

All Questions are compulsory

All questions carry 20 Marks each.

Q.1 A) State the whether TRUE OR FALSE . (Any 10)

10 Marks

1. AS is mandatory under companies Act,
2. Inventories are assets held for sale in the ordinary course of business.
3. AS 9 deals with recognition of revenue in the profit and loss account of a concern.
4. Carriage inward cost should be included in the cost of inventory.
5. Capital expenditure is non – recurring in the nature.
6. Revenue receipts include the receipts for use of assets.
7. Fixed assets are stated in the Balance sheet at their market value.
8. Closing stock is to be valued at cost price of market price whichever is more.
9. Rent of building is allocated on the basis of no. of employees of each department.
10. Freight inward , octroi etc are allocated on the basis of sales of each department.
11. Down payment means the total amount payable by the hirer.
12. Hire purchase price is equal to cash price.

B) Match the following . (Any 10)

10 Marks

Column A	Column B
1. Method of stock Valuation	a. Loan Taken
2. Accounting standard - 1	b. Evaluation of performance of each department
3. Interest on Capital	c. Initial payment at the time of HP agreement.
4. Capital Expenditure	d. Allocated on the basis of sales
5. Basic rule for valuation	e. Revenue expenditure
6. Weighted Average Method	f. Revenue recognition
7. Accounting standard -9	g. Total cost / Total Unit
8. Custom duty on raw material purchase	h. Lower of Cost or NRV
9. Advertisement expenses	i. Purchase of Machinery
10. Down payment	j. Credited to capital account
11. Departmental Accounting	k. Disclosure of accounting policies
12. Capital Receipt	l. FIFO Method

Q.2 From the following trial balance of Mr. Ganpati , prepare Manufacturing Account, Trading Account and Profit and loss account for the year ended 31st March 2018 and Balance sheet as on that date:

Trial Balance of Mr. Ganpati as on 31st March, 2018

20 Marks

Particulars	Dr.Rs.	Cr.Rs.
Goodwill	4,42,000	
Purchase of Raw Material	11,24,000	
Capital		16,80,000
Carriage Inwards	31,000	
Bills Receivables / Bills payable	1,00,000	1,10,000
Opening Stock – Raw Material	50,000	
Opening Stock – Work in Progress	56,000	
Opening Stock – Finished Goods	1,19,000	
Sales		18,32,000
Direct Wages	3,42,000	
Factory power and fuel	53,000	
Machinery	9,60,000	
Office salaries	99,000	
Cash at Bank	1,60,000	
Selling and Distribution Expenses	29,000	
Creditors		86,000
Sale of Scrap		7,000
Sundry Debtors	1,50,000	
	37,15,000	37,15,000

Following further information is provided to you:

1. Closing stock as on 31st March 2018 is : Raw Material Rs.85,000 , Work In Progress Rs.58,000 and Finished Goods Rs.90,000.
2. On 28th March 2018 Finished Goods Costing Rs.10,000 were sent on sale or approval basis @ 20% on cost. These goods were not approved till 31st march 2018. The effect for the same needs to be given a the time for approval has not expired.
3. Depreciate machinery @ 5% P.a.

OR

Q.2 From the following trial balance of Mr. Hariprasad , prepare Manufacturing Account, Trading Account and Profit and loss account for the year ended 31st March 2018 and Balance sheet as on that date:

Trial Balance of Mr. Hariprasad as on 31st March, 2018

20 Marks

Particulars	Dr.Rs.	Cr.Rs.
Debtors	1,86,000	
Purchase of Raw Material	16,00,000	

Drawings / Capital	18,000	11,00,000
Carriage Inwards	89,000	
Opening Stock – Raw Material	59,000	
Opening Stock – Work in Progress	70,000	
Opening Stock – Finished Goods	1,00,000	
Sales		25,00,000
Direct Wages	1,48,000	
Rent (75% for factory)	80,000	
Machinery	12,00,000	
Salaries	1,58,000	
Cash at Bank	75,000	
Discount allowed	17,000	
Creditors		2,00,000
	38,00,000	38,00,000

Following further information is provided to you:

1. Closing stock as on 31st March 2018 is : Raw Material Rs.60,000 , Work In Progress Rs.70,000 and Finished Goods Rs.1,05,000.
2. Depreciate machinery @ 5% P.a.
3. During the year goods costing Rs.30,000 were distributed as free samples which remained unrecorded.
4. Provide reserve for doubtful debts @5% on Sundry Debtors.

Q.3 From the following information prepare Departmental Trading and Profit and Loss Account for the year ending 31st March, 2018 in the books of Shree Ganesh Super Mart: 20 Mark

Particulars	Dept. A	Dept. B	Total
Opening Stock	2,50,000	4,00,000	6,50,000
Purchases	10,00,000	8,00,000	18,00,000
Sales	22,50,000	15,00,000	37,50,000
Wages		1,00,000	2,50,000
Office salaries			12,00,000
Discount Allowed			2,20,000
Discount Received			72,000
Rent Paid			16,000

Additional Information :

1. Stock in hand as on 31st March 2018 – Department A Rs.8,50,000 , Department B Rs.7,00,000.
2. Office staff appointed by Department A 10 persons and Department B 5 persons.
3. Area occupied by Department A 1000 sq.ft. and Department B 600 sq.ft.
4. Depreciation on furniture was Rs.13,000 which was allocated in Dept. A and B equally.

5. Goods transferred from Dept.A to Dept. B was Rs.4,00,000.

OR

Q.3 The following particulars have been extracted in respect of Raw materials of Ultra Chemicals. Find the value of closing stock and Value of cost of goods sold as on 30th June, 2018 on the basis of

(I) First In First Out Method and (II) Weighted Average Method. 20 Marks

Receipts

01-1-2018	Opening Stock	100 units at Rs.35 per unit
03-2-2018	Purchased	400 units at Rs.40 per unit
13-4-2018	Purchased	900 units at Rs.45 per unit
23-6-2018	Purchased	600 units at Rs.50 per unit
24-6-2018	Purchased	500 units at Rs.55 per unit

Issues

05-3-2018	Issued 400 units
15-5-2018	Issued 600 units
25-6-2018	Issued 200 units
30-6-2018	Issued 600 units

Q.4 The Bharat Transport Ltd. purchased, truck from the TATA Motors Ltd. 20 Marks on hire purchase basis. The cash price of the Truck was Rs 32,00,000 the amount were payable as under :

Rs 10,00,000 on the date of purchase i.e. 1st April 2018.

Rs 8,00,000 on 31st March 2019.

Rs.8,00,000 on 31st March 2020.

Rs 8,24,780 on 31st March, 2021.

The TATA 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. It closes its account on 31st March every year.

You are required to give truck account the TATA motors Ltd; account and interest account in the books of Bharat Transport Ltd, according to credit purchase method.

OR

Q.4 State whether the following expenditure is a capital or revenue expenditure. 20 Marks

1. Cost of replacement of a defective part of the machinery.
2. Expenditure incurred in preparing a project report.
3. Expenditure for training employees for better running of machinery.

4. Expenditure incurred for repairing cinema screen.
5. Amount spent on uniform of workers.
6. Machinery costing Rs.10,000 sold for Rs.12,000.
7. Rs.75,000 being cost of land purchased for agriculture farm and Rs.450 paid for land revenue..
8. A sum of Rs.99,500 was spent for dismantling , removing and re-installing plant , machinery and fixture.
9. Invested Rs.2,00,000 on the purchase of 2000 equity shares of Rs.100 each of a subsidiary company.
10. Furniture worth Rs.19,500 destroyed by fire , which was not insured.

Q.5 a) What is Accounting Standards and Explain its Advantages. 10 Marks

b) Define the term inventory. state the items covered and excluded from it. 10 Marks

OR

Q.5 Write short Notes on any four 20 Marks

1. Capital Expenditure
2. Cost of Production
3. Hire purchase
4. Inventory valuation Methods
5. AS – 9 Revenue Recognition
6. Departmental Accounting