

**SARDAR PATEL UNIVERSITY**  
**Diploma in Taxation Laws & Practice Examination**  
**Wednesday, 21<sup>st</sup> March, 2018**  
**10.00 A.M – 01.00 P.M.**

[A-3]

**Principles of Accountancy and Wealth Tax- Paper III(Old)**

**Total Marks: 70**

**Note:** Figures to the right indicate full marks.

- Q.1** From the following information's of Vraj Ltd. on 31<sup>st</sup> March, 2017 you are required to prepare the Trading, Profit and Loss A/c and Balance Sheet: [12]

Opening Stock	5,000	Capital	89,500
Bills Receivable	22,500	Commission (Cr.)	2,000
Purchases	1,95,000	Return Outward	2,500
Wages	14,000	Trade Expenses	1,000
Insurance	5,500	Office Fixtures	5,000
Sundry Debtors	1,50,000	Cash in Hand	2,500
Carriage Inward	4,000	Cash at Bank	23,750
Commission (Dr.)	4,000	Rent & Rates	5,500
Interest on Capital	3,500	Carriage Outward	7,250
Return Inward	6,500	Bills Payable	15,000
Creditors	98250	Closing Stock	12,500
Stationery	2250	Sales	2,50,000

**OR**

- Q.1** Explain the kinds of accounts and rules of debit and credit with illustration. [12]
- Q.2** Record the following transactions in the books of Shri Ram. [12]
1. Cash in hand ₹.15,700, Cash at Bank ₹.25,400 and Capital Account ₹. 41,100.
  2. Bought goods for cash ₹.4,100.
  3. Purchased goods from Mahesh & Co. for ₹.5,800 less 10% trade discount.
  4. Sold goods to Bindia & Co. for ₹.8,900 less 20% trade discount.
  5. Withdrew ₹.. 500 from Bank for private use.
  6. Sold goods to Amjad for ₹.6,400.
  7. ₹.5,000 paid to Mukesh & Co. in full settlement of their account.
  8. Goods worth ₹.400 returned by Amjad.
  9. Received ₹.4,000 from Amjad.
  10. Purchased goods from Shiv & Co. for ₹. 8,700.
  11. ₹.6,000 paid to Shiv & Co. by cheque; discount allowed ₹. 300.
  12. Purchased furniture for ₹.800 from Surjeet Furniture House on credit.

**OR**

- Q.2** What is meant by posting and ledger? State the importance of ledger. Give specimen of imaginary accounts. [12]
- Q.3** From the Q.2 make posting of transactions in to the respective ledger in the books of Shri Ram. [12]

**OR**

- Q.3** What is a final account? State the objects of preparing final accounts. [12]

- Q.4 The accountants of M/s. Ramdev Trading wrongly prepare the following Trial Balance. You are required to draw up a Trial Balance correctly stating the reasons in brief: [12]

Sr.No.	Heads of Accounts	Debit Balance ₹.	Credit Balance ₹.
1	Capital		2,40,000
2	Stock (Opening)	20,000	
3	Discount Received		2,000
4	Commission Received		2,800
5	Fixed Assets		2,40,000
6	Sales	3,40,000	
7	Purchases		1,80,000
8	Return Out ward		4,000
9	Return inward	8,000	
10	Carriage Inward		2,400
11	Carriage out ward		2,800
12	Wages and Salary	1,00,000	
13	Bills Receivable	28,000	
14	Debtors	36,000	
15	Bills Payable		28,000
16	Rent	12,000	
17	Interest Paid		8,000
18	Cash	3,200	
19	Creditors	27,600	
20	Closing Stock	1,35,200	
		<b>7,10,000</b>	<b>7,10,000</b>

OR

- Q.4 Prepare Trial Balance with imaginary figures of any 20 accounts. [12]

- Q.5 Define Double entry system. How single entry system differs from double entry system? [12]

OR

- Q.5 a) What is trial balance? State the salient features of trial balance. [07]  
b) Distinguish between trade discount and Cash Discount. [05]

- Q.6 Write short note :( any two) [10]
1. Type of Accounting errors
  2. Importance of Journal
  3. Classification of transactions
  4. Closing Entries

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