

15/3/24 ATKT

FYB Com / ATKT / SEM I / AFM (58)

Duration: 3 Hours

Marks: 100

**Q.1. A. Select the appropriate word; (Any Ten)**

(CO-1, 2 -U) (10M)

1. Received on account of issue of debentures 4, 00,000
  - a) Capital receipt
  - b) Revenue receipt
  - c) Deferred revenue expenditure
  - d) Capital loss
2. Salaries and wages appear in
  - a) Trading Account
  - b) Profit & Loss Account
  - c) Balance Sheet
  - d) Trial Balance.
3. Rent and rates are apportioned to different departments on the basis of a
  - a) Area
  - b) Number of employees
  - c) Sales of each department
  - d) Purchase of each department
4. WIP in the books of manufacturer is
  - a) Partly Finished goods
  - b) Finished goods
  - c) Raw material
  - d) Return goods
5. Spent on entrance for a cinema house ₹ 1, 50,000
  - a) Revenue expenditure
  - b) Capital expenditure
  - c) Deferred revenue expenditure
  - d) Revenue receipt
6. Interest on drawings is
  - a) Expenditure for the business
  - b) No effects in business
  - c) Gain for the business
  - d) Loss for the business
7. Hire purchase is equal to
  - a) Cash price
  - b) Cash price – interest
  - c) Cash price + interest
  - d) Cash Price – Discount
8. Sales ratio is used for allocation of: -
  - a) Income tax
  - b) Rent
  - c) Depreciation
  - d) Advertisement
9. Closing stock of finished goods is shown as
  - a) Credit side of manufacturing Account
  - b) Credit side of Trading Account
  - c) Credit side of Profit & Loss Account
  - d) Debit side of trading account
10. Valuation of inventories governed by
  - a) Companies Act
  - b) Income Tax Act
  - c) AS-2
  - d) AS-6
11. In case of default in payment the seller under hire purchase can
  - a) Take back possession of goods
  - b) Take legal action against the buyer
  - c) Charge penalty to the buyer
  - d) No legal Action
12. Following is allocated in the ratio of no. of employees
  - a) Welfare expenses
  - b) Rent
  - c) Carriage
  - d) Advertising

**Q.1B.State whether the following statement are True or False: (Any Ten)**

1. Loss by fire in a department is charged to General Profit and loss account in departmental accounting.
2. Under FIFO Method, the stock includes goods held for resale.
3. Revenue expenses are non-recurring expenses.
4. The Manufacturing Account always shows a debit balance.
5. Drawing Account always credit balance.
6. Sale of scrap is credited to Manufacturing Account.
7. Live Stock is a current asset
8. Hire purchase is an agreement between the vendor and the agent.
9. Income received in advance is shown on the assets side of the balance sheet.
10. Under FIFO method, closing stock is calculated at the latest purchase cost.
11. Wages paid to worker is a Revenue Expenditure.
12. Return inward deducted from purchases

(CO-1, 2 -U) (10M)

Q.2. From the following Trial Balance as on 31<sup>st</sup> March 2022 of Mr. Ajit prepare Manufacturing Account, Trading Account and Profit and Loss Account for the year end 31<sup>st</sup> March 2022 and Balance Sheet as on that date.

Particular	Debit Amount	Credit Amount
Capital	-	80,000
Drawings	10,000	-
<b>Opening Stock:</b>	-	-
-Raw Material	10,000	-
-Work in Progress	9,000	-
-Finished Goods	17,000	-
Purchase of Raw Material	1,08,000	-
Freight on Raw Material	6,000	-
Direct Wages	44,000	-
Factory Rent	18,000	-
Factory Power and Fuel	9,000	-
Factory Supervisors Salary	10,000	-
Machinery Salary	70,000	-
Sales	-	3,45,000
Office Expenses	24,000	-
Cash at Bank	5,000	-
Selling and Distribution Expenses	20,000	-
Interest	7,000	-
Insurance Premium	10,000	-
Creditors	-	18,000
Bad Debts	1000	-
Provision for Bad Debts	-	2,000
Sundry Debtors	70,000	-
Bills Payable	-	3,000
	<b>4,48,000</b>	<b>4,48,000</b>

Following further information is provided to you:

- Closing stock as on 31<sup>st</sup> March, 2022 was Raw material Rs.10, 000, Work in-Progress Rs.6, 000 and finished goods Rs.15, 000.
- Depreciate Machinery @10% p.a
- During the year finished goods destroyed by fire were Rs.5, 000. Insurance company admitted the claim for Rs.3, 000.
- Provide Reserve for doubtful debts @ 5% on debtors.
- Factory rent outstanding is Rs.2, 000.

(CO-1, AAE) (20M)

OR

Q.2. From the given trial balance of Mr. Musheer, prepare Manufacturing, Trading and Profit and Loss Account for the year ended 31.12.2022 and Balance sheet as at that date.

Particular	Debit Amount	Credit Amount
<b>Opening Stock:</b>		
-Raw Material	12,000	-
-Work in Progress	7,000	-
-Finished Goods	20,000	-
Purchase of Raw Material	97,000	-
Octroi on Raw Material	11,000	-
Direct Wages	57,000	-
Factory Rent	7,000	-

Other Direct Expenses	12,000	-
Indirect Wages	8,000	-
Machinery	60,000	-
Cash at Bank	12,000	-
Sales	-	3,10,000
Administrative Expenses	31,000	-
Selling Expenses	13,000	-
Creditors	-	25,000
Interest	7,000	-
Discount Allowed	4,000	-
Bad Debts	1,000	-
Provision for Bad Debts	-	3,000
Sundry Debtors	50,000	-
Drawings	21,000	-
Capital	-	85,000
Bills Payable	-	7,000
	<b>4,30,000</b>	<b>4,30,000</b>

**Adjustment:**

- Closing stock was Raw Material Rs.8, 000; Finished Goods Rs.10,000 and Work in Progress Rs.4,000.
- Outstanding Direct Wages at the end were Rs.3, 000.
- Other Direct Expenses were prepaid to the extent of Rs.1,000
- Depreciate machinery @10% p.a
- Maintain provision for bad debts @5% of sundry debtors. (CO-1, AAE) (20M)

**Q.3.** From the following particulars, prepare Trading and Profit and loss account of the two departments A and B for the year ended 31<sup>st</sup> December, 2023.

Particular	Department A	Department B	Total
Opening Stock	30,000	20,000	50,000
Purchases	1,80,000	1,20,000	3,00,000
Carriage Inwards	-	-	4,000
Salaries	16,000	14,000	30,000
Sales	2,40,000	1,60,000	4,00,000
Purchase Return	2,000	1,000	3,000
Discount Received	-	-	3,000
General Salaries	-	-	20,000
Rent and Rates	-	-	10,000
Advertising	-	-	20,000
Insurance	-	-	2,000
Discount Allowed	-	-	3,000
Selling Expenses	-	-	1,000

**The Further information is relevant:**

- General Expenses are to be allocated equally.
- Goods transferred from Department A to B were Rs.30, 000.
- The area occupied is A 3/5 and B 2/5.
- Insurance is not allocated to any particular department.
- The closing stock of the two departments were A; Rs.2, 00,000 and B; Rs.1, 50,000.  
(CO-2, AAE) (20M)

**OR**

**Q.3.** State with reasons whether the following expenses or incomes are capital or Revenue.

- Amount of Rs.5, 000 realized from sale of old computer.

2. Repairs of Machinery Rs.8, 500
3. Replacement of defective parts of a machinery costing Rs.65, 000.
4. Cost of increasing the seating capacity of a cinema hall Rs.1, 50, 00
5. Legal charges paid for defending a legal suit Rs.12, 00
6. A Second-hand car purchased for Rs.2, 00,000
7. Paid fees Rs.6, 000 to the Association for membership.
8. Amount Received Rs.1, 00,000 issues of equity share capital.
9. Loss of Rs.10, 000 was incurred on goods destroyed by fire.
10. Received Rs.2, 000 as dividend on shares. (CO-1, AAE) (20M)

**Q.4.** Following is the record of transaction regarding purchase and Issue Mr. Anant

Date	Particular	Units	Rate Per Unit (Rs.)
1.3.2023	Purchase	1,000	60
4.3.2023	Purchase	1,000	70
6.3.2023	Issue	1,000	-
10.3.2023	Purchase	1,500	80
15.3.2023	Issue	1,600	-
20.3.2023	Purchase	900	90
23.3.2023	Issue	1,200	-

Find the following from the above;

- a) Value of stock using FIFO Method as on 31<sup>st</sup> March, 2023.
- b) Value of stock using Weight Average Method as on 31<sup>st</sup> March, 2023. (CO-1, AAE) (20M)

**OR**

**Q.4.** Force Transport ltd. Purchased trucks form the Ashok Motors ltd. On Hire Purchase Basis. The cash price of the trucks was Rs.3, 20,000. The amounts were payable as under: -

Rs.1,00,000 on the date of purchase i.e., 1 <sup>st</sup> January,2021
Rs.80,000 on 31 <sup>st</sup> December,2021
Rs.80,000 on 31 <sup>st</sup> December,2022
Rs.82,478 on 31 <sup>st</sup> December,2023

The Ashok Motors ltd. Charged interest at 5% p.a on the unpaid amount. The purchasing company decide to write off as deprecation 20% on the diminishing balance each year. You are required to give Truck account, The Ashok Motor Ltd. Account and Interest account in books of the Force Transport Ltd. According to credit purchase method.

(CO-2, AAE) (20M)

**Q.5.A.** Explain the factor influencing the selection of accounting policies as per AS-1.

(CO-1, UA) (10M)

**Q.5.B.** What are the features of Hire purchase Transactions?

(CO-2, UA) (10M)

**OR**

**Q.5.** Write short note: (Any 4)

(CO-1,2, UA,) (20M)

- a) Important Terms in Hire Purchase
- b) Manufacturing Account
- c) Allocation of Indirect expenses in departmental accounting
- d) Distinguish between Capital Expenditure and Revenue Expenditure
- e) Distinguish between Periodic Inventory System and Perpetual Inventory System