

Duration: 3 Hours

211301123

Marks: 100
(CO1,2-U) (10M)F4BCOM
201**Q.1. A. Select the appropriate word; (Any Ten)**

1. Accounting standard 1 is _____
 - a) Mandatory
 - b) Optional
 - c) Recommendatory
 - d) No longer valid
2. Valuation of inventories governed by _____
 - a) Companies Act
 - b) Income Tax Act
 - c) AS-2
 - d) AS-6
3. Inventories are assets _____
 - a) held for sale in the ordinary course of business
 - b) held for sale of goods
 - c) held for long term capital appreciation
 - d) held for sale of capital depreciation
4. Market Value is _____
 - a) Net realizable value
 - b) Net realizable value less profit
 - c) Discounted present value
 - d) Traditional value
5. Inventory of a manufacturer does not include _____
 - a) Stock of Raw Materials
 - b) Stock of WIP
 - c) Stock of Finished Goods
 - d) Live Stock
6. Received on account of issue of debentures 4,00,000
 - a) Capital receipt
 - b) Revenue receipt
 - c) Deferred revenue expenditure
 - d) Capital loss
7. Salaries and wages appear in _____
 - a) Trading Account
 - b) Profit & Loss Account
 - c) Balance Sheet
 - d) Trial Balance.
8. 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
9. 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
10. Power is allocated on the basis of _____
 - a) H.P
 - b) No. of Light points
 - c) Area
 - d) No of employees
11. Hire purchase is equal to _____
 - a) Cash price
 - b) Cash price – interest
 - c) Cash price + interest
 - d) Cash Price - Discount
12. Under Hire purchase system purchaser becomes the owner of the goods on payment of _____
 - a) Down payment
 - b) Last installment
 - c) Interest
 - d) Never becomes owner

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

(CO1,2 -U) (10M)

1. Balance sheet shows the profitability of the organisation.
2. Hire Purchase is an agreement between the vendor and the agent.
3. Weighted Average Method of stock valuation is not recognised by AS-2.
4. Reserve for doubtful debts is deducted from creditors in the balance sheet.
5. Down payment includes interest.
6. Freight inward is allocated on the basis of purchase of the department.
7. Loss by fire in a department is charged to General Profit and loss account in departmental accounting.
8. Under FIFO Method, the stock includes goods held for resale.
9. Revenue expenses are non-recurring expenses.
10. The Manufacturing Account always shows a debit balance.
11. Drawing Account always credit balance.
12. Sale of scrap is credited to Manufacturing Account.

Q.2. From the following Trial Balance as on 31st March 2023 of Ms. Suman prepare Manufacturing Account, Trading Account and Profit and Loss Account for the year end 31st March 2023 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, 2023 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 following Trial Balance as on 31st March 2023 of Mr. Avtar prepare Manufacturing Account, Trading Account and Profit and Loss Account for the year end 31st March 2023 and Balance Sheet as on that date.

Particular	Debit	Credit
Opening Stock:	-	-
-Raw Materials	2,50,000	-
-Work in progress	80,000	-
-Finished Goods	2,20,000	-
Purchases of Raw Materials	2,15,000	-
Buildings	1,50,000	-
Plant & Machinery	3,60,000	-
Furniture	40,000	-
Trade Mark	30,000	-
Wages	83,000	-
Factory Taxes	4,000	-

Motive Power	9,000	-
Factory Insurance	5,000	-
Salary to office Staff	11,000	-
Office Rent	10,500	-
Carriage Inward	2,500	-
Printing and Stationery	5,200	-
Bank Charges	2,500	-
Traveling Expenses	10,000	-
Discount Allowed	3,300	-
Sales Return	11,000	-
Advertisement	5,500	-
Sales	-	7,80,000
Capital	-	8,50,000
Sundry Creditors	-	52,000
Sundry Debtors	82,500	-
Discount Received	-	2,500
Miscellaneous Expenses	5,500	-
Bills Payable	-	34,000
Bill Receivable	16,000	-
Corporation Bank	98,000	-
Cash on hand	9,000	-
	17,18,500	17,18,500

Adjustments:

- 1) Closing stock: Raw Materials Rs.85,00; Work in Progress Rs.30,000; Finished Goods Rs.2,05,000.
- 2) Factory taxes prepaid Rs.2,000
- 3) Depreciation charged on Furniture 10%; Plant and Machinery 15%; Trade Mark 20% and Building 5%.

(CO-1, AAE) (20M)

Q.3. From the following particulars, prepare Trading and Profit and loss account of the two departments L and T for the year ended 31st December,2023.

Particular	Department L	Department T	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:

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

OR

Q.3. Explain with reason whether the following expenses are capital or revenue;

- 1) Purchase of old machinery for cash Rs.1,00,000
- 2) Interest paid Rs.15,000 on bank overdraft.

- 3) Paid Audit fees Rs.10,000
- 4) Paid fees Rs.6,000 to the Association for one years.
- 5) Provide depreciation Rs.20,000 on furniture.
- 6) Paid insurance premium Rs.1,000
- 7) Payment Rs.100,000 for purchases of Goods.
- 8) Partial refund of capital to a partner.
- 9) Payment of Rs.50,000 loan taken earlier year.
- 10) Repair to keep the machinery in good working condition.

(CO-1, AAE) (20M)

Q.4. Keep stock record on FIFO and Weighted Average basis from the following transaction:

Purchases for March 2023:

(CO-1, AAE) (20M)

Date	Units	Rate per unit (Rs.)
1.3.2023	500	18
4.3.2023	700	20
9.3.2023	900	18
15.3.2023	300	25
25.3.2023	200	20
31.3.2023	500	25

Sales for March 2023:

Date	Units
2.3.2023	200
7.3.2023	500
11.3.2023	400
18.3.2023	800
27.3.2023	500

OR

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

- a) The cash price of the machine was Rs.75, 000.
- b) Rs.15, 000 was paid on signing the contract on 1st July,2021
- c) The balance was paid in instalment of Rs.20,000 plus interest at 15% per annum.
- d) The installment was paid on 31st December every year start 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 boos of Raj & Sons for three year, 2021, 2022 and 2023.

(CO-2, AAE) (20M)

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

(CO-2, UA) (10M)

Q.5.B.) Explain different types of assets as define by the ICAI.

(CO-1, UA) (10M)

OR

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

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

- a) Important Terms in Hire Purchase
- b) Capital Expenditure
- c) Manufacturing Account
- d) Allocation of Indirect expenses in departmental accounting
- e) Revenue Expenditure
