

Q.2 Answer the following questions.

A). Write GAAP concepts in detail with examples.

(07) 2 1 2

B). The following trial balance was extracted from the books of Ravi as on 31/12/2022.

(08) 3 2 4

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Particulars	Amount Rs.	Particulars	Amount Rs.
Plant and Machinery	20,000	Capital account	80,000
Manufacturing Wages	34,500	Sundry creditors	44,560
Salaries	15,850	Bank Loan	15,000
Furniture	10,000	Purchase returns	1,740
Freight on Purchase	1,860	Sales	2,50,850
Freight on sales	2,140	Reserve for bad debts	2,000
Building	24,000		
Manufacturing expenses	9,500		
Insurance and Tax	4,250		
Goodwill	25,000		
General Expenses	8,200		
Factory fuel and power	1,280		
Sundry debtors	78,200		
Factory lighting	9,50		
Stock (1 st Jan.2022)	34,200		
Motor Car	12,000		
Purchases	1,02,000		
Sales returns	3,100		
Bad debts	1,400		
Interest and bank charges	4,00		
Cash at bank	4,200		
Cash in hand	1,120		
	<u>3,94,150</u>		<u>3,94,150</u>

Prepare the trading and profit and loss accounts for the year ended 31st Dec.2022 and the balance sheet as on that date taking into consideration the following information:

- 1) Stock in hand on 31st Dec 2022 was valued at Rs.30, 500.
- 2) Depreciation plant and machinery by 10%, Furniture by 5% and motorcar by Rs.1, 000.
- 3) Create reserve for bad debts at 5% on sundry debtors.
- 4) A commission of 1% on the gross profit is to be provided to works Manager.
- 5) General Manager is to be allowed a commission @ 2% on net profit after charging Works Manager's and before charging General Manager's Commission.

Q.3 Write Journal Entries in the books of Joy ltd.

A). Particulars:	2	3	5
1 st January: Mr. Joy started his business with Rs.50000 which he brought as his capital in cash.			
10 th January: He purchased goods worth Rs.30000 in cash and Rs.20000 on credit.			
12 th January: He paid Rs.500 as wages for sorting and packing the goods.			
15 th January: He sold goods originally purchased at Rs.35000 for Rs.20000 in cash and Rs.25000 on credit to several customers.	(07)		
16 th January: He paid Rs.8000 in cash to his suppliers for goods purchased earlier on credit.			
20 th January: He received Rs.15000 from his debtors for goods sold.			
31 st January: He paid Rs.1000 in cash towards rent.			
B). Write difference between SLM and WDV methods of depreciation.	(08)	2	2
Q.4 Attempt any two questions. (Each of 7.5 mark)	(15)		
1. Write short note on:	2	1	2
(a) Significance of Accounting			
(b) Difference between concept of Capital and Revenue			
2. Prepare a final accounts format with imaginary figures.	1	1	1
	3	3	4,5
3. A Ltd. purchased on 1 st April, 2019 a machinery for Rs. 2, 91,000 and incurred Rs. 9000 for installation. On 1 st October another machinery for Rs. 1, 00,000 was purchased. On 1 st October 2020 the machinery purchased on 01/04/2019 having become useless was sold for Rs. 1, 93,000 and on that day a new machinery was purchased for Rs. 2,00,000. Depreciation was provided on 31 st March each year @ 10 percent p.a on written Down Value. You are required to prepare machinery account.			
4. What is Ratio analysis? Explain Financial Analysis in detail.	2	1	3,4