

Duration: 3 hrs

Maximum Marks: 100

Note: All Questions are compulsory

Figures to the right indicate full marks.

Q1. A. Multiple Choice Questions: (Any 10)

(CO1- R)

(10M)

1. For valuation of stock, the expenses which is not considered includes
  - a) Freight
  - b) Octroi
  - c) Carriage
  - d) Depreciation
2. Debtors account is prepared to find out
  - a) Credit sales
  - b) Cash purchases
  - c) Cash sales
  - d) Bank account
3. Stock on the date of fire is ascertained by preparing
  - a) Memorandum trading account
  - b) Trading account
  - b) Profit or loss A/c.
  - d) Balance sheet
4. 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
5. Under stock debtor's system, expenses are transferred to
  - a) Branch A/c.
  - b) Branch adjustment A/c.
  - c) Branch P&L A/c.
  - d) Branch debtors A/c.
6. Goods sent by HO to the branch but not received by the branch are termed as
  - a) Branch account
  - b) Goods in transit
  - c) Loss in transit
  - d) Purchase a/c
7. The relationship between Consignor and consignee is that of -----
  - a) Principal and agent
  - b) Debtors and creditors
  - c) Buyer and seller
  - d) Owner and servant
8. For calculation of claim salvage is
  - a) Added to stock
  - b) Deducted from stock
  - c) Deducted from sales
  - d) Not affected
9. Del credere commission is calculated at a certain percentage on
  - a) Total sales
  - b) Credit sales
  - c) Cash sales
  - d) Total purchases
10. Incomplete records are generally maintained by
  - a) Government
  - b) Company
  - c) Small business
  - d) MNC's
11. Credit purchase can be ascertained by preparing ----- A/c.
  - a) Customer
  - b) Debtors
  - c) Creditors
  - d) Bills receivable
12. Balance on consignment account indicates
  - a) Goods sent to consignee
  - b) Stock with consignee
  - c) Profit / loss on consignment
  - d) Sales a/c.

Q1. B. State Whether the following statements are True or False: (Any Ten)

(CO1- R)

(10 M)

1. Branch account under debtors' system is a real account.
2. Consignee cannot return the unsold goods to the consignor.
3. Under the single entry system all entries are passed as well as posted only by one person.
4. Income tax act allows small traders to adopt a single entry system for keeping books of accounts.
5. All the entries of adjustment of loading are recorded in the books of consignee.
6. Account sale is sent by the consignor to the consignee.
7. Branch stock accounts are prepared at cost price only.
8. Insurer gets compensation less than the amount of the policy, in case of full insurance.
9. Purchase return is debited to creditors account.
10. Stock on Consignment belongs to the consignor.
11. Under single entry, it is not possible to ascertain the gross profit earned by the business.
12. Debtors Account shows opening balance to the debit side of debtors account.

**Q.2.** Mr. Mahesh, 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 31.12.2023 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 31.12.2022 and 31.12.2023 were.

Particular	31.12.2022	31.12.2023
Fixed Asses	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%. Required: Prepare the Trading and profit & loss account of Mr. Mahesh for the year ended 31.12.2023 and balance sheet as that date. (CO1-A, A, E,) (20M)

OR

**Q.2.** Mumbai Head office supplies goods to its branch at Patna at invoice price which is cost plus 50%. All cash received by branch is remitted to Mumbai and all branch expenses are paid by the head office. From the following particulars related to Patna branch for the year 2022, prepare Patna Branch account. (CO1-A, A, E) (20M)

Particulars	Amount	Particulars	Amount
Stock with Branch 1.1.2022 (at invoice price)	60,000	Discount allowed to debtors	2,400
Branch debtors on 1.1.2022	12,000	Expenses (Cash paid by Head office):	
Petty cash balance on 1.1.2022	100	Rent	2,400
Goods received from head office at (invoice price)	1,86,000	Salaries	24,000
Goods returned to Head office	3,000	Petty Cash	1,000
Credit sales less returns	84,000	Cash sales	1,04,000
Cash received from Debtors	90,000	Stock with Branch on 31.12.2013 at invoice price	54,000
		Petty cash balance on 31-12-2022	100

**Q.3.**A fire occurred on 15<sup>th</sup> September, 2020 in the premises of Virat Ltd. From the following figures, calculate the amount of claim to be lodged with the insurance company for loss of stock:

Particulars	Amount
Stock at cost as on 1-1-2019	20,000
Stock at cost as on 1-1-2020	30,000
Purchases 2019	40,000
Purchases from 1-1-2020 to 15-9-2020	88,000
Sales 2019	60,000
Sales from 1-1-2020 to 15-9-2020	1,05,000

During the current year, cost of purchase has risen by 10% above last year's level. Selling prices have gone up by 5%. Salvage value of stocks after fire was Rs. 2,000. (CO1-A, A, E, ) (20 M)

OR

**Q.3.a).** On 15<sup>th</sup> October, 2020 a fire occurred on the premises. Following information is extracted.

Particular	Amount
Sales from 1 <sup>st</sup> January to 15 <sup>th</sup> October 2020	6,00,000
Purchase from 1 <sup>st</sup> January to 15 <sup>th</sup> October 2020	5,00,000
Stock 1-1-2020	1,20,0000
Average Rate of Gross profit	30%
Salvage	25,000
Policy Subject to Average Clause	1,75,000

Calculate the amount of claim. (CO1- A, A, E)

(10M)

**Q.3.b).** A fire occurred in the godown of unfortunate on 15<sup>th</sup> April 2019. The stock saved amounted to Rs.21, 600. Rate of gross profit is 33 1/3% of sales. The stock on hand on 31<sup>st</sup> December, 2018 was valued at 10% above cost was Rs.1, 16,600. Purchase, wages and sales were Rs.90, 000, 36,000 and Rs.1, 90,800 respectively. Calculate Claim. (CO1- A, A, E)

(10M)

**Q.4.** On 1<sup>st</sup> November 2021, C of Calcutta sends goods costing Rs.1, 00,000 to D of Delhi on consignment basis. C paid Rs.5, 000 as railway freight and Rs.2, 000 as insurance.

On 31<sup>st</sup> December, 2021, an account sales was received from D disclosing that the entire quantity of goods were sold for Rs.1,50,000 – out of which, Rs.30,000 was sold on credit. A customer who purchased goods for Rs.5, 000 failed to pay and the debt proved bad. All other debts were collected by D in fully. As per agreement, D is allowed a commission @10% on sales. D sends the amount due to C by cheque.

Prepare necessary Ledger accounts in the books of C & D. (CO1-A, A, E, )

(20M)

**OR**

**Q.4.** Navin of Nagpur has a branch at Mumbai. All goods required for sale at Mumbai Branch are supplied from Nagpur at cost plus 25% and all cash received at the Branch is banked daily in the Head Office

Account opened in a Bank at Mumbai. From the following particulars give the Branch account and Branch Debtors A/c. (CO1-A, A, E)

(20M)

Particulars	Amount
Stock (1.1.2018)	79,000
Debtors (1.1.2018)	1,13,000
Petty Cash (1.1.2018)	900
Returns from Customers	4,000
Goods invoiced to Branch	2,50,000
Bad Debts	10,000
Cash Sales	14,000
Branch Exps. Paid by head office:	
Rent	14,000
Salary	15,000
Sundries	7,000
Allowances given	4,500
Petty Cash Expenses at Branch	2,400
Total Sales	3,49,000
Remittances to Branch for Petty Cash	2,800
Stock (31.12.2018)	84,000
Debtors (31.12.2018)	1,95,100

**Q.5.A.** Explain how to calculate claim when records are not available (**CO1- R, U, A**) (10 M)

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

**OR**

**Q.5. Write short note (Any 4):** **CO-1, -U, A** (20M)

- a) Memorandum Trading Account
- b) Distinguish between Consignment and Sale
- c) Stock Reserve
- d) Types of Branch
- e) Distinguish Between Single Entry & Double Entry.

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