

- (f) What is meant by Journal?
 (g) What is narration?
 (h) What is meant by posting?

SECTION 'B'

2. Attempt any two parts of the following : $2 \times 6 = 12$

- (a) Show the accounting equation on the basis of following transactions.

- (i) Ram started business with Rs. 25,000/-.
 (ii) Rent paid in advance 500/-.
 (iii) Purchased goods for cash Rs. 30,000/- and credit Rs. 20,000/-.
 (iv) Sold goods for cash Rs. 30,000/- costing Rs. 20,000/-.
 (v) Paid salary Rs. 500/- and salary outstanding Rs. 100/-.
 (vi) Bought motor cycle for personal use Rs. 5,000/-.

- (b) Journalise the following transactions in the books of Ramesh for the year ending April, 2009

2009

April 1	Ramesh started business with cash	40,000
2	Paid into bank	28,000
3	Bought goods for cash	2,500
4	Drew cash from bank for office	1,100
13	Sold to Krishna goods for credit	2,150
20	Bought from Shyam goods on credit	4,225
24	Received from Krishna	2,100
	Discount allowed to him	50
28	Paid to Shyam	4,000
	Discount Received	225
30	Cash sales for the month	8,000
	Paid Rent	500
	Paid salary	1,000

- (c) From the following information

Credit sales for the year	12,000
Debtors	1,000
Bill Receivables	1,000

Calculate Debtors Turnover Ratio and Debt collection period.

- (d) What is difference between straight line and written down value method of depreciation?

SECTION 'C'

3. Attempt all the questions. Attempt any two parts from each questions : $8 \times 5 = 40$

- (a) Why adjustment entries are required to be made at the time of preparing final accounts? Give example for any four such adjustment entries.
- (b) What are accounting concept and conventions? Name them and explain any two concepts.
- (c) Explain interest system of cash book.
4. (a) From the following trial balance prepare Trading & Profit and Loss Accounts.

Particular	Amount (Dr.)	Amount (Cr.)
Capital		20,000
S. Debtors	5,400	
Drawings	1,800	
Machinery	7,000	
S. Creditors		2,800
Wages	10,000	
Purchase	19,000	
Op. Stock	4,000	
Bank Balance	3,000	
Carriage Charges	300	

Salary	400	
Rent & Taxes	900	
Sales		29,000
	51,800	51,800

Additional information

- (i) Closing stock 1,200
- (ii) Outstanding Rent and Taxes 100
- (iii) Depreciation on machine at 10%
- (iv) Wages prepaid 400

(b) State the formulae to calculate the following ratio :

- (i) Quick Ratio
- (ii) Debt Equity Ratio
- (iii) Gross Profit Ratio
- (c) What is fund flow statement? Examine its managerial uses.

5. (a) From the following Profit and Loss Account, compute the funds from operations :

Profit and Loss A/c.

Particulars	Rs.	Particulars	Rs.
To salary	5,000	By Gross Profit b/d	1,000
To Rent	2,000	By Rent	5,000
To Depreciation	1,000	By interest on investment	4,000
To Prelim. exp.	2,000	By Net loss	5,000
To Loss on sale of Land	5,000		
	15,000		15,000

(b) Distinguish between fund flow statement and cash flow statement.

(c) What is trial balance? Explain its objectives.

6. Write short notes :

(i) Equity Shares

(ii) Preference Shares

(iii) Bonus Share.

(b) Journalise the following transactions and post them into ledger :

- (i) Ram started business with capital of Rs. 10,000.
 - (ii) Purchased furniture for cash Rs. 4,000.
 - (iii) Purchased goods from Mohan Rs. 2,000.
 - (iv) Paid cash to Mohan Rs. 1,000.
 - (v) Sold goods to Amrit Rs. 2,000.
- (c) What is Depreciation and what are the causes of Depreciation?

