

FYBAF/145

I Sem

Q.P. Code :00139

[Time: 2½ Hours]

[ 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. Use of simple calculator is allowed.

**Q.1 A)** State whether the following statements are True or False and rewrite the sentence. (Any 08) **(08)**

1. Cost of purchase does not include duties and taxes.
2. Accounting standards are laid down by law.
3. AS-9 deals with government grants.
4. Bin card shows stock position in the Bin.
5. Livestock is a Current Asset.
6. Drawings are deducted from Capital.
7. Wages paid to worker is a Revenue Expenditure.
8. Rent of building is allocated on the basis of area.
9. There is no difference between hire Purchase price and Cash price.
10. Under Hire Purchase installment is treated as hire charges.

**Q. 1 B)** Fill in the blanks with an appropriate word (Any 7) **(07)**

1. Following factors should be considered in selection of accounting policies \_\_\_\_\_.  
(Materiality / Cost)
2. AS-2 defines inventory as \_\_\_\_\_ assets.  
(Current / Fixed)
3. Under Perpetual inventory system inventory is valued \_\_\_\_\_.  
(Continuously / Periodically)
4. Following is not covered by AS-9 \_\_\_\_\_.  
(Lease Rent / Interest)
5. Stock is valued as cost or market value whichever is lower as per \_\_\_\_\_ concept.  
(Realisation / Matching)

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6. Expenditure incurred for acquiring the right to carry business is \_\_\_\_\_ expenditure.  
(Capital / Revenue)
7. Salaries and wages appear in \_\_\_\_\_ account.  
(Profit & Loss / Trading)
8. For a Plastic company plastic is a \_\_\_\_\_.  
(Raw material / Finished goods)
9. Following is a direct expenses in departmental accounting \_\_\_\_\_.  
(Purchase / Advertising)
10. Amount paid at the time of taking delivery of goods is \_\_\_\_\_.  
(down / cash )

Q.2 A) From the following information of Omkar Brothers prepare statement of valuation of stock by Weighted Average Method. (15)

Transactions	Date	Units	Rate per unit(Rs)
Opening Stock	1 <sup>st</sup> Dec 2015	3000	20.00
Purchases	3 <sup>rd</sup> Dec 2015	6000	21.00
	7 <sup>th</sup> Dec 2015	5500	23.00
	9 <sup>th</sup> Dec 2015	4300	22.00
	11 <sup>th</sup> Dec 2015	4700	21.00
	13 <sup>th</sup> Dec 2015	5400	24.00
Sales	2 <sup>nd</sup> Dec 2015	2500	-
	5 <sup>th</sup> Dec 2015	5200	-
	8 <sup>th</sup> Dec 2015	4600	-
	10 <sup>th</sup> Dec 2015	5200	-
	15 <sup>th</sup> Dec 2015	6000	-

OR

Q. 2 State with reasons whether the following are Capital or Revenue in nature. (15)

- 1 Cost of construction of building.
- 2 Amount spent on uniform of staff.
- 3 Heavy Advertisement Expenditure for launch of a new product.
- 4 Term Loan from bank.
- 5 Income from sale of goods.

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**Q.3** On 1<sup>st</sup> January 2014 Sudha purchased a LED T.V. from Vijay Sales on Hire Purchase System. (15)

The terms of Contract were as under:

1. The cash price of the T.V. was Rs. 1, 30,000.
2. Rs. 40,000 was to be paid on signing of the contract.
3. The balance was to be paid in annual installments of Rs. 30,000 each plus interest.
4. Interest chargeable on the outstanding balance was 6% p.a.
5. Depreciation @10% is to be written off on W.D.V. method.

You are required to prepare in the books of Sudha the following :

1. Statement showing calculation of interest.
2. LED T.V.'s account
3. Depreciation account
4. Vijay Sales account

OR

**Q.3 A)** Mr. Suresh's Financial year ends on 30<sup>th</sup> June, 2016 but the actual physical stock is not taken until (10) the following 8<sup>th</sup> July, 2016, when it is ascertained at Rs.74, 250.

You Find that :

1. Sales are entered in the sales day book on the day of dispatch and returns inwards in return inward book when goods are received back.
2. Purchase are entered in purchase book as the invoices are received.
3. Sales between 1<sup>st</sup> to 8<sup>th</sup> July as per sales book and cash book are Rs. 86, 000.
4. Goods purchased between 1<sup>st</sup> to 8<sup>th</sup> July as per purchase book are Rs. 6600 but out of these goods amounting to Rs.600 are not received till 8<sup>th</sup> July.
5. Goods Purchased and invoiced before 30<sup>th</sup> June amounted to Rs.5000 out of which Rs.3500 worth of goods are received between 1<sup>st</sup> to 8<sup>th</sup> July and remaining goods after 8<sup>th</sup> July.

Find out the Value of stock as on 30<sup>th</sup> June 2016 assuming that rate of profit is on cost  $\frac{1}{3}$ .

**Q.3 B)** Ascertain the cost purchase by using the following data: (05)

- |   |                |
|---|----------------|
| 1. Cost of Purchase of inventory                            | Rs. 5.50 lakhs |
| 2. Duties & Taxes paid and recoverable from Tax Authorities | Rs. 0.50 lakhs |
| 3. Trade Discount   | Rs. 0.50 lakhs |
| 4. Duties & Taxes paid and not recoverable                  | Rs. 1.00 lakhs |
| 5. Freight Inward   | Rs. 2.00 lakhs |

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Q.4 AB and Co has two departments viz 'A' Department and 'B' Department. From the following information - (15)

Prepare Departmental Trading and Profit and Loss account for the year ended 31<sup>st</sup> March 2016.

Transactions	'A' Department (Rs)	'B' Department (Rs)	Total (Rs)
Opening Stock	13400	11200	24600
Purchase	73600	71400	145000
Sales	110000	88000	198000
Salaries	8000	7000	15000
<b><u>Common Expenses and Income</u></b>			
Interest on Loan			2000
Carriage outward			2900
Discount earned			1450
Depreciation			7500
Rent & Rates			5400
Advertisement			8100
Building insurance			1800
General expenses			4500
Discount allowed			2700

Additional Information :

1. Closing stock A Dept.: Rs.20500 and B Dept.: Rs. 17600.
2. The area occupied by the two department is in ratio 5:4
3. Depreciation and general expenses are to be allocated equally.

OR

Q. 4 From the following Trial Balance of Happy Chemicals, prepare- (15)

- i) Manufacturing Account
- ii) Trading and Profit and Loss Account
- iii) Balance Sheet for the year ended 31<sup>st</sup> March, 2016.

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Particulars	Debit (Rs.)	Credit (Rs.)
Goodwill	1,00,000	-
Factory Building	40,000	-
Plant & Machinery	2,60,000	-
Furniture	16,000	-
Investment	20,000	-
Capital	-	3,90,000
Bank Loan	-	6,00,000
Creditors	-	3,00,000
Debtors	2,70,000	-
<b>Stock on 1-4-2015</b>		
- Material	2,60,000	
- Work-in-progress	15,000	
- Finished Goods	1,65,000	
Sales	-	22,00,000
Miscellaneous Income	-	8,000
Bad Debt Reserve	-	10,000
Purchases	17,20,000	-
Freight on Materials	1,00,000	-
Factory Power	30,000	-
<b>Salaries and Wages</b>		
- Factory	3,00,000	
- Office	1,30,000	
Repairs	5,000	-
Rent and Taxes	33,000	-
Insurance	7,800	-
General Expenses	36,200	-
Total	35,08,000	35,08,000

## Additional information:-

1. Closing stock: Materials Rs. 4, 20,000; Work-in-progress Rs. 25,000 and Finished Goods Rs.4, 15,000.
2. Depreciation to be provided at 2.5% on Factory Building; 10% on Plant & Machinery and 15% on Furniture.
3. Repairs, Rent & Taxes are to be apportioned between Factory and Office in the ratio of 3:2.
4. Reserve for bad and doubtful debts to be provided at 4% on debtors.
5. Insurance Premium covers a period of one month in advance.

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Q.5 Answer the following:

- 1) Explain in brief- FIFO method and Weighted Average Method.
2. Distinguish between Capital Expenditure and Revenue Expenditure.

(08)

(07)

OR

Q. 5 Answer the following any 3 out 5.

1. Differentiate between Hire Purchase System and Installment system.
2. What are the Adjusting and Closing Journal Entries made during Finalization of Accounts?
3. Explain interdepartmental transfers at cost and selling price.
4. What are the considerations in selection of accounting policies as per AS-1?
5. Explain Revenue from rendering of services as per AS-9.

(15)

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