

Time : 3 Hours]**[Total Marks : 70****Instruction :** All questions carry equal marks.

1. Give very short answers : (any seven) 14
- (a) Accounting Error
 - (b) Profitability
 - (c) Bonus Share
 - (d) Earning per share
 - (e) Amortization
 - (f) Accounting cycle
 - (g) Sales allowances
 - (h) Conservatism
 - (i) Debtor turnover ratio

2. (a) Define the term 'Assets' and explain different types of assets with suitable examples. 7
- (b) Discuss briefly any four concepts of Accounting with suitable example. 7

OR

- (a) Define ownership equity and also write characteristics of the same.
- (b) Define the term Inventory. Explain the methods of valuation of inventory.
3. The following is the financial position as on 31st March. 14

Particulars	2011	2012	Particulars	2011	2012
Current liabilities	80,000	1,00,000	Cash	12,000	11,000
Loan from Ram Ltd.	-	40,000	Debtors	80,000	85,000
Loan from Bank	80,000	50,000	Stock	68,000	54,000
Share capital	3,00,000	3,00,000	Land	70,000	90,000
P & L A/c	1,40,000	1,60,000	Building	2,00,000	2,20,000
			Machinery	2,00,000	2,30,000
			Provision for depreciation	(30,000)	(40,000)
Total	6,00,000	6,50,000		6,00,000	6,50,000

During the year ₹ 60,000 was paid as dividend, you are required to prepare cash flow statement.

OR

From the transactions given below, prepare the ledger accounts and trial balance of M/S. Vijayalaxmi.

1. Commenced business with a capital	₹	10,00,000
2. Purchased Machinery for cash	₹	42,000
3. Purchased goods	₹	24,000
4. Sold goods to Sujata Pvt. Ltd.	₹	28,000
5. Bought goods from Jahangir	₹	13,000
6. Sold goods for cash	₹	24,000
7. Received cash from Sujata Pvt. Ltd. in full settlement of the A/c	₹	27,500
8. Paid rent	₹	6,000
9. Paid salaries	₹	8,000
10. Purchased buildings	₹	5,00,000

4. (a) What do you mean by liabilities ? Explain various types of liabilities with example. 7
 (b) Give meaning of Ratio Analysis and also write advantages and disadvantages of Ratio analysis. 7

OR

- (a) What do you mean by Internal Control System ? Write down the features of good Internal Control.
 (b) "Decision on the basis of financial statements may not be regarded as final and accurate" – Comment.
5. From the following trial balance of Mr. Ajay, prepare trading and profit & loss account for the year ended 31st March 2012 and the balance sheet as on that date after taking into account the adjustment given. 14

Debit Balance	₹	Credit Balance	₹
Ajay's drawings	4,500	Ajay's Capital	24,000
Purchases	20,000	Sales	30,500
Return inwards	1,500	Discount	1,900
Stock (1-4-2011)	8,000	Sundry creditors	10,000
Salary	4,200	Bills payable	2,500
Wages	1,200		
Rent	350		
Bad debts	400		
Discount	700		
Sundry debtors	14,000		
Cash in hand	260		
Cash at bank	5,940		
Insurance	400		
Trade Expenses	300		
Printing	150		
Furniture	2,000		
Machinery	5,000		

Adjustments :

- (1) Closing stock was valued at ₹ 7,000.
- (2) Insurance was prepaid to the extent of ₹ 60.
- (3) Outstanding liabilities were, Salary ₹ 200 and Wages ₹ 200.
- (4) Make provision for doubtful debts at 5% on sundry debtors.
- (5) Calculate interest on capital 5% per annum.
- (6) Depreciation is provided at 5% on machinery and 10% on furniture.
- (7) Provide discount on creditors at 1%.