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III

Total No. of Questions - 32

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

2 × 10 = 20

Answer any two of the following questions not exceeding 40 lines each.

1. Define banking. Explain the functions of the banking.
2. Define Stock Exchange. Explain its functions.
3. Describe the rights of a Consumer as per CPA 1986.

SECTION - B

4 × 5 = 20

Answer any four of the following questions not exceeding 20 lines each.

4. Explain the characteristics of entrepreneurs.
5. Explain the relation between entrepreneur and entrepreneurship.
6. What is an International Trade? Explain its importance.
7. What is SEZ? Explain their objectives.
8. Explain the term Insurance. Explain the functions of Insurance.
9. Explain the various money market instruments.

SECTION - C

5 × 2 = 10

Answer any five of the following questions not exceeding 5 lines each.

10. Write the definition of an entrepreneur.
11. Explain any one function of an entrepreneur.

12. Who is Retailer?
13. Write a short note on A.T. M.
14. Write a short note on Re-insurance.
15. Write a short note on Capital Market.
16. Write a short note on Financial Market.
17. Write a short note on District Forums.

**PART - II**  
( Marks 50 )  
**SECTION - D**

1 × 20 = 20

Answer the following question.

18. Ramesh, Suresh and Naresh who were sharing profits in the ratio of 2 : 3 : 5. Balance Sheet of Ramesh, Suresh and Naresh has on 31<sup>st</sup> March, 2016 :

Liabilities	Amount Rs.	Assets	Amount Rs.
Capital		Land	4,00,000
Ramesh : 7,20,000		Buildings	3,80,000
Suresh : 4,15,000		Plant & Machinery	4,65,000
Naresh : 3,45,000	14,80,000	Furniture & fittings	77,000
Reserve fund	1,80,000	Stock	1,85,000
Sundry creditors	1,44,000	Debtors	1,92,000
Outstanding exp.	16,000	Cash in hand	1,21,000
Total	18,20,000	Total	18,20,000

Suresh retires on the above date and the following adjustments are agreed upon his retirement :

- i) Stock was valued at Rs. 1,80,000.
- ii) Furniture and fittings were valued Rs. 90,000.
- iii) An amount of Rs. 12,000 was doubtful and a provision for the same was required.
- iv) Goodwill of the firm was valued at Rs. 2,00,000.
- v) Suresh was paid Rs. 40,000 immediately on retirement and balance was transferred to his loan account.
- vi) Ramesh and Naresh were to share future profits in the ratio of 3 : 2.

Prepare Revaluation Account, Capital Account and Balance Sheet of the reconstituted firm.

## SECTION - E

1 × 10 = 10

Answer any one of the following questions.

19. Vijay of Vijayawada consign 500 Radio sets each at Rs. 600 to Ramesh of Eluru. On consignment, Vijay paid Rs. 12,000 as freight and insurance in transit. Vijay drawn a bill on Ramesh for three months for Rs. 1,00,000. Ramesh send account sales which shows the following particulars.

- a) Gross sale proceeds are Rs. 4,50,000.
- b) Unloading and godown rent Rs. 10,000.
- c) Commission 5% on gross sales.

Ramesh send a bank draft for the balance due to Vijay. You are required to prepare necessary Ledger Accounts in the books of Consignor.

20. From the following Receipts and Payments account of the Venkateswara Society for the year ended 31<sup>st</sup> December, 2016. Prepare Income and Expenditure account for the year ended 31<sup>st</sup> December, 2016.

Receipts	Amount Rs.	Payments	Amount Rs.
To Balance 01.01.2016	3,485	By Books	6,150
To Entrance fees	650	By Printing and Stationary	465
To Donations	6,000	By Newspapers	1,110
To Subscriptions	6,865	By Sports materials	5,000
To Interest on bank deposits	1,900	By Repairs	650
To Sale of furniture	685	By Investments	2,000
To Sale of old newspapers	465	By Furniture	1,000
To Proceeds from entertainments	865	By Salaries	1,500
To Sundry receipts	125	By Balance (31.12.16)	3,165
Total	21,040	Total	21,040

The entrance fees and donations are to be capitalized. Sports materials value Rs. 4,000 as on 31<sup>st</sup> December, 2016.



**SECTION - F****2 × 5 = 10**

Answer any two of the following questions.

21. Narayana purchased goods for Rs. 15,000 from Ravindra on 1<sup>st</sup> March, 2016. Ravindra drew upon Narayana a bill of exchange for the same amount payable after two months. The bill was immediately discounted by Ravindra with his bank @ 6% p.a. On the due date the bill was dishonoured and bank paid Rs. 100 as noting charges.

Pass the necessary journal entries in the books of Ravindra.

22. Lakshmi traders purchased a Machine for Rs. 50,000 on 01.01.2016. Another Machine was bought on 01.01.2017 for Rs. 60,000 and used from 1<sup>st</sup> July, 2017 onwards. The depreciation is provided at 10% per annum, under straight line method. The books are closed on 31<sup>st</sup> December every year.

Prepare the Machinery account for 3 years.

23. Explain the categories of share capital.
24. The following information is given below. Prepare the statement of Profit or Loss.

Capital April 01, 2015	Rs. 7,50,000
Capital 31 <sup>st</sup> March, 2016	Rs. 5,00,000
Capital brought in by the Proprietor during the year	Rs. 50,000
Drawings during the year	Rs. 3,75,000

**SECTION - G****5 × 2 = 10**

Answer any five of the following questions.

25. What is meant by dishonour of a bill?
26. What is reducing balance method?
27. What is Del Credere Commission?
28. What is Legacy?
29. Explain sacrificing ratio.
30. What is an equity share?
31. Define single entry system.
32. What is Tailored?