



SYJC

SUBJECT- Book Keeping & Accountancy

Test Code – SYJ 6098

(Date :)

(Marks - 40)

TOPICS : Bills of Exchange (Trade Bills) & Single Entry

TIME DURATION : 1.5 hrs

QUESTION : 1

(A) Answer the following questions in one sentence each : (06)

1. What is Inland Bills of Exchange ?
2. What is 'the due date of a bill' ?
3. Which statement is prepared under the Single Entry System to ascertain profit?
4. What is Net worth method or Capital comparison method ?
5. Who is an endorsee ?
6. Why is it difficult to ascertain the correct Profit or Loss under Single Entry System ?

(B) Write the word, term or phrase which can substitute each of the following statement : (04)

1. A bill of which payment to be made after fixed period.
2. Transfer of title of the bill from debtor to creditor.
3. An excess of assets over liabilities.
4. A statement similar to Balance sheet prepared to ascertain the amount of closing capital.

(C) Select the most appropriate alternative from those given below and rewrite the statements : (06)

1. There are parties to a bill of exchange.
 - (a) Four
 - (b) Three
 - (c) Two
 - (d) five
2. Transferring a bill of exchange before maturity to a third party is called Of a bill of exchange.
 - (a) Honouring
 - (b) Endorsement
 - (c) Retirement
 - (d) Discounting

3. If closing capital is greater than opening capital it shows
- (a) Gross profit
 - (b) Net profit
 - (c) Gross loss
 - (d) Net loss
4. system is scientific, reliable and complete in all respects.
- (a) Single entry
 - (b) Double entry
 - (c) Triple entry
 - (d) Simple entry
5. When a bill is dishonoured, the is held responsible for the noting charges.
- (a) Holder
 - (b) Drawee
 - (c) Drawer
 - (d) Endorser
6. Under Single Entry System only
- (a) Personal accounts and cash A/c are opened
 - (b) Real accounts are opened
 - (c) Nominal accounts are opened
 - (d) Real and nominal accounts are opened

(D) State whether the following statements are True or False : (04)

1. Drawings made during the year decreases the profit under Single Entry System.
2. Single Entry System is suitable for Joint Stock Company.
3. Noting charges are payable to the Notary public on honour of a bill.
4. Honour of a bill means payment in accordance with the apparent tenor of the bill.

QUESTION : 2 (10)

On 14th May, 2012 Devidas Sheth sold goods on credit and for the said amount due draws a bill on Khushal Sheth for Rs. 30,000 at 4 months. Khushal Sheth accepted it and returned to Devidas Sheth. On 17th June, 2012 Devidas Sheth discounted it with his bank @ 16% p.a.

On due date Khushal Sheth dishonoured his acceptance and bank paid the noting charges Rs. 250. Then Khushal Sheth requested Devidas Sheth to renew it. He agreed on the condition that Khushal Sheth pay interest on the balance due @ 18% p.a. plus noting charges by cheque, and should accept new bill for the balance at 2 months.

These arrangements were carried through. Before due date Khushal Sheth was declared as insolvent. On 15th Dec. 2012 Devidas Sheth recovered 40% of the amount due from his private estate as final dividend.

Give journal entries in the books of Devidas Sheth, also prepare Devidas Sheth's Account in the books of Khushal Sheth.

QUESTION : 3

(10)

Mr. Keshav keeps his books on Single Entry System and disclosed the following information of his business :

Particulars	01.04.2012	31.03.2013
Investments	-	30,000
Bills Payable	-	18,000
Creditors	52,500	69,000
Furniture	15,000	45,000
Debtors	60,000	90,000
Stock in Trade	30,000	37,500
Cash at Bank	36,000	54,000

Additional Information :

- (1) Mr. Keshav transferred Rs. 3,000 per month during first half year and Rs. 2,000 each month for the remaining period from his business to his personal account. He also took goods of Rs. 7,000 for private use.
- (2) He sold his personal asset for Rs. 27,000 and brought the proceeds into his business.
- (3) Furniture to be depreciated by 10%.
- (4) Provide Reserve For Doubtful Debts @ 5% on Debtors.

Prepare (i) Opening Statement of affairs, (ii) closing statement of affairs and (iii) Statement of profit or loss for the year ended 31st March, 2013.