

261122

VCD: _____ CLASS: FYBAF SEM: I SUB: FINANCIAL ACCOUNTING HOUR: 2 ½ MARKS: 75

- Note: 1. Each question carries 15 marks.
2. Working notes should form part of your answer.
3. Use of simple calculator is permitted.

Q.1 (a) State whether true or false. (Any 8)

(08)

1. Accounting Standards in India are issued by the Central Government.
2. Compliance with any accounting standard is voluntary.
3. AS 2 is applicable to mineral oil.
4. Inventories are assets invented by the proprietor.
5. Interest is recognized when actually received.
6. Physical Stock + Goods sold but not yet delivered = Closing Stock.
7. Gross Profit is transferred to the Capital Account.
8. Prepaid Expenses is a liability.
9. Carriage inward are allocated on the basis of sales in each department.
10. Down Payment means the total amount payable by the hirer.

(b) Multiple choice questions. (Any 7)

(07)

1. Lighting is allocated on the basis of _____ of each department.
(a.) No. of points. (b.) Floor Area (c.) No. of employees. (d.) Wages.
2. Buying an asset without having to make full payment immediately is known as _____.
(a.) Hire Purchase (b.) Cash Purchase (c.) Online Purchase (d.) Gift.
3. Trade-Mark is _____.
(a.) Current Asset (b.) Tangible Asset (c.) Intangible Asset (d.) Fictitious Asset
4. Capital Expenditure is _____ expenditure.
(a.) Abnormal (b.) Recurring (c.) non-recurring (d.) wasteful
5. Cost of petrol and oil- Rs. 5,250
(a.) Revenue Expenditure (b.) Capital Expenditure (c.) Capital Receipts (d.) Revenue Receipts.
6. Under this method, it is assumed that the units are issued at a random order.
(a.) FIFO (b.) LIFO (c.) Specific Identification. (d.) Weighted Average
7. Which Accounting Standard deals with recognition of revenue _____.
(a.) AS 1 (b.) AS 2 (c.) AS 10 (d.) AS 9
8. Accounting Standard is _____.
(a.) Optional (b.) Mandatory (c.) Optional (d.) No longer valid.
9. The last accounting standard issued by ICAI upto 2014 is AS _____.
(a.) 9 (b.) 26 (c.) 31 (d.) 32
10. For a shirt factory, Cotton is _____.
(a.) Finished Goods (b.) Work-In-Progress (c.) Raw Materials (d.) Asset

Q.2 Johnny Chemicals has the following Ledger Balances as on 31st March 2014.

(15)

Particulars	Dr. Rs.	Cr. Rs.	Particulars	Dr. Rs.	Cr. Rs.
Goodwill	50,000		Net Sales		11,00,000
Factory Shed	20,000		Misc. Income		4,000
Machinery	1,30,000		Bad Debts Reserve		5,000
Furniture	8,000		Purchase of Materials	8,60,000	
Investments	10,000		Freight on Materials	50,000	
Capital		1,95,000	Factory Power	15,000	
Bank Loan		3,00,000	Salaries & Wages		
Creditors		1,50,000	- Factory	1,50,000	
Debtors	1,35,000		- Office	65,000	
Stock on 1-4-2013				2,500	
-Materials	1,30,000		Repairs & Renewals	16,500	
- Work-in-progress	7,500		Rent & Taxes	3,900	
-Finished Goods	82,500		Insurance	18,100	
			General Expenses		
				17,54,000	17,54,000

The following additional information is available:

1. Closing Stock: Materials Rs. 2,10,000; Work-in-progress Rs.12,500 and Finished Goods Rs.2,07,500.
2. Depreciation to be provided at 2 ½ % on factory shed, 10% on machinery, & 15% on furniture.
3. Repairs and rent and taxes are to be apportioned between factory & office in the ratio of 3:2.
4. Reserve for bad and doubtful debts to be provided at 4% on debtors.
5. Insurance premium covers a period of one month in advance.

You are required to prepare Manufacturing, Trading and Profit and Loss Account for the year ended 31st March 2014 & Balance Sheet as on that date.

OR

Q.2 On 1st January 2015, Bharat Ltd. purchased one tempo from Tempowala Ltd. Cash price of the tempo was Rs. 2,30,000. Down Payment of Rs. 50,000 was made on that day. Remaining amount was to be paid in 3 annual instalments of Rs. 60,000 each plus interest @ 10% on outstanding balance at the beginning of the year. The due date of annual installment was on 31st December, every year. Bharat Ltd. depreciated tempo in their books @ 10% p.a. on WDV method.

You are required to prepare the following in the books of Bharat Ltd.:

1. A statement showing calculation of interest.
2. Tempo A/c
3. Tempowala A/c

(15)

Q.3 From the following particulars, prepare stock register by FIFO Method.

(15)

Date	Transaction	Units	Rate per units (Rs.)
01-1-2013	Opening Stock	17,500	3.50
04-1-2013	Purchases	30,000	3.80
08-1-2013	Sales	32,500	4.20
12-1-2013	Purchases	37,500	3.90
16-1-2013	Sales	42,500	4.30
21-1-2013	Purchases	40,000	4.05
25-1-2013	Sales	33,750	4.40
29-1-2013	Purchases	46,250	4.10
31-1-2013	Sales	39,000	4.55

OR

Q.3 From the following particulars, prepare stock record by Weighted Average Method-

(15)

1. Perpetual 2. Periodic.

The Stock on hand on 1st January, 2014 was 50 units @ Rs.25 each.

Date	Transaction	Units	Rate
04-1-2014	Purchase	40	30
17-1-2014	Purchase	60	28
20-1-2014	Sale	50	35
22-1-2014	Purchase	80	29
25-1-2014	Sale	80	33
28-1-2014	Sale	20	34
30-1-2014	Purchase	100	26
31-1-2014	Sale	90	35

Q.4 State with reasons whether the following items are capital or revenue:

(15)

1. Cost of goodwill purchased.
2. Import duty on raw material purchased.
3. Legal expenses incurred in raising a debenture loan.
4. Rs.2,00,000 received from the issue of further shares.
5. Commission received on sale Rs.2,000.
6. Machinery valued at Rs.1,20,000 and 90,000.
7. Stock of Rs.25,000 was destroyed by fire of which Rs.15,000 was received from the insurance.

OR

Q.4 XYZ Departmental Stores has prepared the following Trading and Profit and Loss Account for the year ended 31st March, 2014.

Particulars	Rs.	Particulars	Rs.
To opening stock		By Sales	
Dept.: A	45,000	Dept.: A	3,02,600
Dept.: B	60,000	Dept.: B	4,53,900

Dept.: C	27,800	Dept.: C	1,51,300
To Purchases	2,24,000	By Closing Stock	35,000
Dept.: A	3,55,000	Dept.: A	64,000
Dept.: B	1,54,000	Dept.: B	75,000
Dept.: C	60,000	Dept.: C	
To Salaries	45,000		
To Rent/Taxes	12,000		
To Discount	34,500		
To Advertisement	9,000		
To Trade Expenses	15,000		
To Depreciation	18,300		
To Electricity	6,600		
To Carriage Outward	15,600		
To Net Profit			
	10,81,800		10,81,800

Prepare Departmental Trading and Profit and Loss Account for the year ended 31st March, 2014 after considering the following data: -

1. Rent/Taxes to be allocated in the ratio of area occupied which was 1:2:1 respectively.
2. Depreciation to be charged equally.
3. Of the 2 salesman employed, one worked in Dept. B alone. The other works in Dept. A and C. His salary be allocated equally between Dept. A and C. Salary of each salesman is Rs. 2,500 p.m.
4. All other expenses except those mentioned in item (a) to (c) above, be allocated in the ratio of sales of the respective departments. (15)

Q.5 a) What is a Manufacturing Account? (08)

b) What is the content of the Hire Purchase Agreement? (07)

OR

Q.5 Short Notes. (Any3)

(15)

1. Depreciation in Hire Purchase.
2. Disclosure Requirement as per AS-1.
3. Characteristics of Capital Expenditure.
4. FIFO Method
5. Perpetual system of inventory.