

Q.1. A. Match the following: (Any 8)

(08)

Group A

Group B

1. Valuation of Inventories
2. An issue valued at the oldest rate
3. Capital Receipt
4. Carriage outward
5. Rent & rates
6. Fixed assets
7. Hirer
8. Drawings
9. Revenue recognition
10. Down payment

- a. AS - 9
- b. Expected to be used for more than one accounting period
- c. Goods used by proprietor
- d. FIFO
- e. buyer of goods on hire purchase basis
- f. AS - 2
- g. Financial Activity
- h. Allocated on the basis of Area occupied
- i. Payment made by buyer on signing hire purchase agreement
- j. Allocated on the basis of sales of each department

Q.1. B. State whether the following statements are true or false: (Any 7)

1. Compliance with any Accounting standard is voluntary.
2. Capital Expenditure is recurring in nature.
3. Selling price is always taken into consideration while preparing stores ledger.
4. Trading Account is prepared to calculate net profit or net loss.
5. In a hire purchase transaction, hire vendor pays interest to hirer.
6. Inventories are assets held for sale in the ordinary course of business.
7. Revenue expenditure is non – recoverable.
8. Land is not a depreciable asset.
9. Outstanding wages should appear on the liability side of balance sheet.
10. Freight inward, octroi, etc are allocated on the basis of purchase of each department.

Q.2. Aadhar chemicals has the following Ledger Balance as on 31st March 2014.

Particulars	Dr.	Cr.
Goodwill	25,000	
Factory shed	10,000	
Machinery	65,000	
Furniture	4,000	
Investment	5,000	
Capital		97,500
Bank loan		1,50,000
Creditors		75,000
Debtors	67,500	
Stock on 1-4-2013		
- Materials	65,000	
- Work in progress	3,750	
- Finished goods	41,250	
Net sales		5,50,000
Miscellaneous income		2,000
Bad debts reserves		2,500
Purchase of materials	4,30,000	
Freight on materials	25,000	
Factory power	7,500	
Salaries and wages		
- Factory	75,000	
- Office	32,500	
Repairs and renewals	1,250	
Rent and taxes	8,250	
Insurance	1,950	
General expenses	9050	
	8,77,000	8,77,000

The following additional information is available:

- Closing stock:
Materials Rs. 1,05,000
Work in progress Rs. 6,250
Finished goods Rs. 1,03,750
- Depreciation to be provided at 2.5% on factory shed, 10% on machinery and 15% on furniture.
- Repairs and rent & taxes are to be apportioned between factory and office in the ratio of 3:2.
- Reserves for bad and doubtful debts to be provided at 4% on debtors.
- Insurance premium covers a period of one month in advance.

You are required to prepare manufacturing trading, profit and loss a/c for the year ended 31st March, 2014 and balance sheet as on that date.

Or

Q.2. The Trial balance of Mr. Salman on 31st December, 2014 was as follows:

(15)

Debit Balance	Rs.	Credit Balance	Rs.
Raw material	46,000	Sundry creditors	34,000
Work in progress	20,000	Bills payable	17,000
Finished goods	31,000	Sales of scrap	3,000
Sundry debtors	54,000	Commission	800
Carriage inward	2,000	Provision for doubtful debts	3,200
Carriage outward	2,000	Salma's capital a/c	2,00,000
Bills receivable	32,000	Sales	4,00,000
Wages	24,000		
Salaries	20,000		
Repairs of plant	2,400		
Repairs of office furniture	1,200		
Rent	10,000		
Lighting expenses	3,600		
Purchase	2,00,000		
Cash at bank	4,600		
Plant & machinery	1,80,000		
Office furniture	18,000		
Factory insurance	4,000		
General expenses	3,200		
	6,58,000		6,58,000

The following additional information is provided to you:

- Closing stock as on 31st December, 2014 was:
Raw material: Rs. 31,600
Finished goods: Rs. 36,400
Semi finished goods: Rs. 14,000
- Salaries Rs. 4,000 and wages for December 2014 Rs. 4,000 was paid in January 2015.
- Lighting expenses were outstanding Rs. 1,200 where as insurance was prepaid Rs. 1,000.
- 25% of the lighting expenses and rent is to be charged to office premises and the remaining amount to be charged to factory.
- Depreciation to be written off on machinery @ 10% p.a. and on furniture at 5% p.a.
- Provisions for doubtful debts is to be maintained at 10%

You are required to prepare Manufacturing a/c, Trading a/c, Profit & loss a/c for the year ended 31st December 2014 and Balance sheet as on that date.

Particulars	Rs.	Particulars	Rs.
To opening stock		By Sales	6,05,200
- Dept: X	90,000	- Dept: X	9,07,800
- Dept: Y	1,20,000	- Dept: Y	3,02,600
- Dept: Z	55,600	- Dept: Z	
To Purchases		By Closing stocks	70,000
- Dept: X	4,48,000	- Dept: X	1,28,000
- Dept: Y	7,10,000	- Dept: Y	1,50,000
- Dept: Z	3,08,000	- Dept: Z	
To salaries	1,20,000		
To Rent/Taxes	90,000		
To Discount	24,000		
To Advertisement	69,000		
To Trade Expenses	18,000		
To Depreciation	30,000		
To Electricity	36,600		
To Carriage Outward	13,200		
To Net profit	31,200		
	21,63,600		21,63,600

Prepare Departmental Trading and profit & Loss a/c for the year ended 31st March, 2014 after considering the following data:

- Rent/Taxes to be allocated in the ratio of area occupied which was 1:2:1 respectively.
- Depreciation to be charged equally.
- Of the 2 salesman employed, one worked in Dept. Y alone. The other works in Dept X and Dept Z. His salary is allocated equally between Dept X and Z. Salary of each salesman is Rs. 5,000 p.m.
- All other expenses except those mentioned in item (a) and (c) above, be allocated in the ratio of sales of respective departments.

Or

Q.3. Prepare Departmental Trading and profit & loss a/c and general profit & loss a/c from the following particulars:

Particulars	Dept C	Dept D	Total
Purchases	1,20,000	60,000	
Sales	2,56,000	1,28,000	
Wages	48,000	40,000	
Closing stock	64,000	56,000	
Salaries	14,000	18,000	
Rent			14,000
Insurance			9,400
Motor van expenses			8,800
Advertising			13,200
Travelling Expenses			6,600
Carriage inward			24,000
Discount Received			7,200
Bad debts			2,200
Audit fees			3,600
Discount allowed			4,400