

- Note: 1. All questions are compulsory with internal options.  
2. Figures to the right indicate full marks.

## Q. 1 (A) Multiple Choice Questions: (Any 10)

(10)

- (1) Fire insurance \_\_\_\_\_.  
(a) covers risk of loss  
(b) prevents loss  
(c) increases loss
- (2) Salvage refers to \_\_\_\_\_.  
(a) stock destroyed by fire  
(b) stock saved from fire  
(c) stock moving fast
- (3) Unrecorded sales should be - \_\_\_\_\_.  
(a) added to purchase  
(b) added to sales  
(c) ignored
- (4) % of gross profit should be \_\_\_\_\_.  
(a) fluctuating  
(b) consistent  
(c) increasing
- (5) Under Stock and Debtors method, \_\_\_\_\_ A/c is opened in order to ascertain gross profit/loss of branch.  
(a) Branch adjustment  
(b) Branch stock  
(c) Stock Reserve
- (6) When goods are sent at invoice price, the balancing figure in \_\_\_\_\_ A/c under the Stock and Debtors method indicates shortage or gain in stock.  
(a) Branch Debtors  
(b) Branch Adjustments  
(c) Branch stock
- (7) In fire insurance compensation is \_\_\_\_\_.  
(a) equal to policy amount  
(b) stock on the date of fire  
(c) actual loss incurred
- (8) All expenses incurred by the consignee for receiving and selling the goods are \_\_\_\_\_.  
(a) borne by the consignee  
(b) recovered by the consignee from the consignor  
(c) are shared by the consignee and the consignor equally
- (9) Profit can be ascertained from the incomplete records under single entry by using \_\_\_\_\_.  
(a) only Statement of Affairs Method  
(b) only Conversion Method  
(c) either (a) or (b) above
- (10) If books are kept under single entry system, opening stock is ascertained by preparing \_\_\_\_\_.  
(a) Opening Stock Account  
(b) Stock register  
(c) Memorandum Trading Account
- (11) Closing balance of trade creditors can be ascertained from \_\_\_\_\_.  
(a) total creditors account  
(b) balance sheet  
(c) bills payable account
- (12) If books are kept under a single entry system, credit sales are ascertained by preparing \_\_\_\_\_ A/c.  
(a) Total Creditors  
(b) Total Debtors  
(c) Credit Sales

(B) State whether the following statements are true or false: (Any 10)

(10)

- (1) Single Entry System follows the basic accounting principle of accrual.
- (2) Under Single Entry System, it is not possible to ascertain the gross profit earned by the business.
- (3) Even in Single System, Cash Account may be kept properly with entries made for both receipts and payments.
- (4) Consignment is a sale between the consignor and the consignee.
- (5) The consignor acts as the agent of the consignee for supply of goods.
- (6) Consignee sends a proforma invoice to the consignor.
- (7) The income, expenses, assets and liabilities of an independent branch can be ascertained only by the H.O.
- (8) Receipts from branch debtors are not recorded in the Branch Account kept under the 'Debtor' method.
- (9) Stock Reserve Account is used to adjust loading on closing stock lying at branch when HO sends goods to branch at invoice price.
- (10) On loss of goods by fire, a trader can claim compensation for the book stock as on the day of fire as indicated in the stock records.
- (11) If the stock records are damaged in the fire, the value of stock as on the date of fire is estimated by preparing a memorandum sales account.
- (12) The balancing figure in Memorandum Trading Account prepared by a trader who has lost goods in fire indicates gross profit till date of fire.

**Q.2** Bonfire Enterprises close their accounts on 30th June every year. On 30th September 2013 a major fire(20) destroyed most of their stock.

Following information could be gathered from their books:

Particulars	₹
Stock on 30th June 2013	3,60,000
Purchases 1st July, 2013 to 30th September 2013	6,00,000
Wages 1st July, 2013 to 30th September 2013	2,30,000
Sales 1st July, 2013 to 30th September 2013	10,00,000
Carriage inward for the above period	10,000
Carriage outward for the above period	15,000

Average percentage of G.P. to cost is  $33 \frac{1}{3}$ %. Stock of the value of ₹ 75,000 could be salvaged. Policy was for ₹ 2,50,000. Claim was subject to average clause.

Following further information is available:

- (1) Stock in the beginning was calculated at 10% less than cost.
- (2) Purchases include purchase of furniture ₹ 25,000.
- (3) Amount Spent for bringing and setting up the furniture in the office was ₹ 5,000 which was included in carriage inward.

You are required to calculate the amount of the claim.

OR

Q.2 A fire occurred in the premises of Mr. Rajendra on 15th October, 2015. From the following particulars(20) ascertain the loss of stock and prepare a statement of claim to be lodged with the insurance company.

Particulars	₹
Stock on 31-3-2013	1,98,000
Stock on 31-3-2014	2,42,000
Purchases for 2013-14	6,40,000
Sales for 2013-14	8,00,000
Purchases from 1-4-2014 to 15-10-2015	6,00,000
Sales from 1-4-2014 to 15-10-2015	7,58,000

The stock on 31st March, 2013 was valued at 90% of Cost Price and 31st March, 2014 was valued at 10% above cost. Salvage was ₹ 35,600 the amount of policy was ₹ 2,00,000. The claim was subject to the average clause.

Q.3 Hari is having his Head Office at Mumbai and Branch Office at Nasik. Prepare the Branch Account in (20) the books of the Head Office from the following transactions with the branch:

Particulars	₹	Particulars	₹
Opening Balance at Branch:		Amounts remitted to the Branch for:	
- Petty Cash	1,000	-Petty Cash Expenses	4,000
- Stock	39,500	-Salary	12,000
- Debtors	21,000	-Rent and Taxes	3,500
Goods Supplied to Branch during the year	3,10,000	Closing balances at Branch:	
		-Petty Cash	950
		-Debtors	53,000
		- Stock	26,500
Amounts remitted by the Branch:			
-Cash Sales	1,13,200		
- Realization from Debtors	2,30,300		

OR

Q.3 From the following details prepare Mumbai Branch Account for the six months ended 31st December, (20) 2013 after depreciating branch furniture at 20% per annum:

Particulars	₹	Particulars	₹
Opening Branch Assets:		Branch expenses paid by the Head Office	34,000
-Branch Stock	20,000	Remittances received from the Branch	2,32,800
-Branch Petty Cash	6,000	Closing Branch Assets:	
-Branch Furniture	26,000	- Branch stock	24,000
-Branch Debtors	30,000	-Branch Petty Cash	4,000
Opening Branch Liabilities:		Branch Debtors	34,000
-Branch Outstanding Expenses	1,000	Closing Branch Liabilities:	
Goods sent to the Branch	1,80,000	-Branch Outstanding Salaries	1400
Petty Cash sent to the Branch	16,000		

Q.4 From the following information calculate Total Purchases.

(20)

Particulars	Amount (₹)
Creditors Jan. 01, 2013	30,000
Creditors Dec. 31, 2013	20,000
Opening Balance of Bills Payable	25,000
Closing Balance of Bills Payable	35,000
Cash paid to Creditors	1,51,000
Bills Discharged	44,500
Cash Purchases	1,29,000
Return Outwards	6,000

OR

Q.4 Sen & Co. of Calcutta consign goods costing ₹ 25,000 to their agent, Mustak of Mysore, on which they pay freight, insurance and charges ₹ 1,500, drawing on him a bill of exchange at 90 days for ₹ 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 per cent 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. (20)

Q.5 a) Explain fire insurance claim for loss of stock. (10)

b) Distinguish between double entry system and single entry system. (10)

OR

Q.5 Write short notes on: (Any Four) (20)

a) Distinguish between Consignment and sale.

b) Distinguish between Proforma invoice and invoice

c) Del Credere commission

d) Single Entry System

e) Conversion Method

f) Memorandum Trading Account

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