

MS JUNIOR COLLEGE
Hyderabad
GUESS PAPER - I
COMMERCE - II

PART - I(Commerce) 50 MARKS

Section - A

- I. I) Answer any TWO of the following questions : [2 x 10 = 20]**
II) Each question carries 10 Marks:

1. Define Stock Exchange? Explain its functions.
2. Define Banking? Explain its functions.
3. Define Management? Explain its function.

Section - B

- II. I) Answer any FOUR of the following questions : [4 x 5 = 20]**
II) Each question carries 5 Marks:

4. Explain differences between primary market and secondary market.
5. Explain merits and demerits of E-Banking.
6. Explain functions and powers of SEBI.
7. Explain advantages and disadvantages of Road Transport?
8. Explain Features of Insurance.
9. Explain features of Entrepreneur.

Section - C

- III. Answer any FIVE of the following questions: [5 x 2 = 10]**

- | | |
|----------------------|-----------------------------|
| 10. Letter of credit | 11. Treasury bill |
| 12. Commercial paper | 13. Bill of Lading |
| 14. Endowment policy | 15. Hawkers and Peddlars |
| 16. Double Insurance | 17. Scientific Entrepreneur |

PART - II (Accountancy - 50 Marks)

Section - D

- IV. Answer the following questions: [1 x 20 = 20]**

18. Raju and Rao are partners sharing profits and losses in the ratio of 3 : 2. Their balance sheet as on 31 March 2005 was as under.

| Liabilities | Amount Rs. | Assets | Amount Rs. |
|------------------|------------------|------------------|------------------|
| Sundry Creditors | 1,50,000 | Cash at Bank | 2,00,000 |
| Bills payable | 2,00,000 | Sundry Debtors | 2,00,000 |
| General Reserve | 1,00,000 | Stock | 3,00,000 |
| Capitals: | | Furniture | 1,00,000 |
| Raju | 4,00,000 | Machinery | 1,00,000 |
| Rao | 3,00,000 | Land & Buildings | 2,50,000 |
| | 11,50,000 | | 11,50,000 |

They decided to admit Mr.Reddy into partnership by giving him 1/4th share in future profits of the firm on the following conditions:

- a) Reddy is to bring Rs.2,50,000 as capital and Rs.1,00,000 as goodwill in cash.
- b) Stock and Furniture to be depreciated by 10%.
- c) Make a provision of 5% on Sundry Debtor.
- d) Land & Buildings are to be appreciated by 20%.

Prepare necessary ledger accounts and show the new balance sheet.

Section - E

V. Answer any ONE of following questions: [1 x 10 = 10]

19. On 1st January, 2015 Sudha of Srinagar consigned goods value Rs.20,000 to Indira of Warangal. Sudha paid cartage and other expenses Rs.1,500. On 1-4-2015, Indira sent on account sales with the following information:
- 1/2 of the goods sold for Rs.15000.
 - Indira incurred expenses Rs.750.
 - Indira is entitled to receive commission @5% on sales.
- Bank draft was enclosed for the balance due.
Pass necessary Journal entries in the books of both the parties.
20. From the following Receipts and Payments account of 'Sri KalaNilayam, Medak' for the year ended 31-03-2015, prepare income and expenditure account.

Receipts and Payments A/c

| Receipts | Amount Rs. | Payments | Amount Rs. |
|--|---------------|---------------------------|---------------|
| To Balance | 3,000 | By Salaries | 3,000 |
| To Subscriptions | | By Entertainment expenses | 1,600 |
| 2013 – 14 | 200 | By General expenses | 600 |
| 2014 – 15 | 4,000 | By Investments | 2,000 |
| 2015 – 16 | 400 | By Printing | 1,400 |
| To Entertainment receipts | 2,080 | By Furniture | 600 |
| To Sale of old furniture (Book value : 200) | 120 | By Balance c/d | 600 |
| Additional Information | 9,800 | | 9,800 |

- Outstanding salaries Rs.500.
- Subscriptions outstanding for 2014-15 Rs.1,000.
- Depreciate furniture by 10%.

Section - F

VI. I) Answer any TWO of following questions: [2 x 5 = 10]

- Explain differences between Sale and Consignment.
- Explain differences between statement of affairs and Balance Sheet.
- Raghava bought a Plant and Machine on 1st April, 2009 for Rs.23,000 and paid Rs.2,000 for its installation. Depreciation is to be allowed at 10% under straight line method. On 31st March 2012 the Plant was sold for Rs.8,000. Assuming that the accounts are closed at the end of the financial year. Prepare Plant & Machine a/c.
- Calculate profit earned by Anand who keeps his books under single entry system.

| | |
|-------------------------------|-------------|
| Capital as on 1-04-2012 | : Rs.7,500 |
| Fresh Capital introduced | : Rs.3,500 |
| Amount drawn for personal use | : Rs.6,000 |
| Capital as on 31-03-2013 | : Rs.21,000 |

Section - G

VII. Answer any FIVE of following questions: [5 x 2 = 10]

- Define Goodwill.
- Define Legacies.
- Define del credere commission.
- Write any two causes of depreciation.
- Write any two disadvantages of single entry system.
- Write Annual Depreciation formula.
- Ascertain the profit or loss of a concern:

| |
|---|
| Capital at the end of the year is Rs.34,000 |
| Capital at the beginning of the year is 36,500. |
- X and Y are partners sharing profits and losses in the ratio of 3 : 2. They decided to admit Mr.Z for 1/5 share in profit. Calculate new profit sharing ratio of X, Y and Z.