

RYDCOM sem-I

Duration: 3 Hrs

B19NAFM

Marks:- 100

Note:- 1) All questions are compulsory.

2) All questions carry equal marks.

3) Figures to the right indicate maximum marks.

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

(10M)

1. As per AS-1, disclosure should be made of
 - a) Significant accounting policies
 - b) Assumptions in accounting
 - c) Accounting principles
 - d) Accounting policies
2. Valuation of inventories governed by
 - a) Companies Act
 - b) Income Tax Act
 - c) AS-2
 - d) AS-6
3. Cost of transport of material
 - a) Increases landing cost of material
 - b) Increases conversion cost
 - b) Decreases variable cost
 - d) Increase Fixed cost
4. Stock is valued at cost or at market value whichever is lower as per
 - a) Realisation concept
 - b) Cost concept
 - c) Matching Concept
 - d) Entity concept
5. Inventory of a manufacturer does not includes
 - a) Stock of Raw Material
 - b) Stock of WIP
 - c) Stock of Finished Goods
 - d) Live Stock
6. Legal expenses in connection with purchase of land 50,000
 - a) Revenue expenditure
 - b) Capital expenditure
 - c) Deferred revenue expenditure
 - d) Revenue Loss
7. Salaries and wages appear in
 - a) Trading Account
 - b) Profit & Loss Account
 - c) Balance Sheet
 - d) Trial Balance.
8. Goods given as sample should be credited to
 - a) Balance sheet
 - b) Sales Alc.
 - c) Purchase A/c
 - d) Debtors
9. Manufacturing Account shows
 - a) Cost of production
 - b) Gross profit
 - c) Net profit
 - d) Gross Loss
10. Lighting charges are apportioned over the department according to :-
 - a) No. of Light points
 - b) Cost of machines
 - c) Sales
 - d) Employees
11. Under Hire purchase system, depreciation is provided by hire purchases
 - a) Cash price
 - b) HP price
 - c) Down payment
 - d) Market price
12. Hire purchase is equal to
 - a) Cash price
 - b) Cash price – interest
 - c) Cash price + interest
 - d) Cash Price – Discount

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

(10M)

1. AS-9 deal with government grants.
2. Wages paid to worker is a Revenue Expenditure.
3. Rent of building is allocated on the basis of area.
4. Drawing account always credit balance.
5. Sale of scrap is debited to manufacturing account.
6. Inventory includes assets purchased and held for resale.

7. Down payment includes interest.
8. Expenditure that results in acquisition of a permanent asset is a capital expenditure.
9. Loss by fire in a department is charged to General Profit and Loss Account in departmental accounting.
10. The Manufacturing account always shows a debit balance.
11. Income received in advance is shown on the assets side of the balance sheet.
12. Installation expenses of new machinery is debited to machinery account.

Q.2. Trial balance of Rizwan ltd. as on 31st March 2022 was as follows:

Particular	Amount	Particular	Amount
Opening Stock:		Sundry Creditors	18,000
-Raw Material	20,000	Bank Loan	80,000
-Work in Progress	10,000	Sale of Scrap	2,200
-Finished Goods	15,000	Interest Received	1,800
Sundry Debtors	30,000	Commission Received	1,650
Freight on purchase	1,700	Sales	2,60,000
Bills Receivable	28,000	Capital	77,450
Wages	12,000		
Salaries	10,000		
Coal, Water and Gas charges	4,500		
Printing and Stationery	500		
Factory Insurance	1,200		
Repairs to factory shed	600		
Purchase	2,00,000		
Cash at Bank	12,000		
Plant and Machinery	30,000		
Factory shed	60,000		
Rent	3,000		
Factory Lighting	1,200		
Advertisement	1,400		
	4,41,100		4,41,100

The following additional informational is provides to you:

- a) Closing stock: Raw Material Rs.26,000, Work-in-Progress Rs.28,000 and Finished Goods Rs.25,000.
- b) Outstanding wages for the year end was Rs.2, 000.
- c) Advertisement prepaid for the next year Rs.400
- d) Depreciation Plant and Machinery @ 7%, Factory Shed @ 3.5%.
- e) Bill Receivable dishonoured for the year ended Rs.4, 000.
- f) Goods lost by fire worth Rs.5, 000 and insurance company admitted claim worth Rs.4, 000 only.

Prepare Manufacturing account, Trading account, Profit and loss account and Balance sheet as on 31st March 2022. (20M)

OR

Q.2. From the following Trial Balance as on 31st March 2021 of Mr. Ryan prepare Manufacturing Account, Trading Account and Profit and Loss Account for the year end 31st March 2021 and Balance Sheet as on that date.

Particular	Debit Amount	Credit Amount
Capital	-	80,000
Drawings	10,000	-
Opening Stock:	-	-
-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
	4,48,000	4,48,000

Following further information is provided to you:

- Closing stock as on 31st March, 2021 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

(20M)

Q.3. Following is the record of transaction regarding purchase and Sales Mr.Kailash.

Date	Particular	Units	Rate Per Unit (Rs.)
01-01-2021	Opening Balance	500	30
03-01-2021	Purchases	1,000	36
10-01-2021	Sales	800	45
15-01-2021	Purchases	1,400	40
20-01-2021	Sales	2,000	50
25-01-2021	Purchases	1,800	38
28-01-2021	Sale	800	45
29-01-2021	Sale	300	42
30-01-2021	Purchases	500	40

Find the following from the above;

- Value of stock using FIFO Method as on 31st January, 2021.
- Value of stock using Weight Average Method as on 31st January, 2021.

(20M)

OR

Q.3. State whether the following expenditure and receipts are capital or revenue. Give reasons for your answers.

- A Machinery costing Rs.2, 00,000 was sold for Rs.2, 15,000.
- Premium of Rs.35000 was received on issue of Equity shares
- Spent Rs.30, 000 for white washing of factory building.

4. Legal Expenses of Rs.8, 000 paid to defend a suit for breach of contract to supply goods.
5. Wages of Rs.20, 000 paid for erection of machinery.
6. Office rent paid in advance for 2 years Rs.10, 000
7. Goods costing Rs.30, 000 distributed free of cost amongst the workers.
8. Carriage paid for bringing new machinery Rs.25, 000.
9. A second car purchased for Rs.2, 00,000.
10. Interest of Rs.8, 000 paid on Bank overdraft.

(20M)

Q.4. Raj & Sons purchased a printing machine from Sameer & Sons Printer on Hire Purchase basis on 1st July, 2021. The term of the contract were as follows:-

- I) The cash price of the machine was Rs.75, 000.
 - II) Rs.15, 000 was paid on signing the contract on 1st July, 2021
 - III) The balance was paid in installment of Rs.20,000 plus interest at 15% per annum.
 - IV) The installment was paid on 31st December every year commencing from 31st December, 2021.
- Raj & Sons charged depreciation at 20% p.a under SLM. They closed their books on 31st December.

Show the necessary ledger account in the books of Raj & Sons for three year, 2021, 2022 and 2023. (20M)

OR

Q.4. From the following particular of Chaitanya Garments prepare Trading and Profit and loss Account of two departments i.e. Garment & Cosmetic for the year ended 31st March 2021:

Particular	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 and insurance are to be equally.
2. Area occupied by Garment & Cosmetic department are in the ratio 4:1
3. Closing stock of Garment Department is Rs.1, 20,000 and that of Cosmetic department is Rs.60, 000.
4. Other expenses and income to be allocated between two departments on suitable basis.

(20M)

Q.5.A. Explain the concepts, benefits and limitation of Accounting Standards.

(10M)

Q.5.B. Distinguish between FIFO Method and Weighted Average Method.

(10M)

OR

Q.5. Write Short Note :- (Any 4)

(20M)

- a) Important Terms in Hire Purchase
- b) Distinguish between Capital Expenditure and Revenue Expenditure
- c) Prepaid Expenses and Outstanding Expenses (With Example)
- d) AS-1 (Accounting Policies)
- e) Advantage of Departmental Accounting

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