

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

July, 2015

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

Note : i) Answer *all* questions.

ii) All questions carry equal marks.

1. a) What is consignment ? Distinguish between Consignment and Joint venture ?

b) On 1st January, 1994 Somu consigned the goods amounting to Rs. 10,000 to their agent Rust & Co., Mumbai. They paid thereon Rs. 240 for freight and Rs. 180 for insurance. On 1.1.1994, they drew on Rust & Co., for Rs. 4,000 as on advance against consignment and discounted the same for Rs. 3,900 on 7.2.1994, they received Account Sales showing that $\frac{3}{4}$ of the goods were sold for Rs. 10,200 and the expenses of Rust & Co. amounting to Rs. 350 and their commission, Rs. 600. The unsold stock was valued at Rs. 3,000. A 2 month draft was received from Rust & Co. in settlement of the amount to date.

Pass the Journal Entries and prepare consignment to Rust & Co. account in the books of Somu. 20

2. a) What are the differences between Receipts and Payments Account and Income and Expenditure Account ?

b) Prepare a Current Account of Sham and Brothers from the following :

		Rs.	
June 1	Goods sold to Shivaji	200	Due on March 31st
Feb. 1	Received cash from Shivaji	224	
March 1	Bought goods from Shivaji	200	
May 1	Bought goods from Shivaji	500	Due May 1
	Paid to Shivaji	200	
May 1	Bought goods from Shivaji		
April 1	Paid to Shivaji		
June 30	Sold goods to Shivaji	300	
	Interest 5% and the amount	20	
	to be made up to 30th June		

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3. *M* owed to *B* the following sums :

	Rs.
On 20th August, 2002	1,200
On 10th October, 2002	800
On 20th November, 2002	600
On 30th November, 2002	1,400

A wishes to make one payment without loss or gain of interest. Ascertain the date on which the payment should be made. 20

4. From the following Trial balance, prepare the Trading and *P & L* Account for the year ended on 31.01.1992 and a Balance Sheet as on 31.12.1992.

Trial Balance

	Dr	Cr
Capital	—	50,000
Purchases	1,00,000	—
Drawings	8,000	—
Carriage inward	4,000	—
Carriage outward	5,000	—
Loan to Soma	10,000	—
Sundry expenses	600	—
Sundry debtors	50,000	—
Provision for bad and doubted debts	—	3,500
Bad debts	1,000	—
Salaries	10,000	—
Rent and Taxes	2,500	—
Discount	—	1,000
Printing and Stationery	1,400	—
Wages	5,000	—
Returns	4,000	5,000
Sales	—	1,75,000
Bills receivable	10,000	—
Bills payable	—	6,000
Bank overdraft	—	6,000
Cash	5,000	—
Sundry creditors	—	60,000
Stock on 1.1.1992	40,000	—
Land and Buildings	50,000	—
	3,06,500	3,06,500

Adjustment :

(i) Closing stock Rs. 18,000.

- (ii) Make a provision for bad debts @ 3 % on Debtor.
- (iii) Reserve for discount on debtors @ 2% on Debtors.
- (iv) Depreciate Land and Building at 10%.
- (v) Interest on capital @ 6 %.

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5. a) What is a goodwill ? What are the types of goodwill values ?
- b) Given the Balance Sheet of *O* and *P* :

Liabilities	Rs.	Assets	Rs.
Creditors	10,000	Debtors	14,000
Reserve Fund	8,000	Stock	16,000
Capital Account		Building	12,000
<i>O</i> — Rs. 22,000		Investment	16,000
<i>P</i> — Rs. 18,000	40,000		
	58,000		58,000

S was admitted into partnership on the following terms :

- (i) Stock is to be valued at Rs. 15,000.
- (ii) A reserve for Bad debts is credited @ 4% on debtors.
- (iii) Buildings are to be depreciated at Rs. 1,500.
- (iv) *S* brings capital Rs. 10,000 and goodwill Rs. 7,000 which are withdrawn by *O* and *P*.

Pass the entries, prepare Ledger A/c and Balance Sheet.

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