sup>st</sup> March 2014 and 31<sup>st</sup> March 2015, Prepare Common size Income statement and Balance sheet</p> <p style="text-align: center;">Balance Sheet as on</p> <table border="1" data-bbox="204 1140 1271 1560"> <thead> <tr> <th></th> <th>2014 Amount `</th> <th>2015 Amount `</th> <th></th> <th>2014 Amount `</th> <th>2015 Amount `</th> </tr> </thead> <tbody> <tr> <td><b>Liabilities</b></td> <td></td> <td></td> <td><b>Assets</b></td> <td></td> <td></td> </tr> <tr> <td>Equity share Capital</td> <td>400000</td> <td>400000</td> <td>Land</td> <td>100000</td> <td>100000</td> </tr> <tr> <td>9 % Preference Share Capital</td> <td>300000</td> <td>300000</td> <td>Building</td> <td>300000</td> <td>270000</td> </tr> <tr> <td>General Reserve</td> <td>200000</td> <td>245000</td> <td>Plant</td> <td>300000</td> <td>270000</td> </tr> <tr> <td>17 % Debentures</td> <td>100000</td> <td>150000</td> <td>Furniture</td> <td>100000</td> <td>140000</td> </tr> <tr> <td>Creditors</td> <td>150000</td> <td>200000</td> <td>Stock</td> <td>200000</td> <td>300000</td> </tr> <tr> <td>Bills Payable</td> <td>50000</td> <td>75000</td> <td>Debtors</td> <td>200000</td> <td>300000</td> </tr> <tr> <td>Tax Payable</td> <td>100000</td> <td>150000</td> <td>Cash</td> <td>100000</td> <td>140000</td> </tr> <tr> <td></td> <td><b>1300000</b></td> <td><b>1520000</b></td> <td></td> <td><b>1300000</b></td> <td><b>1520000</b></td> </tr> </tbody> </table> <p style="text-align: center;">Profit &amp; Loss Account for the year ended.....</p> <table border="1" data-bbox="204 1696 1292 1894"> <thead> <tr> <th colspan="3">Dr.</th> <th colspan="3">Cr.</th> </tr> <tr> <th>Particulars</th> <th>2014 Amount `</th> <th>2015 Amount `</th> <th>Particulars</th> <th>2014 Amount `</th> <th>2015 Amount `</th> </tr> </thead> <tbody> <tr> <td>To, Cost of goods sold</td> <td>600000</td> <td>750000</td> <td>By, Net Sales</td> <td>800000</td> <td>1000000</td> </tr> <tr> <td>To, Administrative</td> <td>30000</td> <td>40000</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		2014 Amount `	2015 Amount `		2014 Amount `	2015 Amount `	<b>Liabilities</b>			<b>Assets</b>			Equity share Capital	400000	400000	Land	100000	100000	9 % Preference Share Capital	300000	300000	Building	300000	270000	General Reserve	200000	245000	Plant	300000	270000	17 % Debentures	100000	150000	Furniture	100000	140000	Creditors	150000	200000	Stock	200000	300000	Bills Payable	50000	75000	Debtors	200000	300000	Tax Payable	100000	150000	Cash	100000	140000		<b>1300000</b>	<b>1520000</b>		<b>1300000</b>	<b>1520000</b>	Dr.			Cr.			Particulars	2014 Amount `	2015 Amount `	Particulars	2014 Amount `	2015 Amount `	To, Cost of goods sold	600000	750000	By, Net Sales	800000	1000000	To, Administrative	30000	40000				10	CO3
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Expenses						
To, Selling Expenses	20000	20000				
To, Net Profit	150000	190000				
	800000	1000000		800000	1000000	

**SECTION-D**

Attempt both questions	<b>30</b>
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**Q 7:** From following trial balances, prepare Trading and Profit & Loss Account for the year ended 31<sup>st</sup> March 2014 and Balance sheet as on that date after considering the following adjustments:

a) Stock in hand as on 31<sup>st</sup> March 2014 was ` 6,500

b) Depreciate Buildings @5%, Furniture and Fittings @10% and Motor Vehicles @20%

c) Salaries ` 600 and taxes `400 are outstanding

d) Insurance amounting to `200 is prepaid

e) Write off further bad debt ` 600 and provision for doubtful debts is to be made @5% of Sundry debtors

Particulars	Amount Dr. `	Amount Cr. `
Furniture and Fittings	1,280	
Motor Vehicles	12,500	
Buildings	15,000	
Capital		25,000
Bad Debts	250	
Provision for doubtful debts		400
Sundry Debtors and Creditors	7,600	5,000
Opening Stock	6,920	
Purchases and Sales	10,950	30,900
Bank overdraft		5,700
Sales and purchase return	400	250
Advertising	900	
Interest	236	
Commission		750

**20**      **CO2**

	Cash	1,300			
	Taxes and Insurance	1,564			
	General expenses	2,500			
	Salaries	6,600			
		68,000	68,000		
Q8	<p>On 1/04/2011, M/s Aakash Traders purchased 5 machines of ` 40,000 each. On 1/4/2012, one machine became defective and was sold for ` 25,000. On 1/4/2013 a second machine was sold for ` 25,000. On 1/10/2013, a new machine was purchased for ` 50,000. Depreciation is charged @10% on initial cost on 31st March each year. Prepare necessary accounts in the Books of the Company.</p>			<b>10</b>	<b>C03</b>