

AP OPEN SCHOOL SOCIETY
SENIOR SECONDARY LEVEL COURSE
INTERMEDIATE ACCOUNTANCY (320)
ASSIGNMENT - I

Set - 1

1. What are the different branches of accounting ?
2. Distinguish between book-keeping and accounting.
3. Describe the objectives of accounting ?

Set - 2

1. Explain the terms of capital drawings and creditors.
2. Explain the role of an accountant in the society.
3. What do you mean by business entry concept.

Set - 3

1. State meaning and significance of money measurement ?
2. What is the meaning of Accounting period concept ?
3. What is the meaning of cost concept ?

Set - 4

1. Explain the concept of matching concept ?
2. What is the meaning of conversion of consistency ?
3. Discuss about convention of conservation ?

Set - 5

1. What is Accounting standard ?
2. Expand I.A.S.C. and explain it.
3. What is depreciation Accounting standard ?

Set - 6

1. Explain the convention of materiality ?
2. What are the different types of Accounting vouchers ?
3. Explain Accounting equation ?

Set - 7

1. What are the rules of Accounting ?
2. What is double entry system ?
3. Write the format of Journal ?

Set - 8

1. Write the classification of Journal ?
2. Journalise the following transactions ?
 - i) Started business with cash Rs. 3,00,000
 - ii) Bought goods on credit for Rs. 5,000
 - iii) Sold goods for cash Rs. 12,000 and on credit Rs. 8,000.
3. What are compound entries ? Explain with suitable examples.

Set - 9

1. CASH Discount and trade discount - explain them ?
2. What is ledger ? Explain its features ?
3. What are the different types of ledgers ?

Set - 10

1. What are the advantages of a Ledger ?
2. Following are the transactions for the month of December 2010. Make Journal entries, post them into ledger and balance the account.

1 Dec 2010	Commenced business with cash	60,000
2 Dec 2010	Paid into bank	30,000
5 Dec 2010	Purchased furniture for cash	5,000
10 Dec 2010	Sold goods to NEEHARIKA for cash	20,000
12 Dec 2010	Purchased goods from BHARGAVI	10,000

3. Following are the transactions for the month of November 2010 and make journal entries, post them into ledger and balance the account.

1 Nov 2010	Goods sold for cash	50,000
5 Nov 2010	Purchased goods from Hari	20,000
10 Nov 2010	Withdraw cash for personal use	10,000
20 Nov 2010	Paid to Hari cash	19,000
	discount allowed	1,000

Set - 11

1. What is cash book and explain its types ?
2. What is contact entry ? Discuss.
3. What is the meaning and need of Petty Cash Book ?

Set - 12

1. Enter the following transactions in the cash book of M/s. Gopal Traders.

Date	Details	Amount Rs.
1 Dec 2010	Cash in hand	27,500
5 Dec 2010	cash received from Nagesh	12,000
8 Dec 2010	Insurance premium paid	2,000
10 Dec 2010	Furniture purchased	6,000
14 Dec 2010	Goods sold for cash	15,000
18 Dec 2010	Purchased goods from Niranjana for cash	25,000
22 Dec 2010	Cash paid to Rohini	3,200
25 Dec 2010	Sold goods to Kiran for cash	18,000
31 Dec 2010	Salary paid	1,000

2. Enter the following transactions in the bank column cash book of M/s. Venkateshwara Traders for April 2010.

Date	Details	Amount Rs.
1 April 2010	Commenced business with cash	1,00,000
2 April 2010	Opened Bank Account with SBI	45,000
5 April 2010	Purchased goods by cash	6,000
10 April 2010	Purchased office machine for cash	4,500
15 April 2010	Sold goods on credit to Manjula and received cheque	7,000
18 April 2010	Cash sales	11,000
19 April 2010	Manjula Cheque deposited in to Bank.	
22 April 2010	Paid wages by cheque	400
30 April 2010	Rent paid by cheque	2,000

3. Write the meaning of purchases book and purchases return book ?

Set - 13

1. Discuss sales book and sales return book ?
2. State the importance of proper journal ?
3. Write the format of purchases book ?

Set - 14

1. Write the format of sales return book ?
2. Discuss 'Debit Note' ?
3. What is Credit Note ?

Set - 15

1. Record the following transactions for the month of December 2010 in the purchases of book of Varma co.

Date	Details	Amount Rs.
5 Dec 2010	Purchases for Naresh	40,000
10 Dec 2010	Purchases from Prakash	30,000
17 Dec 2010	Purchases from East India Company	5,000
25 Dec 2010	Purchased from Naresh	40,000
31 Dec 2010	Purchased from Pavitra	6,000

2. Enter the following transactions of M/s. Parvateeram of Dec 2010, prepare purchases return book ?

Date	Details	Amount Rs.
1 Dec 2010	Purchases for Srinivasa Rao	12,000
5 Dec 2010	Goods returned to Srinivasa Rao	1,000
12 Dec 2010	Purchases from Venkatesh	10,000
14 Dec 2010	Goods returned to venkatesh	900
30 Dec 2010	Purchases from Gopal	5,000

3. The details submitted by M/s. Gopal & Co. for the month or Dec 2010 are as under.

Date	Details	Amount Rs.
6 Dec 2010	Return from M/s. Sundaram & Co.	1,000
10 Dec 2010	Return from M/s. Neeharika & Co.	500
25 Dec 2010	Return from M/s. Subba Rao & Co.	2,000

Set - 16

1. What is bok reconciliation statement ?
2. What is the need of preparing Bank reconciliaion statement ?
3. What are the reasons for difference between cash book and pass book ?

Set - 17

1. From the following particulars, prepare bank reconciliation statement as on December 31, 2010.
 - i) Balance as per cash book Rs. 5,000
 - ii) Cheques issued but not presented for payment Rs. 3,000
 - iii) Cheques deposited but not collected Rs. 2,000
 - iv) Bank Charges debited by the bank Rs. 500

2. From the following particulars of M/s. Annamayya Industries, prepare bank reconciliation statement as on December 31, 2010.
 1. Bank balance as per cash book Rs. 40,000
 2. Cheques deposited into bank but not credited upto December 31st 2010. Rs. 10,000.
 3. Cheques issued but not presented for Payment Rs. 11,000
 4. bank credited Rs. 6,000 for receiving dividend through electronic clearing system.
 5. Bank charges debited by bank Rs. 500.
3. What is favourable balances ? Give examples ?

Set - 18

1. What is unfavourable balances ? Give examples ?
2. In which book dividend directly collected by bank is posted ?
3. In which book interest directly collected by bank is posted ?

Set - 19

1. In which book bank charges to be debited firstly ?
2. What is meant by bank over draft ?
3. In which book, the amount directly deposited by the customer will be entered ?

Set - 20

1. In which book, the cheques issued by the firm are recorded firstly ?
2. Prepare bank reconciliation statement of M/s. Anand Travels, from the following information.
 - i) bank overdraft as per cash book on 31st July 2010 Rs. 50,000
 - ii) Cheques issued, but not presented for payment. Rs. 17,500
 - iii) Cheques deposited but not yet collected by the bank Rs. 10,000
 - iv) Interest on investment collected by the bank Rs. 3,000
 - v) Bank charges Rs. 500 debited by the bank, not yet entered in the cash book.
3. From the following particulars, of Neeharika & Co. prepare Bank reconciliation statement as on March 31, 2010.

	Rs.
Over draft as per pass book	18,000
Interest on over draft	1,000
Insurance premium paid by bank	700
Cheques deposited but not yet credited	6,000
Cheques issued but not presented for payment	7,000
Wrongly credit to firm by the bank	1,000

Set - 20

1. What are objectives of preparing trail balance ?
2. What are the steps to be followed in preparing trail balance ?
3. What are the different methods in preparing trail balance ?

Set - 21

1. What are the errors found in preparing trail balance ?
2. What is suspense Account ?
3. Prepare trail balance as on 31-12-2010.

Particulars	Rs.
Capital	65,000
Sales	35,000
Purchases	20,000
Furniture	20,000
Commission	1,800
Rent	200
Telephone Charges	2,000
Cash in hand	56,000

Set - 22

1. From the following balances extracted from the books of a trader, prepare trail balance as on 31-3-2010.

	Rs.
Cash in hand	4,200
Cash at bank	16,800
Bill & receivable	18,000
Bill & payable	16,000
Sun Dry debtor	59,400
Sun Dry Creditor	32,400
Capital	50,000

2. Why do the totals of two sides of trail balance are equal ? Explain.
3. Agreement of trail balance is not the conclusive proof of the accuracy of Accounts - Comment.

Set - 23

1. Prepare trail balance of M/s. Nageswari Enterprises as on 31-12-2010.

Accounts	balance Rs.	Accounts (Rs.)	Balance (Rs.)
Cash in hand	2,500	Debitor	18,200
Cash at bank	14,500	Creditor	16,600
Capital	70,000	Opening stock	8,700
Drawings	9,000	wages	6,700
Purchases	60,000	Rent	5000
Sales	82,000	Salary	8,400
Machine	35,000	Bill & Payable	11,400
Furniture	12,000		

2. What is the meaning of Accounting error ?
3. What is the classification of Accounting errors ?

Set - 24

1. What are the methods of rectification of Accounting Errors ?
2. What is suspense account ? - Explain ?
3. How are errors rectified through suspense A/c. ?

Set - 25

1. What are the different forms of Accounting errors ?
2. What is errors of omission ?
3. What is errors of commission ?

Set - 26

1. What is compensating errors ?
2. Explain the rectification of Accounting errors ?
3. Purchases book in overcast for the month of July 2010 by Rs. 8000 rectify it.

Set - 27

1. A sum of Rs. 7,200 paid to ashok has been wrongly credited in his account - rectify it.
2. Purchase of furniture of Rs. 6,000 was entered in the purchases book - rectify it.
3. Amount of Rs. 10,000 received from govind was credited to Hargovind rectify it.

Set - 28

1. Goods purchased on credit for Rs. 8,200 not recorded in the purchase book - rectify it.
2. Rectify the following errors .
3. Purchases book in undercast by Rs. 2,500.

Set - 29

- 1 Sales return book is overcast by Rs. 2,000.
2. Sales book is add short by Rs. 200
3. The total of purchases journal of Rs. 7,580 has been posted to purchases account as Rs. 5,780.

Set - 30

1. The total of the page of sales journal of Rs. 24,750 was carried to next page as Rs. 27,450.
2. State the meaning and characteristics of computer ?
3. Describe the various components of a computer ?

Set - 31

1. Explain the limitations of a computer ?
2. What is the role of computer in accounting ?
3. What is the need for computerised accounting ?

ASSIGNMENT - I I

Set - 1

1. What are the differences between manual accounting and computerised accounting ?
2. What are requirements of computerised accounting ?
3. What are the components of computerised accounting software ?

Set - 2

1. Explain what is C.P.U and its components ?
2. What is Data Entry ? - Discuss.
3. State the meaning of Financial statements ?

Set - 3

1. Explain in brief the various objectives of financial statements ?
2. From the following particulars extracted from the books of Rams Co., make journal entries to prepare a trading account and profit and loss account for beam ended 31 March 2010.

	Rs.		(Rs.)
Stock (1.4.2009)	40,000	Electric power	10,000
Purchases	190,000	Wages	28,000
Return in wards	4,000	Saving commissions	11,000
Carriage in words	3,700	Repair & renewals	4,000
carriage out wards	2,400	Journal expenses	16,000
Custom duty	6,000	Insurance	4,400
Return out words	10,000	stock (31-3-2010)	90,000
Sales	3,30,000		
Discount received	3,000		

3. Explain the following
i) Fixed assests ii) Current assests

Set - 4

1. What is the trading account ?
2. How is gross profit calculated ?
3. How is cost of goods sold calculated ?

Set - 5

1. Distinguish between capital receipts and revenue receipts ?
2. When does profit and loss account now net profit ?
3. From the following balances of Sadana Cultural academy. Calculate gross profit or gross loss by subscribing cost of goods sold from sales for the year ended 31-12-2009.

	Rs.
Stock	30,000
Purchases	70,000
Purchases return	3,000
Sales	90,000
Sales return	2,000
Fright inward	1,000
Wages	2,000
Closing stock	32,000

Set - 6

1. What are direct expenses ? Give two examples of such expenses ?
2. Explain in brief the following terms. Two examples each.
 - i) Revenue expenditure
 - ii) Capital expenditure
3. What are owners funds ?

Set - 7

1. Explain showing assets in liquidity order and permanency order in a balance sheet ?
2. From the following information extracted from the books Mr. Rao. Prepare trading account for the year ended 31st March 2009.

	Rs.
Opening Stock	13,000
Purchases	90,000
Sales	1,44,000
Return inward	3,000
Return outward	1,000
Carriage or purchases	2,400
wages	9,600
fuel and power	6,400
cash	9,000
Office expenses	6,400
Office Rent	13,600

Set - 8

1. Write journal entries for the following adjustments ?
- 2 i) Wages out standing ii) Depreciation as furniture
iii) Insurance premium paid in advance
3. Why reserve for doubtful debits is created ?

Set - 9

1. From the information given below prepare receipts and payments account for the year ending 31 December 2009.

Opening Balance	Rs.		Rs.
Cash in hand	1,650	Purchase of books	15,000
Cash at bank	18,250	Purchase of sports material	20,000
Subscription	15,000	purchase of by cycle	2,500
Entrance fees	2,000	Sale of investment	30,500
Donations	18,000	Life member ship fees	5,000
Salaries	10,000	Rent paid	12,000
Stationary	1,000	Purchase of	
		development bonds	10,000
Insurance premises	1,000	closing balance	
Sale of old furniture	1,540	Cash in hand	2,000
Interest on security	3,670	Cash at bank	30,000
Lockers rent	5,000		

2. What are the differences between receipts and payments account and cash book.
3. Explain the following.
i) Donation ii) Purchase of fixed assets iii) Legacy

Set - 10

1. Describe the objectives of accounting?
2. Answer the following in brief.
a) Why adjustment are needed ?
b) Why outstanding expenses are treated as liabilities.
3. On first April 2008 the reserve for bad debits. Shows has a balance of Rs. 6,400. Bad debits during the year as per ledger. Were Rs. 4,200/-. Debtors are amounted to Rs. 14,000. After the closing of the ledger it was found that there were bad debit to of Rs. 1,600. it was found that there were bad debit to of Rs. 1,600. It was decided create a reserve for doubtful debits as creditors. (a) 6% pass necessary entries ?

Set - 11

1. Pass necessary journal entries for the following adjustments.
 - i) 1/3 of the total commission received during the year of Rs. 12,000 related to the next year.
 - ii) Insurance premium of Rs. 8,000 is paid for the year ending 30th June. Accounts are closed on 31st March every year.
 - iii) Interest on drawing is charged for the year amounting to Rs. 450/-
2. Describe pre-paid expenses.
3. Classify the following items into income and expenditure ?
 - a) Honorarium b) Grant -in-aid c) Sale of old news paper d) Subscription.

Set - 12

1. What do you mean by business entry concept Explain?
2. A club has paid rent of Rs. 50,000 in the year 2006. Rent still to be paid amount to Rs. 2,000. Amount of Rs. 2,500 was paid in 2005 on account of the year 2006. Calculate the amount to be taken to income and expenditure A/c of 2006.
3. What is an Income and expenditure account ?

Set - 13

1. Describe in brief the steps taken to prepare income and expenditure ?
2. List the various items of income and expenditure of a not for profit organisations ?
3. Differences between receipts and payments account and income and expenditure account as the basis of 1. Nature 2. Adjustment 3. Side 4. Transfer of closing balance.

Set - 14

1. How will you show the following in income and expenditure account ?
 - i) Rent paid in the current year Rs. 12,000.
 - ii) Rent due in the current year Rs. 1,600
 - iii) Rent paid last year for this year Rs. 1,200
 - iv) Rent due of last year paid in this year Rs. 4,000.
 - v) Advance rent paid for next year in this year Rs. 3,200.
2. From the following information calculate cost of goods sold for the year ending 31-12-2008.

	Rs.
Opening Stock	10,700
Purchases	15,600
Wages	15,400
Carriage inward	2,500
power and fuel	4,000
Salary	8,000
Rent paid	4,000
Closing stock	7,600

3. What amount will you post to income and expenditure accounts from the information given below.

	Rs.
Subscription received during 2006	20,000
Subscription due in 2005	4,000
Subscription received in 2005 for 2006	800
Subscription received 2006 for 2007	1200
Subscription due for 2006	2000

Set - 15

1. Information as on 31-12-2009. Evergreen (NGO) working for the preservation of forests is given as under.

details	Amount Rs.
Cash in hand	2,200
cash in bank	43,600
books	1,56,000
Furniture	32,000
Computer	48,000
Subscription outstanding	5,200
Fixed deposits with bank	2,00,000
Subscription received for 2010	7,600
Rent out standing	8,000
publicity fund	70,000
Building fund	1,60,000

2. Prepare income and expenditure account from the receipts and payments account of Manasa Health club, Hyd for the year ending 31-December 2009.

Receipts	Amount Rs.	Payments	Amount Rs.
Opening Balance	4,800	Rent	7,200
Subscription	32,000	Stationary	900
Entrance fee	400	Salary	9,600
Sale & investments	16,000	Purchase of equipment	11,000
Sale & old almora	1,600	Expenses an compitions	5,600
(Book value Rs. 3600)			
Donations	5,000	Meslaneous expenses	1,300
		Furniture purchased	8,000
		Closing balance	16,200
	59,800		59,800

3. State the meaning of balance sheet and draw the format of balance sheet showing performance order.

Set - 16

1. From the information given below prepare receipts and payments account of friends in need (NGO) of the year ended 31-12-2008.

Details	Amount Rs.		
Cash in hand (1-1-2008)	8,000	Stationary	2400
Entrance fees	2,800		
Donations	30,000		
Subscriptions	30,000		
Electricity charges	3,000		
Salaries	13,000		
Honorarium to secretary	9,000		
Petty cash payments	3,600		
Paid in to bank as fixed deposit	30,000		
Insurance premium	4,200		
Grants from the Govt.	80,000		

2. Classify the following items.
 - i) Specific donations
 - ii) Endowment fund
 - iii) Life membership fees.
3. What are the characteristics of a partnership?

Set - 17

1. What are the differences between fixed capital and fluctuating capital accounts?
2. A and B are partners in a firm, on January 1, 2008. Their capital is Rs. 5,00,000 and Rs. 4,00,000 respectively. Their drawings during the year were Rs. 2000 per month each. They allowed 5% interest on capital. The profit for the year Rs. 5,00,000. Calculate interest on capital when capitals are fixed.
3. Explain the meaning of goodwill and methods of valuation of goodwill?

Set - 18

1. Bring out the ideas of the calculation of the proportionate capital of the new partner in case of admission of a partner.
2. Explain the treatment of accumulated profit or losses and reserves at the time of admissions of a new partner.
3. A firm has earned Rs. 3,00,000 as average profit for the last few years. Normal rate of return in the class of business is 15%. Find out the goodwill according to capitalisation of super profit, if the value of net assets amounted to Rs. 16,00,000.

Set - 19

1. Why the profit and loss appropriation account is prepared ?
2. A and B are partners in a firm. on January 2001. Their capitals are 6,00,000 and 4,00,000 respectively. Their drawings during the year were Rs. 6000/- per month each. They allowed 12% interest on capital. The profits for the year Rs. 8,00,000. Calculate interest on capital when capitals are fixed.
3. M and N are equal partners. They withdraw Rs. 8000/- each for month. Calculate interest 8% per annum on drawing in the following cases.
 - i) If they withdraw in the beginning cases.
 - ii) If they withdraw at the end of the month.
 - iii) If they withdraw in the middle of the each month ?

Set - 20

1. What problems arise when a partner dies ? How would you deal with them as an accountant ?
2. Find the total amount due to Rama, who is retiring as a partner.
 - i. Credit balance in Rama capital account Rs. 30,000.
 - ii. Rama's share of goodwill Rs. 8000.
 - iii. General reserve balance shown in balance sheet Rs. 20,000.
 - iv. Profit on revaluation of Assets ? Liabilities Rs. 5000.
 - v. Interest on drawings Rs. 800.
 - vi. Rama's share in the profit of the final 1/2.
3. Explain the gaining ratio ? And the accounting treatment of goodwill on retirement of a partner ?

Set - 21

1. Rama, Raju and Ranga were partners in a firm, sharing profits in the ratio of 4:3:2. Raju retires, assuming Rama and Ranga will share profits in the future in the ratio 5:3, determine the gaining ratio.
2. List the various claims of a retiring partner and mention the method of settling the total claims of the retiring partner ?
3. What is meant by dissolution of partnership firm ?

Set - 22

1. Why realisation account is prepared ?
2. Distinguish between dissolution of partnership firm and dissolution of partnership.

3. Rajini and Ranjitha are partners , who shared profits as 3:2. Follows in the balance sheet as on 31-12-2008.

Liabilities	Rs.	Assets	Rs.
Creditors	56,000	Cash in hand	30,500
Bills payable	40,000	Cash in Bank	50,000
Profit & Loss A/c.	27,000	Stock	10,500
Rajini Capital	32,500	Sundry debtors 21,500 less provision 500 for body dep.	21,000
Ranjitha Capital	20,000	Land and building	63,500
	1,75,500		1,75,500

The firm was dissolved as 31-12-2008. Close the books of the firm, with the following information.

- Debtors realised at a discount of 5%.
 - Stock, released at Rs. 7000/-
 - Building, released at Rs. 42,000.
 - Realisation expenses amounted Rs. 1500/-
 - Creditors and bills payable are paid in full.
- prepare necessary ledger accents.

Set - 23

- Define the gaining
 - Gaining ratio
 - retirement of a partner.
- Seema, Mohit, Meena were partners in a firm, sharing profit in the ratio of 7:6:7. Mohit retired and his share was divided equally between and his share was calculated the new profit sharing ratio of seema and meena.
- What are the main characteristics of a company ?

Set - 24

- Explain under the various heads, the classification of a company take place ?
- List out the differences between equity shares and preference shares ?
- Mahendra and Mahendra cars Ltd., issued 1,00,000 shares of Rs. 10 each at a premium of Rs. 5 per share, payable as,

as application	Rs. 4 (including Rs. 2 premium) per share
as allotment	Rs. 8 (including Rs. 3 premium) per share
as call	Rs. 3 per share

Applications were received for 1,00,000 shares and allotment was made to all make journal entries.

Set - 25

1. Explain in brief.
 - i) Private limited company.
 - ii) Public limited company.
2. What is company ? Explain different types of companies ?
3. Explain different types of share capitals ?

Set - 26

1. Differentiate between holding company and subsidiary company ?
2. What are the differences between Manual Accounting and Computerised Accounting?
3. Explain the Quick Ratio and Proposal Dividend?

Set - 27

1. A share holder, holding 100 shares of Rs. 10 each has paid application money of Rs. 3 per share, but has failed to pay the first call Rs. 2 per share and second call of Rs. 3 per share. His share were forfeited. Make the journal entry to record the forfeiture of shares.
2. What is meant by over subscription of shares ? What accounting treatment is given to the amount over subscribed ?
3. Johnson Ltd., made an issue of 20,000 shares of Rs. 10 each payable as follows :
Rs. 2 as application, Rs. 2 on allotment, Rs. 3 as first call and the balance as second call. The first call in made and all members pay including member holding 800 shares, who pays for the balance due in full. What the final call in made and is fully met.
Give journal entries ?

Set - 28

1. State the means of forfeiture of shares. When shares be forfeited ?
2. Explain the procedure of forfeiture of shares ?
3. What accounting treatment is given to securities premium account as forfeiture of shares when
 - i) amount of premium has been received.
 - ii) amount of premium has not been received on such forfeited shares.

Set - 29

1. X Limited forfeited 500 shares of Rs. 100 each as which final call of Rs. 30/- per share, has not been received. Other calls have been duly received, make journal entry to record the forfeiture of shares.
2. B.H.E.L. Limited issued 10,000 shares of Rs. 50 per share issued at a discount of Rs. 5/- per share payable as Rs. 10 per share as application, Rs. 20 per share an allotment and the balance on call. All money was duly received except of 400 shares as which allotment and call money was not received. These shares were forfeited. Make journal entries in the books of the company.
3. Define the term pro-rata basis ?

Set - 30

1. Explain in brief the following.
 - i) Call-in-arrears.
 - ii) Call-in-advance
 - iii) share issued at premium
2. Write the company Balance sheet in different capital amounts
3. A company forfeited 400 shares of Rs. 50 each on which only application money of Rs. 10 per share and Rs. 20 on allotment were received. Final call of the Rs. 20 per share is not received. 300 of these shares are reissued at Rs. 40 per share. Make journal entries for forfeiture and reissue of shares.

ASSIGNMENT - III

Set - 1

1. Describe the meaning of reissue of shares.
2. What amount is transferred to capital reserve Account after reissue of forfeited shares ? Why is this account transferred to capital reserve account ?
3. What is the maximum permissible discount at the time of re-issue of forfeited shares, when the forfeited shares originally issued are (i) at par (ii) at premium (iii) at discount ?

Set - 2

1. Make journal entries Ltd., issued 400 shares of Rs. 10/- each to Sunder as which he has paid Rs. 3/- per share as an application but failed to pay allotment money of Rs. 3/- per share and final call money of Rs. 2/- per share. His shares were forfeited before making the final call. The shares were later reissued at Rs. 8/- per share fully paid up.
2. P company issued 10,000 shares of Rs. 100 each at a premium of Rs. 20 per share, payable as Rs. 20/- as an application Rs. 60 including premium as allotment Rs. 20/- each as two calls. Final call was not made. Pinky holding 200 shares, did not pay allotment money and her non payment of 1st call. Her shares were forfeited by the board of directors of the company. 150 of these shares were re-issued at Rs. 120/- per share fully paid up. Make up journal entries.
3. What amount will be credited to capital reserve A/c in the following cases.
 - i) 100 Shares of Rs. 10 each forfeited for nonpayment of call of Rs. 3 per share reissued at Rs. 7 per share.
 - ii) 200 shares of Rs. 10 each forfeited at which Rs. 8 per share have been called and only Rs. 2 per share have been paid one reissued at Rs. 9 per share fully paid up.

Set - 3

1. How is the forfeited amount on share reissued will be calculated.
2. A Ltd., Forfeited 400 shares of Rs. 20 each, at which Rs. 15/- per share have been received and balance remains due but not paid. These shares were reissued. (i) At the rate of Rs. 20 per share i.e., at par make necessary journal entries.
3. What do you mean by debenture ?
State in brief the various types of debentures.

Set - 4

1. When are debentures said to be over subscribed ? What accounting treatment is given in case debentures are over subscribed ?
2. MGB Company Ltd., issued 5000, 9% debentures of Rs. 100 each at a premium of Rs. 20/- per debenture payable Rs. 60/- (including the premium) as application and allotment and the balance as call. Applications were received for 6500 debentures. Applications for 1500 debentures were outrightly rejected and allotment was made on a pro-rata basis to the remaining applicants.
All the money was duly collected up. Make journal entries for the issue in the books of the company.

3. Explain debentures issued at a discount. How is the amount of discount treated in the books of the company.

Set - 5

1. New venture Limited purchased plan of the book Value of Rs. 4,95,000/- from another firm. The purchase consideration was paid by issuing 10% debentures of Rs. 100/- each. Assume debentures have been issued. (i) at Par (ii) at discount of 10% (iii) at premium of 10%
2. What is the accounting treatment in the following cases.
 - (i) Debentures are issued at premium and lists at real value.
 - (ii) Debentures are issued in consideration other than cash.
 - (iii) Debauchers allotted as perorate basis.
3. What is meant by debentures issued as collateral recruit ? How it is treated in the books of accounts of the company ?

Set - 6

1. x, y Ltd., issued 1000, 12% debentures of Rs. 1000/- each an 1st January 2009. Make journal entries for the year ended 31 December 2009, assuming that interest was payable yearly an 31st December and Tax deducted at source is 10%.
2. Explain the following.
 - (i) Redeemable debentures
 - (ii) Non Redeemable debaters.
3. Define register debenture and bearer debenture.

Set - 7

1. What is common size statement ?
2. Mention the important parties interested in analysing the Financial statements.
3. what are the important objectives of the ratio analysis.

Set - 8

1. Explain the accounting Ratios.
2. Briefly explain quick-ratio and its significant.
3. What is meant by working capital ?

Set - 9

1. Ramakrishna Ltd., supplies you following information regarding the year ending 2010, December 31st.

Cash	40,000
Credit Salary	2,00,000
Return inward	10,000
Opening stock	25,000
Closing stock	30,000

Gross profit Ratio is 25%. Find out stock turn over Ratio ?

2. Write about solvency Ratios ?
3. Return an investment. (RIO)

Set - 10

1. Limitations of Accounting Ratios.
2. Following particulars pertaining to assets and liabilities of a Lalitha Ltd., are given :

Liabilities	Amount Rs.	Assets	Amount Rs.
Equity share Capital	1,25,000	Land & Building	2,25,000
Professional share capital	1,00,000	Plant	2,00,000
Reserver	1,50,000	Stock	1,25,000
Debenture	1,50,000	Sy. Destoy	50,000
Convert Liabilities	1,00,000	Cash	22,500
		Prepaid Balances	2500
	6,25,000		6,25,000

Calculate (a) Best - equity Ratio (b) Proprietary Ratio

3. Explain Proprietary Ratio

Set - 11

1. Explain meaning and objectives of cash how statements.
2. Write a proforma of a cash how statement.
3. What is provision for taxation.

Set - 12

1. From the following information calculate the cash how from investing activities.

Particulars	Opening	Closing
Machinery (at cost)	2,00,000	2,10,000
Accumulated Depreciation	50,000	55,000
Patents	1,40,000	80,000

Addition Information :

i) During the year a machine costing Rs. 20,000 with this accumulated depreciation Rs. 12,000 was sold for Rs. 10,000.

ii) Patents were written off to the account of Rs. 20,000 and source patents were sold at a profit of Rs. 10,000.

2. Mention proposed dividend ?
3. Limitations of a cash-flow statement ?

Set - 13

1. What is cost Accountancy. Explain its scope and objectives ?
2. Explain the differences between financial and cost - Accounting.
3. The following comparative balance sheet, contain the relevant information about provision for taxation.

Liabilities	2006 Rs.	2007 Rs.
Provision taxation	40,000	60,000

You are informed that Rs. 100,000 was charged to profit and loss account for the year 2007. Ascertain how much cash was used.

Set - 14

1. Mention elements of costs ?
2. Explain the element of cost with examples.
3. What do you mean by overheads ? Explain ?

Set - 15

1. What is meant by cost - centre.
2. Explain the terms of fixed and variable costs.
3. What do you mean by Direct and Indirect expenses.

Set - 16

1. What is cost - sheet ?
2. Calculate factory cost from the following particulars.

details	Amount Rs.
Cash in hand	2,200
Materials consumed	12,000
Productive wages	40,000
Direct Expenses	10,000
Consumable stores	4,000
Oil/ greage / Lubricants	1,000

Salary of a Factor manogar	12,000
Unproductive wages	2000
Factory rent	4000
Repair and depreciation on machinery	1200

3. What is cost of goods sold ?

Set -17

1. From the following information calculate the total cost.

Direct material	80,000
Direct labour	26,000
Direct Expenses	9500
Factory overheads	22500
Office and administrative overheads	14000
Selling and distribution overheads	16,500

2. Explain the mode of cost ascertainment ?
3. Explain the stock - Levels

Set - 18

1. Mention the methods of pricing of the issue of the materials.
2. A firm maintains its stores ledger on the basis of FIFO method. Following is the summary of the receipts and issues of raw-materials during month of December, 2010.

December 1	Opening Balance 600 units @ Rs. 44 per unit.
December 2	Issue vide material requisition No. 14, 300 units.
December 8	Purchase order No. 14 400 units @ 50 per unit.
December 12	Purchase order No. 48, 800 Units @ 46 per unit.
December 17	Issue vide material requisition No. 36, 1000 units.
December 20	Issue vide materials requisition No. 36, 200 units.
December 23	Purchase order No 22, 1200 units @ 40 per units.
December 25	Issue vide material requisition No. 50, 1200 units.
December 28	Purchase order No. 12, 400 units @ 52 pe unit
December 29	Issue vide material requisition No. 40, 600 units.
December 30	Shortage 20 units.

3. What is E.O.Q. ?

Set - 19

1. What is meant by Bin and Rocks ?
2. What are the tools and techniques of Financial statement Analysis ?
3. Define Comparative Income statement ?

Set - 20

1. From the following data relating to Mr. Sethuraman for the year 2007 to 2010, calculate trend percentages (taking 2007 as base year).

	2007	2008	2009	2010
Net sales	100.00	95.000	124.500	130.000
Less : Cost of goods sold	60.000	58.900	69.600	72,800
Gross profit	40.000	36.000	50.400	57,200
Less : Expensary	10.000	9700	11.000	12.000
Net Profit	30.000	26,400	39.400	45.200

2. What are the things that involve in the analysis and interpretation of income statement.
3. What is meant by trend percentage analysis (TPA) ?

Set - 21

1. Calculate correct ratio from the following :

Sy. Debtors	200.000
Stock	80,000
Marketable	40,000
Security	
Cash	60,000
Prepaid Gapperly	20,000
Bills Payable	40,000
Sy. Creditors	80,000
Debentures	100.00
O/S Expenses	80.000

2. Write brief note an comparative statement, Canvas size statement and trend analysis ?
3. Calculate the quick ratio from the following :

Sy. Destor	800.000
Stock	320.000
Marketable Securities	160.000
Cash	240.000
Prepaid Bepanses	80.000
Bills Payables	160.000
Sy. Creditors	32,000
Debentures	400.000
O/S Expansy	320.000

Set - 22

1. The balance sheet of Suraj Mr. Ltd., Shows the following figures :

	Rs.
Share capital	76.000
Cash in Land	15,000
Fixed assets	56.500
Creditors	20.000
Sy. Degentary	12.000
Bills Pakers	20.00
Destors	9000
Stock	26,000
General Reserve	4000
Propt & loss A/c	2500

Calculate (i) Convert Ratio (ii) Liquid ratio.

2. Calculate liquidity ratios from the following information

Total Conver Assets	180.000
Stock (Included in corrent Assets)	60.000
Prepaid Bypenses	6000
Conver Liabilities	120.000

3. From the following information, if Rs. 2000 is paid to creditors what will the effect (increase or decrease or no change) on current ratio, if before payment, balances are ; Cash Rs. 30,000; Creditors Rs. 15,000.

Set - 23

4. Calulate creditors turnover ratio and debt payment period from the following information.

Cash purchases	50,000	Total Purchases	2,03,500
Opening & Debtors	12.500	Closing & Debtors	25.000
Closing Bills payables	12.500	Opening Bills payables	10.000
Purchase returns	3500		

5. Find out working capital turnover ratio for the year 2010.

Cash	20,000
Bills receivables	10,000
Sy. Debtor	50,000
Stock	40,000
Sy. Creditor	60,000
Cost of sales	300.000

3. From the following calculate the proprietor ratio.

Equity share capital	200.000
Proportional share capital	100.000
reserves and surplus	50,000
Debentures	120,000
Creditors	30,000
Total	500.000

Fixed Assets	250.000
Current Assets	100.000
Investment	150.000
Total	500.000

Set - 24

1. Calculate the proprietor equity ratio from the following data. Total Assets Rs. 30,000; Total proprietor Rs. 25,000; current liabilities Rs. 15,000.
2. Calculate the gross profit Ratio from the following data : Sales Rs. 650,000; Sales returns Rs. 50,000; and its cost of goods sold Rs. 450.00.
3. Define operating ratio ? Formula for operating ratio.

Set - 25

1. Mention inflow and outflow of cash operating activities ?
2. Following is balance sheet of Venkatesh bros., as on 31st December 2010.

Liability	amount Rs.	Assets	Amount Rs.
Share Capital	80,00,000	Fixed Asset (Net)	116,00,000
Reserver	24,00,000	Current Assets	100,00,000
10% Loan	40,00,000	Under writing	
		commission	400.000
Current Liabilities	56.00.000		
Profit for the year	20,00,000		
	22000000		22000000

Find out the return on investment for the year 2010.

3. Mention Inflow and outflow of cash Financing activities.

Set - 26

1. From the following detail of a business concern observation the gross profit Ratio.

Details	2009	2010
Sales	60,000	80,000
Gross Profit	20,000	30,000

2. Mention Inflow and outflow of cash investing activities ?
3. What are the limitations of cost accounting.

Set - 27

1. From the following information, calculate the cash from financing activities ?

Particulars	31-12-2009 Rs.	31-12-2010.Rs
Equity share capital	200.000	250.000
10% Debenture	75.000	50.000
Securities Premium	20.000	25.000

Additional information : Interest paid on debentures Rs. 5000.

2. The comparative balance sheets of Pcalma Private Limited at two different dates provide the following information.

Assets	2009 Amount Rs.	2010 Amount Rs.
Plant & Moulding	6,75,000	7,20,000

It is informed that depreciation amounting to Rs. 30,000 has been provided during to year. Find out the choose that have taken place in the asset and also state their effect an each flows.

3. Name any four components of Total cost ?

Set - 28

1. From the following information prepare a cost sheet for the period ruled on 31st, March 2010.

Opening Stock of Raw Material	25,000
Purchase of Raw Material	2,72,000
Closing & Stock of Raw material	17,000
Direct Wages	1,08,000
Direct Expenser	24,000
Factory Overheads	100% of direct wages
Office and administrative overheads	20% of works cost
Selling and distribution overleads	52,000
Cost of opening stock of finished goods	24,000
Cost of closing stock of finished goods	30,000
Profit on cost 20%	

- | | |
|---------------------|---------------------|
| Normal Consumption | 800 units per week |
| Maximum consumption | 1200 units per week |
| Minimum Consumption | 400 units per week |
| Re-order period | 6 to 8 weeks |
| Re-order quantity | 400 units |

Calculate :-

- a) Re-order level
b) Maximum Level
c) Minimum Level
d) Average Stock level.

3. Calculate gross profit ratio and net profit - ratio from the following figures.

Sales	:	75.000
cost of goods sold	:	60.000
Operating Supensy	:	6000

Set - 29

1. Define Leverage ratio ?
2. From the following details of a business career as certain the operating Profit-ratio.

Details	2009 Rs.	2010 Rs.
Sales	120,000	160,000
Interest on Debentures	2,000	4,000
Net Profit	7,600	12,000

3. Explain Semi-Variable costs with suitable examples.

Set - 30

1. Explain the classification and codification of storage of material.
2. From the following information calculate the total cost of production.

Direct material	45.000
Direct labour	16,000
Direct expenses	4500
factory overheads	12500
Office and administration overheads	9000

3. From the following information calculate the cost of goods sold.

Total cost of production	2,44,000
Opening stock of finished goods	24,000
Closing stock of finished goods	32,000

Set - 31

1. Sathyanarayana, a machine manufacturer, purchases 1800 units of a certain component for his annual usage. The order placing cost is Rs. 100 and cost of carrying use unit for a year is Rs. 2 calculate the E.O.Q.
2. Explain briefly capital gearing ratio.
3. Explain briefly any two techniques of financial statement analysis.

Set - 32

1. List out activity or turnover ratios.
2. From the following information calculate opening stock and closing stock.
Sales during the year 1,00,000
Gross profit on sales 50%
stock turnover ratio 4 times.
If closing stock was Rs. 5000 less than the opening stock what will be they amount for the opening stock and closing stock.

3. Find out a) Debtor turn over ratio
 b) Average collection period from
the following information for one year ended 31st March 2010.

	31st march 2010
Annual credit sales	2,50,000
Debtors in the beginning	40,000
Debtors at the end	50,000
Debit to be taken for the year	360 days

Set - 33

1. Explain the significance of debtors turnover ratio and liquid ratio.
2. Give: Current Ratio 2:5
 Liquidity ratio 1:5
 Working capital 30,000
Calculate :
 1. Convert liabilities
 2. Current assets
 3. Liquid assets
 4. Stock

3. Calculate operating profit ratio from the following data :

Sales	600.000
Gross Profit	240.000
Administrative sepenses	20,000
Selling & Distribution sepenses	50,000
Finance on investment	30,000
Loss by five	18,000

Set - 34

1. What is the significance of ROI ?
2. What is meant by gross profit and net profit ?
3. Explain solvences ratios in brief ?

Set - 35

1. From the following information find out capital gearing ratio.

Source	2009	2010
	Amt Rs.	Amt Rs.
Equity share capital	250.000	200.000
Reserver and suploser	150.000	100.000
8% preference share capital	125.000	150.000
6% desentures	125.000	200.000

2. What are the limitations of accounting ratios ? Classify the following items into
i) Operating ii) Investing and financing activities
1) Refund of income tax
2) Payment of dividend to share holder.
3) Purchase of land and building
4) Purchase of plant
5) Interest paid on desentaxes.
3. Give three examples of operative activities ?

Set - 36

1. Give two examples of investing activities.
2. Explain the objectives of cost accounting ?
3. Classify the cast into various categories ?

Set - 37

1. Differentiate between product costs and period cost.
2. State the meaning of materials and stores ?
3. Explain the different stock levels ?

Set - 38

1. The following information is given to you about the provision for taxation for 2009 and 2010 of Hyderabad Bulbs Pvt. Ltd.,

Liabilities	2009 Rs.	2010 Rs.
Provision for Taxation	7,500	10,000

Net Income for the year 2009 is Rs. 25,000

How would you deal with this provision assuming it as not current liability.

2. Define meaning of classifications and codifications ?
3. Write formulae for maximum stock level computation ?

Set -39

1. State the meaning of materials and stores ?
2. Compute prime cost from the data given below

Direct material 14,90,000

Purchaser 10,000

Rent for machine

(for production purpose) 20,000

Wages 32,500

3. Differentiate between product costs and period costs ?

Set -40

1. Explain the fixed cost - with suitable example ?
2. What is the importance of cost accounting in production unit ?
3. What are proprietary ratios ? Explain the ratios in brief ?

Set -41

1. What is the significance of ROI ?
2. Calculate net profit ratio from the following.

Net Profit 90,000

Sales 12,80,000

Sales Returns 80,000

* * *