



# CA FOUNDATION ACCOUNTS

**3rd Session**



## FINAL ACCOUNTS

**Q. 1. The following are the balances as at 31<sup>st</sup> March, 2004 extracted from the books of Mr. XYZ**

	₹		₹
Plant and Machinery	19,550	Bad Debts	1,100
Furniture and Fittings	10,250	Bad Debts recovered	450
Bank Overdraft	80,000	Salaries	22,250
Capital Account	65,000	Salaries payable	2,450
Drawings	8,000	Prepaid Rent	300
Purchases	1,60,000	Rent	4,300
Opening Stock	32,250	Carriage inward	1,125
Wages	12,165	Carriage outward	1,350
Provision for doubtful debts	3,200	Sales	2,15,300
		Advertisement Expenses	3,350
Provision for Discount on Debtors	1,375	Printing and Stationery	1,250
Sundry Debtors	1,20,000	Cash in hand	1,450
Sundry Creditors	47,500	Cash at Bank	3,125
		Office Expenses	10,160
		Int. paid on loan	3,000

Additional Information:

1. Purchases include sales return of ₹ 2,575 and sales include purchase return of ₹ 1,725.
2. Goods withdrawn by Mr. XYZ for own consumption ₹ 3,500 included in purchases.
3. Wages paid in the month of April for installation of Plant and Machinery amounting to ₹ 450 were included in wages account.
4. Free samples distributed for publicity costing ₹ 825.
5. Create a provision for doubtful debts @ 5% and provision for discount on debtors @ 2.5%.
6. Depreciation is to be provided on Plant and Machinery @ 15% p.a. and on furniture and fittings @ 10% p.a.
7. Bank overdraft is secured against hypothecation of stock. Bank overdraft outstanding as on 31.03.2004 has been considered as 80% of real value of stock (deducting 20% as margin) and after adjusting the marginal value 80% of the same has been allowed to draw as an overdraft.

Prepare a trading and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2004, and a Balance Sheet as on that date.



**MUST DO QUESTIONS FROM ICAI MODULE BEFORE EXAM**

<b>QUESTION NUMBER</b>	<b>ICAI MODULE PAGE NUMBER</b>
ILLUSTRATION 7	7.33
ILLUSTRATION 8	7.35
ILLUSTRATION 12	7.40
PQ 1	7.51
ILLUSTRATION 3	7.65

## NPO

**Q. 1.** The Sportwriters Club gives the following Receipts and Payments Account for the year ended March 31, 2020:

Receipts	₹	Payments	₹
To Balance b/d	4,820	By Salaries	12,000
To Subscriptions	28,600	By Rent and electricity	7,220
To Miscellaneous income	700	By Library books	1,000
To Interest on Fixed deposit	2,000	By Magazines and newspapers	10,278
		By Sundry expenses	1,000
		By Sports equipment	2,450
		By Balance c/d	
	<b>36,120</b>		<b>36,120</b>

Figures of other assets and liabilities are furnished as follows:

	As at March 31	
	₹ 2019	₹ 2020
Salaries outstanding	710	170
Outstanding rent & electricity	864	973
Outstanding for magazines and newspapers	226	340
Fixed Deposit (10%) with bank	20,000	20,000
Interest accrued thereon	500	500
Subscription receivable	1,263	1,575
Prepaid sundry expenses	417	620
Furniture	9,600	?
Sports equipments	7,200	?
Library books	5,000	?

The closing values of furniture and sports equipments are to be determined after charging depreciation at 10% and 20% p.a. respectively inclusive of the additions, if any, during the year. The Club's library books are revalued at the end of every year and the value at the end of March 31, 2020 was ₹ 5,250. Required

From the above information you are required to prepare:

- (a) The Club's Balance Sheet as at March 31, 2019;
- (b) The Club's Income and Expenditure Account for the year ended March 31, 2020.
- (c) The Club's Closing Balance Sheet as at March 31, 2020.



**Q. 2.** A club provide following data relating to prize fund as on 31<sup>st</sup> March 2020.

Prize fund balance as on 1/4/19	₹ 25,000
Prize fund investment as on 1/4/19	₹ 20,000
Interest received during the year for above investment	₹ 1,000
Prizes given during the year	₹ 2,000
Donation received towards above fund during the year	₹ 5,000

Give journal entries relating to transactions given above & show an extract of balance sheet as on 31<sup>st</sup> March 2020 incorporating the above data.

**MUST DO QUESTIONS FROM ICAI MODULE BEFORE EXAM**

QUESTION NUMBER	ICAI MODULE PAGE NUMBER
ILLUSTRATION 10	9.19
ILLUSTRATION 11	9.21
ILLUSTRATION 12	9.26
PQ 1	9.32
PQ 3	9.34