Q1. (A) State whether the following statements are True or False. (Any 8) (8 marks)

1. Single entry system follows the basic accounting principle of accrual.
2. Capital Expenditure is non-recurring in nature.
3. Office rent paid is capital expenditure.
4. AS in India are issued by the Central Government.
5. Units in stock = opening stock + Purchases – Sales.
6. Revenue expenditure increases funds and profit.
7. Profit and loss account shows the financial position of the firm.
8. Prepaid expenses is a liability.
9. Claim = Policy / stock X loss
10. Received Rs. 100000 as a loan from Father is Revenue Expenditure.

Q1. (B) Match the following. (Any 7) (7 marks)

Group A	Group B
1. AS 9	A. Total Debtors Account
2. Factory Expenses	B. Recurring
3. Capital Expenditure	C. Bills Receivable
4. Credit Sales	D. Recoverable
5. Opening Capital Balance	E. Revenue Recognition
6. AS	F. Profit & Loss A/c
7. Revenue Expenditure	G. ICAI
8. Salary	H. Manufacturing A/c
9. AS 2	I. Opening Statements of Affairs
10. Bills Receivable Drawn	J. Inventory Valuation

Q2. From the following particular, prepare stock ledger by FIFO and Weighted Average Method.

Date	Transaction	Unit	Rate (Rs.)
4th January 2014	Purchases	80	30
17th January 2014	Purchases	120	28
20th January 2014	Sales	100	-
22nd January 2014	Purchases	160	29
25th January 2014	Sales	160	-
28th January 2014	Sales	40	-
30th January 2014	Purchases	200	26
31st January 2014	Sales	180	-

The stock in hand on 1st January 2014 was 100 units @ Rs. 25 each. (15 marks)

OR

Q2. From the following information of ABC ltd. prepare stock ledger by FIFO and Weighted Average Method.

Particulars	Unit	Rate (Rs.)
Stock as on 1st March 2013	2500	30
Purchases		
1. On 11th March 2013	2000	28
2. On 21st March 2013	1800	25
Sales		
1. On 6th March 2013	1200	-
2. On 15th March 2013	1500	-
3. On 18th March 2013	800	-

Plant & Machinery	200000	Loan	75000
Land & Building	120000	Reserve for debt	5500
Cash & Bank Balance	37000	Sales	324000
Debtors	59000	Discount	3500
Trade marks	9000	Return outwards	6500
Salary to manager	16000		
Purchase of Raw Material	150000		
Opening Stock			
Raw material	35000		
Work-in-progress	60000		
Finished goods	90000		
Carriage inwards	10000		
Wages & Salaries	75000		
Factory expenses	12000		
Factory rent and rates	15000		
Office expenses	8000		
Printing & Stationery	7500		
Discounts	5500		
Bad Debts	4500		
	989500		989500

Adjustments:

1. On 31st December 2012 stocks were valued as: Raw material Rs. 55000. Work-in-progress Rs. 75000. Finished goods Rs. 95000.
2. Outstanding printing & stationery Rs. 1500
3. Prepaid factory rent Rs. 2000.
4. Manager is entitled for a commission of 2% on net profit before charging his commission.
5. Increase reserve for bad debts by Rs. 5000.
6. Interest on loan is still unpaid Rs. 1200.
7. Depreciate plant & Machinery @ 10% p.a.
8. Write off Trade Marks @ 33.1/3 % p.a. (15 marks)

Q4. Shri Ashutosh keeps his books by single entry. On 1st January, 2013 his capital was Rs. 69000. An analysis of his cash book for the year gives the following particulars.

Particulars	Rs.	Particulars	Rs.
Received from sundry debtors	60000	Due to Bank (Jan 1)	7400
Paid on capital account	5000	Payment to creditors	25000
		General expenses	10000
		Wages	15500
		Drawings	3000
		Balance at bank	4000
		Balance in hand	100
	65000		65000

Particulars	1/1/2013	31/12/2013
Debtors	53000	88000
Creditors	15000	19500
Stock	17000	19000
Plant & Machinery	20000	20000
Furniture	1400	1400

From the above material prepare a profit & loss account for the year ended 31st December 2013 and a Balance sheet as on that date, after providing 5% interest on capital. (Ignore additional capital), 10% depreciation on plant. 5% depreciation on furniture. Reserve on sundry debtors is 5%. (15 marks)

OR

Q4. XYZ ltd. prepares accounts on 30th June each year. On 30th September fire destroyed the greater part of their stock. Following information is collected from their books.

Stock as on 30th June 2011 Rs. 292500.

Purchases (1st July 2011- 30th September 2011) Rs. 600000

Wages (1st July 2011- 30th September 2011) Rs. 227500

Sales (1st July 2011- 30th September 2011) Rs. 1000000.

Average percentage of Gross Profit to Cost is 33.1/3 %. Stock of value Rs. 70000 was salvaged. Policy amount was Rs. 250000. Following further information is available:

1. Stock at the beginning was calculated at 10% less than cost.
2. Purchases include Purchase of Plant Rs. 50000.
3. Plant was installed in August and paid installation charges Rs. 2500 which was included in wages.

Calculate the amount of Claim. (15 marks)

Q5. State whether the following statements are capital, revenue expenditure or income. (15 marks)

1. Purchased a machinery costing Rs. 100000
2. Wages paid for installation of machinery.
3. Paid import duty on Raw Material Purchased.
4. Sold old machinery costing Rs. 40000 for Rs. 35000.
5. Discount received by creditors Rs. 2000.
6. Cost of replacement of a defective part of the machinery.
7. Salary paid.
8. Renovation of factory canteen.
9. Loan taken from Bank Rs. 500000.
10. Rent received from tenant Rs. 5000

OR

Write Short Notes. (Any 3) (15 marks)

1. Accounting Standards issued by ICAI
2. Manufacturing Account
3. Characteristics of Capital Expenditure.
4. AS – 2
5. Single entry system.