

Carriage Inward	3214	Provident fund payable	9876
Salaries	389564	Capital Reserve	21451
Other Administrative Expenses	198532		
FD with bank	300000		
Shares in PMC Ltd.	125000		
	<u>9382020</u>		<u>9382020</u>

Additional Information :

1. The cost of closing Stock as per company's books is Rs. 1842654/-. However, the market value of the same is Rs. 1801231/-.
2. Depreciate Computer Systems @ 60% p. a., & other assets @ 10% p. a.
3. Write off preliminary expenses Rs. 60,000/-
4. Authorised share capital of the company consists of 1,00,000 shares of Rs. 10/- each on which Rs. 9/- per share have been called.
5. Provide tax @ 40%.

Q. 4 : State true or false with reasons : (Any Four) :

(Marks 20)

- a. Profit & Loss A/C is a static statement.
- b. Balance Sheet reflects financial position of the company.
- c. Bad debts is a reduction in the value of fixed assets.
- d. Depreciation expenses are generally incurred in cash.
- e. Current assets are with the business forever.
- f. Secured Lenders get their money only after the shareholders are paid.
- g. Equity shareholders do not have voting rights.
- h. Preference shareholders are paid their dividend after the equity shareholders are paid.

Q. 5 : Write short notes on (Any Four) :

- a. Journal
- b. Rights Issue of Shares
- c. Debentures
- d. Depreciation with emphasis on Written Down Value Method;
- e. Concept of Unlimited liability
- f. Generally Accepted Accounting Principles
- g. Explain in short FIFO and LIFO methods of maintaining stocks and the impact of the same on profitability.

Q. 6 : From the following trial balance, prepare Manufacturing, Trading & profit & Loss A/C for the year ended March 31, 2014 and Balance Sheet as on that date :

SAPHIRE INDUSTRIES			
TRIAL BALANCE			
Computer Systems	3,60,000	Profit on sale of shares	19,227
Stock (1.4.2013)	14,22,728	Bills Payable	1,24,520
Repairs & Maintenance (Factory)	68,750	Capital	16,22,736
Purchases	59,38,462	Loan from Mrs. Chaudhary	7,50,000
Fixed Deposits with bank	2,50,000	Creditors	5,12,327
Selling & Distribution Expenses	6,18,911	Interest on FD	16,919
Cash at bank	32,150	Sales	89,05,790
Postage & Courier	21,551	Term Loan from Bank	18,11,407
Salaries	1,72,450		