

Q. P. Code : 34385

Duration: 3 Hrs.

Maximum Marks: 100

Please check whether you have got the right Question Paper

N. B:

1. **Figures in brackets** to the right indicate **full marks** allotted to the question.
2. **Working notes** should form **part of your answers**.
3. **All questions** are compulsory, although, there are **internal options**.
4. Use of **simple calculator** is **allowed**.

Q.1 (A) Fill in the blanks choosing the correct alternative (Any Ten) (10)

1. _____ is a statement sent by the consignor to the consignee showing the details of goods sent on Consignment. (Pro-forma invoice/ Account sale/ Invoice)
2. Bills Receivables dishonored are recorded on _____ side of Debtors account. (Debit/ Credit/ Asset)
3. Goods sent on Consignment account is closed by transferring balance to _____ account of consignor. (Consignment Account/ Goods Account/ Trading Account)
4. Opening stock reserve is _____ to branch A/c in Branch Debtors Method. (Added/ Debited/ Credited)
5. _____ is prepared in single entry to find out credit purchases. (Debtors Account/ Cash and Bank Account/ Creditors Account)
6. Cash remitted by Head office to branch is _____ to Branch A/c in head office books under Branch Debtors method. (Debited/ Credited/ Added)
7. Fire insurance covers a risk due to _____. (Fire / Flood/ Earthquake).
8. Actual loss of stock due to Fire = Stock on the date of fire less _____. (Insurance premium/ Salvage/ Compensation)
9. Memorandum Trading Account is prepared to find _____ (Closing stock on the date of fire / Gross profit on the date of fire/ Salvage on the date of fire)
10. If Del Credere commission is paid to consignee bad debts loss is assumed by _____. (Consignee/ Consignor/ Customer)
11. In calculating Fire Insurance claims undervaluation of stock needs to be brought to _____. (Market Price/ Cost Price/ Undervalued Price.)
12. Goods which are slow moving are called as _____. (Abnormal goods/ Salvage/ Claim)

Q.1 (B) State whether following statements are true or false (Any Ten) (10)

1. If gross profit is 20% of sales that means it is 25% of cost.
2. Purchase Return is debited to creditors Account.
3. Consignee prepares consignment Account.
4. Debtors Account shows opening balance to the debit side of Debtors Account.
5. To find credit sales, head office prepares Debtors Account.
6. Bills Receivable dishonored are credited to Creditors Accounts.
7. Payment to Creditors can be ascertained from cash / Bank Account.

8. Average clause is applicable in case of underinsurance.
9. Stock on consignment belongs to the consignor.
10. Account sale is sent by the consignor to the consignee.
11. In Statement of Affairs method of single entry, complete records are converted into incomplete records.
12. Insurer gets compensation less than the amount of policy, in case of full insurance.

Q.2. Mr. Roy supplies you the following information:

(15)

Particulars	01.04.2017	31.03.2018
Sundry Debtors	90,000	1,05,000
Stock	75,000	85,000
Sundry Creditors	55,000	60,000
Furniture	20,000	?
Machinery	1,75,000	?

Summary of cash transactions for the year ended 31st March, 2018:

Receipts	₹	Payments	₹
Opening Balance	5,000	Creditors	1,75,000
Cash Sales	55,000	Wages	80,000
Received from Debtors	3,90,000	Salaries	75,000
Loan from Joy	50,000	Expenses	30,000
		Drawings	45,000
		Personal Income Tax	15,000
		Machinery Purchased (on 1.4.2017)	50,000
		Closing Balance	30,000
	5,00,000		5,00,000

Additional Information:

Discount Allowed were ₹ 6,000 and Discount Received ₹ 5,000. Bad Debts written off were ₹ 4,000. Depreciation is to be provided on Furniture @ 5% p.a. and on Machinery @ 10% p.a. Expenses include payment of ₹ 1,000 which relates to April, 2018.

Prepare Trading and Profit & Loss Account of Mr. Roy for the year ended 31st March, 2018 and Balance Sheet as on that date.

OR

Q.2. Mr. Omkar, a retailer of Mumbai, submits his financial position as on 31st March, 2017 and 31st March 2018 as under:

(15)

Particulars	31.03.2017	31.03.2018
Plant & Machinery	1,00,000	?
Stock (at cost)	76,500	80,000
Debtors	1,43,500	1,40,000
Cash at Bank	44,000	?
Creditors	60,000	70,000
Loan from Vijay	40,000	?

During the year ended 31st March, 2018; Mr. Omkar:

- Received from debtors ₹ 3,03,500.
- Paid ₹ 2,33,500 to creditors for goods.
- Repaid ₹ 10,000 of Vijay's Loan.
- Purchased a computer for ₹ 14,000.
- Withdrew ₹ 1,600 per month for domestic use.
- Introduced additional capital of ₹ 6,000.
- He sold goods only on credit.
- He spent for business expenses ₹ 18,000.
- Charge 20% Depreciate on Plant & Machinery and Computers.

Prepare Mr. Omkar's Final Accounts by showings all yours workings.

Q.3 Hero Motors consigned on 01/07/2017, 100 bicycles to Vastu Motors of Kolhapur to be sold on behalf of Hero Motors. The Cost of each bicycle was ₹ 1,500. Hero Motors incurred ₹ 1,000 on freights and insurance. Vastu Motors received the consignment on 14/07/2017 and accepted a three months bill drawn upon by Hero Motors for ₹ 50,000. Vastu Motors paid ₹ 4,000 as rent and ₹ 2,500 as insurance and by 31/12/2017 had sold 80 bicycles at ₹ 2,500 each. Vastu Motors is entitled to total commission of 5 per cent on sales including a del-credere commission of 1%. Vastu Motors sold 20 bicycles on credit and was not able to recover sales proceeds of 5 bicycles because of insolvency of the debtor.

Prepare Consignment Account and Consignee's Account in the books of Hero Motors.

OR

Q.3. Following information is available from the books of Sunny Pharmaceuticals Ltd for its branch at Bangalore for the year ended 31st March 2018. The head office invoices goods to the Branch at 25% on Invoice Price. **You are required to prepare Bangalore Branch A/c in the books of Sunny Pharmaceuticals Ltd using Branch Debtors Method. Also prepare Total Debtors Account to support your answer.**

Particulars	₹
Balance as on 1-4-2017	
Branch Debtors	55,000
Stock at Invoice price	75,000
Cash-in-hand	10,000
Office furniture (Depreciated @ 10 % pa)	10,000
Balance as on 31-3-2018	
Branch Debtors	?

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- Cash	12,000
- Stock at Invoice Price	1,25,000
- Office Furniture	?
Transactions during 2017-18	
Goods sent by H.O. at Invoice Price	2,25,000
Total Sales	2,10,500
Cash Sales	1,35,000
Cash received from debtors	55,000
Discount allowed	1,500
Bad debts	1,000
Goods returned by debtors	3,000
Goods returned by Branch to H.O (Invoice Price)	5,000
Cash received from HO for Branch Expenses :	
- Salary	12,000
-Rent and Taxes	8,000
- Sundry Expenses	15,000

Q.4 Following are the details of Mysore Branch of Majestic Trading Company for the financial year 2017-18. (15)

	01/04/2017	31/03/2018
	₹	₹
Balances		
Stocks	62,000	42,000
Debtors	56,000	61,200
Cash	1,600	1,000
Transaction during the year 2017-18		
Goods sent to Branch	2,28,000	
Sales on Credit	?	
Sales for Cash	1,60,000	
Goods Returned by customers to Branch	6,000	
Goods Returned to Head Office (by branch)	7,000	
Cash Received from Debtors	1,26,000	
Expenses paid at Branch :-		
- Salaries	26,000	
- Commission	15,000	
- Rent and Taxes	15,500	
Discount to customers	2,000	
Bad Debts	800	

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Using the information given, draw up the following accounts in the books of Majestic Trading Company for the financial year 2017-18 using Stock and Debtors Method:

1. Mysore Branch stock account
2. Mysore Branch debtors Account
3. Mysore Branch Expenses Account
4. Mysore Branch Cash Account and
5. Mysore Branch P&L Account.

OR

Q.4. On 31st July 2017, A major fire broke in the premises of M/s Shalimar International destroying stock of goods available with them. Stock having cost worth ₹5,000 could be salvaged. The Insurance policy was for ₹ 25,000.

Following information was obtained from the books of Accounts saved.

Particulars	Rs.
a. Balances as per the last Balance sheet as on 31st March 2017:	
Stock	55,000
Creditors	12,000
Debtors	20,000
b. Transactions between 1.4.2017 and 31.07.2017.	
Payment to Creditors	42,000
Receipts from Debtors	60,000
Returns inward	5,000
Returns Outward	6,000
Cash Sales	55,000
Unpaid Creditors as on 31 st July 2017	40,000
Unpaid Debtors as on 31 st July , 2017	55,000

All Sales are made at a profit of 33.33 % on Selling Price. You are required to draw up a statement showing claim to be submitted to the Insurance Company.

Q.5. Goods costing ₹ 45,000 were invoiced by Mr. Amarendra of Aurangabad to Mr. Charul (15) of Chandigarh. ₹ 28,125 is received as advance from Charul. Charul is to get 5 per cent commission on sales and 2½ per cent del-credere commission. Eighty per cent of the goods were sold for ₹57,000. Expenses of the Consignor were ₹3,000 and of Consignee ₹1,500; ₹300 proved bad. The account was settled by cash payment.

Prepare Consignment Account and Consignee's Account in the books of Mr. Amarendra.

OR

Q.5 On 5th June 2017 there was a devastating Fire in the godown of Welspun Ltd. (15)
Following details were available from the books that were saved.

Particulars	₹
Stock on 1.4.2016	75,000
Purchases from 1.4.2016 to 31.3.2017	2,30,000
Purchases from 1.4.2017 to 5.06.2017	23,000
Sales from 1.4.2016 to 31.3.2017	3,60,000
Sales from 1.4.2017 to 5.06.2017	36,000
Stock on 31.3.2017	60,000
Wages from 1.4.2016 to 31.3.2017	21,400
Wages from 1.4.2017 to 5.06.2017	5,200

The salvage amounted to ₹ 3,200. Company spent ₹ 1,640 as firefighting Expenses. The sum assured by Insurance Company was ₹ 60,000. The Policy bears an Average Clause. You are required to compute the claim to be filed with the Insurance Company.

- Q6 A) What is single entry system? Enumerate the steps in finalizing accounts in conversion method of single entry. (10)
- Q 6 B) State the Accounting Methods of Dependent Branches. (10)

OR

- Q 6 Write short notes on any four of the following: (Any FOUR) (20)
1. Calculation of Fire Insurance Claims.
 2. Proforma Invoice in consignment.
 3. Goods invoiced to branches at higher price.
 4. Debtors and Bills Receivables Account.
 5. Consignment Account.
 6. Stock Debtors Method of Branch Accounts.
