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BIM II

Q. P. Code - 56926

1. a) [1 Mark Each]

1. Totalling of journal or ledger is Casting
2. Machinery bought on credit for permanent use is Property
3. Money value or Reputation of business is known as Goodwill
4. Hire Purchase Comprised of Hire Purchaser and Vendor
5. Assets which can be seen are called as tangible
6. The goods remaining unsold are Stock
7. Rent Paid to landlord is debited to rent Account
8. Sale of typewriter to be credited to typewriter A/c
9. Accounting for Inventory is Provided by AS 2
10. The AS 10 does not apply to Biological asset

b) [1 Mark Each]

COLUMN A	COLUMN B
1. Trading Concern	c. Established for earning profits
2. Debtors	a. Assets
3. Capital	b. Amount invested in business
4. Cash System	f. Cash transaction
5. Contra Entry	d. Does not entail posting
6. Repayment of Loan	e. Capital expenditure
7. legal expenses on collection from debtors	l. Revenue expenditure
8. Cheque	g. An instrument to pay
9. IFRS	j. FASB
10. Pay in slip used	h. for deposit cash into bank

2. [5 Marks]

Date	Particulars	L.F	Debit	Credit
Jan 01	Cash a/c Dr	1	75000	
	Building a/c Dr	2	85000	
	Furniture a/c Dr	3	25000	
	To capital a/c	4		185000
Jan 03	Purchase a/c Dr	5	125000	
	To cash a/c	1		125000
Jan 04	Cash a/c Dr	1	150000	
	To sales a/c	6		150000
Jan 06	Purchase a/c Dr	5	180000	
	To ritesh & co a/c	7		180000
Jan 08	Parmar & co a/c Dr	8	280000	
	To sales a/c	6		280000

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Jan 20	Cash a/c Dr To parmar & co a/c	1 8	280000	280000
Jan 25	Ritesh & co a/c Dr To cash a/c	7 1	180000	180000
Jan 28	Salary a/c Dr Insurance a/c Dr Printing & stationary a/c Dr To cash a/c	9 10 11 1	15000 2500 7500	25000

[8 Marks]

Dr		Cash a/c				Cr
01/01	To capital a/c	75000	03/01	By purchase a/c	125000	
04/01	To sales a/c	150000	25/012	By ritesh & co a/c	180000	
20/01	To parmar & co a/c	280000	28/01	By salary a/c	15000	
			28/01	By insurance a/c	2500	
			28/01	By printing & stationary a/c	7500	
			31/01	By bal c/d	175000	
		505000			505000	
		Building a/c				
01/01	To capital a/c	85000	31/01	By bal c/d	85000	
		85000			85000	
		Furniture a/c				
01/01	To capital a/c	25000	31/01	By bal c/d	25000	
		25000			25000	
		capital a/c				
31/01	To bal c/d	185000	01/01	By cash a/c	75000	
			01/01	By building a/c	85000	
			01/01	By furniture a/c	25000	
		185000			185000	
		Purchase a/c				
03/01	To cash a/c	125000	31/01	By bal c/d	305000	
06/01	To ritesh & co a/c	180000				
		305000			305000	
		Sales a/c				

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31/01	To bal c/d	430000	04/01	By cash a/c	150000
			08/01	By parmar & co a/c	280000
		430000			430000
Ritesh & co a/c					
25/01	To cash	180000	06/01	By purchase a/c	180000
		180000			180000
Parmar & co a/c					
08/01	To sales a/c	280000	20/01	By cash a/c	280000
		280000			280000
Salary a/c					
28/01	To cash a/c	15000	31/01	By bal c/d	15000
		15000			15000
Insurance a/c					
28/01	To cash a/c	2500	31/01	By bal c/d	2500
		2500			2500
Printing & stationary a/c					
28/01	To cash a/c	7500	31/01	By bal c/d	7500
		7500			7500

[2 Marks]

Trial Balance

particulars	debit	credit
Cash	175000	
Building	85000	
Furniture	25000	
Capital		
Purchase	305000	185000
Sales		430000
Salary	15000	
insurance	2500	
Printing & stationary	7500	
Total	615000	615000

(OR)

2. [1 Mark for Identification of expenses and 1 Mark for explanation 1 for Neatness]

- 1) capital expenditure
- 2) capital expenditure
- 3) revenue expenditure
- 4) revenue expenditure

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- 5) revenue expenditure
- 6) deferred revenue expenditure
- 7) capital receipt

3. [5 Marks for Table Remaining Marks for Ledgers]

date	Opening balance	principle	interest	Instalment	Closing balance	Depreciation @10% p.a.
01.01.16	15000	2000			13000	
31.12.16	13000	2350	650	3000	10650	1,500
31.12.17	10650	2468	532	3000	8182	1,500
31.12.18	8182	2591	409	3000	5591	1,500
31.12.19	5591	27250	280	3000	2871	1,500
31.12.20	2871	2871	129	3000		1,500
Total		15000	2000	17000		

(OR)

3) [8 Marks for weighted Average Method Remaining 7 Marks for FIFO]

Weighted average method									
Date	issues			receipts			Balance		
	Q	R	T	Q	R	T	Q	R	T
Jan 05							700	25	17500
06				400	25	10000	300	25	7500
09	900	35	3150				1200	8.87	10650
11				600	8.87	5322	600	8.88	5328
16	200	40	8000				800	16.66	13328
21	900	45	40500				1700	31.66	53828
31				500	31.66	15830	1200	31.66	37998
FIRST IN FIRST OUT									
Date	receipts			issues			Balance		
Jan 05	Q	R	T	Q	R	T	Q	R	T
05							700	25	17500
06				400	25	10000	300	25	7500

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09	900	35	3150				300	25	7500
							900	35	3150
11				300	25	7500	600	35	21000
				300	35	10500			
16	200	40	8000				600	35	21000
							200	40	8000
21	900	45	40500				600	35	21000
							200	40	8000
							900	45	40500
31				500	35	17500	100	35	3500
							200	40	8000
							900	45	40500

4. In the books of M/s Karishma Manufacturing A/c
For the year ended 31st Dec 2016 [4 Marks]

Particulars	Amount	Particulars	Amount
To opening stock		By closing stock	
Work-in-progress	20000	Work-in-progress	7000
To raw material consumed		By sale of scrap	3000
Opening stock 46000		By COGM	
Purchase 200000		(transferred to trading a/c)	298800
Carriage inward 2000			
Closing stock (15800)	232200		
To wages 24000			
(+) Outstanding 2000	26000		
To repairs to plant	2400		
To lighting expense			
(75% charged to factory)	2700		
To rent			
(75% charged to factory)	7500		
To depreciation			

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(plant & machinery)	18000		
	308800		308800

Trading A/c

For the year ended 31st Dec 2016 [2 Marks]

Particulars	Amount	Particulars	Amount
To opening stock		By sales	400000
Finished goods	31000	By closing stock	
To COGM	298800	Finished goods	18200
To gross profit	88400		
	418200		418200

Profit & Loss a/c

For the year ended 31st Dec 2016 [4 Marks]

Particulars	Amount	Particulars	Amount
To lighting expense		By gross profit b/d	188400
(25% charged to office)	900		
To rent			
(25% charged to office)	2500		
To salary 20000			
(+) Outstanding 2000	22000		
To repairs of office			
equipment	1200		
To provision on doubtful			
Debts 5400			
(-) Old provision on 2000	1400		
To general expense	7200		
To net profit	51800		
	188400		188400

Balance Sheet

As at 31st Dec 2016 [5 Marks]

Liability	Amount	Asset	Amount
Capital 200000		Plant & mach 180000	
(+) Net profit 51800	251800	(-) depreciation 18000	162000
Creditors	34000	Closing stock	
Bills payable	17000	Raw material 15800	
Outstanding wages	2000	Work in progress 7000	
Outstanding salary	2000	Finished goods 18200	41000
		Bills receivable	50000
		Cash at Bank	4000
		Debtors 54000	
		(-) provision 5400	48000
	306200		306200

(OR)

4.a)

Manufacturing a/c

For the year ended 31st mar 2106 [8 Marks]

Particulars	Amount	Particulars	Amount
To op stk of wip	200000	Cl stk of WIP	135000
To raw materials consumed		By sale of scrap	15000
Op stk 450000		By COGM	1341750
Purchase 1100000			
Car inward 25000			
Cl stk (350000)	1225000		
To rent (215 th)	18000		
To Insurance (40%)	4000		
To Repairs	8750		
To Supervisor's Salary	25000		

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To Manager's Salary (1/5 th)	11000		
	1491750		1491750

4.b) [7 Marks]

S.no	Particulars		Debit	Credit
1	Interest on capital a/c	DR	500	
	Drawings a/c	DR	150	
	To capital a/c			500
	To interest on drawings a/c			150
2	Salary a/c	DR	10000	
	Rent a/c	DR	5600	
	To outstanding a/c			15600
3	Closing stocks	DR	55000	
	To trading a/c			55000
4	Profit & loss a/c	DR	2500	
	To provision for bad debts a/c			2500
5	Prepaid insurance a/c	DR	6000	
	To insurance a/c			6000
6	Drawings a/c		6500	
	To goods with drawn by			
	Proprietor a/c			6500

Q. 5. Theory questions as per contain of answers