

FYBCOM/

[3 Hours]

[Total Marks : 100]

Please check whether you have got the right question paper.

- N.B:
1. Strictly avoid resorting to any unfair means during the examinations.
 2. Figures in brackets to the right indicate full marks allotted to the question.
 3. Working notes should form part of your answers.
 4. All six questions are compulsory, although, there are internal options in case of questions 2 to 6.
 5. Use of simple calculator is allowed.

1. A) State whether the following statements are True or False (Any 10) : (10)

- 1) Change in the Method of Depreciation on Fixed Assets needs to be disclosed as per AS-1.
- 2) Valuation of Stock of goods in trade is done at Cost only.
- 3) Interest on asset purchased on Hire purchase basis is charged by the vendor.
- 4) Revenue expenditure includes cost of improving the storage capacity of a computer by changing the hard disk.
- 5) Trading Expenses are debited to Profit and Loss A/c.
- 6) Balance sheet shows the profitability of the organization.
- 7) Departmental accounting helps to determine profit or loss of each department.
- 8) When Department A transfers goods to Department B, Department A a/c is debited and Department B A/c is credited.
- 9) Lighting is allocated on the basis of horse power of equipments installed by each department.
- 10) Under Hire purchase system, depreciation is charged on the Hire Purchase Price of the Asset.
- 11) The disclosure of significant accounting policies is mandatory as per AS-1.
- 12) Dividend received on shares is a Capital Receipt.

B) Match the column A with most appropriate answers in column B. (Any 10) : (10)

| Column A | | Column B | |
|----------|---|----------|--|
| 1 | Method of stock Valuation | a | Allocated on the basis of sales |
| 2 | Accounting Standard -9 | b | FIFO method |
| 3 | Drawing by proprietor | c | Added to purchases in manufacturing account |
| 4 | Capital Expenditure | d | Evaluation of performance of each department |
| 5 | Basic rule for valuation of stock | e | Fundamental Accounting assumptions |
| 6 | Weighted Average method | f | Purchase of Fixed assets. |
| 7 | Accounting Standard - 1 | g | Financing Activities |
| 8 | Import duty on purchase of Raw material | h | Initial payment at the time of hire purchase agreement |
| 9 | Selling Expenses | i | Lower of Cost or Net realizable Value |
| 10 | Down Payment | j | Revenue Recognition |
| 11 | Departmental accounting | k | Debited to capital account |
| 12 | Capital receipt | l | Total Cost of Inventory/ Total Units of inventory |

2. From the following Trial Balance of Mr. Shivprasad, prepare **Manufacturing Account**, (15) **Trading Account**, **Profit and Loss Account** for the year ended **31st March, 2018** and **Balance Sheet** as on that date :

Trial Balance of Mr. Shivprasad as on 31st March, 2018

| Particulars | Dr. (₹) | Cr. (₹) |
|----------------------------------|------------------|------------------|
| Sales | | 25,00,000 |
| Debtors | 1,86,000 | |
| Opening Stock - Raw Material | 59,000 | |
| Opening stock - Work in Progress | 70,000 | |
| Opening Stock - Finished Goods | 1,00,000 | |
| Purchase of Raw Material | 16,00,000 | |
| Carriage Inward on Raw Material | 89,000 | |
| Direct Wages | 1,48,000 | |
| Rent (75% for factory) | 80,000 | |
| Drawings | 18,000 | |
| Creditors | | 2,00,000 |
| Cash at Bank | 75,000 | |
| Salaries | 1,58,000 | |
| Discount Allowed | 17,000 | |
| Capital Account | | 11,00,000 |
| Machinery | 12,00,000 | |
| Total | 38,00,000 | 38,00,000 |

Following further information is provided :

- Closing stock as on 31st March, 2018:
Raw Material ₹60,000, Work-in-Progress ₹70,000, Finished goods ₹1,05,000.
- Depreciate Machinery @5% p.a.
- During the year goods costing ₹30,000 were distributed as free samples which remained unrecorded.
- On 3rd September, 2017, there was a fire in the godown of Mr. Shivprasad, destroying goods worth ₹10,000 which includes ₹4,000 raw material and ₹6,000 finished goods, insurance company admitted the claim for ₹8,000. This transaction was not recorded in the books.
- Provide Reserve for Doubtful Debts @ 5% on Sundry Debtors.

OR

2. From the following Trial Balance of Mr. Girija, prepare Manufacturing Account, Trading (15) Account, Profit and Loss Account for the year ended 31st March, 2018 and the Balance Sheet as on that date :

Trial Balance of Mr. Girija as on 31st March, 2018

| Particulars | Dr. (₹) | Cr. (₹) |
|-----------------------------------|------------------|------------------|
| Goodwill | 4,42,000 | |
| Purchase of Raw Material | 11,24,000 | |
| Capital | | 16,80,000 |
| Carriage inward | 31,000 | |
| Bills Receivable / Bills payable | 1,00,000 | 1,10,000 |
| Opening Stock - Raw Material | 50,000 | |
| Opening stock - Work in Progress | 56,000 | |
| Opening Stock - Finished Goods | 1,19,000 | |
| Sales | | 18,32,000 |
| Direct Wages | 3,42,000 | |
| Factory Power and Fuel | 53,000 | |
| Machinery | 9,60,000 | |
| Office Salaries | 99,000 | |
| Cash at Bank | 1,60,000 | |
| Selling and Distribution Expenses | 29,000 | |
| Creditors | | 86,000 |
| Sale of scrap | | 7,000 |
| Sundry Debtors | 1,50,000 | |
| Total | 37,15,000 | 37,15,000 |

Following further information is provided to you :

- Closing stock as on 31st March, 2018 is :
Raw Material ₹85,000, Work-in-progress ₹58,000 and Finished Goods ₹90,000.
- On 28th March, 2018, Finished goods costing ₹10,000 were sent on sale or approval basis @ 20% on cost. These goods were not approved till 31st March, 2018. The effect for the same needs to be given as the time for approval was not expired.
- Depreciate Machinery @ 5% p.a.
- Included in Debtors Account an amount of ₹12,000 receivable from one customer Mr. Harshad. He is also our supplier for ₹10,000 which was included in Creditors Account. It was decided to adjust Mr. Harshad's Accounts against each other.

3. M/s. Spandan Transport purchased a Bus on Hire Purchase basis from M/s. Volvo Ltd. on 1st January, 2015. The cash price of the Bus was ₹30,00,000. An initial payment of ₹12,00,000 was made on the date of purchase. The balance was paid in 3 annual installments excluding interest as follows: (15)

| | |
|------------|-----------|
| 31.12.2015 | ₹6,50,000 |
| 31.12.2016 | ₹6,00,000 |
| 31.12.2017 | ₹5,50,000 |

M/s. Volvo Ltd. charged interest @ 10% p.a. and M/s. Spandan Transport charged Depreciation @ 15% p.a. on Written Down Value Method. You are required to prepare Bus Account and M/s. Volvo Ltd. A/c. in the books of M/s. Spandan Transport for 3 years ending 31.12.2015, 31.12.2016 and 31.12.2017.

OR

3. From the following information prepare Departmental Trading and Profit & Loss account for the year ending 31st March, 2018 in the books of Ganesh Super Market : (15)

| Particulars | Department A (₹) | Department B (₹) | Total (₹) |
|-------------------|------------------|------------------|-----------|
| Opening Stock | 2,50,000 | 4,00,000 | 6,50,000 |
| Purchases | 10,00,000 | 8,00,000 | 18,00,000 |
| Sales | 22,50,000 | 15,00,000 | 37,50,000 |
| Wages | 1,50,000 | 1,00,000 | 2,50,000 |
| Office Salaries | | | 12,00,000 |
| Discount allowed | | | 2,20,000 |
| Discount Received | | | 72,000 |
| Rent paid | | | 16,000 |

Additional Information :

- 1) Stock in hand as on 31st March, 2018 – Department A ₹8,50,000.
Department B ₹7,00,000.
 - 2) Office staff appointed by Dept. A 10 persons & Dept. B 5 persons
 - 3) Area occupied by Dept. A 1000 sq. ft. & Dept. B 600 sq. ft.
 - 4) Depreciation on furniture was ₹13,000 which was allocated in Dept. A & B equally.
 - 5) Goods transferred from Dept. A to Dept. B was ₹4,00,000.
4. Following is the information related to purchases and sales of goods made by Jai Enterprise in the month of March, 2018. Find out from the given information. (15)
- a) The value of Closing Stock as on 31st March, 2018 using Weighted Average Price Method.
 - b) Cost of Goods Sold for the month of March, 2018.
 - c) Sales and Gross Profit for the month of March, 2018.

| Date | Particular | Units | Rate |
|------------|------------|-------|------|
| 03-03-2018 | Sales | 1,500 | 600 |
| 06-03-2018 | Purchases | 3,500 | 500 |
| 13-03-2018 | Sales | 4,000 | 700 |

| | | | |
|------------|--|-------|-----|
| 18-03-2018 | Purchase Return from purchase of 6 th March | 500 | |
| 20-03-2018 | Purchases | 5,000 | 470 |
| 22-03-2018 | Sales Return out of sale of 3 rd March | 1,500 | |
| 25-03-2018 | Sales | 6,000 | 750 |
| 27-03-2018 | Purchases | 5,000 | 530 |
| 30-03-2018 | Sales | 4,000 | 700 |
| 31-03-2018 | Purchase | 3,000 | 550 |

Stock on 1st March, 2018 was 3,000 units @ ₹400 per unit.

OR

4. From the following particulars of Chaitanya Garments prepare Trading & Profit & Loss (15) account of two departments' i.e. Garment & Cosmetics for the year ended 31st March 2018.

| Particulars | Garment Dept. (₹) | Cosmetic Dept. (₹) | Total (₹) |
|---------------------|-------------------|--------------------|-----------|
| Opening Stock | 65,000 | 50,000 | 1,15,000 |
| Purchases | 2,40,000 | 1,60,000 | 4,00,000 |
| Sales | 3,20,000 | 2,80,000 | 6,00,000 |
| Salaries | 12,000 | 10,000 | 22,000 |
| General expenses | | | 15,000 |
| Rent & Rates | | | 30,000 |
| Carriage Inward | | | 6,000 |
| Carriage Outward | | | 12,000 |
| Discount allowed | | | 9,000 |
| Discount received | | | 4,500 |
| Travelling Expenses | | | 15,000 |
| Insurance charges | | | 5,000 |

Additional Information :

- 1) General expenses & Insurance are to be allocated equally.
- 2) Area occupied by Garment & Cosmetic department are in the ratio of 4:1.
- 3) Closing stock of Garment Dept. is ₹1,20,000 & that of Cosmetic Dept. is ₹60,000.

Other expenses & Income to be allocated between two departments on suitable basis.

5. State whether the following expenditures and receipts are Capital or Revenue and give reason (15) for your answer :

1. Carriage paid for bringing new machinery ₹25,000.
2. Sold old business car for ₹2,50,000.
3. Insurance premium paid ₹25,000 to General Insurance Company for insurance of Plant.
4. Loan repaid ₹1,25,000, which was taken from State Bank of India.
5. Paid tax consultancy fees ₹40,000 to CA Deshpande for the year ended 31st March, 2018.
6. Cost of improving seating capacity of cinema hall ₹7,00,000.
7. A manufacturer purchased raw material of ₹1,50,000 and produced goods worth ₹3,00,000 and sold 50% of the same for ₹2,00,000 to M/s Raj Traders.

OR

5. Find out the value of closing stock of M/s Max Ltd. using FIFO and Weighted Average Methods from the following data: (15)

| Date | Particulars | Unit | @ ₹ |
|------------|-------------|-------|-----|
| 08-03-2018 | Sales | 500 | 750 |
| 20-03-2018 | Sales | 1,000 | 800 |
| 31-03-2018 | Sales | 1,500 | 850 |
| 12-03-2018 | Purchases | 1,200 | 550 |
| 15-03-2018 | Purchases | 1,000 | 600 |
| 23-03-2018 | Purchases | 1,500 | 700 |

Opening stock on 1st March, 2018 was 800 units @ 500 per unit.

6. Answer the following :
- Explain Accounting Standards and state the advantages of Accounting Standards. (10)
 - Explain features of Hire Purchase Agreement. (10)
- OR**
6. Write Short notes on **any four** of the following : (20)
- Limitations and advantages of Weighted Average Method of Stock Valuation.
 - Revenue Expenditure.
 - Adjustment entries in Final Accounts.
 - Trading Account and Profit & Loss Account.
 - Main features of AS-9 Revenue Recognition.
 - Fundamental Accounting Assumptions as per AS-1