

- Note:
1. All questions are compulsory with internal options.
 2. The figures to the right indicate full marks.
 3. Draw a neat diagram wherever necessary.

Q. 1 (A) Fill in the blanks with the correct answer from the alternatives given below. (08)
(Attempt any 8)

- (1) Fire insurance _____ .
- (a) cover risk of losses (b) prevent losses
(c) increases losses (d) raised the losses
- (2) Salvage refers to _____ .
- (a) stock destroyed by fire (b) stock saved by fire
(c) stock moving fast (d) prevent losses
- (3) Branch account under stock and debtors system is a _____ .
- (a) Real account (b) Personal account
(c) Nominal account (d) Representative personal account
- (4) Under the Debtor method, closing balance in the Branch Account indicates _____ .
- (a) closing stock at the branch (b) amount due from the branch
(c) profit or loss at the branch (d) none of the above
- (5) A sends goods costing Rs 1,00,000 on consignment to yield a profit of 20% on cost. What is the invoice price
- (a) 1,37,500 (b) 1,25,000
(c) 1,20,000 (d) 80,000
- (6) Rahim of Kolkata sends out 1000 boxes to Ram of Delhi costing Rs 100 each at an Invoice Price of Rs 120 each. Goods sent out on consignment to be credited in books will be _____ .
- (a) 1,00,000 (b) 1,20,000
(c) 20,000 (d) None

(7) A stock reserve is created for goods at the branch at the year end equal to _____ .

- (a) Cash price - cost price
- (b) Selling price - invoice price
- (c) Invoice price - cost price
- (d) Selling price - cost price

(8) Stock Reserve in relation to closing stock appears _____ .

- (a) On the debit side of the branch account
- (b) On the credit side of the branch account
- (c) Both on debit side and credit side
- (d) None of the above

(9) Books of accounts are not maintained by _____ .

- (a) Foreign branches
- (b) Independent branches
- (c) Dependant branches
- (d) Indian branches

(10) In the Sundry creditors account, all of the below exist except _____ .

- (a) Credit purchases
- (b) Purchase returns
- (c) Cash purchases
- (d) Cash/cheques paid

(B) State whether the following statements are True or False. (Attempt any 7) (07)

- (1) Del credere commission is paid by the consignor on credit sales only.
- (2) Branch Stock Adjustment Account gives us gross profit made by the branch.
- (3) Transactions between branch and third party are not recorded in the branch account
- (4) All expenses incurred by the consignee are debited to his account.
- (5) In Consignment Accounting, Sales account and Account sales are synonymous terms.
- (6) Single Entry System of accounting is a complete system of accounting.
- (7) The Creditor's account gives total purchases made during the year.
- (8) Bills Receivable dishonored should be debited to creditors account.
- (9) Under the Single Entry System it is not possible to ascertain the Gross Profit earned by the business.
- (10) Load in opening stock is adjusted by crediting Stock Reserve Account.

Q.2 (a)

(15)

Sen & Co. of Calcutta consign goods costing Rs 25,000 to their agent, Mustak of Mysore, on which they pay freight, insurance and charges Rs 1,500, drawing on him a bill of exchange at 90 days for Rs 20,000. They discount the bill at Mercantile Bank being charged ₹200 therefor. After two months they received from their agent an Account Sales informing that the entire consignment has been sold for ₹ 35,000, that expenses amounting to ₹ 700 have been incurred and showing as a deduction the agreed commission of 2 % on the amount realised. A draft on the Syndicate Bank was enclosed for the balance due.

Show important ledger accounts in the books of both the parties.

OR

Q.2 (p)

(15)

On 29th August, 2012, the godown of a trader caught fire and a large part of the stock of goods was destroyed. However, goods costing ₹ 1,08,000 could be salvaged incurring fire fighting expenses amounting to Rs 4,700.

The trader provides you the following additional information :

Particulars	₹
Cost of stock on 1st April, 2011	7,10,500
Cost of stock on 31st March, 2012	7,90,100
Purchases during the year ended 31st March, 2012	56,79,600
Purchases from 1st April, 2012 to the date of fire	33,10,700
Cost of goods distributed as samples for advertising from 1st April, 2012 to the date of fire	41,000
Cost of goods withdrawn by trader for personal use from 1st April, 2012 to the date of fire	2,000
Sales for the year ended 31st March, 2012	80,00,000
Sales from 1st April, 2012 to the date of fire	45,36,000

The insurance company also admitted fire fighting expenses. The trader had taken the fire insurance policy for 9,00,000 with an average clause.

Calculate the amount of the claim that will be admitted by the insurance company.

Q.3 (a) On 1st November, 2013, 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. (15)

On 31st December, 2013, an Account Sales was received from D disclosing that the entire quantity of goods were sold for & 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 Full. As per agreement, D is allowed a commission @ 10% on sales. D sends the amount due to C by a cheque.

Prepare necessary Ledger accounts in the books of C and D.

OR

Q.3 (p) Following are given : (15)

(1) Balance Sheet of A on 1st January, 2013.

(2) Cash Book for cash receipts and cash payments during the year.

(3) Summary of other transactions of 2013.

1. **Balance Sheet as at Jan. 1st, 2013**

Liabilities	Rs.	Assets	Rs.
B/P	800	Cash at Bank	1,950
Creditors	1,800	B/R	750
Capital	10,100	Debtors	2,000
		Stock	3,000
		Plant and Machinery	2,000
		Land and Buildings	3,000
	<u>12,700</u>		<u>12,700</u>

2. **Cash book of the year 2013**

Receipts	Rs.	Payments	Rs.
To Balance 1-1-2013	1,950	By Salaries	600
To Debtors	13,500	By Wages	740
To B/R	4,500	By B/P	3,660
		By Creditors	7,350
		By Office Expenses	400
		By A's Drawings	1,500
		By Balance c/d	5,700
	<u>19,950</u>		<u>19,950</u>

(3) Summary of other Transactions during the year 2013

Purchases Rs 15,000, Sales Rs 19,000, Discount allowed to debtors Rs 100, B/R received during the year Rs 4,550, B/P given during the year Rs 7,750, Stock on 31-12-2013 Rs 3,500. Depreciate Plant and Machinery by Rs 200 and Land and Buildings by Rs 150.

Prepare Trading and Profit and Loss Account and Balance Sheet for 2013.

Q.4 (a)

(15)

Ramdas & Company of Mumbai consigned 50 bundles of cut piece cloth @ 700 each to Mukherjee & Co. of Kolkata to be sold on commission basis. An advance of ₹ 16,000 was received from Mukherjee & Co. Mukherjee & Co. sent an account sale which states that total goods were sold for ₹ 56,000 and Rs 1,800 were paid for carriage, godown rent and port expenses. Their commission was ₹ 2,000. They sent a bank draft for the balance amount to Ramdas & Co. From the above show Ledger Accounts in the books of the consignor and consignee

OR

(p) Raju's Brothers and a small branch at Mysore. You are required to prepare a Mysore Branch account in the books of Mithur Brother for calculating profit made at Mysore Branch. Transactions during the year ending on March 31, were as follows:

(08)

Particulars	Rs.	Particulars	Rs.
Stock at cost on 1st April	8,000	Furniture purchased by the branch on permission from Head Office	2,400
Furniture on 1st April	4,000	Stock at the end with branch	7,000
Goods sent to Branch at cost.	1,20,000	Expenses paid by Head Office	10,600
Cash sales made by the branch	1,80,000		

You are required to write off furniture at 10% per annum. No depreciation is provided on addition made during the year.

(q) Bala's Brothers are having their Head Office at Delhi and Branch at Calcutta. The following are the transactions of the Head Office with Branch for the year:

(07)

Particulars	Rs.	Particulars	Rs.
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Stock at Branch as on 1st Jan.	30,800	Amount sent to Branch :	
Debtors at the Branch as on 1st Jan.	16,500	- Salary	7,440
Petty Cash as on 1st Jan.	500	- Rent	2,400
Goods supplied to the Branch	1,51,200	- Petty Cash	3,000
Remittance from Branch		Stock at Branch as on 31st Dec.	23,150
- Cash Sales	10,500	Sundry Debtors at the Branch as on 31st Dec.	50,460
- Realisation of Debts	1,57,740	Petty Cash as on 31st Dec.	750

Show the Branch Account in the books of the Head Office.

Q.5 (p) Difference between double entry and single entry system. **(08)**

(q) Difference between Consignment and sale. **(07)**

OR

Q.5 (a) Write short notes on (Attempt any 3) **(15)**

- (1)** Consignor
- (2)** Del-credere Commission
- (3)** Dependent branch
- (4)** Average clause
- (5)** loading

—X—