

COMMERCE EXAMINATIONS
BOOK-KEEPING & ACCOUNTANCY
SENIOR GRADE - II Paper

July, 2015

{ Time : 2 $\frac{1}{2}$ Hours
 { Max. Marks : 100

Note : Answer any five questions.

1. From the following Trial Balance of the Panduranga Trading Company Limited, prepare Profit and Loss Account and a Balance Sheet after transferring Rs. 10,000 to the Reserve Fund, Rs. 5,000 to the Employees' Provident Fund and Rs. 5,000 to the Insurance Fund from the year's profit.

	Rs.
Land and Building	50,000
Profit and Loss Appropriation Account (on. 1.1. 2004)	7,000
Profit and Loss Account (This year's <i>i.e.</i> on 31.12.04)	31,000
Machinery	40,000
Share capital	1,00,000
Interim Dividend paid	6,000
Creditors	10,000
Stock (31.12.2004)	34,000
Reserve Fund	17,000
Debtors	25,000
Employees' Provident Fund	8,000
Cash	15,000
Insurance Fund	4,000
Share Premium Fund	4,000
Forfeited Share Account	2,000
Call in Arrears	10,000

2. A Head office in London sends goods to its branch at Dharmasthala marked 20% above cost. From the following particulars, show how the Branch account will appear in the Head office books. Give also the Journal Entries necessary for the Head office to adjust the Branch A/c for arriving at the profit or loss made by branch. 20

	Rs.		Rs.
Stock on 1.7.2006 at the Branch	1,800	Cheque sent to branch : Salary Rs. 900	
Debtor	3,000	Rent and Taxi : Rs. 150	
Petty cash	30	Petty cash : Rs. 110	1,160
Goods supplied to branch	30,000	Stock at branch on 31.12.2006	3,000
Remittance from branch cash sales Rs. 6,000		Debtors at the branch on 31.12.06	4,800
Money received from Debtors Rs. 21,000	27,000	Petty cash at the branch on 31.12.06	20

3. From the following details prepare accounts to disclose profits of the two Departments for the year ended on 31.03.2008.

	Umbrella Rs.	Rain Coats Rs.
Opening stock	1,52,000	1,00,000
Sales	2,80,000	2,40,000
Purchases	58,000	62,000
Closing stock	18,000	15,000
Salaries	29,000	22,000

Common Expenses

Preliminary Expenses	16,000
Rent	13,000
General Salaries	12,000
Insurance Premium	10,000
Carriage Inward	4,500
Advertisement	22,000

Additional Information :

- (i) Goods transferred from Umbrella to Raincoats department were Rs. 5,000.

- (ii) General salaries and Preliminary expenses to be allocated equally.
- (iii) Insurance also to be divided equally.
- (iv) Areas occupied by the two departments are in the ratio of 3 : 2. 20
4. On 1st April, 2010 M/s Bhaskar & Co. purchased machinery on hire purchase terms from M/s Chaitanya & Co. for Rs. 50,000. The terms are Rs. 20,000 down payment and balance in three yearly instalments of Rs. 15,000 plus interest at the rate of 18% p.a. Depreciation of 10% per annum under diminishing balance method to be followed.

Show the Journal Entries and Ledger Accounts to record the above, in the books of both the parties. 20

5. Mr. Subramanya, a Central Govt. Officer working in Income Tax Dept. furnishes the following income details for the financial year 1996-97. Calculate his taxable income and rebate permissible under Sec. 88 [Max 20% of savings under Sec. 88 is permissible].

	Rs.
Total salary [including HRA - 700]	1,10,220
Prof. Tax paid	1,008
House Rent paid	16,800
G. P. F. contribution	4,800
Insurance premium	3,600
Group Insurance	960
N. S. C. purchased	10,000
Accrued Interest on N.S.C.	6,670
Purchased earlier	6,670

Note :

- (i) All the above figures are per annum.
- (ii) The officer's basic pay is Rs. 4,325 per month. 20
6. a) What is consignment ? Differentiate between sale and consignment.
- b) Vijayanagar Co. purchased on hire purchase system 50 TVs. The cash price is Rs. 60,000 and agreed to pay Rs. 16,000 on signing down the contract on 1.1.90 and the balance of Rs. 16,000 each at the end of every year. If the rate of interest is 5%, calculate the amount of interest included in each instalment. 20

[Turn over