

Duration :- 2.30 Hrs

Maximum Marks : 75

- Note : 1) Each Question carries 15 marks.
 2) Working notes should form part of answer.
 3) Use of simple Calculator is allowed.

08 M

Q.1.A Fill in the blanks. (Any 8)

- 1) Drawings are deducted from _____.
(Capital, Creditors)
- 2) For a textile mill, Cotton is _____.
(Raw Material, Finished Good)
- 3) Prepaid insurance is shown in _____.
(Trading, Balance Sheet)
- 4) _____ is an intangible asset.
(Car, Goodwill)
- 5) Revenue Expenditure is _____ in nature.
(Recurring, Non Recurring)
- 6) Closing stock is always valued at _____ price.
(Cost, Selling)
- 7) Commission on sales is distributed on _____ ratio.
(Sales, Equal)
- 8) _____ is the amount due from customer, which are not recoverable.
(Discount, Bad Debts)
- 9) Hire purchase = _____ + Interest
(Cash Price, Down Payment)
- 10) _____ expenditure incurred to maintain the fixed assets.
(Capital, Revenue)

07 M

Q.1.B. True or False. (Any 7)

- 1) Fees paid for renewal of licence of factory is revenue expenditure.
- 2) Advance incomes are liabilities of business.
- 3) Manufacturing A/c gives cost of production.
- 4) Revenue Expenses are non-recurring expenses.
- 5) Hire Purchase means purchase of Assets on Cash.
- 6) Discount allowed is calculated on sale ratio in department A/c.
- 7) Depreciation charge to Machine is debited to Profit and Loss A/c
- 8) W.I.P. is our Liability
- 9) AS 2 is deals with Inventories.
- 10) ICAI sets the accounting standards.

Q.2. From the following information relating to X Ltd. Value closing stock 31.12.13 applying

15 M

(a) FIFO Method (b) W.A.M.
 Opening Stock on 1.12.2013 5000 Units @ Rs.14

Purchase

- | | |
|-----------------|--------------------|
| i) On 18.12.13 | 4200 Units @ Rs.13 |
| ii) On 23.12.13 | 3800 Units @ Rs.9 |

Sales

- | | |
|----------------|------------|
| 1) On 7.12.13 | 1200 Units |
| 2) On 16.12.13 | 2600 Units |
| 3) On 19.12.13 | 1800 Units |
| 4) On 30.12.13 | 3400 Units |

OR

Q.2.A. From the following particulars presented by lovely Bros. Prepare Manufacturing Account for the year ended 31.3.2014. 08 M

Particulars	Rs.
Opening Stock :	
- Raw Material	3000
- W.I.P.	4000
- Finished Goods	8000
Closing Stock :	
- Raw Materials	1000
- W.I.P.	5000
- Finished Goods	4000
Purchase of Raw Material	40000
Wages	20000
Light, Gas, Etc	2000
Carriage Inward	1000
Hire of Spl. Plant	2000
Factory Rent	4000
Repairs to Plant	2000
Repairs to Factory	1000
Supervisors Salary	8000
Wages of Peon at Factory	1000
Royalties on Production	2000
Works Managers Salary	6000
Salary of Work Staff	3000

Q.2.B. Calculate by F.I.F.O. method of stock valuation. 07 M

Date	Transaction	Unit	Rate
01.01.13	Opening Stock	1500	20
05.02.13	Purchase	750	25
10.03.13	Purchase	600	22
15.03.13	Sales	1800	-
12.04.13	Sales	750	-
16.05.13	Purchase	600	25
25.06.13	Sales	750	-

Q.3. State with reasons whether the following items are capital or revenue. 15 M

- 1) Received Rs.2,00,000 on issue of equity share capital.
- 2) Paid Rs.5000 towards excised duty on goods.
- 3) Purchase 4% Govt. securities of Rs.40000.
- 4) Paid Rs.2000 for erection charges of new machinery.
- 5) Annual subscription paid Rs.2000 for Magazine.
- 6) Freight paid Rs.5000/-
- 7) Purchase Motor Car for Rs.3,00,000

OR

Q.3. The Trial Balance of Ms. Deepa as on 31st December, 2013 was as follows : 15 M

Particulars	Rs.	Particulars	Rs.
Raw Material	23,000	Sundry Creditors	17,000
W.I.P.	10,000	Bills Payable	8,500
Finished Goods	15,500	Sales of Scrap	1,500
Debtors	27,000	Commission	400
Carriage Inward	1,000	Prov. of R.D.D.	1,600
Carriage Outward	1,000	Capital	1,00,000
Bills Receivable	16,000	Sales	2,00,000
Wages	12,000		
Salaries	10,000		

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Repairs to Plant	1,200		
Purchase	1,00,000		
Cast at Bank	2,300		
Plant & Machinery	90,000		
Office Furniture	9,000		
Rent	5,000		
Lighting	1,800		
Factory Insurance	2,000		
General Expense	1,600		
Repairs to Furniture	600		
	3,29,000		3,29,000

Additional Information :-

1. Closing stock : Raw Material 15,800, Finished Goods Rs.18,200, W.I.P. Rs.7,000
2. O/s expenses Salary 2000 & Wages 2000, Lighting 600
3. Insurance prepaid Rs.500
4. 25% of Lighting & Rent charged to factory & charged to factory
5. Dep. is on machinery 10%, Furniture at 5% p.a.
6. Provide 10% R.D.D. on Debtors.

- Q.4.** Mr. Ulhas is the proprietor of Departmental store having two departments. A& B. The following balances have been extracted from his books as on 31/03/2014. **15 M**

Particulars	A	B
Opening Stock	2,500	2,000
Purchases	1,18,000	82,000
Sales	1,50,000	1,00,000
Salaries	10,000	7,500

Common Expenses :-

Office salaries	7,500
Lighting	1,200
Repairs to premises	250
Audit fees	2,500
Purchase Exp.	600

The proportion of total area occupied by A-2/5, B- 3/5. Prepare Trading and P&L A/c . (Department and General) for current year apportioning the overhead expenses whoever necessary to show the departmental profit or loss. Show clearly the basis on which the expenses are apportioned.

OR

- Q.4.** On 01-01-2010 Dev has purchase Machinery from Anil and paid Rs. 8000 at the time of delivery. The cash price was Rs. 48,000. The balance amount was paid in the following four installments on the 31st December every year with Interest @ 5% on cash price : Rs. 12,000 on 31-12-2010, Rs. 11,500 on 31-12-2011, Rs. 11,000 on 31-12-2012, and Rs. 10,500 on 31-12-2013. Machinery was to be depreciated at 10% p.a. on reducing balance method. **15 M**
- Pass Journal entries in the books of Dev.

Q.5. Short Notes (Any - 3) **15 M**

- 1) Capital Expenditure
- 2) AS2
- 3) Manufacturing A/c.
- 4) Hire Purchase Agreement
- 5) Department Account
