

# HERAMB COACHING CLASSES

**FYBCOM/Accounts**

**Marks: 100**

**Duration: 3 Hours**

**Date: 15/11/18**

**Q.1. (A) Select the most appropriate answer from the options given below: (any 10)**

**(10)**

1. The following asset is not a depreciable asset \_\_\_\_\_.  
(Land, Mines, Machinery, Motor Vehicles)
2. Carriage on purchases is \_\_\_\_\_.  
(Added to cost of inventory, deducted from cost of inventory, multiplied by cost of inventory, not considered in the cost of inventory)
3. Following are shown on the asset side of the balance sheet \_\_\_\_\_.  
(Accrued income and prepaid expense, outstanding expense and prepaid expense, outstanding income and outstanding expense, income received in advance and outstanding expense)
4. Loss by fire is shown on \_\_\_\_\_.  
(Debit side of trading account, debit side of sales account, debit side of profit and loss account, credit side of purchase account)
5. Advertising is allocated among different departments on the basis of \_\_\_\_\_.  
(Sales, purchases, number of employees, floor space area)
6. Under the hire purchase system, the buyer becomes the owner of goods immediately after \_\_\_\_\_.  
(Receipt of goods, signing the agreement, payment of first instalment, payment of last instalment)
7. Stock is always valued at \_\_\_\_\_.  
(Cost price, market price, cost price or market price whichever is higher, cost price or market price whichever is lower)
8. Revenue expense is that expense \_\_\_\_\_.  
(Which is not recurring in nature, benefit of which is exhausted in one year, which increases the useful life and productivity of the asset, which is shown on the asset side of the balance sheet)
9. G.P. Ratio 25% means \_\_\_\_\_.  
(Gross Profit is 25% on sales, Gross Profit is 25% on purchases, Gross Profit is 25% on capital, Gross Profit is 25% on cost)
10. Accounting Standard 2 deals with \_\_\_\_\_.  
(Disclosure of accounting policies, revenue recognition, inventory valuation, Intangible asset)
11. In Departmental Accounts, Office Rent is allocated on the basis \_\_\_\_\_ of each department.  
(Sales turnover, area occupied, purchases, number of employees)
12. In case of a manufacturer, sale of scrap appears on the credit side of \_\_\_\_\_ account.  
(Trading, profit and loss account, manufacturing, balance sheet)

**Q.1. (B) State whether the following statement is true or false: (any 10)**

**(10)**

1. There is need to disclose change in accounting policies.
2. Hire purchase price is equal to Cash price.
3. Depreciable assets have unlimited useful life.
4. LIFO method of stock valuation is recognized by AS-2.
5. Weighted average method of stock valuation is not recognized method.
6. Bad debts are charged to General Profit and Loss account.
7. Trading account is prepared to calculate net profit or net loss.
8. Freight Inward, Octroi, etc. are allocated on the basis of purchases of each department.
9. In periodic system of stock valuation inventory control is not possible.
10. Fixed assets are those assets which are tangible or intangible.
11. Cash price does not include interest.
12. Full Cash Price Method is also known as Credit Purchase Method.

**Q.2. From the following Trial Balance of Mr. Aditya, prepare Manufacturing Account, Trading Account, Profit and Loss Account for the year ended 31 March, 2016 and Balance Sheet as on that date.**

**(15)**

**Trial Balance of Mr. Aditya as on 31<sup>st</sup> March, 2016**

Particulars	Dr. (Rs)	Cr. (Rs)
Opening stock-Raw Materials	12,000	-
Opening stock-work in progress	7,000	-
Opening stock-finished goods	20,000	-
Purchase of raw materials	1,05,000	-
Carriage inward on raw materials	4,000	-
Direct wages	56,000	-
Factory rent	8,000	-
Factory power and fuel	11,000	-
Machinery	80,000	-
Sales	-	3,25,000
Office expenses	50,000	-
Cash at bank	11,000	-
Creditors	-	21,000
Bad Debts	1,000	-
Provisions for bad debts	-	2,000
Sundry debtors	53,000	-
Capital	-	82,000
drawings	12,000	-
<b>Total</b>	<b>4,30,000</b>	<b>4,30,000</b>

**Following further information is provided to you:**

(1) Closing stock as on 31<sup>st</sup> March, 2016 is:

Raw Material- Rs 15000; Work in progress- Rs 8000; Finished goods- Rs 25000.

(2) Depreciate Machinery @ 10% p.a.

(3) During the year, finished goods worth Rs 5000 were distributed as free samples but were not recorded.

(4) Provide Reserve for Doubtful Debts @ 5% on Debtors.

**OR**

**Q.2. From the following information relating to M/s Apna Bazaar Departmental stores, prepare Departmental Trading and profit and loss account and general profit and loss account for the year ended 31<sup>st</sup> December,2016** **(15)**

particulars	Dept. A (Rs)	Dept. B (Rs)	Total (Rs)
Opening stock	12,000	15,000	
Purchases	1,05,000	1,20,000	
Sales	1,35,000	1,80,000	
Wages	6,000	8,850	
<b>Following are the other Common Expenses/Incomes:</b>			<b>Total(Rs)</b>
Salaries			18,300
Rent and Rates			9,000
Carriage Inward			2,250
Carriage outward			4,200
Discount allowed			2,100
Discount received			1,500
Advertisement expenses			6,300
Audit fees			600
Legal expenses			1,200

**Additional information:**

(1) Salaries are to be allocated equally.

(2) The area occupied is in the ratio of 1:2 between the two departments respectively.

(3) Closing stock: department A-Rs 30000; Department B- Rs37500.

(4) The remaining common expenses/income to be allocated on appropriate basis to the extent possible.

**Q.3. From the following information relating to M/s Akbarallys Departmental stores, prepare Departmental Trading and profit and loss account and general profit and loss account for the year ended 31<sup>st</sup>December,2016** (15)

Particulars	Dept. X (Rs)	Dept. Y (Rs)	Dept. Z (Rs)
Opening stock	34,000	45,000	63,000
Purchases	4,75,000	2,95,000	2,75,000
Sales	7,50,000	5,70,000	5,25,000
Salaries	75,800	87,900	65,300
Closing stock	40,500	31,500	50,400

**Common Income and Expenses:**

Rent-Rs 15000; Electricity- Rs25000; Printing and stationery- Rs 5800; Discount allowed- Rs15000; Discount received- Rs18000; General Expenses- Rs10000

**Additional Information:**

Area occupied by the three departments are 900, 600 and 300 Sq.Ft; respectively.

Allocate Electricity and Printing and Stationery in the Ratio of Gross Sales of the respective departments.

Allocate the other expenses on appropriate basis to the extent possible.

**OR**

**Q.3. Prepare necessary statement to calculate the value under weighted average method under:**

a) Perpetual Inventory System

b) Periodic Inventory System

(15)

Particulars	B	
	Units	Rate
Opening Stock	1200	6
<u>Purchases:</u>		
April 3	600	7
April 18	800	7.5
April 24	500	8
<u>Sales:</u>		
April 2	600	
April 8	1000	
April 16	100	
April 23	500	
April 27	300	

**Q.4. Value Closing stock applying FIFO method.**

(15)

	Units	Rate		Unit
Opening Stock	400	4		
Purchases:			Sales:	
April 5	500	3	April 4	200
April 8	400	5	April 10	400
April 12	300	5	April 18	100
April 15	400	3	April 25	250
April 20	500	5	April 29	400
April 26	100	7	April 30	100

**OR**

**Q.4. From the following Trial Balance of Mr. Gangadhar, prepare Manufacturing Account, Trading Account, Profit and Loss Account for the year ended 31 March, 2016 and Balance Sheet as on that date.**

**Trial Balance of Mr. Gangadhar as on 31<sup>st</sup> March, 2016**

(15)

Particulars	Dr. (Rs)	Cr. (Rs)
Capital account		1,00,000
Opening stock-Raw Materials	24,000	-
Opening stock-work in progress	4,000	-
Opening stock-finished goods	31,000	-
Purchase of raw materials	2,50,000	-
Direct wages	36,000	-

Factory rent	8,000	-
Machinery	1,00,000	-
Sales	-	4,35,000
Cash at bank	6,000	-
Travelling and conveyance	20,000	-
salaries	24,000	-
discount allowed	7,000	-
sundry creditors	-	90,000
Sundry debtors	40,000	-
Vehicle	75,000	-
<b>Total</b>	<b>6,25,000</b>	<b>6,25,000</b>

**Following further information is provided to you:**

(1) Closing stock as on 31<sup>st</sup> March, 2016 is:

Raw Material- Rs 25000; Work in progress- Rs 8000; finished goods- Rs 35000.

(2) Depreciate Machinery @ 10% p.a. and Vehicle at 10% p.a.

(3) Provide Reserve for Doubtful Debts @ 5% on Debtors.

(4) During the year, finished goods worth Rs 5000 purchased on credit basis were not recorded in the books.

**Q.5. Mr. Lal Prasad purchased a Car on Hire-Purchase Basis from Maruti Ltd. on 1<sup>st</sup> January, 2013. He paid Rs 150000 on signing the contract and agreed to pay 3 installments of Cash Price excluding interest as follows:**

On 31.12.2013               Rs 150000

On 31.12.2014               Rs 165000

On 31.12.2015               Rs 185000

The Cash Price of the car was Rs 650000. Interest is charged at 10%p.a. by Maruti Ltd. on outstanding amount. Depreciation @20%p.a. on W.D.V. is charged on the Car. Prepare Car Account and Maruti Ltd. Account in the books of Mr. Lal Prasad for the years 2013, 2014 and 2015. (15)

**OR**

**Q.5. State whether the following expenditure or receipts are capital or revenue. Give reasons for your answers. (15)**

(1) Purchased a plot of land for Rs 25,00,000 and paid Rs 1,00,000 fees for registration and allotment.

(2) Received Rs 3,00,000 on Issue of 15% Debentures.

(3) Interest of Rs 8000 paid on bank overdraft.

(4) Paid Rs 6000 as Excise duty on goods manufactured.

(5) A petrol engine of a passenger bus was replaced by a diesel engine, Rs 70000.

(6) Paid Rs 100000 as fees for renewal of license for factory.

(7) Received Rs 2000 as dividend on shares.

**Q.6 Answer the following: (20)**

a) What are the provisions of Revenue Recognition as per AS-9?

b) Explain the provisions of Disclosure of Accounting policies as per AS-1?

**OR**

**Q.6. Write short notes on any four of the following: (20)**

1. Manufacturing Account.

2. FIFO Method of inventory valuation.

3. Main Features of AS-2

4. Stock Reserve

5. Fundamental Accounting Assumption.

6. Importance of Department Accounts.

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