

Duration: - 3 Hrs.

Marks: 100

Note: 1. All questions are compulsory.

2. Figures to the right indicate maximum marks.

Q1 A. Rewrite the statement with the appropriate answer(Any 10)

10

- 1 AS 9 deals with _____.
 - a) Disclosure of accounting policies
 - b) Revenue recognition
 - c) Inventory valuation
 - d) Depreciation
- 2 In _____ method of stock valuation, item received first are issued first, so that the latest purchased items left in stock.
 - a) Weighted Average
 - b) FIFO
 - c) Simple Average
 - d) LIFO
- 3 Inventories are generally valued at _____.
 - a) Cost
 - b) Net realisable value
 - c) Cost or Net realisable value whichever is lower
 - d) Market value
- 4 The manufacturing account is prepared to find out _____.
 - a) gross profit
 - b) cost of manufacturing
 - c) net profit
 - d) gross loss
- 5 For a book manufacturing company paper is a _____.
 - a) raw material
 - b) working progress
 - c) finished goods
 - d) cost of manufacturing
- 6 In case of a manufacturer, Depreciation on Machinery appears in _____ account.
 - a) trading account
 - b) profit and loss account
 - c) balance sheet
 - d) manufacturing account
- 7 Purchase of Machinery is _____ expenditure.
 - a) capital
 - b) revenue
 - c) deferred revenue
 - d) deferred capital
- 8 In Department Accounts Rent and Rates allocated on the basis of _____ of each department.
 - a) sales
 - b) number of light points
 - c) area occupied
 - d) equally
- 9 Amount received on the Sale of Fixed Asset is _____.
 - a) revenue expenditure
 - b) capital expenditure
 - c) capital receipt
 - d) revenue receipt
- 10 The title of the goods is sold on Hire Purchase passes on the payment of _____.
 - a) down payment
 - b) first instalment
 - c) last instalment
 - d) Middle instalment

- 11** The person who sends goods under higher purchase system is called _____.
a) hire purchaser b) hire vendor
c) agent d) Custom
- 12** In a Hire Purchase transaction initial amount paid at the timing of signing of the contract is called _____.
a) higher purchase price b) cash price
c) purchase price d) down payment

Q1 B Match the following. (Any 10)

Column A	Column B
1. Method of Stock Valuation	a. Disclosure of accounting policies
2. AS -2	b. Allocated on the basis of Sales
3. Drawing by Proprietor	c. Evaluation of performance of each department
4.Capital expenditure	d. Added to purchase in manufacturing account
5. Inventory	e. Rent received
6. Weighted Average Method	f. Initial payment at the time of purchase
7. AS-1	g..Inventory Valuation
8. Import duty on Purchas of Raw material	h. Current asset
9. Selling expenses	i. Deducted from capital
10. Down payment	j. Total amount / Total units
11. Departmental Accounting	k. Purchas of Fixed assets
12.Revenu receipt	l. FIFO method

- Q2 A** From the following Trial Balance of Mr. Aditya, prepare Manufacturing Account, Trading Account, Profit and Loss Account for the year ended 31st March, 2020 and Balance Sheet as on that date.

Trial Balance of Mr. Aditya as on 31st March, 2020

Particulars	Dr. ₹	Cr. ₹
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	
Total	4,30,000	4,30,000

Following further information is provided to you:

1. Closing Stock as on 31st March, 2020 is Raw Material ₹ 15,000, Work-in-Progress ₹ 8,000, Finished Goods ₹ 25,000.
2. Depreciate Machinery @ 10% p.a.
3. During the year, finished goods worth ₹ 5,000 were distributed as free samples but were not recorded.
4. Provide Reserve for Doubtful Debts @ 5% on Debtors

OR

- Q2 B** From the following Trial Balance as on 31st March, 2020 of Mr. Chiranth, prepare Manufacturing Account, Trading Account and Profit and Loss Account for the year ended 31st March, 2020 and Balance Sheet as on that date :

Trial Balance of as on 31st March, 2020

Particulars	Dr. ₹	Cr
Machinery	1,00,000	
Sales		3,28,000
Opening Stock - Raw Material	16,000	
Opening Stock - Work in Progress	3,000	
Opening Stock - Finished goods	11,000	
Production Royalty	10,000	
Factory Rent	12,000	
Factory Power and Fuel	13,000	
Office Salaries	25,000	
Office Expenses	29,000	
Direct Wages	58,000	
Purchase of Raw Materials	1,23,000	
Cash at Bank	4,000	
Advertisement	18,000	
Interest	8,000	
Discount Allowed	6,000	
Creditors		30,000
Bad Debts	4,000	
Provisions for Bad Debts		2,000
Sundry Debtors	55,000	
Bills Payable		10,000
Capital		1,40,000
Drawings	15,000	
Total	5,10,000	5,10,000

Following further information is provided to you :

1. Closing stock as on 31st March, 2020 is Raw Material ₹ 18,000, Work-in-Progress ₹ 7,000 and Finished Stock Goods as ₹ 13,000.
2. Depreciate Machinery @ 5% p.a.
3. During the year finished goods withdrawn by proprietor costing ₹ 8,000 for personal use.
4. Provide reserve for doubtful debts @ 10% on debtors.
5. Outstanding advertisement expenses are ₹ 2,000.

- Q3 A** Samrat Enterprises is a departmental store having three departments A, B and C. The information about three departments for the year ended 31st March 2019 is given below

Particulars	Dept. A	Dept. B	Dept. C
Opening Stock	72,000	48,000	40,000
Purchases	2,64,000	1,76,000	88,000
Sales	3,60,000	2,70,000	1,80,000
Closing Stock	90,000	35,000	42,000
Floor Space Occupied [Sq. ft.]	3,000	2,500	2,000
No. of Employees	25	20	15

Balance of other revenue items and their basis of allocation is as follows :

Particulars	₹	Basis
Carriage Inward	6,000	Purchases
Carriage Outward	4,500	Sales
Salaries	81,000	No. of Employees
Advertisement	5,400	Sales
Discount Allowed	2,250	Sales
Discount Received	1,800	Purchases
Rent, Rates and Taxes	7,500	Floor Space occupied
Depreciation on Furniture	1,500	Equal

Prepare Departmental Trading and Profit and Loss Account for the year ended 31st March, 2019.

OR

- Q3 B** From the following details of purchases and sales of stock of M/s Unique Traders, find out **20**
- The value of closing stock as on 31st January, 2020 on the basis of First in First out Method
 - The value of closing stock as on 31st January, 2020 on the basis of Weighted Average Method
 - Cost of goods sold and profit earned by M/s Unique Traders. If the selling price of goods sold is ₹ 5, 00,000.

01-01-2020 (Opening Stock) 2,500 units at ₹ 18 per unit

Purchases:

05-01-2020	3,000 units at ₹ 20 per unit
18-01-2020	10,000 units at ₹ 21 per unit
25-01-2020	6,000 units at ₹ 22 per unit
30-01-2020	2,000 units at ₹ 25 per unit

Sales:

06-01-2020	5,000 units
22-01-2020	4,000 units
28-01-2020	8,500 units
31-01-2020	4,500 units

- Q4 A** State with reasons of following Expenses/Receipts : **20**

- Sold 4% Government Securities (Investment) for Rs 1,40,000.
- Preliminary Expenses paid Rs 42,000.
- Carriage outward paid Rs 40,000.
- Import duty paid on purchase of Computer Equipment Rs 85,000 to be used in the office.
- Received Rs 5, 00,000 on the Issue of 5% Debentures.
- Legal expenses Rs 6,000 paid in connection with Purchases of Land.
- Repairing charges Rs 15,000 paid for keeping the machinery in working condition
- Machinery costing Rs 10,000 sold for Rs 12,000.
- Rs 1,50,000 paid for excise duty on goods manufactured.
- Rs 50,000 invested in a government bonds.

OR

- Q4 B** M/s Presto Plast Company purchased machinery from M/s Kabra Ltd. on Hire Purchase System on 1st April 2018. The cash price of the machine was ₹ 10,00,000. An initial payment of ₹ 2,50,000 was made on the date of purchase. The balance was paid in 3 annual installments including interest @ 8% p.a. as follows : **20**

31-3-2019	₹ 3,10,000
31-3-2020	₹ 2,90,000
31-3-2021	₹ 2,70,000

M/s Presto Plast Company charged depreciation @ 10% p.a. on written down value method. You are required to prepare Machinery Account and M/s Kabra Ltd. A/c in the books of M/s Presto Plast Company for 3 years ending 31-3-2019, 31-3-2020 and 31-3-2021.

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| Q5 | A | Explain the provisions of Disclosure of Accounting Policies as per AS-1? | 10 |
| | B | How would you allocate expenses on different basis in case of Departmental Accounts? | 10 |

OR

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| Q5 | Write short notes on any four of the following: (Any 4) | 20 |
| A | Importance of Accounting Standards | |
| B | Inter departmental transfer | |
| C | Revenue expenditure | |
| D | Features of Hire purchase | |
| E | Revenue as per AS-9 | |
| F | Manufacturing Account | |
