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VCD/6/12/23 FYBCOM SEM-I ACCOUNTANCY AND FINANCIAL MANAGEMENT 3 HOURS 100 MARKS

Q. 1 (A) Fill in the blanks with the given appropriate options **(any 10)** **(10)**

1) Accounting Standard 9 deals with __________.
(Disclosure of Accounting Policies / Revenue Recognition / Inventory valuation)
2) The person who sells the goods on Hire Purchase basis is called a __________.
(Hire Purchaser / Hire Vendor / Consignor)
3) Sale of Scrap appears on the credit side of ____________ Account.
(Trading Account / Profit & Loss / Manufacturing)
4) Which of the following is not debited to General Profit and Loss Account.
(Income Tax / Carriage Outward / Interest on Loan)
5) Wages paid for installation of new machinery is a __________.
(Capital Expenditure / Capital Receipts / Revenue Expenditure)
6) The inventory system keeping accounting records that continuously disclose the amount of inventory is called______________.
(Periodic / Perpetual / weighted)
7) Cost of Goods Sold = ____________ + Purchase - Closing Stock.
(Opening stock / Sales / Gross Profit)
8) Trade mark is a ___________.
(Current asset / Fixed asset / Fictitious asset)
9) Amount received on sale of fixed asset is a ______________.
(Capital Expenditure / Capital Receipt / Revenue Receipt)
10) Discount received is allocated on the basis of ______________ each department.
(Purchase ratio / Sales ratio / Time ratio)
11) Hire purchase instalment = Part of principal amount + _______________.
(Interest / Cash price / Instalment)
12) Balance from Manufacturing Account is known as______________.
(Gross Profit / Cost of Production / Net Profit)

Q. 1 (B) State whether the following statements are TRUE and FALSE. **(Any 10)** **(10)**

1. AS-1 deals with Disclosure of Accounting Policies.
2. Expenditure on acquisition of a permanent asset is a capital expenditure
3. Stocks are normally valued at cost or market price whichever is lower.
4. Under Hire Purchase System the seller is the owner of goods until the payment of last instalment.
5. FIFO method is more suitable for perishable goods.
6. AS-2 is applicable to livestock.
7. Wages is allocated on the basis of purchase of the department.
8. Carriage inward cost should not be included in the cost of Raw material.
9. Repairs of Furniture are a capital expenditure.
10. In Departmental Accounts, Advertisement expenses is allocated on the basis of purchase of each department.
11. Revenue expenses are non-recurring expenses.
12. Income received in advance is shown on the asset side of the balance sheet.

Q2)From the following Trial Balance of Mr. CAN, prepare Manufacturing A/c, Trading A/c, Profit and Loss A/c for the Year ended 31st March, 2022 and Balance Sheet as on that date. Following is the Trial balance of Mr. CAN as on 31st March 2022 **(20)**

Particulars	Debit	Credit
Capital Account		2,00,000
Opening stock – Raw Materials	48,000	
Opening stock – Work in Progress	10,000	
Opening Stock – Finished Goods	62,000	
Purchase of Raw Materials	5,00,000	
Direct Wages	70,000	
Factory Rent	16,000	
Machinery	2,00,000	
Sales		8,70,000
Cash at Bank	12,000	
Travelling and conveyance	40,000	
Salaries	48,000	
Discount allowed	14,000	
Sundry Creditors		1,80,000
Sundry Debtors	80,000	
Vehicles	1,50,000	
Total	**12,50,000**	**12,50,000**

Following further information is provided to you:

a. Closing stock as on 31st Mar, 2022: Raw Material Rs.50,000, Work in Progress Rs.16,000, finished goods Rs.70,000.

b. Depreciate Machinery @ 10% p.a. and vehicles @ 10% p.a.

c. Provide Reserve for Doubtful debts @ 5% on Debtors

d. During the year, Raw Materials worth Rs.10,000 purchased on credit basis were not recorded in the books.

OR

Q2) The Trial balance of Mr. YAMAN as on 31st March, 2023 was as follows: **(20)**

Debit Balance	Rs.	Credit Balance	Rs.
Raw Material	23,000	Sundry Creditors	17,000
Work in progress	10,000	Bills Payable	8,500
Finished Goods	15,500	Sales of Scrap	1,500
Sundry Debtors	27,000	Commission	400
Carriage Inward	1,000	Provision for Doubtful Debts	1,600
Carriage Outward	1,000	Capital A/c	2,00,000
Bills Receivable	16,000	Sales	2,00,000
Wages	12,000		
Salaries	10,000		
Repairs of Plant	1,200		
Repairs of Office Furniture	600		
Purchase	2,00,000		
Cash at Bank	2,300		
Plant and Machinery	90,000		
Office Furniture	9,000		
Rent	5,000		
Lighting Expenses	1,800		
Factory Insurance	2,000		
General Expenses	1,600		
Total	**4,29,000**	**Total**	**4,29,000**

Following additional information is provided to you:

1. Closing Stock as on 31st March, 2023 was: Raw Materials Rs.15,800, Finished Goods Rs.18,200, Semi-Finished Goods Rs.7,000.
2. Salaries Rs.2,000 and Wages Rs.2,000 of March, 2023 were paid in April 2023.
3. Lighting expenses were outstanding Rs.600 whereas insurance was paid Rs.500.
4. 25% of the lighting expenses and rent is to be charged to office premises and the remaining amount is to be charged to factory.
5. Depreciation is to be written off on Machinery at 10 % p.a. and on Furniture at 5 % p.a.

You are required to prepare manufacturing account, trading account and profit and loss account for the year ended 31st Mar, 2023 and Balance Sheet as on that date.

Q3) The stock of material on hand on 1st December, 2022 was 2600 units @ Rs.7.00 each. The following purchases and issues took place subsequently. Calculate Stock on hand on 31st December, 2022 under FIFO & Weighted Average method. **(20)**

Date	Purchases (Quantity)	Rate per unit (Rs.)
02-12-2022	1000 units	8.00
04-12-2022	4000 units	11.00
18-12-2022	800 units	10.00

Date	Issue Quantity
06-12-2022	4600 units
08-12-2022	600 units
15-12-2022	1400 units

Stock verification revealed shortage of 50 units on 17th December, 2022.

OR

Q3) A Mini bus is purchased for ₹ 3,20,000 under hire purchase agreement on 1-1-2020. The amount payable is ₹ 80,000 on 1-1-2020 while entering the agreement and the balance in three annual Installments of ₹ 1,00,000 each at end of each year i.e 31st Dec. Depreciation is charged of 10% on written down value method. Show the Asset Account and Hire Vendor's account in the books of the Purchaser. **(20)**

Q4) From the following information prepare Departmental Trading and Profit & Loss account for two Departments X & Y for the year ended 31st March 2022 **(20)**

Particular	Dept. X	Dept. Y	Total
Opening stock	33.400	31,200	64,600
Purchases	70,000	80,000	1,45,000
Sales	1,10,000	88,000	1,98,000
Salaries	16,000	14,000	30,000
Carriage outward			2,900
Rent			9,000
Discount received			1,500
General salaries			7,500
Advertisement			8,100
General expenses			4,500
Discount allowed			2,700

Adjustment:

1. Closing stock was 'X' – Rs.40,500 & 'Y' – Rs.37,600.
2. Area occupied by both departments is on the ratio of 2:1 respectively.
3. Carriage outward, Advertisement & Discount allowed should be distributed as per Sales Ratio whereas Discount Earned should be distributed as per Purchase Ratio.
4. General salaries and General expenses are to be allocated equally.
5. Goods costing Rs.3000 were transferred to Dept. X from Dept. Y.

OR

Q4) State whether the following are Capital or Revenue expenditures or receipts. Give Reasons **(20)**

1. Carriage paid for bringing new Machinery.
2. Sold old business Car.
3. Insurance premium paid for the insurance of Plant.
4. Loan repaid which was taken from BOI.
5. Paid tax consultancy fees to CA.
6. Repairs and maintenances of machinery.
7. Interest received on Investment.
8. Cost of increasing the seating capacity of a cinema hall.
9. A second hand car purchased.
10. Paid fees to the Association for membership.

Q5) Answer the following:

a) Explain the Provisions of AS-1 regarding Discloser of Accounting Policies. **(10)**

b) What are the provisions of Revenue Recognition as per AS-9? **(10)**

OR

Q5) Write short notes on: - **(any 4)** **(20)**

1. Manufacturing Account
2. Capital Expenditure
3. AS-2
4. Full Cash Price Method
5. Objectives of Departmental Accounts
6. Hire Purchase Agreement

------THE END------