

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

(8)

1. Revenue Expenditure is non-recurring in nature.
2. Rent paid is capital expenditure.
3. AS in India are issued by the Central Government.
4. Units in stock = opening stock - Purchases + Sales.
5. Capital expenditure increases funds and profit.
6. Balance Sheet shows the financial position of the firm.
7. Single entry system follows the basic accounting principle of accrual.
8. Outstanding expenses are a liability.
9. Claim = Policy / stock X loss
10. Received Rs. 50000 as a loan from Father is Revenue Expenditure.

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

(7)

Group A	Group B
1. AS 1	a. Total Debtors Account
2. AS 9	b. Recurring
3. Capital Expenditure	c. Bills payable
4. Credit Sales	d. Recoverable
5. Opening Capital Balance	e. Revenue Recognition
6. AS	f. ICAI
7. Revenue Expenditure	g. Manufacturing A/c
8. Depreciation on Plant & Machinery	h. Opening Statements of Affairs
9. AS 2	i. Inventory Valuation
10. Bills payable accepted	j. Disclosure of accounting policy

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

Date	Transaction	Unit	Rate (Rs.)
4 th May 2015	Purchases	40	15
17 th May 2015	Purchases	60	14
20 th May 2015	Sales	50	-
22 nd May 2015	Purchases	80	15
25 th May 2015	Sales	80	-
28 th May 2015	Sales	20	-
30 th May 2015	Purchases	100	13
31 st May 2015	Sales	90	-

The stock in hand on 1st May 2015 was 50 units @ Rs. 12 each.

(15)

OR

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

Particulars	Unit	Rate (Rs.)
Stock as on 1 st January 2014	5000	60
Purchases		
1. On 11 th January 2014	4000	56
2. On 21 st January 2014	3600	50
Sales		
1. On 6 th January 2014	2400	-
2. On 15 th January 2014	3000	-
3. On 18 th January 2014	1600	-
4. On 29 th January 2014	2400	-

(15)

Q3. From the following trial balance of ABC Ltd. Prepare manufacturing account, trading account and profit and loss account for the year ended 31st December, 2014. And balance sheet as on that date.

Particulars	Rs.	Particulars	Rs.
Drawings	15000	Capital	250000
Managers salary	3000	Creditors	50000
Cash in hand	1000	Loan	40000
Cash at bank	17500	Reserve for Bad Debts	3000
Debtors	47500	Purchase return	3500

Patents	2000	Sales	132000
Plant & Machinery	50000		
Land & building	100000		
Extension to Building	10000		
Legal charges for acquisition of building	2500		
Purchases of Raw Material	50000		
Raw Material (1-1-2014)	20000		
Work-in-progress (1-1-2014)	37500		
Finished Goods (1-1-2014)	47500		
Carriage inward	4000		
Wages & Salaries	45000		
Factory expenses	4000		
Factory Rent	5000		
Office Expenses	2500		
Printing & Stationary	5000		
Discounts	3000		
Advertisement	2500		
Bad Debts	2000		
Goodwill	2000		
	478500		478500

Adjustments:

- On 31st December 2014 the stock were valued as: Raw Material Rs. 25000. Work-in-progress Finished goods Rs. 50000.
- Outstanding expenses – Advertisement Rs. 250 and Printing Rs. 150.
- Stock of stationary on hand Rs. 500 on 31st December 2014.
- Depreciate plant & Machinery @ 10% and Patents @ 20%.
- Manager is entitled for a commission of 5% on net profit before charging his commission.
- Increase Reserve for Bad Debts by Rs. 1500
- Interest on loan of Rs. 500 is still unpaid.

OR

(15)

Q3. From the following trial balance of infotek ltd. Prepare manufacturing account, trading account and loss account for the year ended 31st December, 2014. And balance sheet as on that date.

Particulars	Rs.	Particulars	Rs.
Drawings	36000	Capital	450000
Goodwill	40000	Creditors	125000
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:

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

Q4. Shlok keeps his books by single entry. On 1st January, 2015 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	1/1/2015	31/12/2015
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 2015 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)

OR

Q4. Anjali 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. 146250.

Purchases (1st July 2011- 30th September 2011) Rs. 300000

Wages (1st July 2011- 30th September 2011) Rs. 113750

Sales (1st July 2011- 30th September 2011) Rs. 500000.

Average percentage of Gross Profit to Cost is 33.1/3 %. Stock of value Rs. 35000 was salvaged. Policy amount was Rs. 125000. Following further information is available:

- Stock at the beginning was calculated at 10% less than cost.
- Purchases include Purchase of Plant Rs. 25000.
- Plant was installed in August and paid installation charges Rs. 1250 which was included in wages.

Calculate the amount of Claim. (15)

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

- Paid import duty on Raw Material Purchased.
- Sold old type writer costing Rs. 10000 for Rs. 5000.
- Discount allowed to Debtors.
- Cost of replacement of a defective part of the machinery.
- Salary paid.
- Wages paid for installation of new machinery Rs. 5000.
- Renovation of factory building.
- Purchased a Furniture costing Rs. 400000
- Loan taken from ICICI Bank.

10. Payment of Electricity bill.

OR

Write Short Notes. (Any 3)

1. Accounting standard issued by ICAI
2. Characteristics of Capital Expenditure.
3. AS-1
4. Manufacturing Account.
5. Characteristics of Revenue Expenditure.

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