

HERAMB COACHING CLASSES

Yogeshwar Towers, Katemanivali, Kalyan (E)

FYBCOM / ACCOUNTS / DATE: 16.04.2019

MARKS: 100

DURATION: 3HOURS

NOTE: 1) Figure in the brackets to the right indicate full marks allotted in the questions.

2) Working note should form part of your answer.

3) All questions are compulsory, although there are internal options.

4) Use of simple calculator is allowed.

Q.1 (A) Fill in the blanks choosing the correct alternatives. (Any 10) (10)

- 1) _____ is the statement sent by the consignor to the consignee showing the details of goods sent on consignment. (Pro-forma invoice/ account sale/ invoice)
- 2) Bill receivable is dishonored are recorded on _____ side of debtors account. (Debit/ credit/ assets)
- 3) Goods sent on consignment account is closed by transferring balance to _____ account of consignor. (Consignment account/ goods account/ trading account)
- 4) Opening stock reserve is _____ to branch account in branch debtors method. (Added/ debited/ credited)
- 5) _____ is prepared is single entry to find out credit purchases. (debtors account/ cash and bank account/ creditors account)
- 6) Cash remitted by head office to branch is _____ to branch in head office books under branch debtors method. (Debited/ credited/ added)
- 7) Fire insurance covers a risk due to _____. (Fire/ flood/ earthquake)
- 8) Actual loss of stock due to fire = stock on the date of fire less _____. (Insurance premium/ salvage/ compensation)
- 9) Memorandum trading account is prepared to find _____. (Closing stock on the date of fire/ gross profit on the date of fire/ salvage on the date of fire)
- 10) If del credere commission is paid to consignee bad debts loss is assumed by _____. (Consignee/ consignor/ customer)
- 11) In calculating fire insurance claim undervaluation of stock needs to be brought to _____. (Market price/ cost price/ undervalued price)
- 12) Goods which are slow moving are called as _____. (Abnormal goods/ salvage/ claim)

Q.1 (B) State whether following statements are true or false: (any 10) (10)

- 1) If gross profit is 20% of sales that means it is 25% of the cost.
- 2) Purchase return is debited to creditors account.
- 3) Consignee prepares consignment account.
- 4) Debtors account shows opening balance to the debit side of debtors account.
- 5) To find credit sales, Head office prepares debtors account.
- 6) Bills receivable dishonored are credited to creditors account.
- 7) Payment to the creditors can be ascertained from cash/ bank account.
- 8) Average clause is applicable in case of underinsurance.
- 9) Stock on consignment belongs to the consignor.

- 10) Account sale is sent by the consignor to the consignee.
- 11) In statement of affairs method of single entry, complete records are converted into incomplete records.
- 12) Insurer gets compensation less than the amount of policy, in case of full insurance.

Q.2 Mr. Roy supplies you the following information:

(15)

Particulars	01.04.2017	31.03.2018
Sundry Debtors	90,000	1,05,000
Stock	75,000	85,000
Sundry creditors	55,000	60,000
Furniture	20,000	?
Machinery	1,75,000	?

Summary of cash transactions for the year ended 31.03.2018:

Receipts	Amount	Payments	Amount
Opening balance	5,000	Creditors	1,75,000
Cash sales	55,000	Wages	80,000
Received form debtors	3,90,000	Salaries	75,000
Loan from Joy	50,000	Expenses	30,000
		Drawings	45,000
		Personal income tax	15,000
		Machinery purchased(on 01.04.2017)	50,000
		Closing balance	30,000
	5,00,000		5,00,000

Additional information:

Discount allowed were Rs.6,000 and discount received Rs.5,000. Bad debts written off were Rs.4,000. Depreciation is to be provided on furniture @ 5% p.a. and on machinery @ 10% p.a. Expenses includes payment of Rs. 1,000 which relates to 2018.

Prepare trading and profit and loss account of Mr. Roy for the year ended 31.03.2018 and the balance sheet as on that date.

OR

Q.2 Mr. Omkar, a retailer of Mumbai, submits his financial position as on 31.03.2017 and 31.03.2018 as under:

(15)

Particulars	31.03.2017	31.03.2018
Plant and machinery	1,00,000	?
Stock (at cost)	76,500	80,000
Debtors	1,43,500	1,40,000
Cash at bank	44,000	?
Creditors	60,000	70,000
Loan from Vijay	40,000	?

During the year ended 31.03.2018 Mr. Omkar:

- a) Received from debtors Rs.3,03,500.
- b) Paid Rs.2,33,500 to creditors for goods.
- c) Repaid Rs.10,000 of Vijay's loan.
- d) Purchased a computer for Rs.14,000.

- e) Withdrew Rs.1,600 per month for domestic use.
 - f) Introduced additional capital of Rs.6,000.
 - g) He sold goods only on credit.
 - h) He spent for business expenses Rs.18,000.
 - i) Charge 20% depreciation on plant and machinery and computers.
- Prepare Mr. Omkar's final accounts by showings all your workings.

Q.3 Hero motor's consigned on 01.07.2017, 100 bicycles to Vastu motors of Kolhapur to be sold on behalf of Hero motors. The cost of each bicycle was Rs.1,500. Hero motors incurred Rs.1,000 on freight and insurance. Vastu motors received the consignment on 14.07.2017 and accepted a three months bill drawn upon by Hero motors for Rs.50,000. Vastu motors paid Rs.4,000 as rent and Rs.2,500 as insurance and 31.12.2017 had sold 80 bicycle at Rs.2,500 each. Vastu motors is entitled to total commission of 5% on sales including a del-credere commission of 1%. Vastu motors sold 20 bicycles on credit and was not able to recover sales proceeds of 5 bicycle because of the insolvency of debtor. Prepare consignment account and consignee account in the books of Hero motors. **(15)**

OR

Q.3 Following information is available from the books of Sunny pharmaceuticals Ltd. for its branch at Bangalore for the year ended for 31.03.2018. The head office invoices goods to the branch at 25% of the invoice price. You are required to prepare Bangalore branch account in the books of Sunny Pharmaceuticals Ltd. using branch debtors method. Also prepare total debtors account to support your answer. **(15)**

Particulars	Amount
<u>Balance as on 01.04.2017</u>	
Branch debtors	55,000
Stock at invoice price	75,000
Cash in hand	10,000
Office furniture (depreciation @10% p.a.)	10,000
<u>Balance as on 31.03.2018</u>	
Branch debtors	?
Cash	12,000
Stock at invoice price	1,25,000
Office furniture	?
<u>Transaction during 2017-2018</u>	
Goods sent by H.O. at invoice price	2,25,000
Total sales	2,10,000
Cash sales	1,35,000
Cash received from debtors	55,000
Discount allowed	1,500
Bad debts	1,000
Goods returned by debtors	3,000
Goods returned by branch of H.O (Invoice price)	5,000
<u>Cash received from H.O for branch expenses:</u>	
Salary	12,000
Rent and taxes	8,000
Sundry expenses	15,000

Q.4 Following are the details of Mysore branch of Majestic trading company for the financial year 2017-18. (15)

Particulars	01.04.2017 (Rs.)	31.03.2018 (Rs.)
<u>Balance</u>		
Stocks	62,000	42,000
Debtors	56,000	61,200
Cash	1,600	1,000
<u>Transaction during the year 2017-18</u>		
Goods sent to branch	2,28,000	
Sales on credit	?	
Sales for cash	1,60,000	
Goods returned by customer to branch	6,000	
Goods returned to Head office (by branch)	7,000	
Cash received from debtors	1,26,000	
<u>Expenses paid at branch:-</u>		
Salaries	26,000	
Commission	15,000	
Rent and taxes	15,500	
Discount to customers	2,000	
Bad debts	800	

Using the information given, draw up the following accounts in the books of Majestic trading company for the financial year 2017-2018 using stock and debtors method:

1. Mysore branch stock account
2. Mysore branch debtors account
3. Mysore branch expenses account
4. Mysore branch cash account and
5. Mysore branch profit and loss account

OR

Q.4 On 31.07.2017 A major fire broke in the premises of M/S Shalimar International destroying stock of goods available with them. Stock having cost worth Rs.5,000 could be salvaged. The insurance policy was for Rs.25,000. Following information was obtained from the books of accounts saved. (15)

Particulars	Rs.
a. Balance as per the last balance sheet as on 31.03.2017:	
Stock	55,000
Creditors	12,000
Debtors	20,000
b. Transaction between 01.04.2017 and 31.03.2018	
Payment to creditors	42,000
Receipts from debtors	60,000
Returns inward	5,000
Returns outward	6,000
Cash sales	55,000

Unpaid creditors as on 31.07.2017	40,000
Unpaid debtors as on 31.07.2017	55,000

All sales are made at a profit of 33.33% on selling price. You are required to draw up a statement showing claim to be submitted to the insurance company.

Q.5 Goods costing Rs.45,000 were invoiced by Mr. Amrendra of Aurangabad to Mr. Charul of Chandigarh, Rs.28,125 is received as advance from Charul. Charul is to get 5% of commission on sales and $2\frac{1}{2}\%$ del-credere commission. 80% of the goods were sold for Rs.57,000. Expenses of the consignor were Rs.3,000 and on consignee Rs.1,500; Rs.300 proved bad. The account was settled by cash payment. Prepare consignment account and consignee account in the books of Mr. Amrendra.

OR

Q.5 On 05.06.2017 there was a divesting fire in the godown of Welspum Ltd. Following details were available from the books that were saved. **(15)**

Particulars	Amount
Stock on 01.04.2016	75,000
Purchase from 01.04.2016 to 31.03.2017	2,30,000
Purchase from 01.04.2017 to 05.06.2017	23,000
Sales from 01.04.2016 to 31.03.2017	3,60,000
Sales from 01.04.2017 to 05.06.2017	36,000
Stock on 31.03.2017	60,000
Wages from 01.04.2016 to 31.03.2017	21,400
Wages from 01.04.2017 to 05.06.2017	5,200

The salvage amounted to Rs.3,200. Company spent Rs.1,640 as firefighting expenses. The sum assured by insurance company was Rs.60,000. The policy bears an average clause. You are required to compute the claim to be filled with the insurance company.

Q.6 A) What is single entry system? Enumerate the steps in finalizing accounts in conversion method of single entry. **(10)**

B) State the accounting methods of dependent branches. **(10)**

OR

Q.6 Write short note on any 4 of the following. **(20)**

1. Calculation of fire insurance claim
2. Proforma invoice in consignment
3. Goods invoiced to branches at higher price
4. Debtors and bill receivables account
5. Consignment account
6. Stock debtors method of branch accounts

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