



- l) An amount of Rs. 1500 was withdrawn from Overseas Bank and salaries paid to that extent.
- m) Manager's salary of Rs. 1000 was paid by cheque drawn on the National Bank.
- n) Overseas Bank collected dividends of Rs. 1250 and sent a credit note.
- o) An amount of Rs. 1500 was transferred from the Overseas Bank to the National Bank.

4. Prepare Ledger Accounts from the following transactions in the books of Imran :

2015 June		Rs.	2015 June		Rs.
1	Started business with cash	45,000	21	Withdrew from bank for private use	1,000
1	Paid into bank	25,000	21	Withdrew from bank for use in business	5,000
2	Goods purchased for cash	15,000	25	Paid telephone rent for one year	400
3	Purchase of furniture and payment by cheque	5,000	28	Cash paid to Amrit Lai in full settlement of his account	5,940
5	Sold goods for cash	8,500	30	Paid for stationery	200
8	Sold goods to Arvind Walia	4,000	30	Rent	1,000
10	Goods purchased from Amrit Lai	7,000	30	Salary to staff	2,500
12	Goods returned to Amrit Lal	1,000			
15	Goods returned by Amrit Walia	200			
18	Cash received from Arvind Walia and discount allowed to him 40	3,760			

5. Following are the balances in the Ledger of Mr. Suresh for the year ended 31<sup>st</sup> March, 2015 :

Discounts (Dr.)	2,500	Advertisement	12,000
Carriage inwards	10,200	Miscellaneous Expenses	3,300
Rent, Taxes & Rates	13,300	Interest paid	10,792
Printing, and Stationery	2,600	Fuel and Coal	14,200
Purchase of raw materials	3,59,800	Factory power	25,000
Sales		Insurance (fire)	1,760
(Inclusive of sales taxes 20,000)	5,80,000	Staff Salaries	13,800
Opening stock of raw materials	1,24,000	Electricity	2,500
Opening stock of finished goods	63,800	Bad Debts	6,080
Factory wages	59,700	Depreciation on plant & Machinery	11,690
Cash subsidy on purchases	10,000	Depreciation on Furniture & Fixture	2,860
Carriage outwards	12,400	Sale of scrap	3,000

Prepare Manufacturing, Trading and Profit and Loss account for the year ended 31<sup>st</sup> March, 2015. Stock as at 31-3-2015 was Raw materials 46,900 and Finished Goods Rs. 1,52,300.

6. Show how the following balances and adjustments will appear in the final accounts.

	Dr. (Rs.)	Cr. (Rs.)
Capital	-	1,00,000
Drawings	20,000	
Bad Debts	1,200	
Sundry Debtor	20,500	
Provision for Doubtful Debts		2,000
Salaries Outstanding		1,000
Prepaid Insurance	200	
Interest on Investment Account		500
Commission Received in advance		400

Adjustments :

- a) Further Bad Debts Rs. 500;
  - b) Make provision for doubtful debts @ 5% on sundry Debtor;
  - c) Interest on Capital Rs. 10,000
  - d) Interest on Drawings Rs. 1,000.
7. Discuss Accounting as an information system.
  8. Define Accounting. Explain objectives and limitations of accounting.

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