

[ 2½ Hours ]

[ Total Marks : 75 ]

Please check whether you have got the right question paper.

- N.B:**
1. Solve all questions after exercising **internal option**.
  2. **Working notes** are allotted **separate marks**.
  3. **Figures** to the **right** indicate **full marks**.
  4. Use of **simple calculator** is **allowed**.

1. A) Fill in the blanks with appropriate option and rewrite the complete sentence (any Eight) : (08)

- 1) Specific identification method is a method for \_\_\_\_\_ of stock.
  - a) Verification
  - b) Valuation
- 2) Lower of cost or NRV is an example of \_\_\_\_\_.
  - a) Consistency
  - b) Conservatism
- 3) Accrued interest on investments appears on the \_\_\_\_\_ side of Trial Balance.
  - a) Debit
  - b) Credit
- 4) Raw material consumed is ₹50,000, opening stock is ₹2,000 and closing stock is ₹5,000. Hence purchases are \_\_\_\_\_.
  - a) ₹53,000
  - b) ₹55,000
- 5) Change in method of depreciation is to be done with \_\_\_\_\_ effect.
  - a) Prospective
  - b) Retrospective
- 6) Carriage inwards paid for bringing machinery to factory is \_\_\_\_\_ expenditure.
  - a) Capital
  - b) Revenue
- 7) Depreciation on delivery van is debited to \_\_\_\_\_ Account.
  - a) Manufacturing
  - b) Profit and Loss
- 8) Electricity expenses are apportioned on the basis of \_\_\_\_\_.
  - a) No. of points
  - b) Horse power of equipment
- 9) \_\_\_\_\_ is the purchase price payable if full payment is made immediately.
  - a) Hire Purchase Price
  - b) Cash Price
- 10) \_\_\_\_\_ is not covered by AS-9.
  - a) Lease Rent
  - b) Dividend

B) Match the following columns and rewrite (any Seven) : (07)

Column 'A'	Column 'B'
1) Labour welfare apportioned on	a) Allocation of interest in opening hire purchase price ratio
2) Interest earned by Hire Vendor	b) Fixed Asset
3) Live Stock	c) Credited to Trading A/c and Debited to Profit and Loss A/c
4) Depreciation	d) Revenue Expenditure
5) When interest rate not given	e) Booked on time basis
6) Goods lost by fire	f) No. of workers
7) Income received in advance	g) Value of assets

8) Expenditure on training	h) Capital Expenditure
9) Fees for Acquisition of lease	i) Debited to Hire Purchaser A/c
10) Revenue from interest apportioned on	j) Deduct from income and show as liability

2. A) From the Trial Balance of Mr. Sanmaan prepare Manufacturing, Trading and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2018 and Balance Sheet as on that date : (15)

Particulars	₹	Particulars	₹
<b>Opening Stock</b>		Sales	2,20,000
- Raw Material	50,000	Capital	50,000
- Work-in-progress	25,000	Sundry Creditors	30,000
- Finished goods	1,25,000	Bills Payable	10,000
Salaries	10,000	General Reserve	10,000
Carriage Inwards	4,000		
Factory Rent	3,000		
Factory Lighting	1,000		
Printing & Stationery	4,000		
Plant & Machinery	30,000		
Furniture	20,000		
Investment (6% Govt. bond purchased on 01-04-2017)	15,000		
Sundry Debtors	8,000		
Bills Receivable	2,000		
Cash and Bank Balance	16,000		
Refreshment Expenses	5,000		
Salesman Commission	2,000		
<b>Total</b>	<b>3,20,000</b>	<b>Total</b>	<b>3,20,000</b>

**Adjustments :**

- Closing Stock : Raw Material – ₹5,000, Work-in-progress – ₹2,000, Finished Goods – ₹10,000.
- Goods withdrawn by proprietor for personal use ₹1,500.
- Provide interest on capital 10% for a year.
- Charge depreciation @5% on Plant & Machinery and 8% on Furniture.
- Unrecorded purchase of raw material worth ₹50,000 on credit basis.
- Outstanding Salaries ₹3,000.

**OR**

2. B) Macgreen and Co. has two departments A and B. All goods purchased by 'B' department from 'A' department are transferred at normal market prices. From the following information; prepare Trading and Profit & Loss A/c of the two departments for the year ended 31<sup>st</sup> December, 2017 : (15)

Particulars	Dept. A (₹)	Dept. B (₹)	Total (₹)
Opening Stock	10,000	-	10,000
Purchases	1,10,000	5,000	1,15,000
Goods from Dept. A	-	30,000	30,000
Wages	300	3,200	3,500
Salaries	2,400	600	3,000
Closing Stock at Cost	18,000	6,000	24,000
Sales	1,21,000	68,000	1,89,000
Printing & Stationery	500	300	800
Advertisement	-	-	5,000
General Expenses	-	-	9,000
Capital	-	-	60,000
Debtors	-	-	27,000
Creditors	-	-	4,000
Machinery	-	6,000	6,000
Drawings	-	-	50,000
Cash in hand	-	-	23,700

Depreciate machinery by 10%. The entire stock of the Department B represents those issued from the Department A. The general expenses are to be apportioned in the ratio of 3 : 2 between A & B. The closing stocks of A & B Departments were ₹18,000 and ₹6,000 respectively, but the stock of Department B was entirely from goods transferred from Department A.

3. A) On 1<sup>st</sup> January, 2015, Bharat Ltd. purchased one tempo from Tempowala Ltd. Cash price of the tempo was ₹2,30,000. Down payment of ₹50,000 was made on that day. Remaining amount was to be paid in 3 annual instalments of ₹60,000 each plus interest @10% on outstanding balance at the beginning of the year. The due date of annual instalment was on 31<sup>st</sup> December, every year. Bharat Ltd. depreciated tempo in their books @10% p.a. on WDV method. (15)

You are required to prepare the following in the books of Bharat Ltd. :

1. A statement showing calculation of interest.
2. Tempo A/c.
3. Tempowala A/c.

OR

B) State whether the following expenditures or receipts are capital or revenue. Give reasons for your answer.

- 1) Professional fees paid ₹3,000 to the lawyer for preparing documents for purchase of new office premises. (02)
- 2) Paid ₹20,000 towards factory rent. (02)
- 3) Received ₹1,00,000 from insurance company for damage of machinery in fire. (02)
- 4) Received ₹2,000 as a dividend on shares. (02)
- 5) Discount on issue of shares and debentures ₹25,000. (02)
- 6) Loss of ₹10,000 incurred on goods in transit. (02)
- 7) Purchase of second hand car for ₹3,50,000 and spent ₹30,000 on repair of the car. (03)

4. From the following particulars, prepare stock ledger by FIFO method and also find out cost of goods sold and value of closing inventory : (15)

Date	Transactions	Units	Rate Per Unit in (₹)
01.01.2018	Opening Stock	14,000	3.50
03.01.2018	Purchases	24,000	3.80
07.01.2018	Sales	26,000	4.20
11.01.2018	Purchases	30,000	3.90
15.01.2018	Sales	34,000	4.30
19.01.2018	Purchases	32,000	4.05
23.01.2018	Sales	27,000	4.40
27.01.2018	Purchases	37,000	4.10
31.01.2018	Sales	31,200	4.55

OR

4. A) Amar Ltd. purchased 3000 units of raw material @ list price of ₹150 per unit. The excise duties amounted to ₹1,00,000 out of which ₹40,000 was refundable. The taxes amounted to ₹60,000. The seller gave a rebate of ₹20,000 on the list price. The company spent ₹20,000 on transportation and ₹10,000 for loading and unloading. Ascertain the costs of purchase. (05)

B) Zara Ltd. accounting year ends on 30.06.2018. The stock taking was done on 25.06.2018 which was 86,000. The following transactions took place between 25.06.2018 and 30.03.2018 : (05)

- 1) Purchase from 25.06.2018 to 30.06.2018 was ₹4,800.
- 2) Sales was ₹12,000 and sales return was ₹3,000.
- 3) Purchase return was ₹900.
- 4) Stock at cost lying with customers on approval ₹10,000.
- 5) Gross profit is 20% on selling price.

- C) Pass adjustment entries from the following : (05)
- 1) Cost of closing stock ₹4,000, Market Value ₹5,000.
  - 2) Rent. ₹1,000 is payable.
  - 3) Insurance paid in advance ₹500.
  - 4) ₹5,000 due from Sanjay is written off.
  - 5) Interest due but not received ₹1,000.

5. A) Explain the concepts, benefits and limitations of Accounting Standards. (08)  
B) What are the contents of Hire Purchase Agreement? (07)

OR

5. Write short notes on (any Three) : (15)
- 1) Distinguish between Periodic and Perpetual System.
  - 2) Advantages of Departmental Accounting.
  - 3) Features of AS-9.
  - 4) Disclosure requirements as per AS-1.
  - 5) Manufacturing Account.