

Note: Each Question Carries 15 Marks

- Q. 1** From the following information of Mr. Apte a proprietor having three departments X, Y, and Z, prepare departmental trading and profit & loss A/c for the year ended 31st December 2003 and balance sheet on that date.

Trial balance as on 31st December, 2003

Particular	Debit (Rs.)	Credit (Rs.)
Mr. Apte's capital	—	1,00,000
Stock :		
— X	20,000	
— Y	15,000	
— Z	10,000	
Purchases :		
— X	90,000	
— Y	70,000	
— Z	50,000	
Sales :		
— X		1,00,000
— Y		75,000
— Z		50,000
Salaries	25,000	
Rent & rates	5,000	
Selling & distribution expenses	9,000	
Land & Building	25,000	
Furniture & Fixtures	10,000	—
Cash in hand	5,000	
Cash at bank	10,000	
Sundry debtors	25,000	
Sundry creditors	—	44,000
Total	3,69,000	3,69,000

Other Information:

- 1) Stock in trade as on 31st December, 2003 was X— Rs. 35,000; Y—Rs. 25,000 and Z — Rs. 20,000
- 2) Salaries are to be allocated in the ratio of 40%, 30%, 30% amongst all the departments.
- 3) The floor space occupied by each department is in the proportion of 40%, 30% and 30%.
- 4) Selling and distribution expenses are to be allocated on the basis of sales of each department.

Q. 2 a) Choose correct Alternative:

- 1) Income and Expenditure account shows
 - a) Cash account
 - b) Statement of Affairs
 - c) Total Creditors
- 2) Lighting charges are apportioned over the departments on the basis of
 - a) Number of lights
 - b) Cost of Machines
 - c) Sales
- 3) Capital at beginning of the year is ascertained by preparing
 - a) Cash account
 - b) Opening Statement of Affairs
 - c) Total Debtors Account
- 4) Any Donation received for specific purpose is a
 - a) Capital receipt
 - b) Revenue receipt
 - c) Liability
- 5) The method reflects latest purchase cost in the closing stock is
 - a) FIFO
 - b) LIFO
 - c) Weighted Average

b) State whether the following statement is True / False.

- 1) Inventory valuation affects the income statement.
- 2) Departmental accounts are necessary for evaluating departmental efficiency.
- 3) Sale of old material must be credited to capital fund.
- 4) Collection from debtors is calculated from Debtors account.
- 5) Limited company can also adopt single entry system.
- 6) Management expenses are charged to General Profit and Loss account
- 7) Branch account is a personal account under Debtors system.
- 8) Payment of Honorarium is treated as capital expenditure.
- 9) Trial Balance can be prepared under single entry system.
- 10) Welfare expenses should be charged to departments on the basis of number of workers in each department.

Q. 3

From the following particulars relating to Rama Krishan mission charitable hospital, prepare Income and expenditure account for the year ended 31 December, 2003 and balance sheet as on that date:

Receipts and payments account for the year ended 31-12-2003

Receipts	Rs.	Payments	Rs.
To cash in hand b/d	7,130	By medicines	30,590
To subscription	47,996	By doctor's honorarium	9,000
To donations	14,500	By salaries	27,500
To interest on investment @7% for full year	7,000	By petty expenses	461
To proceeds from charity show	10,450	By equipments	15,000
		By expenses on charity show	750
		By cash in hand c/d	3,775
Total	87,076	Total	87,076

No.	Particulars	Rs.	Rs.
1.	Subscription due	240	280
2.	Subscription received in advance	64	100
3.	Stock of medicines	8,810	9,740
4.	Estimated value of equipment	21,200	31,600
5.	Buildings (cost less depreciation)	40,000	38,000

OR

The stock of material on 1st December, 2003 was 1300 units @ Rs. 3.50 each. The following purchases and issues took place subsequently. Calculate quantity and value of stock on hand 31st December, 2003 under 1) FIFO method 2) Weighted Average Method.

Date	Purchase Quantity	Rate per unit (Rs.)
2-12-2003	500 units	4
4-12-2003	2000 units	5.50
18-12-2003	400 units	5

Date	Issues Quantity
6-12-2003	2300 units
8-12-2003	300 units
18-12-2003	700 units

Stock verification revealed shortage of 25 units on 17th December, 2003.

Mr. Manish, a retailer in Mumbai adds 25% to cost of goods sold to arrive at sale price. His financial position as on 30th June, 2003 was as under:

Particulars	Rs.
Plant / machinery	50,000
Stock (at cost)	38,250
Debtors	71,750
Cash at bank	22,000
Creditors	30,000
Loan from Vivek	20,000

During the year ended 30th June, 2004. Mr. Manish.

- Paid Rs. 1,16,750 to creditors for goods.
- Repaid Rs. 5,000 of Vivek's loan.
- Purchased a typewriter Rs. 7,000
- Withdrew Rs. 800 p.m. from bank for domestic use.
- Paid into bank personal lottery prize of Rs. 3,000.
- Paid income-tax Rs. 6,000.
- Sold goods on credit.
- Spent business expenses Rs. 9,000.

On 30-6-2004, stock at cost was Rs. 40,000, Debtors totaled Rs. 70,000 and creditors were Rs. 35,000. On that date bank balance were Rs. 19,500. Depreciate plant and typewriter by 20% p.a. Prepare Manish's final accounts. (all your working should be shown.)

OR

Q. 6 Han is having his head office at Mumbai and branch office at Nasik, prepare the branch account books of head office from the following transactions with branch

Particulars	Rs.	Particulars	Rs.
Opening balance at branch:		Amounts remitted to the	
- Petty cash	1,000	branch for :	
- Stock	39,500	- Petty cash expenses	4,000
- Debtors	21,000	- Salary	12,000
Goods supplied by branch		- rent and taxes	3,500
during the year	3,10,000	Closing balance at branch:	
Amounts remitted by the		- Petty cash	950
branch :		- Debtors	53,000
- Cash sales	1,13,200	- Stock	26,500
- Realisation from			
debtors	2,30,300		