

PYBAF (11) / 25 / PA II

Sem - II  
April - 17

Q.P. Code :06828

[Time: 2  $\frac{1}{2}$  Hours]

[ Marks:75]

Please check whether you have got the right question paper.

- N.B:
1. All questions are compulsory but subject to internal choice.
  2. Figure to the right indicates full marks.

Q.1 A) State whether following statements are true or false. (Any 8) (08)

- 1) Under Single Entry system, only cash and personal accounts are maintained.
- 2) Consignment is not Sale.
- 3) Balance in Goods Sent to Branch Account is transfer to debit of trading account.
- 4) Memorandum Trading Account is always prepared for 1 year period.
- 5) Under the Conversion Method of Single entry, credit purchases are ascertained by preparing the total creditors account.
- 6) Consignee can return the unsold goods to the Consignor.
- 7) Depreciation on branch fixed asset is debited to branch account under Debtor system.
- 8) Abnormal goods are fast moving goods.
- 9) If the consignee gets Del Credere commission, the consignee will bear the bad debts.
- 10) Branch stock account is always prepared at cost price.

B) Match the column: (Any 7) (07)

| COLUMN A                                    | COLUMN B                                        |
|---------------------------------------------|-------------------------------------------------|
| 1. Average Clause                           | A. Applies in case of over insurance            |
| 2. Credit sales                             | B. Applies in case of under insurance           |
| 3. Opening balance sheet                    | C. Total debtors account                        |
| 4. Profit 20% on sales                      | D. Total creditors account                      |
| 5. Profit 25% on sales                      | E. Opening capital                              |
| 6. Relation between Consignor and Consignee | F. Profit 25% on Cost                           |
| 7. Del Credere Commission                   | G. Profit 33.33% on cost                        |
| 8. Single entry system                      | H. Principal and agent                          |
| 9. Expenses on consignment                  | I. Borne by the consignor                       |
| 10. Dependent branch                        | J. Stock and debtors system                     |
|                                             | K. Borne by consignee                           |
|                                             | L. No proper books of account                   |
|                                             | M. Extra commission for recovery from customer. |

Q.2 Mr. Goyal does not maintain proper books of account and from the given information prepare Trading and P&L account for the year ended 31<sup>st</sup> March 2012 and Balance sheet on 31<sup>st</sup> March 2012. (15)

| Assets            | 01/04/2011 (Rs.) | 31/03/2012 (Rs.) |
|-------------------|------------------|------------------|
| Plant & Machinery | 1,00,000         | ?                |
| Furniture         | 65,000           | ?                |
| Stock             | 36,240           | 62,540           |
| Debtors           | 1,43,520         | 1,34,280         |
| Creditors         | 1,25,640         | 1,45,420         |
| Cash and Bank     | 25,350           | ?                |

Analysis of cash transaction for the year:-

| Particular                        | Amount (Rs.) |
|-----------------------------------|--------------|
| Cash sales                        | 25,000       |
| Cash received from debtors        | 6,90,380     |
| Cash paid to creditors            | 4,90,260     |
| Wages paid                        | 32,560       |
| Salary paid                       | 44,380       |
| Printing and stationary paid      | 12,360       |
| Drawings                          | 12,000       |
| Machinery purchased on 01/10/2011 | 50,000       |
| Additional capital introduced     | 35,000       |
| Commission received               | 52,600       |
| Cash purchases                    | 42,150       |
| Expenses paid                     | 19,450       |

- 1) Discount allowed Rs.2,650 and Discount Earned Rs.2,530 and bad debts written off Rs. 4,120.
- 2) Depreciation to be provided on furniture @10% and on machinery @20%.
- 3) Wages outstanding Rs.5,500.

OR

Q.2 Mr. Aaryan, a retailer, does not keep any books of accounts but does operate a business bank account. A summary of the bank statements for the year ended 31-3-2013 is given below: (15)

| Receipts                   | Amount (Rs.) | Payments               | Amount (Rs.) |
|----------------------------|--------------|------------------------|--------------|
| Opening Balance            | 5,280        | Cash paid to Creditors | 74,500       |
| Cash received from Debtors | 97,000       | Salaries               | 11,000       |
| Closing Balance            | 4,420        | Rent                   | 3,600        |
|                            |              | General Expenses       | 7,000        |
|                            |              | Advertisement          | 600          |
|                            |              | Drawing                | 10,000       |
|                            | 1,06,700     |                        | 1,06,700     |

His assets and liabilities on 31<sup>st</sup> March, 2012 and 2013 were:

|                                | 31-3-2012 (Rs) | 31-3-2013 (Rs) |
|--------------------------------|----------------|----------------|
| Fixed Assets                   | 20,800         | 20,800         |
| Stock                          | 10,480         | 12,600         |
| Debtors                        | 13,000         | 13,600         |
| Rent prepaid                   | 600            | 1,200          |
| Creditors                      | 9,200          | 9,400          |
| Outstanding advertisement bill | 200            | 300            |

Fixed assets should be charged depreciation at 10%.

Required to prepare the Trading and Profit & Loss Account of Mr.Aaryan for the year ended 31-3-2013 and a Balance Sheet as at that date.

- Q.3 Mohanji & Co. Of Jaipur consigned 50 bundles of goods at Rs.200 each to Shyamji & Co. of Pune. The consignor pays Rs.200 for insurance and for freight Rs.300. Shyamji sends an accounts sales showing the gross proceeds at Rs.24,000. The expenses paid by Shyamji, travelling Rs.200, carriage Rs.500 and warehouse expense Rs. 130. He sends the amount due to consignor after deducting 4% commission. Prepare: - Consignment Account, Shyamji's Account and Goods Sent on Consignment Account in the books of consignor. (15)

OR

- Q.3 Raj agency is having a branch in Mumbai. Goods are invoiced to branch at 25% profit on sale. Branch has been instructed to send all cash daily to Head Office. All expenses are paid by head office except petty cash expenses, which are met by the branch. From the Following particular prepare Branch account in the books of Head Office:- (15)

| Particular                                | Amount Rs. |
|-------------------------------------------|------------|
| Stocks as on 01/04/2013(Invoice Price)    | 4,00,000   |
| Cash in hand as on 01/04/2013             | 10,000     |
| Sundry debtors as on 01/04/2013           | 2,50,000   |
| Office furniture as on 01/04/2013         | 40,000     |
| Goods invoiced from HO(Invoice Price)     | 18,00,000  |
| Goods return to HO (Invoice Price)        | 60,000     |
| Goods returned by debtors                 | 12,500     |
| Cash received from debtors                | 6,50,000   |
| Cash sales                                | 12,00,000  |
| Credits sales                             | 7,00,000   |
| Discount allowed                          | 3,000      |
| <u>Expenses paid by HO:-</u>              |            |
| Salary                                    | 40,000     |
| Staff welfare                             | 7,500      |
| Telephone expenses                        | 40,000     |
| Other petty Expenses paid by branch       | 7,000      |
| stock as on 31/03/2014 (at invoice price) | 3,50,000   |

Depreciation to be provided on furniture @10% p.a

- Q.4 Mr. A prepares accounts on 30<sup>th</sup> September each year, but on 31<sup>st</sup> December, 2013 fire destroyed the greater part of stock. Following information was collected from the books: (15)

| Particular                             | Amount Rs. |
|----------------------------------------|------------|
| Stock as on 01.10.2013                 | 2,97,000   |
| Purchase from 01.10.2013 to 31.12.2013 | 7,50,000   |
| Wages from 01.10.2013 to 31.12.2013    | 3,30,000   |
| Sales from 01.10.2013 to 31.12.2013    | 14,00,000  |

The rate of gross profit is 33.33% on cost. Stock to the value of Rs.30, 000 was salvaged. Insurance policy was for Rs.2, 50,000 and claim was subjected to average clause.

**Additional information:**

- 1) Stock in the beginning was calculated at 10% less than cost.
  - 2) A plant was installed by firm's own worker. He was paid Rs.5, 000, which was included in wages.
  - 3) Purchase include the purchases of the plant for Rs.50, 000.
- You are required to calculate the claim for the loss of stock.

OR

Q.4 Find out the amount of claim to be lodged with insurance company from the following information: (15)

| Particular             | 2011 Rs. | 2012 Rs. | 2013 Rs. | 01/01/2014 up to the date of fire. |
|------------------------|----------|----------|----------|------------------------------------|
| Opening stock          | 15,000   | --       | --       | --                                 |
| Purchases Less- Return | 50,000   | 75,000   | 90,000   | 60,000                             |
| Sales less- Return     | 60,000   | 80,000   | 1,30,000 | 84,000                             |
| Wages                  | 3,000    | 5,000    | 6,000    | 4,000                              |
| Closing Stock          | 20,000   | 40,000   | 50,000   | ---                                |

During the year 2013 closing stock included goods purchased but not recorded Rs.5, 000. The salvaged stock was valued at Rs.9, 000. The amount of policy was Rs.34, 000. There was an average clause in the policy. The firm closes its books on 31<sup>st</sup> December every year.

- Q.5 A) Distinguish between Debtors method and Stock & Debtors method. (08)  
 B) Explain the features of Consignment. (07)

OR

- Q.5 Write a short note on – (Any 3) (15)
- A) Dependent Branch
  - B) Average Clause
  - C) Del Credere Commission
  - D) Conversion method
  - E) Stock Reserve Account