

Name:

E-Mail ID:

Principles and Practice of Accounting

Test Series 2 (02nd August 2020)

Total: 50 Marks

Time Allotted: 1 to 1.5 Hours

1) a) (5m)

Following is the information provided by Mr. Gopi pertaining to year ended 31st March 2017. Find the unknowns, showing computation to support your answer:

Particulars	₹	Particulars	₹
Machinery	12,00,000	Trade Receivables	B
Accounts Payable	1,00,000	Loans	C
Inventory	60,000	Closing Capital	D
Total Liabilities including capital	14,15,000	Opening Capital	10,00,000
Cash	A	Loss incurred during the year	35,000
Bank	80,000	Capital Introduced during the year	1,00,000

Additional Information: During the year sales of ₹ 15,55,000 was made of which ₹ 15,00,000 have been received.

b) Distinguish between Real Account and Nominal Account (3m)

c) (2m)

Show the classification of the following Accounts under traditional and accounting equation approach:

(a) Building; (b) Purchases; (c) Sales; (d) Bank Fixed Deposit; (e) Rent; (f) Rent Outstanding; (g) Cash; ~~NT~~

2) Write short notes on

a) Money Measurement, Entity and Accrual Concept (6m)

b) Conservatism and Materiality (5m)

3) Describe in brief, the alternative measurement bases, for determining the value at which an element can be recognized in the balance sheet or statement of profit and loss.(5m)

4) (8m)

Journalize the following transactions, post them in the Ledger and balance the accounts on 31st December.

1. X started business with a capital of ₹ 20,000
2. He purchased goods from Y on credit ₹ 4,000
3. He paid cash to Y ₹ 2,000
4. He sold goods to Z ₹ 4,000
5. He received cash from Z ₹ 6,000
6. He further purchased goods from Y ₹ 4,000
7. He paid cash to Y ₹ 2,000
8. He further sold goods to Z ₹ 4,000
9. He received cash form Z ₹ 2,000

5) (5m)

An inexperienced bookkeeper has drawn up a Trial Balance for the year ended 30th June, 2017.

	Debit (₹)	Credit (₹)
Provision For Doubtful Debts	200	-
Bank Overdraft	1,654	-
Capital	-	4,591
Trade payables	-	1,637
Trade receivables	2,983	-
Discount Received	252	-
Discount Allowed	-	733
Drawings	1,200	-
Office Furniture	2,155	-
General Expenses	-	829
Purchases	10,923	-
Returns Inward	-	330
Rent & Rates	314	-
Salaries	2,520	-
Sales	-	16,882
Inventory	2,418	-
Provision for Depreciation on Furniture	364	-
Total	24,983	25,002

Required:

Draw up a 'Corrected' Trial Balance, debiting or crediting any residual errors to a Suspense Account.

6) (4m)

Enter the following transactions in Sales Book of M/s. Pranat Engineers Ltd., Delhi.

2016

- Jan. 2. Sold to M/s. Ajanta Electricals, Delhi 5 pieces of Ovens @ ₹6,000/- each less Trade discount @ 10%.
 8 Sold to M/s. Ajanta Electricals Plaza, 10 pieces of Tablets @ ₹ 8,000/- each less trade discount 5%.
 15 Sold to M/s. Haryana Traders, 5 pieces of Juicers @ ₹3,500/- each less trade discount @ 10%.

7) a) (5m)

1. Shri Ramaswamy maintains a Columnar Petty Cash Book on the Imprest System. The imprest amount is ₹ 500. From the following information, show how his Petty Cash Book would appear for the week ended 12th September, 2015:

		₹
7-9-2015	Balance in hand	134.90
	Received Cash reimbursement to make up the imprest	365.10
	Stationery	49.80
8-9-2015	Miscellaneous Expenses	20.90
9-9-2015	Repairs	156.70
10-9-2015	Travelling	68.50
11-9-2015	Stationery	71.40
12-9-2015	Miscellaneous Expenses	6.30
	Repairs	48.30

b) Is cash book a subsidiary book or a principal book? Explain. (2m)