

Note : All questions are compulsory with internal choice

Figures at right indicate full marks

Q - 1 HMT departmental store has prepared the following Trading and Profit & Loss Account for the year ended 31st March 2004, (15)

Particulars	Rs.	Particulars	Rs.
To Opening Stock		By Sales	
Dept : H	45,000	Dept : H	3,02,600
Dept : M	60,000	Dept : M	4,53,900
Dept : T	27,800	Dept : T	1,51,300
To Purchases		By Closing Stock	
Dept : H	2,24,000	Dept : H	35,000
Dept : M	3,55,000	Dept : M	64,000
Dept : T	1,54,000	Dept : T	75,000
To Salaries	60,000		
To Rent & Taxes	45,000		
To Discount	12,000		
To Advertisement	34,500		
To Trade Expenses	9,000		
To Depreciation	15,000		
To Electricity	18,300		
To Carriage Outward	6,600		
To Net Profit	15,600		
	10,81,800		10,81,800

Prepare Departmental Trading and Profit & Loss Account for the year ended 31st March, 2004 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 salesmen employed, one worked in Dept. M alone. The other works in Dept. H and T. His salary to be allocated equally between Dept. H and T. Salary of each salesman is Rs. 2,500 p.m.
- 4) All other expenses except those mentioned above, be allocated in the ratio of sales of the respective departments.

OR

Q-1 A firm has two departments X and Y. from the following figures prepare the departmental trading and profit and loss account for the year ended 31st December, 2002. (15)

Particulars	X (Rs.)	Y (Rs.)
Opening stock	40,000	50,000
Purchases sales	1,50,000	1,00,000
Sales	2,50,000	1,50,000
salaries	16,800	12,000

Particulars	Rs.
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General salaries	20,000
Carriage inward	10,000
Carriage out ward	16,000
Advertising	12,000
Rent and rates	18,000
Interest on bank loans	5,000
Lighting	2,400
Discount received	3,000
insurance	2,000

Area occupied by the two departments is in the ratio of 2: 1. General salaries are to be allocated equally. Insurance premium is for a comprehensive policy, allocation being inconvenient. Closing stock were : X Rs.36,000 ; Y Rs. 40,000.

Q - 2 The Tata tea Ltd. Simla is having one of its branches at pune. Goods are invoiced to the branch at 20% profit on sale. Branch has been instructed to send all cash daily to the head office. All expenses are paid by the head office except petty expenses which are met by the branch manager. From the following particulars prepare the necessary accounts in the books of Tata tea Ltd. For the year 2003.(15)

	Rs.
Opening balances :	
- Stock (invoice price)	15,000
- Sundry debtors	9,000
- Cash in hand	400
- Office furniture	1,200
Transaction during the tear :	
- Goods send the branch (invoice price)	80,000
- Goods return to the hand office	1,000
- Goods return by the debtors	480
- Cash received from debtors	30,000
- Cash sales	50,000
- Credit sales	30,000
- Discount allowed to debtors	30
Expenses paid by the head office :	
- Rent	1,200
- Salary	2,400
- Printing & stationary	300
Petty expenses paid by branch manager	250
Depreciation is to be provided on branch furniture @ 10% p.a.	
Stock on 31 st December , 2003 at invoice price	14,000

You are further informed that, under the instructions from head office, pune branch paid Rs. 10,000 to one of the head office creditor.

OR

Q - 2 Mandar chemicals (p) ltd. Has a branch at patna. Goods are invoiced to the branch at cost plus 30%. From the following details prepare branch account. (15)

Particulars	Rs.	Particulars	Rs.
Stock on 1-1-2003	26,000	Goods returned to H.O	6,500

Debtors on 1-1-2003	50,000	Goods return by branch debtors to branch	3,000
Cash on hand on 1-1-2003	250	Total sales of the branch	2,23,000
Goods sent to patna branch	1,30,000	Cash sales	1,70,000
Cheques sent to branch :		Expenses paid by branch	23,000
a) Salary	3,000	Collection from debtors	84,000
b) Rent	2,000	Closing stock on 31-12-2003	1,04,000
Furniture purchased by H.O for the branch	10,000	Cash balance on 31-12-2003	130

Depreciation on furniture at 10% .

Q – 3 The loksewa transport Ltd. Purchased trucks from the hindustan motors Ltd., on hire purchases basis. The cash price of the trucks was Rs. 3,20,000. The amounts were payable as under :- (15)

Rs. 1,00,000 on the date of purchase i.e. 1st january, 2001

Rs. 80,000 on 31st december, 2001

Rs. 80,000 on 31st december, 2002

Rs. 82,478 on 31st december, 2003

The hindustan motors Ltd., charged interest at 5% p.a. on the unpaid amount. The purchasing company decided to write off as depreciation 20% on the diminishing balance each year. You are required to give trucks account, the hindustan motor Ltd. Account and interest account in books of the loksewa transport Ltd. , according to credit purchase method.

OR

Q – 3 The Kolkata motors ltd. consigned to their agent in Patna two motor cars costing Rs. 48,000 each for sale. Commission was payable ordinary 8% and del-credere commission 2%. The agent was to bear all expenses in Patna which amounted to Rs. 6,500. The agent sold one car for Rs. 65,000 and remitted Rs. 52,000 on account. The second car was sold for Rs. 71,500 but out of this a sum of Rs. 13,000 became bad debts. Open necessary ledger account in the books of consignee. (15)

Q – 4 Select correct alternative and rewrite the sentence

(05)

- Under Hire purchase interest paid on the contract is equal to
 - HP price less down payment
 - HP price less cash price
 - Cash price plus down payment
 - Cash payment less down payment
- Hire purchase price is always greater than the cash price because
 - It includes interest
 - It includes cash payment
 - It includes a charge for risk cover

- d. All of the above
3. Branch stock adjustment a/c is prepared when
- HO sends goods to branch at cost price
 - HO sends goods to branch at an invoice price which is higher than cost price
 - HO sends a proforma invoice at cost
 - None of the above
4. If a worker works in in more than one department this wages will be
- Allocated to the department he spends more time in.
 - Allocated to the department he is employed by
 - Allocated on the basis of time spent in each department.
 - Debited to general profit and loss a/c
5. Expenses which cannot be allocated to the departments on any scientific basis are
- Debited equally to all departments.
 - Debited in sales ratio to all departments
 - Debited to General Profit and loss A/c
 - None of the above

B] State whether following statement is TRUE / FALSE (05)

- Departmental performance and efficiency gets reflected in its profits.
- In hire purchase system the buyer cannot sell or transfer the goods as he is not the owner of the goods.
- The branch can sell goods at a price higher than the invoice price.
- Under hire purchase sale the title of the goods passes immediately.
- Consignee gets the goods from the consignor on consignment basis.

C] Match the following

(05)

Group "A"

Group "B"

- Rent
- Invoice price
- del-credere
- Electricity
- Consignee

- No. of points
- Guarantee that buyer is solvent
- Agent
- Floor are occupied
- Cost plus profit

OR

Q - 4 Write Short Note (Any 3)

(15)

- Advantages of Branch Accounting
- Types of Branches

-5-

3. Need of Consignment accounting
4. Features of Hire purchase system
5. Any Five Expenses with basis of apportionment in Branch account