

258**III**

Total No. of Questions – 32

Regd.

Total No. of Printed Pages – 4

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Part – III
COMMERCE, Paper – II
(English Version)

*Time : 3 Hours]**[Max. Marks : 100*

PART-I
(Marks-50)
SECTION – A

Note : Answer any **two** of the following questions in not exceeding **40** lines each : $2 \times 10 = 20$

1. Define Insurance. Discuss the principles of insurance.
2. What is SEBI ? Explain the objectives and functions of SEBI.
3. Explain the redressal mechanism available to consumers under the Consumer Protection Act, 1986.

SECTION – B

Note : Answer any **four** of the following questions in not exceeding **20** lines each : $4 \times 5 = 20$

4. Explain the characteristics of entrepreneurs.
5. Explain the relation between entrepreneur and entrepreneurship.
6. Distinguish between Home Trade and Foreign Trade.
7. Explain the advantages of SEZs.
8. Write the advantages of E-Banking.
9. What is capital market ? What is its importance ?

SECTION – C

Note : Answer any **five** of the following questions in not exceeding **5** lines each : **5 × 2 = 10**

10. Define entrepreneurship.
11. Explain the any two functions of an entrepreneur.
12. Define wholesaler.
13. Bonded warehouse.
14. National Highway.
15. Commercial Papers.
16. NIFTY
17. Give the meaning of consumer.

PART-II

(Marks-50)

SECTION – D

Note : Answer the following question :

1 × 20 = 20

18. Krishna and Radha are partners in a business sharing profits and losses equally.
Their Balance Sheet on 31-03-2018 stood as under :

Liabilities	Amount ₹	Assets	Amount ₹
Creditors	24,000	Cash at Bank	22,000
Capitals Accounts :		Sundry Debtors	70,000
Krishna 2,80,000		Stock	1,60,000
Radha <u>2,56,000</u>	5,36,000	Plant & Machinery	1,56,000
		Buildings	1,42,000
		Furniture	10,000
	5,60,000		5,60,000

They decided to admit Sathya into firm on 01-04-2018 on the following terms and conditions :

- (a) Sathya has to pay ₹ 2,50,000 for $\frac{1}{4}$ share in future profits.
- (b) Sathya has to pay ₹ 60,000 for goodwill.
- (c) Plant and machinery to be depreciated by 10%.
- (d) Buildings to be appreciated by 20%.
- (e) 5% reserve for doubtful debts to be created on debtors.

Prepare necessary accounts in the books of the firm after admission of Sathya with new Balance Sheet.

SECTION – E

Note : Answer any **one** of the following questions :

1 × 10 = 10

19. Vanaja of Vijayawada consigned goods worth ₹ 10,000 to his agent Kamala of Kakinada on consignment. Vanaja spent ₹ 500 on transport, ₹ 250 on insurance. Kamala sent ₹ 2,500 as advance. After two months, Vanaja received the account sales as follows :

- (a) Half of the goods were sold for ₹ 12,000.
- (b) Selling expenses were ₹ 600.
- (c) 5% commission on sales.

Give ledger accounts in the books of Vanaja.

20. From the following Receipts and Payments Account of Vishakha Sports Club for the year ending 31-March-2018, prepare Income and Expenditure Account.

Dr.

Cr.

Receipts	Amount (₹)	Payments	Amount (₹)
To Balance b/d	7,000	By Salaries	700
To Subscriptions (Including ₹ 500 for the previous year)	9,000	By Repairs	300
To Legacies	1,000	By Purchase of sports-equipment	1,000
To Life Membership Fees	2,500	By Furniture	4,000
To Sale of Tickets	250	By Honorarium paid	2,500
To Lockers Rent	750	By Books	1,000
To Entrance Fees	500	By Investments	5,000
To Interest on Investments	100	By Office expenses	600
	21,100	By Balance c/d	6,000
			21,100

Additional Information :

- (a) Outstanding salaries ₹ 300.
- (b) Opening value of sports equipments ₹ 500. Closing value ₹ 250.
- (c) Interest accrued on investments ₹ 100.
- (d) Subscription receivable for the year 2018, ₹ 1,500.
- (e) Capitalize entrance fees.

SECTION – F

Note : Answer any **two** of the following questions :

2 × 5 = 10

21. Explain the difference between a bill of exchange and a cheque.
22. Vinod & Co. purchased plant and machinery for ₹ 35,000 on 1st January, 2015 and spent ₹ 5,000 for installation expenses. Depreciation is to be provided at 10% on Reducing Balance Method. Books are closed on 31st December every year.
Prepare Plant and Machinery Account for first three years.
23. Ram Ltd. issued 10,000 shares of ₹ 100 each for the subscription payable at ₹ 20 per share on application, ₹ 40 per share on allotment and the balance ₹ 40 on first and final call. All the amounts were duly received. Make Journal entries in the books of the company.

	₹
24. Capital at the beginning of year i.e. 01-04-2017	2,50,000
Capital at the end of year i.e. 31-03-2018	2,25,000
Capital brought in by the proprietor during the year	12,000
Withdrawals by the proprietor during the year	50,000

The above information to prepare the statement of profit or loss.

SECTION – G

Note : Answer any **five** of the following questions :

5 × 2 = 10

25. What is due date of a bill ?
26. What is obsolescence ?
27. What do you mean by consignment ?
28. What is legacy ?
29. Goodwill.
30. What is authorized capital ?
31. Write any two advantages of computerised accounting system.
32. Write any two advantages of incomplete records.