

GUJARAT TECHNOLOGICAL UNIVERSITY**B.VOC- SEMESTER– I EXAMINATION – WINTER 2023****Subject Code:1112201****Date:26-12-2023****Subject Name:Fundamentals of Accounts****Time:10:30 AM TO 12:30 PM****Total Marks:50****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.
4. Simple and non-programmable scientific calculators are allowed

Marks

- Q.1 (a)** Which are three Golden Rules of Journal Entries? Explain each with example **05**
- (b)** From the following transactions, pass Journal Entries with narration for M/s Shree & Co. 2023 **05**
1. Shree introduced capital through bank of Rs. 40,000. Debtors Rs. 35,000 and Cash Rs. 20,000.
 2. Cash withdrawn from the Bank Rs. 2000.
 3. Goods purchased from Neha Rs. 20,000 @10% trade discount and 10% cash discount. Shree has given half amount cheque to her.
 4. Goods sold to Rs.50,000 to Ms. Ashtha @ 10% trade discount.
 5. Paid Rs. 1000 for life insurance and Rs. 500 for Fire insurance by cheque.
- Q.2 (a)** Classify the following accounts under Real, Personal or Nominal Account **05**
1. ICICI Bank Account
 2. Plant and Machinery Account
 3. Opening Stock Account
 4. Commission Received Account
 5. Capital Account
- (b)** From the following transactions, Prepare double column Cash Book in the books of Mr. Patil April 2015 **05**
1. Opening Cash Balance Rs. 6000 and Bank Balance Rs. 5000
 3. Goods of Rs. 10,000 sold to Pankaj for cash @10% trade discount
 5. Goods of Rs. 3000 purchased for cash from Janki.
 7. Cash of Rs. 1500 is deposited in the bank.
 9. Stationery expenses of Rs. 1000 and salary of Rs. 3000 paid by cheque.
 11. Rs. 1100 paid towards shop rent.
 14. Cheque of Rs. 3000 received from Yesha, which is immediately deposited in the bank.
 17. Rs. 1000 withdrawn from the bank to pay fire insurance premium.
 21. Furniture of Rs. 800 purchased for household and cheque for the necessary amount is issued from the bank account of the business.
 23. Fire insurance premium paid Rs. 1000
 27. Placed an order with Akbarbhai for supply of goods of Rs. 5000

OR

- (b) The following balances are extracted from the books of Ms. Maria , prepare Trial Balance as on 31-3-23.

05

Name of Account	Balance Rs.
Capital	4,70,200
Machinery	1,58,800
Cash on hand	6,000
Account Receivable	48,000
Building	3,20,000
Repairs	5,400
Stock	33,000
Insurance premium	3,300
Sales	2,90,000
Bills payable	26,000
Commission	750
Telephone Charges	6,450
Rent & Taxes	6,300
Furniture	11,000
Purchases	1,65,000
Discount earned	1,100
Loan from Sidra	51,000
Salaries	70,600
Reserve Fund	5,900
Discount Allowed	650
Note receivable	8,600
Drawings	5,000
Bad debts	1,350

Q.3

During May 2016, the John Trading Company made the following transactions:

10

May 01: Cash balance INR 2,200, bank overdraft INR 365.

May 03: Paid J & Co. by cheque INR 1,200, discount received amounting to INR 15.

May 05: Received from A & Co. a cheque for INR 980, discount allowed to them INR 20.

May 07: Deposited into bank the check received from A & Co. on May 05.

May 10: Purchased stationery for cash, INR 150.

May 15: Purchased Goods for cash, INR 1,300.

May 15: Cash sales for INR 2,350.

May 16: Deposited into bank INR 1,600.

May 18: Cash withdrawn from bank for personal expenses INR 150.

May 19: Issued a cheque for goods purchased, INR 1,650.

May 21: Drew cash from bank for office use, INR 650.

May 24: Received a cheque from S & Sons and deposited it into bank, INR 1,560.

May 25: Paid a cheque to Ali for INR 400 and received a discount of INR 15.

May 27: Purchased furniture in cash for office use, INR 390.

May 29: Paid office rent by cheque, INR 450.

May 30: Cash sales INR 4,300.

May 31: Paid salaries by cheque, INR 1,760.

May 31: Withdrew cash from bank for office use, INR 1,470.

OR

- Q.3 (a)** Govind Limited has purchased a machine for Rs. 97,000 on 1-4-21. Installation expense of this machine was Rs. 3,000. Depreciation is to be provided at 10% every year under reducing balance method. **05**

Ascertain amount of depreciation, prepare machine account and depreciation account for the first two years.

- (b)** What do you mean by Cash Flow Statement? What is the Importance of preparing the Cash Flow Statement? **05**

- Q.4 (a)** Mr. Mohan has following records of purchases and issues of raw material used for manufacturing of Food Products. **05**

Date	Purchase	Issue	Price per Kg. Rs.
April 1	5000 Kg		25
April 5	3000 Kg		22
April 15		6500	
April 20	4000 Kg		28
April 25	2500 Kg		30
April 30		3500	

Compute value of Closing Stock using LIFO Method

- Q.4 (b)** Write down Difference between Bookkeeping and Accounting **05**

OR

- Q.4** Enter the following transactions in the Purchase Book, Sales Book, Purchase Returns Book and Sales Returns Book of Abhishek and Co. for the month of January, 2011. **10**

- 1 Purchased goods from Raj Traders Rs 16,400 at 10% trade discount.
- 3 Preeti enterprises invoiced goods to us Rs 17,250.
- 6 Sold goods to Vinita Stores Rs 19,000 at 5% trade discount.
- 9 Mitesh Associates invoiced goods to us Rs 17,000 at 2.5% trade discount.
- 12 Returned goods to Raj traders Rs 1,650 (Net).
- 15 Vinita Traders returned goods to us as they were damaged in transit Rs 4,000 (Gross).
- 18 Returned goods to Preeti Rs 2,550
- 23 Placed an order with Novel Stores for goods worth Rs 29,000.
- 25 Novel Stores supplied goods worth Rs 19,000 only
- 26 Returned goods to Novel Stores as they were not as per specification Rs 2,550.
- 28 Sold goods to Deepika Rs 24,000 at 8% trade discount.
- 30 Deepika returned goods of Rs 4,000 (Gross).

- Q.5 (a)** Classify Following into Investing, Financing or Operating Activities **05**

1. Commission received
2. Income Tax paid
3. Purchase of Furniture
4. Dividend Payment
5. Redemption of preference share

(b) Write down the formula for the followings:

05

- (1) Current Ratio
- (2) Debtors Turnover Ratio
- (3) Stock Turnover Ratio
- (4) Operating Profit Ratio
- (5) Proprietary Ratio

OR

Q.5

Prepare Final Accounts from the Trial Balance and Adjustments of Preeti As on 31-03-23 10

Name of Account	Debit Rs.	Credit Rs.
Capital – Drawings	15,000	1,39,000
Adjusted Purchase and Sales	5,00,000	8,50,000
Goods Return	40,000	-
Discount	4000	6000
Rent	5000	
Debtors- Creditors	1,00,000	80,000
Commission	6000	
Bills	15,000	25,000
Cash Balance	10,000	
Bank Balance	25,000	
Building	1,00,000	
Furniture	30,000	
Machinery	2,00,000	
Wages	5000	
Carriage inward	5000	
10% Bank Loan and Bank Loan Interest	10,000	1,00,000
Closing Stock	30,000	
Office Expenses	1,00,000	
Total	12,00,000	12,00,000

Adjustments: (1) Goods of Rs.10,000 lost due to theft.

(2) Goods of Rs. 5,000 distributed as sample.

(3) Goods of Rs. 6000 burnt by Fire.

(4) Goods of Rs. 3000 given as charity.
