

**Q.1 Multiple Choice Questions**

**(2 marks each 40 Marks)**

1. Travelling expenses are allocated on the basis of -----.  
a) Purchases b) Sales c) Horse power d) No. of lights Points
2. Following is allocated in the ratio of number of employees----.  
a) Light bill b) Rent c) Carriage d) Salary
3. Rent is allocated on the basis of -----.  
a) Sales b) Purchases c) Number of employee d) Floor space area
4. Following is credited to general profit and loss account ---.  
a) Carriage b) Rent c) Salaries d) Commission Received
5. The person who sells goods on Hire Purchase basis is called ----.  
a) Hire Vendor b) Hire purchaser c) Agent d) Consignor
6. The initial amount paid at the timing of signing the hire purchase agreement is called ----.  
a) Cash Price b) Interest c) Down Payment d) Hire purchase price
7. Hire purchase price is equal to -----.  
a) Cash price + Down payment b) Cash price + Interest c) Cash price - Down Payment  
d) Cash price - Interest
- 8 The Installment paid under Hire Purchase System comprises of -----.  
a) Cash price only b) Cash price and Interest c) Interest only d) Cash price less Interest
- 9.Hire purchase agreement is governed by -----  
a) Sale of goods Act , 1930 b) Hire Purchase Act, 1972 c) Companies Act , 2013 d) Partnership Act, 1932
10. Sacrifice ratio is calculated -----.  
a)Old ratio- New ratio b) New ratio - Old ratio c)Old ratio \* New ratio d) Old ratio / New ratio
11. Under stock debtors system, salary is transferred to -----.  
a) Branch Debtors A/c b) Branch P / L A/c c) Branch Adjustment A/c d) Branch A/c
- 12.Cash remitted from head office is debited to -----.  
a) Head Office A/c b) Branch P / L A/c c) Branch Adjustment A/c d) Branch A/c
13. Collection from debtors can be ascertained from-----  
a) H.O A/c b) Branch A/c c) Cash A/c d) Branch Debtors A/c
14. If profit on Cost is 25% , then profit on Sales will b -----.  
a) 20% b) 25% c) 33.33% d) 30%
15. On the death of a partner-----.  
a) Old firm is dissolved b) Old partnership is dissolved c) Both old partnership and firm are dissolved d) Neither partnership nor firm is dissolved
16. Assets taken over by partners are debited to \_\_\_\_ A/c.  
a) Realization A/c b) Cash/ Bank A/c c) Partners Capital A/c d) Partners Loan A/c
17. On retirement of a partner, goodwill will be credited to the Capital Account of----.  
a) Retiring Partner b) Remaining Partners c) All Partners d) None of the Above



18. On the death of a partner, the amount due to him will be credited to ----.
- a) All partners' Capital Accounts b) Remaining partner's Capital Accounts  
c) His Executor's Account d) Governments' Revenue Account
19. Revaluation Account or Profit and Loss Adjustment A/c is prepare when ---
- a) Admission of new partner b) Retirement of partner c) Death of partner d) Dissolution
20. Gain ratio is calculated at the time of \_\_\_\_.
- a) Admission of new partner b) Dissolution c) Retirement of partner d) Death of partner

**Q.2** SUN Ltd. Supply goods to Nashik branch at cost. All cash sales at branch are daily remitted to the head office. From the following particulars prepare the branch account in the books of head office for the year ended December 2021.

**7 Marks**

| Particulars                      | Amount    |
|----------------------------------|-----------|
| Stock at Branch 1-1-2021         | 1,20,000  |
| Goods sent to Branch at cost     | 9,60,000  |
| Remittance from Branch           | 10,00,000 |
| <b>Cash paid by Head Office</b>  |           |
| Rent and Taxes                   | 24,000    |
| Salaries and wages               | 76,000    |
| Sundry Expenses                  | 80,000    |
| Returns from Branch              | 6,000     |
| Stock at Branch as on 31-12-2021 | 3,20,000  |

**OR**

**Q.2** Kamat Solvent Co. Bangalore opened a branch at Goa on 1<sup>st</sup> Jan 2021. The following information is available in respect of the branch for the year 2021.

**7 Marks**

| Particulars                                  | Amount   |
|--|----------|
| Goods sent to the Branch                     | 3,00,000 |
| Cash Sales at Branch                         | 2,00,000 |
| Credit sales at Branch                       | 2,40,000 |
| Salaries of the branch paid by H.O           | 60,000   |
| Office expenses of branch paid by H.O        | 48,000   |
| Cash remittance to Branch towards petty cash | 24,000   |
| Petty Cash at Branch on 31.12.2021           | 2,000    |
| Debtors at Branch as on 31.12.2021           | 20,000   |
| Stock at Branch as on 31.12.2021             | 1,08,000 |

Prepare Branch account in the books of head office for the year ended 2021.

**Q.3** Manas firm has two departments M and N, from the following figures prepare Department profit and loss account for the year ended 31<sup>st</sup> December 2021.

**7 Marks**

| Particulars       | Amount |
|-------------------|--------|
| General Salaries  | 80,000 |
| Carriage Inwards  | 40,000 |
| Carriage Outwards | 64,000 |
| Advertising       | 48,000 |

|                   |        |
|-------------------|--------|
| Rent and Rates    | 72,000 |
| Lighting          | 9,600  |
| Discount Received | 12,000 |

**Additional Information:**

Area occupied by the two departments is in the ratio of 2:1, General salaries are to be allocated equally. Sales and purchases for department M Rs.10,00,000 and Rs.6,00,000 respectively. Sales and purchases for department N Rs.6,00,000 and Rs.4,00,000 respectively.

**OR**

**Q.3** M.M firm has two departments X and Y, from the following figures prepare Department profit and loss account for the year ended 31<sup>st</sup> December 2021.

**7 Marks**

| Particulars               | Amount    |
|---------------------------|-----------|
| Salaries                  | 30,000    |
| Traveling expenses        | 50,000    |
| General Expenses          | 1,20,000  |
| Advertising               | 56,000    |
| Rent                      | 40,000    |
| Sales of Department A     | 12,00,000 |
| Sales of Department B     | 16,00,000 |
| Purchases of Department A | 7,20,000  |
| Purchases of Department B | 10,80,000 |

**Additional Information:**

Salaries and General expenses in the ratio of 1:1. Area occupied by the two departments is in the ratio of 3:2. Other expenses allocated as per suitable basis.

**Q.4** On 1<sup>st</sup> January 2015 Devraj Ltd purchased a Machine from HMT Ltd on Hire Purchase System. The cash price of the machine was Rs.12,00,000. Sairaj Ltd paid Rs.1,60,000 on signing of the agreement and agreed to pay balance in 5 Installments of Rs.2,40,000 each payable annually on 31<sup>st</sup> December. The Hindustan ltd charged 5% Interest p.a. on yearly balance. Prepare the schedule of payment showing the amount interest and principal amount in columnar format.

**7 Marks**

**OR**

**Q.4** On 1<sup>st</sup> January 2021, Karmayogi ltd purchased a Bulldozer from JCB ltd under Hire Purchase System. Rs.2,00,000 being paid on delivery and balance in five installments of Rs.3,00,000 each payable annually on 31<sup>st</sup> December. The vendor charges 5% Interest p.a. on yearly balances. The cash price of the truck was Rs.15,00,000. Prepare the schedule of payment showing the amount interest and principal amount in columnar format.

**7 Marks**



**Q.5** From the following information prepare profit and loss account for the year ended 31<sup>st</sup> December 2021.

**7 Marks**

| Particulars             | Amount   | Particular   | Amount   |
|-------------------------|----------|--------------|----------|
| Salaries                | 40,000   | Gross Profit | 3,00,000 |
| Printing and stationery | 10,000   | Commission   | 50,000   |
| Drawing                 |          | Capital      |          |
| Amita                   | 50,000   | Amita        | 2,50,000 |
| Babita                  | 30,000   | Babita       | 1,50,000 |
| General Expense         | 30,000   |              |          |
| Rent and Taxes          | 15,000   |              |          |
| Insurance               | 3,000    |              |          |
| Machinery               | 3,00,000 |              |          |
| Furniture               | 1,00,000 |              |          |

**Additional Information:**

1. Machinery is to be depreciated by 10% and furniture by 5% p.a.
2. Interest on capital is charged at the rate of 6% p.a.

**OR**

**Q.5 A)** Distinguish between Income and Expenditure.

**4 Marks**

**B)** Draw the format of Realization account.

**3 Marks**

**Q.6** Write short notes (Any 2)

**7 Marks**

- a) Basis of Allocation
- b) Hire Purchases system
- c) Fixed Assets
- d) Profit sharing ratio
- e) Types of Branches