

**Q.P. Code :06827****[Time: 2  $\frac{1}{2}$  Hours]****[ Marks:75]**

- N.B:
1. All questions are compulsory with internal choice
  2. Figures to right indicate full marks.

Q.1 A) State whether following are true or false **(Any 8)**

**(08)**

- Single entry follows basic accounting principle of accrual.
- Balance in Goods sent to Branch A/c is transferred to debit of Trading A/c.
- Consignment is a sale between the consignor and consignee.
- Credit purchase can be ascertained from Credit Purchase A/c.
- Consignee cannot return the unsold goods to consignor.
- Depreciation on branch fixed asset is debited to branch A/c under debtor method.
- Gross Profit ratio helps in determining stock till date of fire.
- When consignee incurs expenses no entry is passed in the books of the consignor.
- The Head office sends goods to its branch at a loading of 20% on cost means loading  $\frac{1}{5}$ <sup>th</sup> of sales.
- Loss by fire is calculated by considering insurance policy amount.

B) Match the following columns. **(Any 7)**

**(07)**

Group "A"	Group "B"
1. Credit sales	A. Memorandum Trading A/c
2. Opening stock	B. Total Debtors A/c
3. Performa Invoice	C. Consignee
4. Account sales	D. Consignor
5. Goods returned by branch customer	E. Credit to Cash/Bank
6. Expenses of branch met by Head office	F. Credit to branch A/c
7. Closing stock	G. Statement of affairs
8. Opening capital	H. Trading A/c credit
9. Credit side of salary	I. Slow moving goods
10. Abnormal Goods	J. Prepaid salary

Q.2 Mr. Simpleton, a retailer, does not keep any books of accounts but does operate a business bank account. A summary of the bank statements for the year ended 31-3-2013 is given below: **(15)**

Receipts	Amount	Payments	Amount
Opening Balance	2,640	Cash paid to Creditors	37,250
Cash received from Debtors	48,500	Salaries	5,500
Closing Balance	2,210	Rent	1,800
		General Expenses	3,500
		Advertisement	300
		Drawings	5,000
	53,350		53,350

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His assets and liabilities on 31<sup>st</sup> March, 2012 and 2013 were:

	31-3-2012 (Rs)	31-3-2013 (Rs)
Fixed Assets	10,400	10,400
Stock	5,240	6,300
Debtors	6,500	6,800
Rent Prepaid	300	600
Creditors	4,600	4,700
Outstanding advertisement bill	100	150

Fixed Assets should be depreciated at 10%.

Required: Prepare the Trading and Profit & Loss Account of Mr. Simpleton for the year ended 31-3-2013 and a balance Sheet as at that date.

OR

- Q.2 From the information given below, prepare a Trading and Profit and Loss Account for the year ended 30<sup>th</sup> June, 2013 and Balance Sheet as at that date: (15)

	Balance (Rs) on 1-7-12	Balance (Rs) on 30-6-13
Debtors	8,000	7,400
Creditors for Purchases	3,000	2,400
Rent Payable (outstanding)	50	30
Cash	750	3,250
Stock	7,500	8,000
Plant	5,000	6,000

Cash Transactions:

Receipts : Cash Sales – Rs.500, Debtors – Rs.35,500

Payments: Purchase of plant - Rs.1,000, Rent-620, Cash Purchase Rs. 1,000, Payment to Creditors – Rs. 15,600, Salaries – Rs. 10,000, Wages – Rs. 3,000, electricity - Rs.1,000, (Shortage in Cash balance to be treated as drawings). Bad debts already written off Rs. 100. Depreciation on Plant (Opening balance) has to be provided at 10% and 5% on addition.

- Q.3 On 1<sup>st</sup> July, 2013, Radio House of Mumbai consigned 100 radio sets to Banarjee Bros. of Calcutta. The cost of each radio set was Rs.450 but the pro forma invoice price was Rs.600. Radio House paid Rs.3,000 for freight and insurance. On 7<sup>th</sup> July, 2013, Banerjee Bros, accepted a 3 month's bill drawn upon them by Radio House for Rs.30,000. Banerjee Bros. Paid Rs.1,200 as rent and Rs.750 for advertisement and up to 31<sup>st</sup> December, 2013 (on which Radio House close their books ) they sold 80 radio sets at Rs. 615 each. Banerjee Bros. were entitled to a commission of 5 per cent on sales.

Show following ledger accounts in the books of Radio House.

- 1) Consignment A/c
- 2) Consignee's A/c
- 3) Goods sent on consignment A/c

OR



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- Q.3 BPO Company has a branch at Pune. Goods are invoiced to the Branch at 20% profit on Invoice price. Branch (15) has been instructed to send cash daily to the Head Office. All expenses of the Branch are paid by the Head Office except Petty expenses which are met by the Branch manager. From the following particular prepare Branch Account and Memorandum Branch Debtors Account in the books of the Head Office. The details of transactions for the year ended 31<sup>st</sup> December, 2013 were as under:

Particular	Amount (Rs.)	Amount (Rs.)
Stock on 1 <sup>st</sup> Jan.2013 (invoice Price)	-	84,000
Sundry Debtors - 1 <sup>st</sup> Jan.2013	-	36,000
Cash in hand - 1 <sup>st</sup> Jan.2013	-	1,600
Furniture - 1 <sup>st</sup> Jan.2013	-	8,000
Goods invoiced to Branch (Invoice Price)	-	3,20,000
Goods returned to H.O.(Invoice Price)	-	4,800
Goods returned by Debtors	-	2,000
Cash received from Debtors	-	1,24,000
Cash sales	-	2,00,000
Credit Sales	-	1,28,000
Discount allowed to Debtors	-	2,400
<u>Expenses paid by H.O.</u>		
Rent	4,800	
Salary	9,600	
Stationery	16,000	30,400
Petty expenses paid by Branch Manager	-	1,200

Depreciation is to be provided on Furniture at 10% p.a. Stock on 31<sup>st</sup> December 2013 at Invoice Price Rs.60.000.

- Q.4 On 13<sup>th</sup> March, 2013, a fire occurred and partly damaged the stock of goods of Mona. Traders, stock having a (15) cost of Rs.2, 000 being salvaged. The stocks were insured against fire to the extent of Rs.15,000 Following are saved from books & records.

Particular	Amount (Rs.)
Balance as per Balance Sheet as on 31-12-2012:	
Stock at Cost	10,000
Debtors for Goods	2,500
Creditors for Goods	1,500
Transactions between 1-1-2013 to 13-3-2013	
Cash Received from Debtors	20,000
Cash Discount allowed to Debtors	500
Goods returned by Debtors	200
Cash paid to Creditors	37,000
Cash Discount from Creditors	400
Goods Returned to Creditors	100
Cash Sales	21,200
Goods given to Famine Relief Fund (at cost)	500
Debtors for Goods as on 13-3-2013	5,800
Creditors for Goods as on 13-3-2013	3,000

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All Sales are made at a profit of 25% on the Cost Price.

Draw up a statement of claim for Stock. Expenses of fire fighting operation Amounted to Rs.2, 000.

Q.4

OR

(15)

Bonfire Enterprises close their accounts on 30<sup>th</sup> June year. On 30<sup>th</sup> September 2013 a major fire destroyed most of their stock. Following information could be gathered from their books:

Particular	Amount (Rs.)
Stock on 30 <sup>th</sup> June 2013	3,60,000
Purchase – 1 <sup>st</sup> July, 2013 to 30 <sup>th</sup> September 2013	6,00,000
Wages – 1 <sup>st</sup> July, 2013 to 30 <sup>th</sup> September 2013	2,30,000
Sales – 1 <sup>st</sup> July, 2013 to 30 <sup>th</sup> September 2013	10,00,000
Carriage inward for the above period	10,000
Carriage outward for the above period	15,000

Average percentage of G.P. to cost is  $33\frac{1}{3}\%$ . Stock of the value of Rs.75,000 could be salvaged. Policy was for Rs.2, 50,000. Claim was subject to average clause.

Following further information is available:

- 1) Stock in the beginning was calculated at 10% less than cost.
- 2) Purchases include purchase of furniture Rs.25,000.
- 3) Amount spent for bringing and setting-up the furniture in the office was Rs.5,000 which was include carriage inward.

You are required to calculate the amount of claim.

Q.5 A) Distinguish between Consignment &amp; Sale

(08)

B) Explain in detail Stock &amp; Debtors method.

(07)

OR

Q.5 Write short notes (Any 3)

(15)

- A) Memorandum Trading A/c
- B) Conversion method
- C) Stock Reserve
- D) Branch Adjustment A/c
- E) Average Clause in Fire Insurance