

Note :- All questions are Compulsory.

Figures to the right indicate full marks.

Use of Simple Calculator is allowed.

Q.1 a) Select the most appropriate option and rewrite the sentence. (CO1- R)

(10M)

1. Goods sent to an agent for sale is called as
  - a) Consignment
  - b) Sales
  - c) Sale or return
  - d) Purchase
2. ----- is required to find out closing stock lying in the godown on the date of fire
  - a) Net profit ratio
  - b) Gross profit ratio
  - c) Expenses ratio
  - d) Operating ratio
3. Goods which are slow moving are called as -----
  - a) Abnormal goods
  - b) Salvage
  - c) Claim
  - d) Normal goods
4. Closing stock with the consignee is debited to
  - a) Consignment stock A/c.
  - b) Sales account
  - c) Consignee's A/c.
  - d) Consignor account
5. Debtors account is prepared to find out
  - a) Cash sales
  - b) Credit sales
  - c) Cash purchases
  - d) Credit purchases
6. For calculation of claim salvage is
  - a) Added to stock
  - b) Deducted from stock
  - c) Deducted from sales
  - d) Not affected
7. Depreciation on Branch asset under debtors system is
  - a) Not shown separately in Branch A/c.
  - b) Shown in branch account
  - c) Not accounted
  - d) Shown in P&L A/c. of head office
8. Under debtors system, insurance claim admitted and received is shown on
  - a) Credit side of Branch A/c.
  - b) Debit side of Branch A/c.
  - c) Credit side of HO A/c.
  - d) Credit side of P&L A/c.
9. The claims to be lodged with insurance company is
  - a) Stock on the date of fire + salvage
  - b) Stock on the date of fire – salvage
  - c) Policy amount – salvage
  - d) Policy + salvage
10. Purchase of furniture should be
  - a) Added to purchases
  - b) Deducted from purchases
  - c) Deducted from Bank
  - d) Deducted from sales

Q.1.b State whether the following statements are True or False. (CO1-R)

(10M)

1. The Single Entry system is followed by large sized organizations.
2. Average clause has no effect on calculation of claim.
3. Discounts allowed to customers are not recorded in the Branch account.
4. Invoice price is always higher than the cost price.
5. Balance in Goods sent to Branch Account is transferred to debit of trading account.
6. If the consignee gets Del-Credere commission, the consignee will bear the bad debts.
7. Under the single Entry System only cash and personal accounts are maintained.
8. Consignee is an agent.
9. The Creditor's account gives credit purchases made during the year.
10. Loading on opening or closing stock is called as Stock Reserve

**Q.2.A.** On 31st May, 2020; the premises and stock of a firm were totally destroyed fire the books of account, however, being saved. In order to make a claim on their fire policy they ask you advice and you are able to obtain the following information: **(CO1- A, A, E)**

Particular	2019	(up to 31.5.2020)
Opening stock as valued	38000	39900
Purchases	120000	41000
Sales	186000	75000
Wages	32800	12000
Closing stock	42000	-----

Prepare a statement for submission to the insurance company in support of your claim for loss of stock. Assume that opening stock for 2020 is valued at 5% below cost. **(15M)**

**Q2.B.** Calculate the claim amount of claim: **(CO1-U, A)** **(5M)**

Stock on Date of fire	65,000
Stock Salvage out of which 1/3 was handed over to Insurance company	9,000
Policy Amount	40,000
Fire Freighting Expenses	2,500

**OR**

**Q.2.** fire occurred in the business premises of M/S Punawala on 15<sup>th</sup> October, 2021. From the following particulars ascertain the loss of stock and prepare the claim for insurance:

Particular	Amount (Rs.)
Stock on 1.1.2020	15,300
Purchase from 1.1.2020 to 31.12.2020	61,000
Sales from 1.1.2020 to 31.12.2020	90,000
Stock on 31.12.2021	13,500
Purchase From 1.1.2021 to 15.10.2021	73,500
Sales From 1.1.2021 to 15.10.2021	75,000

The stock was always valued at 90% of cost. The stock saved was worth Rs.9000. The amount of the policy was Rs.31, 500. There was an average clause in the policy. **(CO1- A, A, E)** **(20M)**

**Q.3.**Mr. Rahul commenced business as food merchant on 1<sup>st</sup> January, 2021 with capital Of Rs.20, 000. On the same day he purchased furniture and fitting for cash Rs.8000. From the following particulars obtained from his books kept by single entry you are asked to prepare a Trading and Profit and loss account for the year ended 31<sup>st</sup> December, 2021 and balance sheet as on that date: **(CO1- A,A,E)**

Particular	Amount ( Rs.)
Sales ( Inclusive of Cash Rs.20,000 )	40,000
Purchase (Inclusive of Cash Rs.12000)	34,000
Ravi Kumar Drawings	2,400
Salaries of Staff	3,600
Bad Debts	1,000
Business Expenses	1,400

Rahul took food worth Rs.1000 from the shop for private use and paid Rs.400 to his son, but omitted to record this transaction in his books. On 31<sup>st</sup> December, 2021 hiss sundry debtors were Rs.10400 and Sundry creditors Rs.7, 200. Stock in hand on 31<sup>st</sup> December was Rs.13000. **(20 M)**

**OR**



**Q.3.** Mr.Raghav, a retailer, does not keep any books of accounts, but does operate a business bank account. A summary of the bank statement for the year ended 31.3.2020 is given below:

Receipts	Amount	Payment	Amount
Opening Balance	2640	Cash paid to creditors	37250
Cash Received from Debtors	48500	Salaries	5500
Closing Balance	2210	Rent	1800
		General Expenses	3500
		Advertisement	300
		Drawings	5000
	53350		53350

His assets and liabilities on 31.3.2019 and 31.3.2020 were.

Particular	31.3.2019	31.3.2020
Fixed Assets	10400	10400
Stock	5240	6300
Debtors	6500	6800
Rent Prepaid	300	600
Creditors	4600	4700
Outstanding Advertisement	100	150

Fixed Assets should be depreciated at 10%.

(CO1-A, A, E, C)

Required: Prepare the Trading and profit & loss account of Mr.Raghav for the year ended 31.3.2020 and balance sheet as that date.

**Q.4.** MDB Company has a branch at pune. Goods are invoiced to the branch at 20% profit on invoiced price. Branch has been instructed to send daily to the Head office. All Expenses of the branch are paid by the Head office except petty expenses which are met by the branch which are met by the branch manager. From the following in particular prepare Branch account and Branch Debtors account in the Books of Head office. The details of the transaction for the year ended 31.12.2020 were as under. (CO1-A, A, E,)

Stock on 1.1.2021 ( Invoice Price )		84,000
Sundry Debtors 1.1.2021		36,000
Cash in hand 1.1.2021		1,600
Furniture 1.1.2021		8,000
Goods invoiced to branch ( Invoice Price)		3,20,000
Goods returned to H.O ( Invoice Price)		4,800
Goods Returned by Debtors		2,000
Goods received from Debtors		1,24,000
Cash Sales		2,00,000
Credit Sales		1,28,000
Discount allowed to Debtors		2,400
<b>Expenses Paid by H.O:</b>		
-Rent	4,800	
-Salary	9,600	
-Stationery	16,000	30,400
Petty expenses paid by Branch Manager		1,200

Depreciation is to be provided on furniture at 10% p.a, Stock on 31.12.2021 at invoice price Rs.60, 000. (20M)

OR

**Q.4.**M/S Ambuja Cement Ltd. Mumbai consigned to M/S Gujar Brothers of Agra, 5000 cement bags costing Rs.80 per bag. M/S. Ambuja Cement Ltd. paid Rs.4, 500 for railway freight Rs.5, 500 for insurance and Rs.2,200 for sundry expenses.

On receipt of consignment M/S. Gujar Brothers accepted a Bill for Rs.2, 00,000 which was discounted by the consignor at the bank for Rs.1, 99,500 and discount was charged to the consignment account.

M/S. Gujar Brothers Sent account sales which show as:

- a) Cash sales of 4,000 bags @ Rs.95 each.
- b) Expenses paid by Gujar Brothers were: i) Godown Rent Rs.2,000; ii) Selling Expenses Rs.6,000
- c) Gujar Brothers remitted the balance due by Bank Draft after deducting their expenses and commission at 2% on gross sales.

Show the necessary ledger account for both the parties. (CO1-A, A, E,) (20M)

**Q.5.A.** Distinguish between Single Entry System and Double Entry System (CO1- R, U,A) (10 M)

**Q.5.B.** Explain the term with Example Consignment, Consignor, Consignee and Del-credere Commission. (CO1- R, U,A) (10M)

OR

**Q.5. Write short note (Any Four) (CO1- R, U, A) (20M)**

- a) Memorandum Trading Account
- b) Types of Branch
- c) Distinguish between Debtors and Creditor Account
- d) Stock Reserve
- e) Explain Salvage with Example

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