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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.

Q.1 A Fill in the blanks with most appropriate words: (Any 10) (10)

1. Loading is a difference between _____ price and cost price.
2. Limited companies are not permitted to maintain their Books of Accounts as per _____ Entry System.
3. Gross Profit cannot be ascertained under _____ Entry System.
4. Person who sends the goods on consignment is called as _____.
5. Goods Sent On Consignment account is closed by transfer to _____ Account.
6. _____ Branches do not maintains complete set of books of Accounts.
7. _____ Branches are located in the same country as that of the head office.
8. _____ Branches do not purchase goods on their own.
9. Under Stock Debtors System, balance on branch expenses is transferred to _____ account.
10. Goods saved from fire is called as _____.
11. In case of Average Clause Insurance Claim = $\frac{\text{Amount of Policy}}{\text{_____}} \times \text{Actual loss.}$
12. Credit sales can be ascertained from _____ Account.

B State whether the following statements are True or False (Any 10) (10)

1. Trial balance cannot be prepared under single entry system.
2. Under Conversion Method, credit purchases are ascertained from Creditors Account.
3. Collection from debtors is ascertained from Debtors Account.
4. Profit on consignment belongs to the consignor.
5. Consignee's account is debited when goods are sent on consignment.
6. Account Sale is sent by consignor to the consignee.

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7. Abnormal loss is credited to Branch Stock Account.
8. Loading in closing stock is debited to stock reserve account under stock debtors system.
9. Under stock debtors system, entries are made in branch stock account at invoice price.
10. Goods distributed as free samples should be credited to trading account.
11. Memorandum Trading Account is prepared to find out amount paid by creditors.
12. Valuation of stock is done at market value only.

Q.2 Following details were extracted from the information given by Mr. Amarnath for the year (15) ended 31st March, 2017.

a) **Cash and Bank Account**

Receipts		₹	Payments		₹
To	Balance b/d	7,000	By	Cash Purchases	30,000
To	Cash Sales	60,000	By	Creditors	120,000
To	Debtors	190,000	By	Bills payable	18,000
To	Bills Receivables A/c	15,000	By	Salaries	40,000
To	Miscellaneous Income	3,000	By	Printing and Stationery	25,000
To	Loan received	20,000	By	Telephone Expenses	8,000
			By	Sales Commission	14,000
			By	Laptop Purchased	30,000
			By	Balance c/d	10,000
		295,000			295,000

b)

Particulars	Balance on 31-03-16 ₹	Balance on 31-03-17 ₹
Furniture	10000	10000
Laptop	-	30000
Cash & Bank Balance	7,000	10000
Stock	30000	20000
Debtors	40000	60000
Bills Receivables	5000	9000
Creditors	18000	22000
Bills payable	6000	14000

c) **Other details**

- 1 Provide Depreciation on Laptop at the rate 40% p.a.
Laptop was purchased during the year on 1st December 2016
- 2 Bills Receivable dishonored during the year ₹ 400

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You are required to prepare

- i Trading & Profit & Loss Account for the year ended 31st March 2017
- ii Balance Sheet as on 31st March, 2017
- iii Working Notes to substantiate your answers

OR

Q.2 Following information is given to you by Mr. Jagdish

(15)

Opening Statement of Affairs as on 1st April 2016

Liabilities	₹	Assets	₹
Capital	80,000	Machinery	28,000
		Closing Stock	15,000
Creditors	10,000	Debtors	40,000
Bills Payable	2,000	Bills Receivable	3,000
		Cash and Bank	6,000
	92,000		92,000

Following Information was available from his Cash and Bank records

Particulars of Cash and Bank Transactions	₹
1 Received from Debtors	70,000
2 Paid to Creditors	30,000
3 Cash Purchases	8,000
4 Cash Sales	20,000
5 Salaries	18,000
6 Office Expenses	9,000
7 Commission Received	4,000
8 Machinery Purchased	24,000
9 Bills Receivable Matured and Received	10,000
10 Bills Payable Paid	7,000

Following additional Information was also available to you

- | | | |
|---|--|----------|
| a | Credit Purchases | 45,000 |
| b | Credit Sales | 85,000 |
| c | Depreciation to be Charged on Machinery at the rate of | 10% p.a. |
| d | Machinery purchased during the year was purchased on 1st October, 2016 | |
| e | Bills Receivable Drawn | 15,000 |
| f | Bills Payable Accepted | 9,000 |
| g | Closing Stock | 12,000 |

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OR

- Q.3 Bharat Enterprises of Pune has a branch at Kolkata. Following information is obtained (15)
from the branch for the year 2016-17

Particulars	1-4-2016 ₹	31-3-2017 ₹
Balance as on		
Cash	18,000	10,500
Stocks <i>Goods</i>	80,000	88,000
Debtors	24,000	28,000
Furniture	6,000	5,600
Transactions during the year		
Goods received from Pune	2,00,000	
Sales on Credit	80,000	
Sales for Cash	1,40,000	
Goods Returned by customers	3,000	
Goods Returned to Pune	6,000	
Expenses paid at Branch		
- Salaries	6,000	
- Rent and Taxes	2,000	
- Printing and Stationery	1,000	
Discount allowed	2,000	

Prepare necessary accounts for the branch under Stock and Debtor Method in Pune Office Books using Stock and Debtors Method of Branch Accounting.

- Q.4 On 1st January, 2016, Hind Cycles Ltd. of Pune consigned 500 bicycles costing ₹ 300 each to Patil & Co. of Satara. The proforma invoice was made at ₹ 400 each. The consigner incurred ₹10,000 for freight and insurance. (15)
Hind Cycles Ltd. received a bank draft for ₹ 50,000 from Patil & Co. of Satara as an advance. Patil & Co. of Satara was allowed a commission of 10% on sales and they paid godown rent ₹ 3000 and advertisement expenses ₹ 2000.
Patil & Co. of Satara sold 450 cycles at ₹ 500 each. The balance amount was remitted by bank draft.
Hind Cycle Ltd. closes its books 31st December every year.
Prepare Consignment Account, Consignee's Account and Goods sent on Consignment Account in the books of Hind Cycles Ltd.

OR

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- Q.4** Mr. Ajay of Ahmedabad sent on consignment 100 sewing machines costing ₹ 200 each to Mr. Bhavesh of Baroda. The consigner paid ₹ 1000 for freight and insurance. Mr. Bhavesh spent ₹ 500 for godown rent. At the end of the year 10 machines were unsold lying as stock with Mr. Bhavesh. (15)
- The consignee sold 90 sewing machines @ ₹ 250 per machine.
Mr. Bhavesh remitted the sales proceeds after deducting expenses and his commission @ 5% of goods sold.
Prepare Consignment Account, Consignee's Account and Goods sent on Consignment Account in the books of Ajay of Ahmedabad.

- Q.5** M/S. Firezone Limited closed their books every year on 31st March. On 28th February, 2017 their premises and stock were destroyed by fire. From the books of accounts and other records the following information is obtained. (15)

PARTICULARS	2014 ₹	2015 ₹	2016 ₹	1-1-17 to 28-2-2017 ₹
Opening stock	90,300	1,08,000	1,20,000	1,23,000
Purchases less Returns	2,24,700	2,40,000	2,43,000	18,000
Sales less Returns	3,60,000	3,96,000	4,20,000	36,000
Wages	52,200	57,000	62,532	6,000

They have taken a fire insurance policy of ₹ 1,05,000 and there is average clause in the policy. The salvaged goods amounted to ₹ 17,000.

Find out the amount of claim to be submitted to the insurance company.

OR

- Q.5** A fire occurred in the godown of M/S Fireworks Ltd on 28th March, 2017; destroying the major part of stock. The books and the records were salvaged from which the following particulars were ascertained: (15)

Particulars	₹
Sales for the year 2016	3,00,000
Sales for the period 1.1.2017 to 28.3.2017	90,000
Purchases for the year, 2016	2,90,000
Purchases for the period 1.1.2017 to 28.3.2017	37,500
Stock on 1.1.2016	1,00,000
Stock on 31.12.2016	1,15,000
Wages	20,000
Free Samples distributed at cost	20,000

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The Company has been following the practice of valuing the Stock of goods at actual cost plus 10 %. Included in the Purchases of 2016 were Purchases of Machinery costing ₹ 50, 000. Subject to these, the rate of Gross Profit on the basis of valuation of Stock was uniform. Salvage was ₹ 15,000 and Sum Assured was ₹ 80,000. Ignore the depreciation on Machinery. You are required to ascertain the Amount of claim for the loss of Stock.

Q.6 A. What is Single Entry System? Explain the advantages and limitations of the Single Entry System? (10)

B. What is branch? Describe various Accounting Methods of Branch Accounting? (10)

OR

Q.6 Write Short note on (Any Four) (20)

1. Distinguish between Consignment and Sale.
2. Different types of Consignment Commission.
3. Branch Adjustment Account.
4. Dependent Branch.
5. Treatment of Abnormal Goods in case of Fire Insurance.
6. Difference between Branch and Department.

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