

Date : 01/09/2019

Foundation Nov. 2019

1st Batch 1

Test Paper : Accounts

Marks : 55

1. From the following Trial Balance and additional information of Mr Bharat Tulsian, a proprietor, prepare Trading, Profit & Loss Account for the year ending on 31st March, 2018 and the Balance Sheet as at that date.

**TRIAL BALANCE**

S. No.	Particulars	Dr: (Rs.)	Cr:(Rs.)
1.	Closing Stock	40,000	—
2.	Sales/Cost of Goods Sold	5,60,000	6,20,000
3.	Rent	11,000	6,500
4.	Office & Administration Expenses	13,200	—
5.	General Expenses	6,000	—
6.	Selling & Distribution Expenses	36,075	—
7.	Income Tax Paid	1,000	—
8.	Interest	3,750	4,500
9.	Discount	2,000	1,000
10.	Bad Debts	3,000	—
11.	Investments	50,000	—
12.	Loan from Bank	—	50,000
13.	Bills Receivables/Bills Payables	10,000	5,600
14.	Debtors/Creditors	2,10,000	90,800
15.	Provision for Doubtful Debts	—	10,000
16.	Provision for Discount on Debtors	—	2,400
17.	Capital/Drawings	12,775	3,08,000
18.	Plant & Machinery	50,000	—
19.	Land & Building	60,000	—
20.	Furniture & Fixtures	30,000	—
21.	Outstanding Office Expenses	—	1,200
22.	Prepaid General Expenses	1,200	—
		11,00,000	11,00,000

**Additional information:**

- Rent has been paid for 11 months and has been received for 13 months.
- Write off further Rs. 6,000 as bad.
- Additional discount of Rs. 4,000 given to debtors after closing the accounts.
- Additional discount of Rs. 2,000 received from creditors after closing the accounts.
- Maintain a provision for discount @ 2% on debtors.

- (f) Maintain a provision for doubtful debts @ 10%.
- (g) A machine costing Rs . 20,000 was purchased on 1 st July 2017. Wages Rs . 1,000 for its erection have been debited to General Expenses Account. Provide depreciation on Plant and Machinery @ 10% p.a..
- (h) A furniture costing Rs . 20,000 was purchased on 1st July 2017 but it was not recorded in the books as no payment was made of it. Wages Rs . 1,000 paid for its erection have been debited to General Expenses Account. Depreciate furniture 10%.
- (i) General Expenses include a sum of Rs . 4,000 spent on the erection of a cycle shed for employees and customers on 1st July, 2017. Provide 5% depreciation on building.
- (j) A fire broke out on 1st April, 2018 destroying Goods costing Rs . 20,000. (Marks 20)

2. The following Trial Balance was extracted from the Books of Mr. Selfish as on 31st March, 2018:

Particulars	Dr. (Rs.)	Particulars	Cr. (Rs.)
Plant and Machinery	2,00,000	Capital Account	8,00,000
Manufacturing wages	3,45,000	Sundry Creditors	4,45,600
Salaries	1,58,500	Bank loan	1,50,000
Furniture	1,00,000	Purchase returns	17,400
Freight on purchase	18,600	Sales	25,08,500
Freight on sales	21,400	Provision for Doubtful debts	
Buildings	2,40,000		
Manufacturing expenses	95,000		
Insurance and tax	42,000		
Goodwill	2,50,000		
General expenses	82,000		
Factory fuel and power	12,800		
Sundry debtors	7,82,000		
Factory lighting	9,500		
Opening Stock	3,42,000		
Motor car	1,20,000		
Purchases	10,20,000		
Sales returns	31,000		
Bad Debts	14,000		
Interests and Bank Charges	4,000		
Cash at bank	42,000		
Cash in hand	11,200		
	39,41,500		39,41,500

Required: Prepare the Trading Profit and Loss Accounts for the year ended 31st March, 2018, and the Balance Sheet as on that date taking into consideration the following information:

- (a) Closing Stock was valued at Rs. 3,05,000.
- (b) Depreciate Plant and Machinery by 10% p.a., Furniture by 5% p.a. and Motor car by Rs. 10,000.
- (c) Create provision for doubtful debts at 5% on Sundry Debtors.
- (d) A commission of 1% on the gross profit is to be provided to Works Manager.
- (e) General Manager is to be allowed a commission @ 2% on net profit after charging works Manager's and before charging General Manager's Commission.

**(Marks 15)**

3. Prepare Income and Expenditure Account and Balance Sheet of Bhagat Singh College Sports Club, Delhi from the following information:

**RECEIPTS AND PAYMENTS ACCOUNT OF BHAGAT SINGH COLLEGE  
SPORTS CLUB, DELHI**

Dr	for the year ended on 31st March, 2018	Cr.	
Receipts	000	Payments	000
To Balance b/d: Cash	500	By Rent	9,750
Bank	4,000	By Miscellaneous Expenses	28,800
Stamps	300	By Postage Expenses	1,200
To Subscription	4,650	By Furniture	8,000
2016-2017	67,200	By Creditors for Sports Material	12,200
2017-2018	2,600	By Cost of prizes (to be awarded)	4,150
2018-2019	74,450	By Cash purchase of Sports Materials	2,000
To Entrance Fees	8,000	By Match Expenses	7,030
To General Donations	4,050	By Balance c/d:	
To Donations for Prize Fund	2,800	Cash	545
To Sale of old Sports Materials	5,200	Bank	26,000
To Interest on Prize Fund			
Investments	300	Stamps	150
To Miscellaneous Receipts	225		
	99,825		26,695
			99,825

**Information:**

Particulars	1.4.2017 `	31.3.2018 `
Sports Materials	4,000	5,000
Furniture	40,000	?
5% Prize Fund Investments (Face Value Rs . 12,000)	11,700	?
Creditors for Sports Materials	1,400	2,950
Subscription in arrears	4,750	?
Subscription in advance	1,400	?
Prize Fund	12,000	?
Rent paid in advance	—	750
Outstanding Rent	750	—
Outstanding Miscellaneous Expenses	2,280	4,020
Miscellaneous Expenses paid in advance	750	850

Book Value of Sports Materials sold was Rs . 4,000. Depreciation on furniture is to be provided @ 10%.

Half of entrance fees to be capitalised. There are 720 members, each paying an annual subscription of Rs . 100. (Marks 20)

