

Total Marks: 80

(3 Hours)

NB. 1. Question No.1 is compulsory.

2. Attempt any four questions out of the remaining.

3. Answer to the questions should be grouped and written together.

4. Figures to the right indicates full marks assigned to the question.

- a Explain the advantages and disadvantages of Ratio Analysis. (10)
- b From the following trial balance prepare trading and profit and loss account and balance sheet as on 31<sup>st</sup> March 2016 (10)

Particulars	Debit Amount (Rs)	Particulars	Credit Amount (Rs)
Opening stock	17,000	Sales	60,000
Manufacturing wages	10,000	Creditors	20,000
Factory rent	2,000	Bills payable	10,000
Factory lighting	3,000	Capital	43,000
Purchases	30,000		
Carriage	3,000		
Salary	2,000		
Office rent	2,000		
Printing and stationary	1,000		
Bad debts	1,000		
Land	10,000		
Buildings	20,000		
Plant and machinery	15,000		
Furniture	5,000		
Depreciation	2,000		
Debtors	5,000		
Cash in hand	5,000		
	<b>1,33,000</b>		<b>1,33,000</b>

Closing stock was valued at Rs. 19,000

[ TURN OVER ]

a Journalize following transactions in the books of Narayani. (10)

2016

- Jan 1 Started business with cash Rs.80,000.
- Jan 2 Bought goods for cash Rs.10,000.
- Jan 3 Received from Lalita Rs.10,000.
- Jan 4 Commission received by cheque of Rs.10,000.
- Jan 5 Sold furniture for Rs.25,000.
- Jan 6 Purchased goods of Rs.20,000 @ 10 % Cash Discount.
- Jan 7 Issued cheque of Rs 5,000 to Nandkumar and sons.
- Jan 8 Paid Insurance Premium of Rs.12,000 by cheque.
- Jan 9 Salaries paid Rs.10,000.
- Jan 10 Paid Rent Rs.2,500 by cheque.

b Briefly explain the Separate Entity Concept with example. (05)

a "Ratio Analysis is an important tool for judgment of the financial health of any organization." Elaborate. (10)

b What do you mean by Assets? Classify the assets with suitable examples. (05)

a Prepare Triple Column Cash Book from the following transactions and balance the same. (10)

2015

- Nov. 1 Cash in hand Rs. 40,000 and Bank balance Rs. 35,000.
- Nov. 2 Deposited in the bank Rs. 5,000/-.
- Nov. 3 Sold goods to Rajkumar for Rs. 15,000/- and cash discount allowed 2% and received cash for the balance.
- Nov. 4 Insurance Premium paid Rs. 8,000 by cheque.
- Nov. 7 Bought goods from Rajan for Rs. 5,000, cash discount received 2% and paid cheque for the balance.
- Nov. 9 Salaries paid by cheque Rs. 10,000.
- Nov. 14 Paid Rs. 2,400 to Joshi & Co., half by cash and half by cheque.
- Nov. 16 Dividend collected by the Bank as per pass book Rs. 2,000.
- Nov. 18 Sold goods for cash and deposited into the bank on the same day Rs. 5,000.
- Nov. 20 Received from Radhika Rs. 9,800 in settlement of her account for Rs. 10,000

b Write short note on trial balance. (05)

a Explain Accounting process with examples. (10)

b Explain compound Journal entry with example. (05)

Following information is given by a company from its books of accounts as on March 31, 2016: (10)

Particulars	Amount (Rs.)
Inventory	1,00,000
Total current assets	1,60,000
Shareholders Fund	4,00,000
13% debentures	3,00,000
Current liabilities	1,00,000
Net profit before tax	3,51,000
Cost of revenue from operations	5,00,000

Calculate:

- i) Current Ratio                      ii) Liquid Ratio                      iii) Debt Equity Ratio  
iv) Interest Coverage Ratio        v) Inventory Turnover Ratio

What is cash flow statement? (05)

From the following information prepare cash Budget for three months October-December 2015 (10)

Month	Credit Sales (Rs.)	Credit Purchases (Rs.)	Administration Expenses (Rs.)	Manufacturing Expenses (Rs.)
July	1,10,000	82,000	7,000	4,000
August	84,000	68,000	6,000	4,000
September	72,000	39,000	6,500	7,000
October	1,25,000	68,000	8,500	6,000
November	94,000	89,000	5,500	6,000
December	69,000	70,000	7,500	2,000

Other information:

- Opening Cash balance is Rs.25,000.
- Credit allowed by supplier is one month.
- Credit allowed to customer is two month.
- Delay in payment of Administration and Manufacturing expenses are one month.
- Machinery purchased Rs.15,000 in the month of November

What is Ledger? Explain necessity of ledger. (05)

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