

Time: 1 hr.

Marks:30

Note:

1. Draw neat diagrams wherever necessary.
2. Figures to the right indicate full marks.
3. Write any TWO questions from the following
4. Each question carry 15 Marks.

Q.1 From the following particulars, prepare stock ledger by FIFO method

[15]

Date	Transactions	Units	Rate per unit
01-01-2018	Opening stock	14,000	3.50
03-01-2018	Purchases	24,000	3.80
07-01-2018	Sales	26,000	4.20
11-01-2018	Purchases	30,000	3.90
15-01-2018	Sales	34,000	4.30
19-01-2018	Purchases	32,000	4.05
23-01-2018	Sales	27,000	4.40
27-01-2018	Purchases	37,000	4.10
31-01-2018	Sales	31,200	4.55

Q.2 From the following Trial Balance as on 31<sup>st</sup> March 2017 of Mr. Rudra prepare Manufacturing account, Trading Account and Profit and Loss account for the year ended 31<sup>st</sup> March, 2017 and Balance sheet as on that date.

[15]

Trial Balance as on 31<sup>st</sup> March, 2017.

Particulars	Dr.	Cr.
Capital		80,000
Drawings	10,000	
Opening stock - raw material	10,000	
Opening stock - Work in progress	9,000	
Opening stock - finished goods	17,000	
Purchase of raw material	108,000	
Freight on raw materials	6,000	
Direct Wages	44,000	
Factory rent	18,000	
Factory power and fuel	9,000	
Factory Supervisor salary	10,000	
Machinery	70,000	
Sales		345,000
Office Expenses	24,000	
Cash at Bank	5,000	
Selling and Distribution	20,000	
Interest	7,000	
Insurance Premium	10,000	
Creditors		18,000
Bad debts	1,000	
Provision for bad debts		2,000
Sundry Debtors	70,000	
Bills Payable		3,000
<b>TOTAL</b>	<b>448,000</b>	<b>448,000</b>

**Following further information is provided to you:**

1. Closing stock as on 31<sup>st</sup> March, 2017 was Raw material 10,000, work in progress 6,000, finished goods 15,000.
2. Depreciate machinery @ 10% p.a.
3. During the year finished goods destroyed by fire were 5,000. Insurance company admitted the claim 3,000
4. Provide reserve for doubtful debts @ 5% on debtors.
5. Factory rent outstanding is 2,000.

**Q.3 A State with reasons whether the following expenses or incomes are Capital or Revenue. [07]**

- 1) A dealer in timber acquired wood worth 3,00,000 and made furniture out of it at a total cost of 3,75,000 and sold it to a customer for 4,50,000.
- 2) A plant worth 7,00,000 is bought by proprietor for business activities.
- 3) Incurred 1,00,000 on research of a new product, which did not materialize.
- 4) Repairs to the roof of the building 1,00,000 for protection against rains.
- 5) Carriage and freight paid for bringing machinery 12,000 to be used in factory.
- 6) Payment of legal fees to an advocate for preparation of Purchase Agreement of Land and Building 20,000.
- 7) Wages paid to workers 10,500 for erection of new machinery in own plant.

**B State whether the following expenditure and receipts are capital or revenue. Give reasons for your answers. [08]**

- 1) A machinery costing 2,00,000 was sold for 2,15,000.
- 2) Premium of 35,000 was received on issue of 6% Preference Shares.
- 3) Spent 30,000 for whitewashing of Factory building.
- 4) Legal expenses of 8000 paid to defend a suit for breach of contract to supply goods.
- 5) Wages of 20,000 paid for erection of machinery
- 6) Office rent paid in advance for 2 years 10,000.
- 7) Goods costing 30,000 distributed free of cost among the workers
- 8) Sold old business car for 2,50,000.