

Time: 2.30 Hrs

Marks : 75

Note.

1. All questions are compulsory having internal choice.
2. Figures to right indicate marks.
3. Use of simple calculator is allowed.

Q. 1 A) Fill in the blanks (any 8 out of 10)

(08)

1. Wages account is _____ account. (Real, Nominal)
2. Cash account is _____ account. (Real, Nominal)
3. Small expenses of daily routine business are recorded in _____ a/c. (Petty cash, Cash)
4. _____ is the official body in India that issues accounting standard from time to time. (ICAI, ICSI)
5. Repainting of a building is _____ expenditure. (Revenue, Capital)
6. In hire purchase, the title of the goods remains with the _____. (Hire Vendor, Hire Purchaser)
7. _____ means gradual and permanent fall in value of fixed assets. (Depreciation, Loss on goods by fire)
8. Goodwill is _____ asset. (Intangible, Tangible)
9. Carriage inward is debited in _____ A/c in Final Account of Manufacturing Concern. (Manufacturing, Trading)
10. Prepaid Expenses are shown in _____ side of balancesheet (Asset, Liabilities)

B) Rewrite the following statement and state whether true or false. (Any 7 out of 10)

(07)

1. Cash received on sale of old furniture is capital receipt.
2. Deferred revenue expenditure defers more than a year.
3. Credit transactions are not entered in cash book.
4. Accounting standard -1 deals with disclosure of accounting policies.
5. Accounting standard -9 deals with revenue recognition.
6. GAAP stands for Generally Accepted Accounting Principles.
7. FIFO method assumes that the latest items are in stock.
8. In FIFO method stock is valued at oldest rate.
9. In hire purchase, depreciation on asset is charged by hire purchaser.
10. Full cash price method is also known as Asset Accrual Method.

Q.2 A) Journalize the following transactions:

(15)

March'2018

- 1 Ramesh invested in business Rs 15,000.
- 2 Opened an account with the Bank of India by depositing cash Rs. 11,000.
- 3 Purchased goods for cash Rs 1,500.
- 5 Purchased Machinery for cash Rs 30,000.
- 7 Purchase goods from M/s Chandu Brothers Rs 3,000.
- 9 Total Sales amounted to Rs 15,000 of which cash sales is Rs 2,000.
- 12 Withdrawn cash for personal use Rs 1,000.
- 14 Received cash on account from Ms. Raj Rs 1,800.
- 16 Paid cash to M/s Chandu Brothers Rs 1,500.
- 19 Rent paid Rs 500 and a commission received from Mr.Rajesh Rs 2,500
- 25 Goods sent to Ms. Raj for Rs 2,000
- 30 Office salaries paid through bank Mr. B Rs 1,000 Mr. C Rs 1,000. Mr. D Rs 1,000

OR

B). State with reasons whether the following is Capital Expenditure, Revenue Expenditure and Deferred Revenue Expenditure [15 marks]

- 1) Spent Rs 9000 to recondition the old machinery
- 2) Goods Destroyed by fire
- 3) White washing of factory building
- 4) Cost of market research for new product
- 5) Cost of improving sitting capacity of cinema hall
- 6) Cost of training the employees
- 7) Amount received on issue of debentures
- 8) Heavy expenditure incurred on advertisements
- 9) Wages paid to workers for erection of machinery
- 10) Payment of import duty on purchase of raw materials.

Q.3 A) From the following information calculate value of closing stock as on 30th April'2018 as per FIFO and Weighted Average Method.

Stock as on 1st April'2018 1300 @ 3

Purchases (Qty)	Sales (Qty)
02/04/2018 3000 @ 2	05/04/2018 1500 @ 4
11/04/2018 5500 @ 3	10/04/2018 800 @ 3
22/04/2018 2500 @ 2	18/04/2018 1500 @ 3
25/04/2018 1500 @ 1	24/04/2018 2000 @ 4

(15)

OR

B) Mr. Kumar purchased a motorcycle on hire-purchase system from M/s Jay Dealers. The cash price of the motorcycle was Rs.23,250. The payment under the agreement was to be made as follow:

On signing the agreement on 1-1-2011	Rs.4,500
At the end of the first year on 31-12-2011	Rs.7,500
At the end of the second year on 31-12-2012	Rs.7,500
At the end of the third year on 31-12-2013	Rs.7,500

Mr. Kumar provides depreciation at 10 % p.a. on written down value method. Prepare MotorCycle Account and Jay Dealers Account in books of Mr Kumar

(15)

Q.4 A) From the following Trial Balance Prepare Manufacturing A/c and Trading, Profit & Loss A/c For the year ended 31st March'2018 and Balance Sheet As on that date.

(15)

Particulars	Debit.	Credit
<u>Opening Stocks</u>		
Raw Material	30,000	
Work In Progress	5,000	
Finished Goods	16,000	
Capital		90,000
Purchase of Raw Material	3,00,000	
Sales		4,50,000
Purchase of Finished Goods	8,000	
Carriage Inward	4,000	
Provision for Bad debts		10,000
Wages	50,000	
Salaries (75 % Factory)	26,000	
Commission	3,000	
Bad debts	2,000	

Insurance	4,000	
Rent, Rates and Taxes (50 % Factory)	25,000	
Postage and Telegrams	2,800	
Tea and Tiffin	1,600	
Travelling and Conveyance (25% Factory)	5,000	
Carriage outward	2,600	
Machinery	40,000	
Furniture (40% Factory)	5,000	
Debtors	70,000	
Creditors		50,000
Total	6,00,000	6,00,000

1. Provide 10 % depreciation on Machinery and Furniture.
2. Closing stock of Raw material, Work-in-progress and Finished Goods were Rs.40,000; Rs.12,000 and 8,000 respectively.
3. Provide 5 % reserve for doubtful debt.
4. Salary outstanding Rs.2,400 and insurance was prepaid by Rs.600.

OR

B) From the following Trial Balance of Shri Kamal, Prepare manufacturing account, trading account and profit & loss account for the year ended 31st December'2018 and Balance sheet as on that date: (15)

Particulars	Amount	Particulars	Amount
Drawings	50,000	Capital	4,64,000
Patents	40,000	Sundry Creditors	1,25,000
Plant & Machinery	2,00,000	Debentures	75,000
Land & Building	1,20,000	Reserve for bad debts	6,000
Cash & Bank Balances	37,000	Sales	3,24,000
Sundry Debtors	59,000	Discounts received	4,000
Trade Marks	9,000	Return outward	2,000
Salary to Manager	16,000		
Purchase of raw material	1,50,000		
Opening stocks			
- Raw material	35,000		
- Semi-finished goods	60,000		
- Finished goods	90,000		
Carriage inward	10,000		
Wages & Salaries	75,000		
Factory expenses	12,000		
Factory rent	10,000		
Office expenses	8,000		
Stationary	7,500		
Discounts Given	5,500		
Bad debts	6,000		
Total	10,00,000	Total	10,00,000

1. On 31st December'2018 stocks were as follows:
Raw material Rs 55,000; Semi-finished goods Rs 75,000; Finished goods Rs 95,000.
2. Stationary expense outstanding Rs 1500 and factory rent was prepaid Rs 2000.
3. Increase Reserve bad debts by Rs 5000.
4. Interest on debenture is still unpaid Rs 1200
5. Write off trade marks by 33 1/3% p.a.

- Q.5** A) Explain any four Accounting Principles. [15]
B) Distinguish Between Revenue Expenditure & Capital Expenditure.

OR

- Q.5)** Write short notes (Any 3 out of 5) [15]
1. Merits and demerits of accounting standard
 2. Bank reconciliation statement.
 3. Rectification of errors.
 4. Deferred Revenue Expenditure
 5. Manufacturing Account.
