

Q.P. Code : 00480

**FACULTY
PROGRAM
SUBJECT**

[Time: 2½ Hours]**[Marks:75]**

Please check whether you have got the right question paper.

- N.B:
1. All questions are compulsory.
 2. All questions carry equal marks.
 3. Figures to the right indicate marks.

Q.1 A) Fill in the blanks. (Any Eight)**(08)**

1. _____ is the initial amount payable by the hirer, made up of Cash price of the article and Interest.
2. Each HP Installment amount is made up of part payment towards _____ plus Interest.
3. AS _____ deals with –Disclosure of Accounting policies.
4. AS _____ deals with Depreciation Accounting.
5. AS is _____. (Mandatory / Voluntary)
6. Capital Expenditure is shown as _____ in Balance Sheet.
7. _____ Expenditure is Non recurring in Nature.
8. Carriage outward is shown in the _____ Account.
9. Closing stock of Finished goods appears in _____ Account.
10. Sale of scrap will appear on the _____ side of Manufacturing Account.

Q.1 B) Match the Following: (Any Seven)**(07)**

Pairs 'A'	Pairs 'B'
AS-2	Revenue recognition
Outstanding Expense	Valuation of Inventories
Prepaid Expense	Accounting for Fixed Assets
AS-9	Shown as Asset
AS-10	Shown as Liability
Bank of India	Furniture
Goods Account	Real Account
Salary Account	Goodwill
Tangible Asset	Personal Account
Intangible Asset	Nominal Account

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Q.2 From the following identify whether it is capital, revenue income or expense and give explanation for answer. (15)

1. Painting of Factory Shed.
2. Purchase of Building Rs.80 lacs and incurred stamp duty etc. of Rs.4 lacs.
3. Dividend received Rs. 500.
4. Training provided to staff members for better running of machinery.
5. Sale of Investment Rs.25000.
6. Stock destroyed by fire Rs.10000 having insurance of Rs.2000/-.
7. Heavy advertisement expenditure incurred.
8. Purchase of Imported Raw material of Rs.20000/-, paid custom duty etc.

OR

Q.2 Journalise the following transactions in the books of Mr. Bipin. (15)

- July 1 Started business with Cash Rs.2,25,000, Goods worth Rs.50,000 and Laptop Rs.45,000
- July 3 Deposited in Dena Bank Rs.1,50,000
- July 7 Bought goods on credit from Manish Rs.10,000 at 10% Trade discount.
- July 11 Sold goods to Nitin of Rs.12,000 at 5% Trade discount
- July 13 Goods worth Rs.900 burnt in fire
- July 17 Received cash of Rs.11,200 from Nitin in full settlement of his account
- July 20 Drew from bank Rs.4000 for his personal purpose
- July 23 Paid cash Rs.8,700 to Manish in full settlement of his account
- July 25 Paid House rent Rs.2,500
- July 28 Sold goods worth Rs.12,000 to Dinesh who paid Rs.8,000 on account
- July 31 Wages paid Rs.6,000

Q.3 A) Find the value of closing stock as per FIFO method. (08)

May 1	Opening Stock	800 units @ Rs.4
May 4	Issue	300 units @ Rs.6
May 8	Purchases	900 units @ Rs.5
May 10	Issue	600 units @ Rs.6
May 13	Issue	100 units @ Rs.6
May 17	Purchases	800 units @ Rs.6
May 21	Issue	300 units @ Rs.10
May 25	Purchases	1400 units @ Rs.8
May 31	Issue	1200 units @ Rs.10

Q.3 B) Prepare Debit Voucher. (07)

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b) Jyoti Ltd purchased a Machine from Nanda Ltd on Hire Purchases Basis on 1st July, 2014. The terms of the contract were as follows:- (15)

1. The Cash Price of the Machine was Rs.150000.
 2. Rs.30000/- was paid on signing the contract on 1st July, 2014.
 3. The balance was paid in instalment of Rs.40,000 plus interest at 15% p.a.
 4. The Instalment was paid on 31st December every year commencing from 31st December, 2014
- Jyoti Ltd charged depreciation at 20% p.a. under S.L.M. They closed their books on 31st December. Prepare Machinery Account and Vendors Account in the books of Jyoti Ltd.

Q.4 A) The Trial balance of Rupa on 31st December, 2016 as follows:-

(15)

Debit Balance	Rs.	Credit Balance	Rs.
Opening Stock:-		Sundry creditors	34000
Raw Material	46000	Bills Payable	17000
Work in Progress	20000	Sale of Scrap	3000
Finished Goods	31000	Commission	700
Sundry Debtors	54000	Provision for doubtful debt	3300
Carriage on Purchases	3000	Capital A/c	200000
Bills Receivable	36000	Sales	400000
Wages	24000	Current Account of Rupa	19400
Salaries	20000		
Telephone Charges	1000		
Postage	1000		
Repair to Plant	2400		
Repair to Office furniture	1200		
Purchases	200000		
Cash at bank	24000		
Plant & Machinery	180000		
Office furniture	18000		
Rent	10000		
Lighting	2600		
General Expenses	3200		
TOTAL	677400	TOTAL	677400

Adjustments:- The following additional information is provided to you:-

(a) Closing Stock:-

Raw material	Rs.31600
Finished goods	Rs.36400
Semi-Finished goods	Rs.14000

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- (b) Salaries unpaid for December, 2016 Rs.2000.
 (c) Wages unpaid for December, 2016 Rs.6000.
 (d) Machinery is to be depreciated by 10%.
 (e) Office furniture is to be depreciated by 5%.
 (f) Provision for Doubtful debt is to be maintain at 10%.
 (g) Lightning to be divided between Office premises and Factory. Lightning is to be charged to Office premises for Rs.600 and remaining Rs.2000 are to be charged to Factory.
 (h) Factory premises occupy $\frac{1}{4}$ of total area.

You are asked to Prepare the Manufacturing Account, Trading Account, Profit & Loss Account and the Balance sheet as on 31st December, 2016.

OR

- Q.4 B) From the following Trial Balance of Tarun Enterprises, Prepare Manufacturing, Trading and Profit and Loss (15)
 A/c for the year ended 31st December, 2016 and Balance Sheet on that date:

Particulars	Dr.Rs	Cr.Rs	Particulars	Dr.Rs	Cr.Rs
Opening Stock			Conveyance	19,000	-
- Raw Material	36,000	-	Professional Fees	12,000	
Opening Stock			Stationery	7,500	
- Finished Goods	7,000	-	Electricity	2,500	-
Purchases of Raw Material	1,91,600		Capital	-	1,25,000
Carriage	24,000	-	Drawings	60,000	-
Wages	36,000	-	Bank Balance	-	54,000
Salaries	28,000	-	Creditors	-	1,22,000
Power/Lighting	9,000	-	10% Investments (1-1-16)	30,000	-
Insurance : Machinery	1,400	-	Debtors	1,08,000	-
Repairs to Machinery	2,600	-	Furniture	60,000	-
Sales	-	4,07,000	Machinery	90,000	-
Returns Outward		5,000	Cash in Hand	400	-
Returns Inward	7,000				
Scrap Sold	-	17,000			
Interest	-	2,000			
				7,32,000	7,32,000

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- 1) Closing Stock – Raw Material Rs.56,000
- Finished Goods Rs.4,600
- 2) 1/3 of carriage is for sale of goods and 2/3 is for purchase of raw materials.
- 3) Goods purchased worth Rs.6,000 are included in closing stock but no entry is passed in the books for the same.
- 4) Depreciate Plant & Machinery and Furniture by 10% p.a.
- 5) Create provisions of 10% for bad and doubtful debts.
- 6) In fire, finished goods costing Rs.10,000 were destroyed but insurance company admitted the claim of Rs.6,000 only.
- 7) Debtors include Rs.10,000 due from Abeer. An amount of Rs.8,000 is also due to him and it is included in creditors

Q.5 (A) Explain reasons for difference in Pass Book and Cash Book? (08)

(B) Explain Benefits of IFRS. (07)

OR

Q.5 Write Short Notes. (Any Three) (15)

- (i) Convention of Conservatism.
- (ii) Accrual Concept and Period Concept
- (iii) Explain AS 2
- (iv) Explain features of Hire Purchase
- (v) Format of Manufacturing Account