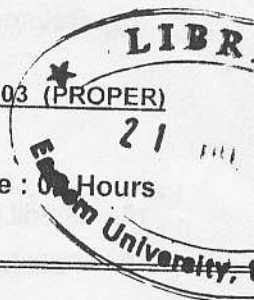


Answer All Questions

Non-programmable calculator permitted

Time : 03 Hours



01. The following are the transactions of a sole trader, Mr. Naveen, for the month of January, 2004.

January 1 Started business with Rs. 400,000 cash.

1. Purchased for cash, furniture Rs. 20,000; machinery Rs. 40,000.
2. Paid to Mohan Brothers, for purchase of electric wire and plugs Rs. 30,000.
3. Bought from Harri electricals; 20 immersion heaters 1000 watt @ Rs. 200 and 20 Philips tube lights @ Rs. 80.
4. Purchased stationery for cash Rs. 300.
5. Took Loan from Thaya at 6% Rs. 50,000 and deposited the money in the bank on the next day.
6. Paid carriage Rs. 100; other charge Rs. 50.
7. Bought of Bavan & Co. on credit:
 - 30 Table lamps @ Rs. 250.
 - 10 Electric Kettles @ Rs. 450.
 - 02 Electric Iron @ Rs. 250.
8. Sales to Ragu on credit :
 - 05 Immersion heaters 1000 watt @ Rs. 250.
 - 02 Table Lamps @ Rs. 300
 - 01 Electric Iron @ Rs. 310.
9. Sales to Naresh on credit :
 - 10 Immersion heaters 1000 watt @ Rs. 250.
 - 12 Philips tube lights @ Rs. 100
10. Paid wages by cheque Rs. 1,500.
11. Paid rent by cheque Rs. 1,000.
12. Returns Inward from Ragu :
 - 01 Immersion heater
 - 01 Electric Iron
15. Purchased from Ramanan & Co. for cash :
 - 05 Immersion heaters 1000 watt @ Rs. 190.

16. Returned goods to Bavan & Co. :
 - 04 Table Lamps
 - 02 Electric Kettles
 - 02 Electric Irons
18. Credit purchase of furnitures from Modern Furniture House Rs. 2,500.
19. Paid for advertisement Rs. 700.
20. Sales to Dhanesh on credit :
 - 08 Electric Kettles @ Rs. 500.
21. Purchased from Kavitha & Co. on credit :
 - 20 Electric Irons @ Rs. 350.
 - 02 Electric Grinders @ Rs. 600.
21. Sales to Ragu on credit :
 - 01 Electric Grinder @ Rs. 650.
23. Received cheque from Ragu for the full settlement of claim after deducting cash discount Rs. 50.
23. Purchased from Bavan & Co. on credit :
 - 04 Electric kettles @ Rs. 450
 - 05 Electric lamps @ Rs. 250.
24. Sales to Naresh on credit :
 - 01 Electric Grinder Rs. 650.
24. Cash sales of Electric wires and plugs Rs. 640.
25. Cash purchases from Harrisith :
 - 02 Electric fans @ Rs. 2,200
26. Paid electricity bill Rs. 150.
27. Made payment to Bavan & co. by cheque. Discount allowed by them Rs. 80.
28. Purchased stationery on credit from Modern Paper Mart Rs. 800.
30. Sales to Thivya on credit :
 - 10 Table lamps @ Rs. 300
 - 05 Immersion heaters Rs. 250.
30. Deposited in the bank Rs. 25,000.
30. Withdraw for personal use Rs. 7,000.

Required :

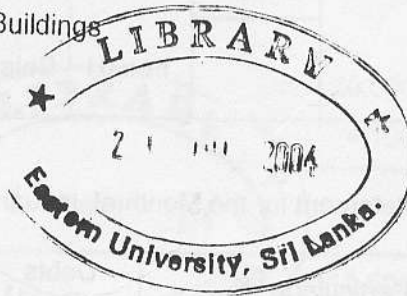
Record the above transactions in the subsidiary books, post them in to ledgers, balance off the accounts as at the end of the month, and extract a trial balance as at that date.

(40 marks)

02. The following trial balance was extracted from the books of Jeyapalan as on 31st December 2003.

Trial balance
as on 31st December, 2003.

	Dr. (Rs.)	Cr. (Rs.)
Capital		50,000
Machinery	18,000	
Provision for Depreciation on Machinery 01.01.2003		3,800
Machinery Repairs	1,600	
Salaries & Wages	38,000	
Cash in hand	2,000	
Land & Buildings	74,000	
Provision for depreciation on Buildings		2,500
Depreciation on Buildings	2,500	
Purchases & sales	126,000	252,600
Bank overdraft		3,800
Provision for Doubtful Debts		6,000
Discount Received		3,000
Discount allowed	1,200	
Debtors & Creditors	35,000	23,300
Opening stock	39,500	
Rent	1,200	
Insurance	1,800	
Carriage Inwards	2,000	
Advertising expenses	1,500	
Carriage outwards	400	
Bank charges	200	
Interest on Loan	100	
	345,000	345,000



You are given the following additional informations :

1. Closing stock Rs. 30,000/-
2. Bad debts are to be written off Rs. 200/-.
3. Provision for bad debts should be equal to 10% of the debtors.
4. Accrued expenses – Rent Rs. 200/-
Prepaid expenses – Insurance Rs. 300/-
5. Depreciation of machinery 5% on cost.

Required :

Prepare a trading, and profit & loss account for the year ended 31st December 2003 and the balance sheet as at that date.

(40 marks)

03. The bank column of the cashbook of Mr. Harri and the bank statement are given below.

Cash book (Bank columns only)

Date	Particulars	Amount (Rs.)	Date	Particulars	Amount (Rs.)
2004			2004		
Jan. 05	Ravi	3,080	Jan. 01	Balance b/d	7,090
24	Ragu	1,200	09	Rajan	1,400
29	Ranjan	1,240	27	Rajeev	630
31	Rangan	1,060	29	United Trust	770
31	Balance c/d	3,800	31	Bank charges	490
		10,380			10,380
			Feb.01	Balance b/d	3,800

Bank statement for the Month of January, 2004.

Date	Particulars	Debts (Rs.)	Credit (Rs.)	Balance (Rs.)
2004 Jan. 01	Balance b/d	--	--	7090 O/D
05	Cheque	--	3,080	4010 O/D
14	Rajan	1,400	--	5410 O/D
24	Cheque	--	1,200	4210 O/D
29	Ranjan	--	1,240	2970 O/D
29	United Trust : Standing order	770	--	3740 O/D
31	Bank charges	490	--	4230 O/D

Required :

Prepare the Bank Reconciliation statement as on 31st January 2004.

(20 marks)