

Part C (Essay questions)

Answer any *two* questions. Each question carries 10 marks.

24. Record the following transaction in the personal account of Mr. Sabu and balance the account at the end of each month

2019	Jan	1	Sold goods to Sabu Rs. 550
		6	Received cash from Sabu Rs. 480
		6	Allowed him discount Rs.20
		15	Sabu bought goods Rs.500
		18	Received from Sabu on account Rs.250
		21	Sabu returned goods Rs.40
	Feb	1	Balance from last month Rs?
		7	Sold goods to Sabu Rs.900
		24	Received cash from Sabu Rs.390
		24	Allowed him discount Rs.10
		29	Received cash in full settlement of the account

25. National heavy chemical Ltd forfeited 500 equity shares of Rs.100 each issued at 10% of premium (to be paid at the time of allotment) on which first call of Rs.30 per equity share was not received, the second and final call of Rs.20 per share was not yet called Give journal entries regarding forfeiture and re-issue of shares in each of the following alternative cases

Case 1: if 200 of these shares were re-issued as Rs.80 paid up for Rs.90 Per Share

Case 2: if 200 of these shares were re-issued as Rs.80 paid up for Rs.80 Per share

Case 3: if 200 of these shares were re-issued as Rs 80 paid up for Rs.70 Per share

Case 4: if 200 of these shares were re-issued as Rs 80 paid up for Rs.30 Per share

Case 5: if 200 of these shares were re-issued as fully paid up for Rs.50 Per share

26. Rakesh and Gokul were in partnership sharing profit and losses in the ratio of 3:2 respectively. The partnership agreement inter alia provided:

1. Gokul should receive a salary of Rs. 250 p.m.

2. The interest at 5% p.a should be allowed on capital and should be charged 5% on drawings.

The following is the trial balance of the firm as on 31st December 2018.

Particulars	Debit	Credit
Rakesh's Drawings	2,800	
Gokul's Drawings	3,000	
Rakesh's Capital		30,000
Gokul's Capital (Rs. 10,000 introduced on 1/7/2018)		25,000
Office furniture	9,000	
Purchases	31,000	
Fuel and lighting	1,600	
Rent	2,600	
wages	12,900	
Carriage inward	1,200	
General expenses	850	
Travelling Expenses	1,360	
Sales return	1,900	
Advertisement	1,870	
Plant	17,600	
Purchase return		1,500
Sales		76,000
Stock (1/1/2018)	8,500	
Debtors	30,600	
Commission	1,240	
Sundry expenses	1,000	
Bills payable		26,000
Bills Receivable	18,000	
Cash in hand	300	
Cash at bank	15,000	
Sundry creditors		18,400
Discount		2,170
Reserve for doubtful debts		4,050
Office salaries	10,200	
Motive Power	2,600	
Goodwill	8,000	

Adjustments

1. The stock on 31st December 2018 was valued at Rs. 12,600.
2. Write off Rs. 1,600 from office furniture and 10% on plant as depreciation.