

Date : 01/09/2019

Foundation Nov.2019

3rd Batch

Test Paper : Accounts

Marks :65

1. Following are the extracts from the Trial Balance of Mr. Bharat Tulsian as at 31st March, 2018:

Particulars	Rs.	Particulars	Rs.
Purchases	5,70,000	Sales	7,77,500
Wages and Salaries	23,500	Capital	4,93,400
Freight Inward	25,000	Provision for Doubtful Debts (01.04.2017)	10,000
Bad Debts [after recovery of bad debts of ₹ 2,500 w/o during 2016-2017]	500	Provision for Discount on Debtors (01.04.2017)	1,800
12% Investments	1,00,000	Trade Creditors	10,000
Trade Debtors	2,92,500	Interest on Investments	6,000
Salaries and Wages	11,200	Plant and Machinery	2,02,000
Salesmen's Commission	20,000	Furniture and Fixtures	30,000
Discount Allowed	2,000	Income Tax paid	10,000
Fire Insurance Premium	9,000	Prepaid Fire Insurance Premium	3,000

**Additional Information:**

1. Stock in hand on 31st March was Rs . 2,50,000. Market Value on 31st March 80%, Estimated Realisable Expenses 5%
2. Write off further Rs . 4,000 as bad. Additional discount of Rs . 1,000 given to debtors. Maintain Provision for Discount on Debtors@ 2%. Maintain a Provision for Doubtful debts @ 10%.
3. Goods costing Rs . 20,000 (Sale Price Rs . 25,000) were taken by the proprietor for his personal use but not recorded .
4. Goods costing Rs . 30,000 (Sale Price Rs . 37,500) were given away as free samples to Mahesh.a customer recorded in the sales book
5. On 31st March Goods costing Rs . 10,000 (Sale Price Rs . 12,500) were destroyed by fire it was fully insured but the insurance company admitted the claim to the extent of 60% only and paid the claim money on 10th April, 2018.
6. On 31st March, Goods for Rs . 50,000 were sent to a customer on 'Sale or Return' basis at a profit of 25% on cost and recorded as actual sales.
7. A Machine costing Rs . 1,90,000 was purchased on 1st July 2017. Wages Rs . 10,000 paid for its Installation have been debited to Wages Account.

8. On 1.4.2017 Machinery of the value of Rs . 10,000 was destroyed by fire and the insurance claim settled at Rs . 8,000 was credited to Machinery Account.
9. A Furniture costing Rs . 45,000 was purchased on 1st July 2017 but it was not recorded in the books as no payment was made for it. Wages Rs . 5,000 paid for its Installation have been debited to Wages Account.
10. On 1st Jan. 2018 Investments were sold at 10% profit, but the entire sales proceeds have been taken as Sales.
- 11 Provide for depreciation on Plant & Machinery @ 10% p.a. on straight line basis. Write 10% off the Furniture & Fixtures..

Required: Prepare Trading & P & L A/c for the year ended 31st March, 2018 and Balance Sheet as on that date. **(Marks 20)**

2. Modern (India) Citizens Club was registered in a city and the accountant prepared the following Receipts and Payments Account for the year ended on March 31, 2018 and showed a deficit of Rs . 14,520:

Receipts	Rs.	Payments	Rs.
Subscriptions	62,130	Premises	30,000
Fair Receipts	7,200	Honorarium to Secretary	12,000
Variety Show Receipts (Net)	12,810	Rent	2,400
Interest	690	Rates and Taxes	3,780
Bar Collections	22,350	Printing and Stationery	1,410
Cash Spent More	1,000	Wages	2,520
Deficit	14,520	Sundry Expenses	5,350
		Fair Expenses	7,170
		Bar Purchases Payments	17,310
		Repairs	960
		New Car (Less proceeds of old Car Rs . 9,000)	37,800
	1,20,700		1,20,700

**Information:**

Particulars	1.4,2017 `	31.3,2018 `
Cash in hand	450	—
Bank Balance as per Pass Book	24,690	10,440
Cheque issued not presented for sundry expenses	270	90
Subscriptions Due	3,600	2,940
Premises at Cost	87,000	1,17,000
Accumulated Depreciation on Premises	56,400	?
Car at Cost	36,570	46,800

Accumulated Depreciation—Car	30,870	?
Bar Stock	2,130	2,610
Creditors for Bar Purchases	1,770	1,290

- (a) Cash overspent represents honorarium to Secretary not withdrawn due to cash deficit. His annual honorarium is Rs. 12,000.
- (b) Depreciation on Premises and Car is to be provided at 5% and 20% on written down value.

Required: Prepare the Correct Receipts and Payments Accounts, Income and Expenditure Account for the year 2017-2018 and Balance Sheet as on 31st March 2018. (Marks 15)

3. The Receipts and Payments account of Trustwell Club prepared on 31st March, 2018 is as follows:

RECEIPTS AND PAYMENTS ACCOUNT	
	Rs.
Receipts	Rs. Payments
To Balance b/d	450
To Annual Income from Subscription	2,700
	6,300
Add: Outstanding of last year received this year	4,590
	180
	4,680
Less: Prepaid of last year	90
To Other fees	90,000
To Donation for Building	96,930
	96,930
	2,700
	By Loss on Sale of Furniture (cost price 450)
	180
	90,450
	By Balance c/d
	96,930

**Additional Information:**

Trustwell club had balances as on 1,4,2017:  
 Furniture Rs. 1,800; Investment at 5% Rs. 27,000; Sports material Rs. 6,660; Balance as on 31.3.2018: Subscription Receivable Rs. 270; Subscription received in advance Rs. 90; Stock of sports material Rs. 1,800.  
 Do you agree with above Receipts and Payments account? If not, prepare correct Receipts and Payments account and Income and Expenditure account for the year ended 31st March, 2018 and Balance Sheet on that date. (Marks 15)

4. How will you deal with the following items while preparing the Income and Expenditure Account of Tulsian Club for the year ending on March 31, 2018 and a Balance Sheet as on that date?

Particulars	As at 1.4.2017 `	As at 31.3.2018 `
Outstanding Subscription	9,500	7,000
Advance Subscription	2,800	5,200
Outstanding Salaries	15,000	9,000
Prepaid Salaries	5,000	3,000
Amount due to Suppliers of Sports Materials	15,000	9,000
Advances to Suppliers of Sports Materials	5,000	3,000
Stock of Sports Materials	15,000	7,000

During 2017-2018, the payment made to the suppliers of Sports Materials was Rs . 54,000 and Cash Purchases amounted to 10% of Credit Purchases. Subscription received Rs . 1,48,900, Salaries paid Rs . 54,000. **(Marks 15)**

**All The Best**

