

**JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT**  
**TEST -2 EXAMINATION- 2016**  
**B.Tech VIII Semester**

**COURSE CODE: 14B1WHS834**

**MAX. MARKS: 25**

**COURSE NAME: Accounting for Managers**

**MAX. TIME: 1Hr 30 Min**

**COURSE CREDITS: 3**

*Note: All questions are compulsory. Carrying of mobile phone during examinations will be treated as case of unfair means.*

- Q1. a) What is meant by grouping and marshalling of assets and liabilities?  
 b) Distinguish between accrued income and income received in advance. (2+3=5 marks)**

**Q2. a) Stock at the end of the year of a business firm is Rs. 40,000. It came to notice that goods amounting to Rs. 5,000 were destroyed by fire during the current accounting period. Make necessary adjusting entries in each of the following alternative situations:**

- a) The stock is not insured.  
 b) The stock is fully insured.  
 c) The stock is partly insured, the insurance company has agreed to pay Rs. 2,000.

- b) Explain in detail the treatment of "Goods sent on approval basis" while preparing final accounts. (3+3=6 marks)**

**Q3. Mr. Thomas is the owner of a factory. From the following balances that are extracted from his ledger, you are required to prepare a Trial Balance as on March 31, 2016. (4 marks)**

	Rs.		Rs.
Purchases	2,03,375	Sales	4,91,000
Debtors	72,500	Creditors	31,500
Capital	3,55,000	Drawings	26,225
Insurance premium paid	3,000	General expenses	15,000
Salaries	75,000	Machinery	1,50,000
Building	1,50,000	Deposit with Bank	37,500
Stock (1.04.2015)	28,800	Carriage on purchases	10,200
Carriage on sales	16,200	Fuel and power	23,650
Wages	52,400	Return inwards	3,400
Return outwards	2,500	Interest received	2,900
Cash at Bank	14,650	Cash in Hand	1,000

**Q4.** On 31<sup>st</sup> December, 2015 the following Trial Balance was extracted from the books of Mr. Himmat Singh. (10 marks)

Particulars	Rs.	Particulars	Rs.
<b>Dr. Balances:</b>		Rates Taxes and Insurance	2,891
Drawings	3,000	Advertising	3,264
Sundry Debtors	20,100	General Expenses	3,489
Interest on Loan	300	Bills Receivable	6,882
Cash in Hand	2,050	<b>Cr. Balances:</b>	
Stock on 1 <sup>st</sup> Jan, 2015	6,839	Capital	28,000
Motor Vehicles	10,000	Sundry Creditors	10,401
Cash at Bank	3,555	Loan on Mortgage	9,500
Land & Buildings	12,000	Provision for Bad Debts	710
Bad Debts	525	Sales	1,10,243
Purchases	66,458	Purchases Returns	1,346
Sales Returns	7,821	Discounts	540
Carriage Outward	2,404	Bills Payable	2,614
Carriage Inward	2,929	Rent Received	250
Salaries	9,097		

Prepare Trading and Profit and Loss Account for the year ended 31<sup>st</sup> December, 2015 and Balance Sheet as on that date, after making following adjustments:

1. Depreciate Land and Building @ 2.5% and Motor Vehicles @ 20%.
2. Interest on Loan @ 6% p.a. Is unpaid for six months.
3. Goods costing Rs. 500 were sent to a customer on sale or return for Rs. 600 on 30<sup>th</sup> December, 2015 and had been recorded in the books as actual sales.
4. Salaries amounting to Rs. 750 and rates amounting to Rs. 350 are outstanding.
5. Prepaid Insurance amounted to Rs. 150.
6. The provision for Bad Debts is to be maintained @ 5% on Sundry Debtors.
7. Provide for manager's commission @ 10% on net profits after charging such commission.
8. Stock in hand on 31<sup>st</sup> December, 2015 was valued at Rs. 6,250.