



J.K. SHAH[®]
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SUGGESTED SOLUTION

CA FOUNDATION

SUBJECT- ACCOUNTS

Test Code – CFN 9338

BRANCH - () (Date :)

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- NOTES: (1) WORKING NOTES SHOULD FORM PART OF ANSWERS.
 (2) INTERNAL WORKING NOTES SHOULD ALSO BE CONSIDERED.
 (3) NEW QUESTION SHOULD BE ON NEW PAGE

ANSWER - 1

Cash Book (Bank Column)

Date	Particulars	Amount	Date	Particulars	Amount
2018		Rs.	2018		
Sept. 30	To Party A/c	18,000	Sept. 30	By Balance b/d	8,062
	To Customer A/c (Direct deposit)	1,15,400		By Bank charges	280
	To B/R collected	59,000		By Customer A/c (B/R dishonoured)	1,60,000
	To Balance c/d	1,75,942		By Bills payable	2,00,000
		3,68,342			3,68,342

(7 MARKS)

Bank Reconciliation Statement as on 30th September, 2018

Particulars	Amount
	Rs.
Overdraft as per Cash Book	1,75,942
Add: Cheque deposited but not collected up to 30 th Sept., 2018	11,14,000
	12,89,942
Less: Cheques issued but not presented for payment up to 30 th Sept., 2018	(13,46,000)
Credit by Bank erroneously on 6 th Sept.	(30,000)
Balance as per bank statement	86,058

(3 MARKS)

ANSWER – 2

ANSWER - A

In the books of G

H in Account Current with G

(interest to 31st March, 2018 @ 10% p.a.)

Date	Date	Particulars	No. of days till 31.3.18	Amt.	Product	Date	Due date	Particulars	No. of days till 31.3.18	Amt.	Product
				Rs.	Rs.					Rs.	Rs.
2017	2017					2017	2017				
Oct 1,	Oct 1,	To Balance b/d	182	3,000	5,46,000	Nov 16	Nov. 26	By Purchases	125	4,000	5,00,000
Oct 18,	Oct 18	To Sales	164	2,500	4,10,000	Dec 7	Dec. 17	By Purchase	104	3,500	3,64,000

2018	2018					2018	2018				
Jan 3	Apr 6	To Bills payable	(6)	5,000	(30,000)	Mar 28	Apr 8	By Purchases	(8)	2,700	(21,600)
Feb 4	Feb 4	To Cash	55	1,000	55,000	Mar 31	Mar 31	By Balance of product			1,81,600
Mar 21	Mar. 21	To Sales	10	4,300	43,000			By Balance c/d		5,650	
Mar 31	Mar 31	To Interest		50	-						
				15,850	10,24,000					15,850	10,24,000

Interest for the period = $\frac{1,81,600 \times 10 \times 1}{100 \times 365}$ = Rs. 50 (approx.)

(5 MARKS)

ANSWER – B

(i) Taking 10th January as the base date

Due Date (Normal)	Due Date (Actual)	No. of days from 10 th January. . .	Amount Rs.	Product
10 th January	10 th January	0	750	0
26 th January	25 th January	15	1,200	18,000
23 rd March	23 rd March	72	3,300	2,37,600
18 th August	17 th August	219	<u>4,100</u>	<u>8,97,900</u>
			<u>9,350</u>	<u>11,53,500</u>

Average Due Date = 10th Jan + $\frac{11,53,500}{9,350}$

= 10th Jan + 124 days (rounded off upward) = 14th May

(3 MARKS)

(b) If the payment is deferred to 10th July, interest is to be paid from 14th May to 10th July i.e., for 17 + 30 + 10 = 57 days.

Interest = $9,350 \times \frac{9}{100} \times \frac{57}{365}$ = 131.41

The amount to be paid on 10th July: Rs.9,350+ 131.41 = Rs.9481.41

(2 MARKS)

ANSWER – 3

In the books of Firm

Machinery Account

		Rs.			Rs.
1.1.2015	To Bank A/c	37,000	31.12.2015	By Depreciation A/c	4,000
	To Bank A/c (overhauling charges)	3,000	31.12.2015	By Balance c/d	36,000
		<u>40,000</u>			<u>40,000</u>
1.1.2016	To Balance b/d	36,000	31.12.2016	By Depreciation A/c (Rs. 5,400 + Rs. 750)	6,150

1.7.2016	To Bank A/c	10,000	31.12.2016	By Balance c/d	39,850
				(Rs. 30,600 + Rs. 9,250)	
		46,000			46,000
1.1.2017	To Balance b/d	39,850	1.7.2017	By Bank A/c (sale)	28,000
1.7.2017	To Bank A/c	25,000	1.7.2017	By Profit and Loss A/c (Loss on Sale – W.N. 1)	305
			31.12.2017	By Depreciation A/c (Rs. 2,295 + Rs. 1,388 + Rs. 1,875)	5,558
				By Balance c/d	30,987
				(Rs. 7,862 + Rs. 23,125)	
		64,850			64,850
1.1.2018	To Balance b/d	30,987	1.7.2018	By Bank A/c (sale)	2,000
			1.7.2018	By Profit and Loss A/c (Loss on Sale – W.N. 1)	5,272
			31.12.2018	By Depreciation A/c (Rs. 590 + Rs. 3,469)	4,059
			31.12.2018	By Balance c/d	19,656
		30,987			30,987

(5 MARKS)

Working Note:

Book Value of machines

	Machine I Rs.	Machine II Rs.	Machine III Rs.
Cost of all machinery (Machinery cost for 2015)	40,000	10,000	25,000
Depreciation for 2015	<u>4,000</u>		
Written down value as on 31.12.2015	<u>36,000</u>		
Purchase 1.7.2016 (6 months)		10,000	
Depreciation for 2016	<u>5,400</u>	<u>750</u>	
Written down value as on 31.12.2016	<u>30,600</u>	9,250	
Depreciation for 6 months (2017)	<u>2,295</u>		
Written down value as on 1.7.2017	<u>28,305</u>		
Sale proceeds	<u>28,000</u>		
Loss on sale	<u>305</u>		
Purchase 1.7.2017			25,000
Depreciation for 2017 (6 months)		<u>1,388</u>	<u>1,875</u>
Written down value as on 31.12.2017		7,862	23,125
Depreciation for 6 months in 2018		<u>590</u>	
Written down value as on 1.7.2018		7,272	
Sale proceeds		<u>2,000</u>	
Loss on sale		<u>5,272</u>	

Depreciation for 2018			<u>3,469</u>
Written down value as on 31.12.2018			<u>19,656</u>

(3 MARKS)

ANSWER – 4

ANSWER – A

In the books of 'X'

Goods on sales or return, sold and returned day book

Date	Party to whom goods sent	L.F.	Amount	Date	Sold	Returned
2017			Rs.	2017	Rs.	Rs.
Dec. 10	M/s ABC Co.		10,000	Dec. 25	10,000	-
Dec. 12	M/s DEF Co.		15,000	Dec. 16	-	15,000
Dec. 15	M/s GHI Co.		12,000	Dec. 20	10,000	2,000
Dec. 20	M/s DEF Co.		16,000	Dec. 24	16,000	-
Dec. 25	M/s ABC Co.		11,000	Dec. 28	11,000	-
Dec. 30	M/s GHI Co.		13,000	-		
			77,000		47,000	17,000

Goods on Sales or Return Total Account

2017		Amt. Rs.	2017		Amt. Rs.
Dec. 31	To Sundry debtors (return)	17,000	Dec. 31	By sundry debtors (goods sent)	77,000
	To Sundry debtors (sales)	47,000			
	To Balance c/d	13,000			
		77,000			77,000

(5 MARKS)

ANSWER – B

Bank Reconciliation Statement as on 31st March, 2018

Particulars	Details Rs.	Amount Rs.
Debit balance as per Cash Book		18,60,000
<i>Add:</i> Cheque issued but not yet presented to bank for payment	3,60,000	
Dividend received by bank not entered in cash book	2,50,000	
Interest credited by bank	<u>6,250</u>	<u>6,16,250</u>
		24,76,250
<i>Less:</i> Cheques deposited into bank but not yet collected	7,70,000	
Bank charges debited by Bank	1,000	
Cheque deposited into bank was dishonoured	1,60,000	
House tax paid by bank	<u>1,75,000</u>	<u>(11,06,000)</u>
Credit balance as per Pass Book		<u>13,70,250</u>

(7 MARKS)