



Time: 3 hrs.

Note:

1. All questions are compulsory with internal options.
2. Figures to the right indicate full marks.
3. Working notes should form part of your answer.
4. Use of simple calculator is allowed.

Marked

Q.1 (A) Multiple choice question (any 10)

- (1) Accounting standard 2 deals with _____
 - (a) disclosure of accounting policies.
 - (b) revenue recognition.
 - (c) valuation of inventory.
- (2) In a Manufacturing organization, manufacturing account is prepared to find out _____
 - (a) gross profit.
 - (b) cost of production.
 - (c) net profit.
- (3) The person who receives goods under hire purchase system is a _____
 - (a) vendor
 - (b) hire -purchaser.
 - (c) agent.
- (4) In _____ method of stock valuation latest purchased items are left in stock.
 - (a) Weighted Average
 - (b) First in first out.
 - (c) Simple Average.
- (5) Carriage inward paid on purchase of raw material is a _____
 - (a) capital expenditure.
 - (b) capital receipt.
 - (c) revenue expenditure.
- (6) In departmental accounts _____ is debited to general profit and loss account.
 - (a) audit fees.
 - (b) rent.
 - (c) power and fuel.
- (7) Accounting standard 9 deals with _____
 - (a) disclosure of accounting policies.
 - (b) revenue recognition.
 - (c) inventory valuation.
- (8) Sales of scrap appearing in the trial balance are shown on _____
 - (a) the credit side of Trading account.
 - (b) the credit side of Manufacturing account.
 - (c) the credit side of Profit and Loss account.
- (9) In departmental accounts discount allowed is allocated on the basis of _____ each department.
 - (a) sales turnover.
 - (b) area occupied.
 - (c) Purchase.
- (10) 'Lower of cost or market value' is an example of _____
 - (a) consistency.
 - (b) conservatism.
 - (c) matching.
- (11) Capital expenditure means any expenditure carrying probable _____ benefits.
 - (a) present.
 - (b) past.
 - (c) present and future.
- (12) In a hire purchase transaction, initial amount paid at the time of signing the contract is called _____.
 - (a) hire purchase price.
 - (b) down payment.
 - (c) cash price.

Q.1 (B) State whether the following statements are true or false after rewriting the same. (any 10)

- (1) Down payment includes interest.
- (2) Loss by fire in a department is charged to general profit and loss account in departmental accounting.

- (3) Under Fifo method the stock includes goods held for resale.
 (4) Outstanding expenses are shown on the liability side of balance sheet.
 (5) Dividend received on shares is a capital receipt.
 (6) As per Accounting standard 1 disclosure is required if fundamental accounting assumptions are not followed.
 (7) In departmental accounting, each department is treated as a separate entity for the purpose of recording and reporting.
 (8) The Hire purchaser becomes the owner of the asset only after paying the final instalment.
 (9) Capital expenditure is non-recurring in nature.
 (10) As per Accounting Standard 1 disclosure of accounting policies is mandatory in nature.
 (11) Carriage inward cost should be included in the cost of inventory.
 (12) Assets must be equal to liabilities.

Q.2 Munshi chemicals has the following ledger balances as on 31st March 2018.

Particulars	Dr. (Rs.)	Cr. (Rs.)
Goodwill	50,000	
Factory shed	20,000	
Machinery	1,30,000	
Furniture	8,000	
Investments	10,000	
Capital		1,95,000
Bank loan		3,00,000
Creditors		1,50,000
Debtors	1,35,000	
Stock on 1-4-2017		
-Materials	1,30,000	
-Work - in - Progress	7,500	
-Finished goods	82,500	
Sales		11,00,000
Sundry Income		4,000
Bad - debt reserve		5,000
Purchase of Materials	8,60,000	
Freight on Materials	50,000	
Factory Power	15,000	
Salaries and wages		
-Factory	1,50,000	
-Office	65,000	
Repairs and renewals	2,500	
Rent and Taxes	16,500	
Insurance	3,900	
General expenses	18,100	
TOTAL	17,54,000	17,54,000

The following additional information is available:—

a. Closing stock—

Materials	Rs.2,10,000
Work -in-progress	Rs.12,500
Finished goods	Rs.2,07,500

- b. Depreciation to be provided at 2 ½ % on factory shed, 10% on Machinery and 15% on furniture.
 c. Repairs and Rent and Taxes to be apportioned between factory and office in the ratio 3:2
 d. Reserve for bad and doubtful debts to be provided at 4% on debtors.
 e. Insurance premium covers a period of one month in advance.

You are required to prepare Manufacturing, Trading and Profit and Loss account for the year ended 31st March 2018 and Balance sheet as on the same date.

OR

Q.2 Ganesha's Trial balance as on 31st March, 2014 is as follows:-



Particulars	Debit(Rs.)	Credit (Rs.)	Particulars	Debit (Rs.)	Credit (Rs.)
Opening stock			Bank charges	2,500	
-Raw materials	2,50,000		Travelling expenses	10,000	
Work in progress	80,000		Discount	3,300	
-Finished goods	2,20,000		Sales return	11,000	
Purchases	2,15,000		Advertisement	5,500	
Building	1,50,000		Sales		7,80,000
Plant and Machinery	3,60,000		Capital		8,50,000
Furniture	40,000		Sundry creditors		52,000
Trademark	30,000		Sundry debtors	82,500	
Wages	83,000		Discount		2,000
Factory Taxes	4,000		Miscellaneous expenses	5,500	
Motive power	9,000		Bills payable		34,000
Factory insurance	5,000		Bills Receivable	16,000	
Salary to office staff	11,000		Corporation Bank	98,000	
Office rent	10,500		Cash on hand	9,000	
Carriage inward	2,500				
Printing and stationery	5,200				
				17,18,500	17,18,500

- Adjustments;
- Closing stock Rs.
 - Raw material— 85,000
 - Work in progress— 30,000
 - Finished goods— 2,05,000.
 - Factory taxes prepaid Rs.2,000.
 - Depreciation on Furniture—10%p.a
Plant and machinery—15%p.a
Trade mark—20%p.a
Building—5%p.a



Prepare Manufacturing, Trading and Profit and Loss Account for the financial year 2013-14 and Balance sheet as on 31-3-2014.

Q.3 From the following particulars, prepare Stock record by FIFO and Weighted Average method.

Date	Transaction	Units	Rate
4-1-2004	Purchase	40	30
17-1-2004	Purchase	60	28
20-1-2004	Sale	50	35
22-1-2004	Purchase	80	29
25-1-2004	Sale	80	33
28-1-2004	Sale	20	34
30-1-2004	Purchase	100	26
31-1-2004	Sale	90	35

The stock on hand on 1st January, 2004 was 50 units @Rs.25/-

OR

Q.3 State whether the following expenditure and receipts are capital or revenue. Give reasons for your answers. (any 10).

- Brokerage paid on purchase of land.
- Dividend and interest on investments received Rs.5000.
- Preliminary expenses paid Rs.42,000.
- Sold 4% Government securities (investment) for Rs.1,40,000.
- Cost of goodwill purchased.
- Cost of replacement of a defective part of a machinery.
- Additional capital introduced in business Rs. 1,00,000.
- Commission received on sale Rs. 2000.
- Rs.17,000 paid for excise duty on sugar manufactured.

- (B)
- 10) Invested Rs. 2,00,000 on the purchase of equity shares of a subsidiary company.
 - 11) Interest paid on Bank overdraft.
 - 12) A petrol engine was replaced by a diesel engine.

Q.4 Rose departmental stores has prepared the following Trading and Profit and Loss account for the year ended 31st March, 2018:

Particulars	Rs.	Particulars	Rs.
To opening stock		By sales	
Dept.:H	45,000	Dept.:H	3,02,600
Dept.:M	60,000	Dept.:M	4,53,900
Dept.:T	27,800	Dept.:T	1,51,300
To purchases		By closing stock	
Dept.:H	2,24,000	Dept.:H	35,000
Dept.:M	3,55,000	Dept.:M	64,000
Dept.:T	1,54,000	Dept.:T	75,000
To salaries	60,000		
To rent /taxes	45,000		
To discount	12,000		
To advertisement	34,500		
To trade expenses	9,000		
To depreciation	15,000		
To electricity	18,300		
To carriage outward	6,600		
To net profit	15,600		
TOTAL	10,81,800	TOTAL	10,81,800

Prepare departmental trading and profit and loss account for the year ended 31st March, 2018, after considering the following data:—

- a. Rent /Taxes to be allocated in the ratio of area occupied which was 1:2:1 respectively.
- b. Depreciation to be charged equally.
- c. Of the 2 salesman employed, one worked in Dept. M alone. The other work in Dept. H and T. His salary be allocated equally between Dept. H and T. Salary of each salesman is Rs.2,500p.m.
- d. All other expenses except those mentioned in item (a) to (c) above, be allocated in ratio of sales of the respective departments.

OR

Q.4 Mr.Jainam purchased a car on hire purchase basis from Hyundai limited on 1-1-2012 for Rs.2,60,000. He paid Rs.20,000 on signing the contract and four half yearly instalments of Rs.60,000 each on 30th June and 31st December every year thereafter. The cash value of the car was Rs.2,10,000. Hyundai Ltd. Charged interest at 20% p.a. with half yearly charge. Depreciation @ 20% p.a. on Written down value is charged on car.

Prepare Ledger Accounts for Mr.Jainam and interest in the books of Hyundai Ltd for the years 2012 and 2013.

Q.5 Answer the following.

- (a) Distinguish between Periodic Inventory system and Perpetual inventory system.
- (b) Explain the main features of Hire-Purchase and Contents of Hire Purchase Agreements.

OR

Q.5 Write shortnotes on:(any 4).

- (1) Inter departmental transfer.
- (2) Importance of stock valuation.
- (3) Adjustment entries in Final accounts.
- (4) Hire-purchase system.
- (5) Revenue recognition as per AS-9.
- (6) Basis of allocating common expenses amongst departments.

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