

- B. : (1) Question No. 1 is compulsory.
 (2) Attempt any two questions from Question Nos. 2 to 4.
 (3) Attempt any two questions from Question Nos. 5 to 7.
 (4) Answers to the questions should be grouped and written together.
 (5) Figures to the right indicate full marks assigned to the questions.

Explain the limitations of Ratio Analysis. 10

From the following trial balance of shri Kishor prepare trading and Profit and Loss A/c for the year 31st March, 2012 and Balance sheet as on that date : 10

Trial Balance as on 31/03/2012

Particulars	Debit ₹	Credit ₹
Sundry Debtors	22,000	-
Sales	-	85,950
Opening Stock	35,000	-
General Expenses	2,750	-
Bills Payable	-	5,000
Rent	2,575	-
Discount Allowed	1,500	-
Sundry Creditors	-	25,000
Travelling Expenses	1,225	-
Cash in Hand	3,500	-
Bank Overdraft	-	21,000
Buildings	46,000	-
Plant and Machinery	38,200	-
Purchases	25,600	-
Sales Return	1,500	-
Fire Insurance Premium	1,550	-
Capital	-	75,800
Drawings	3,200	-
Bills Receivable	3,500	-
Purchase Return	-	1,200
Advertisement	2,400	-
Wages	15,750	-
Bad Debts	400	-
Interest Paid	610	-
Salaries	7,500	-
Sundry Income	-	810
Total :	2,14,760	2,14,760

[TURN OVER

Adjustments :

- (i) Closing Stock was valued at ₹ 36,000/-
- (ii) Depreciate Building by 10%
- (iii) Rent and Salaries outstanding ₹ 200/- and ₹ 500/- respectively
- (iv) Fire Insurance Premium and Advertisement prepaid ₹ 75/- and ₹ 500/- respectively.

(a) Write short notes on :- 10

- (i) Trial balance
- (ii) Ledger.

(b) Journalise the following transactions in the Journal of shri Anand for the month of September, 2012. 10

September, 2012

1. Started business with cash ₹ 20,000/-
2. Opened a bank account with State Bank of India for ₹ 5,000/-
3. Purchased goods from Mr. Z. Ltd. for ₹ 2,000/-
4. Paid Commission ₹ 300/-
8. Paid Rent to Landlord ₹ 5,000/-
9. Sold goods to Mr. D on credit for ₹ 1,000/-
10. Paid carriage on goods purchased ₹ 100/-
17. Withdrew cash for household expenses amounted to ₹ 600/-
19. Goods returned by Mr. D for ₹ 250/-
20. Anand brought into business sale proceeds of his personal scooter ₹ 2,500/-
29. Purchased goods worth ₹ 2,000/- from Mr. B subject to trade discount of 2%.

(a) What are the reasons for differences in cash book balance and pass book balance. 10

(b) From the following particulars prepare a three columnar cash book with cash, bank and discount columns. 10

October, 2012

1. Started business with cash ₹ 25,000/-
2. Opened a current account in a bank with ₹ 20,000/-
5. Received a cheque of ₹ 740/- from D. Dastoor in settlement of ₹ 750/- and paid the same into bank.
8. Paid to Rao and Sons by cheque ₹ 1,230/- and received discount ₹ 20/-.
11. Cheque received from D. Dastoor is returned dishonoured.
14. P. Parkar deposited ₹ 1,000/- directly into bank account.
17. Paid for purchase of goods by cash ₹ 750/- and by cheque ₹ 1,250/-.
20. Draw for personal use ₹ 200/- in cash and ₹ 2,000/- by cheque.
24. Drew from Bank for office use ₹ 2,000/-
31. Bank charges ₹ 20/- and bank interest ₹ 100/- entered by bank in the Pass book only.

- (a) Explain the following terms :- 10
- Creditors
 - Bad debts
 - Drawings
 - Capital.
- (b) Explain the accounting concepts and conventions. 10

(a) What is the need of fund flow statement for an organization. 10

(b) (i) A firm has made a credit sale of ₹ 2,40,000/- during the year. The opening debtors are ₹ 27,500/- and closing debtors are ₹ 32,500/-. Days to be taken for the year : 360 - Determine the Debtors Turnover Ratio and Average collection period. 10

- (ii) 1. A firm has made a credit purchase of ₹ 1,80,000/- during the year. The opening creditors are ₹ 42,500/- and closing creditors are ₹ 47,500/-. Determine the Creditors Turnover Ratio.
2. Calculate Gross Profit Ratio from the following information :
- Total Sales ₹ 30,00,000/-
Sales Return ₹ 5,00,000/-
Cost of good sold ₹ 20,00,000/-

(a) From the following data prepare a cash budget for four months from December to March : 10

Month	Sales (₹)	Purchases (₹)
December	1,00,000/-	64,000/-
January	1,20,000/-	1,20,000/-
February	1,38,000/-	1,40,000/-
March	1,60,000/-	90,000/-

Additional Information :

- Cash balance on 1st December is expected to be ₹ 12,000/-.
- Wages to be paid to workers ₹ 12,000/- each month.
- All sales are on cash basis.
- Dividend from investments amounting to ₹ 2,000/- are expected on 31st March.
- Income Tax to be paid in advance in March ₹ 4,000/-
- Preference share dividend of ₹ 10,000/- is to be paid on 28th February.
- All purchases are on cash basis.

Write short notes on :- 10

- Batch Costing
- Contract Costing.

What is working capital ? Explain temporary working capital and permanent working capital. 10

What is Cost Accounting ? Explain Fixed Cost and Variable Cost. 10