

Time: 2:30 Hours

Marks: 75

- Note:** 1) Use of Simple Calculator is allowed.
 2) All workings form the part of answer.
 3) All questions are compulsory subject to internal choice.

Q. 1) A) State whether following statement are true or false (Any Eight- 8 Marks)

1. Under single entry, cash account is maintained with receipts and payments.
2. Invoice price is always higher than cost price.
3. Abnormal loss is credited to Branch Stock Account
4. Single entry system is followed by large sized organizations.
5. In case of del-credere commission, bad debts loss is borne by the consignee.
- 6) Average clause has no effect on calculation of claim.
- 7) Under Debtor system, normal loss appears in Branch A/c.
- 8) Sale of assets debited to Trading Account.
- 9) In consignment, consignee is principal and consignor is agent
- 10) Discount allowed to customer is not recorded in Branch Account

B) Match the following (Any Seven- 7 Marks)

| Group A | Group B |
|------------------------|-----------------------------------|
| Overriding Commission | Cash Book |
| Abnormal goods | Bills Receivable Account |
| Surplus Commission | Trading Account |
| Opening Stock | Bills Payable Account |
| Loss of stock | Statement of affairs |
| Closing Capital | Total Creditors Account |
| Bills receivable drawn | For extra efforts in selling |
| Cash Purchase | Surplus realized |
| Bills payable accepted | Slow moving goods |
| Credit purchase | Stock on the date of fire salvage |

(15 M)

Q. 2) Mr. Gopal commenced business as a retail trader on 1st January 2017 has not kept proper records of his transactions for the year ended 31st December 2017. He however, has kept a cash diary from which he has extracted the following.

| Receipts | Rs. | Payments | Rs. |
|---|-------|------------------------|-------|
| Amount withdrawn from Bank on various dates | 7,040 | Postage Expenses | 1,440 |
| | | Conveyance Expenses | 4,800 |
| | | License fees | 120 |
| | | Miscellaneous Expenses | 440 |
| | | Balance c/d | 240 |
| | 7,040 | | 7,040 |

Analysis of his bank statement reveals the following deposits and withdrawals.

| Particulars | Rs. |
|--------------------|----------|
| Deposits: | |
| Capital Introduced | 1,00,000 |
| Cash Sales | 4,80,000 |

| | |
|-------------------------------------|----------|
| Collection from Debtors | 40,000 |
| Withdrawals: | |
| Cash withdrawals for petty expenses | 7,040 |
| Rent Paid | 4,400 |
| Electricity Bills paid | 1,320 |
| Payment to suppliers | 3,60,000 |
| Insurance | 24,000 |
| Salaries | 7,200 |
| Furniture & Fixture Purchased | 48,000 |
| Advance Income tax paid | 24,000 |
| Typewriter Purchased | 4,000 |
| Personal Drawings | 72,000 |

- All fixed assets were purchased in early January. Furniture is to be depreciated at 10% and Typewriter at 15%.
- Rent and Electricity payable are in arrear for December, 2017
- At the end of the year, debtors were Rs. 10,000, Creditors Rs. 5,400 and Stock Rs. 78,000.

You are required to prepare

- Bank A/c and find closing balance
- Trading and Profit & Loss A/c for the year ended 31st December 2017.
- Balance sheet as on that date.

OR

(15 M)

Q. 2) Mr. Devanand carries on business as retail merchant. He does not maintain account books. From the cash sales effected by him he makes business and other payments, always retains cash of Rs. 2,000 in hand and deposits balance cash in bank account. The stock inventories for the year ended 31st December 2017 are lost. He informed that he has sold goods invariably at a price which yields him a profit of $33\frac{1}{3}\%$ on cost. From the following additional information supplied to you, prepare the necessary final accounts for the year ended 31st December 2017.

| Assets & Liabilities | 1.1.2017 | 31.12.2017 |
|----------------------|----------|------------|
| Cash in hand | 2,000 | 2,000 |
| Sundry Creditors | 8,000 | 18,000 |
| Cash at bank | ? | 16,000 |
| Sundry Debtors | 20,000 | 70,000 |
| Stock of Goods | 56,000 | ? |

Analysis of the Bank Pass Book reveals the following position.

| Particulars | Rs. |
|---|----------|
| Payment to Creditors | 1,40,000 |
| Payment for Business Expenses | 24,000 |
| Receipts from Debtors | 1,50,000 |
| Loan from Mr. Asit taken on 1.1.2017 at 10% p.a. interest | 20,000 |
| Cash deposited in the Bank | 20,000 |

In addition, he paid to the creditors for goods Rs. 4,000 in cash and salaries Rs. 8,000 in cash. He also withdrew Rs. 16,000 cash for his personal expenses.

(15 M)

Q. 3) Galaxy Ltd. has a head office and many retail branches which are supplied goods from the head office at 20% Profit on sales price. Accounts are kept at head office from where all expenses (except petty expenses) are paid. Such Petty expenses are paid by the branches which are allowed to maintain petty cash balance of Rs. 9,200 on Imprest System.

Prepare Branch Account from the following information.

| Particulars | Rs. |
|--|-----------|
| Balance on 1.1.2017: | |
| Petty cash at Branch | 9,200 |
| Stock at Branch at Sales Price | 2,00,000 |
| Sundry Debtors at Branch | 96,000 |
| Sundry Creditors at Branch | 44,800 |
| Furniture at Branch | 1,12,000 |
| Rent prepaid (upto 31.3.2017) | 5,200 |
| Transaction during the year ended 31.12.2017: | |
| Goods sent to Branch less return | 16,16,000 |
| Cash sales at Branch | 23,20,000 |
| Credit sales at Branch | 3,80,000 |
| Allowance to Debtors | 6,000 |
| Cash from Debtors | 3,20,000 |
| Bad Debts written off | 4,800 |
| Cash purchase by the Branch | 1,62,000 |
| Credit Purchase | 3,99,200 |
| Creditors at the end | 92,000 |
| Payment made by the Head Office: | |
| Rent for one year (Paid on 1.4.2017) | 11,200 |
| Salaries | 48,000 |
| Insurance paid for the year ending 31.3.18 | 3,840 |
| Payment made by the Branch: | |
| Petty Expenses | 1,920 |
| Balance on 31.12.2017 | |
| Stock at Sales Price | 1,50,000 |

Write off 10% Depreciation on furniture.

OR

(15 M)

Q. 3) Mr. Gupte of Malad consigned goods Mr. Mhatre of Satara of the value of Rs. 1,50,000 and invoiced the same @20% above cost. Mr. Gupte . paid Rs. 3,600 freight and Rs. 2,400 for insurance. He also drew on Mhatre a bill for Rs. 60,000 which was discounted for Rs. 56,250. An Account Sales was received showing that 75% of the goods were sold for Rs. 1,57,500. The expenses of Mr Mhatre amounted to Rs. 5,250 on clearance of goods and his commission Rs. 9,000. A Bank draft was received from Mr. Mhatre for the balance due. Pass necessary journal entries in the books of Mr. Gupte and also prepare Gupte A/c in the books of Mr. Mhatre.

(15 M)

Q. 4) Super Ltd suffered loss of stock due to fire on 31st May 2017. From the following information, prepare a statement showing the claim to be lodged.

| Particulars | Rs. |
|--------------------------------------|----------|
| Stock on 1.1.2016 | 76,800 |
| Purchased during 2016 | 3,20,000 |
| Sales during 2016 | 4,05,200 |
| Closing stock on 31.12.2016 | 63,600 |
| Sales from 1.1.2017 to 31.5.2017 | 1,22,800 |
| Purchases from 1.1.2017 to 31.5.2017 | 1,08,000 |

In valuing stock on 31.12.2016, Rs. 2,600 had been written off a particular line of goods which had originally purchased Rs. 6,000 and which were sold in May 2017 for Rs. 1,800. Except as regards this transaction, the gross profit had remained unchanged throughout. Salvage was Rs. 12,000. Calculate the amount of insurance claim to be lodged with the insurance claim.

OR

(15 M)

Q. 4) A fire occurred on 15th September 2017 in the premises of Amar Ltd. From the following figures calculate the amount of claim to be lodged with insurance company for loss of stock.

| Particulars | Rs. |
|--------------------------------------|----------|
| Stock at cost on 1.1.2016 | 80,000 |
| Stock at cost on 31.12.2016 | 1,20,000 |
| Purchases for the year 2016 | 1,60,000 |
| Sales for the year 2016 | 1,60,000 |
| Sales from 1.1.2017 to 15.9.2017 | 4,20,000 |
| Purchases from 1.1.2017 to 15.9.2017 | 1,98,000 |
| Wages from 1.1.2017 to 15.9.2017 | 20,000 |

During the current year, cost of purchase has been risen by 10% above the last year (2016). The selling price have been gone up by 5%. Salvage value of stock after fire was Rs. 10,000.

Q. 5) A) Distinguish between single entry and double entry system

(8M)

B) What are the different types of commission on consignee

(7M)

OR

Q. 5) Give Short Notes (Any Three* 5 Marks each)

(15M)

- 1) Valuation of consignment stock
- 2) Stock and Debtor System
- 3) Memorandum Trading Account
- 4) Goods in Transit
- 5) Conversion Method- Double Entry System
