

R2AA423

FYBAF Sem II

FA

12th April

Duration: 2.5 Hours

Total Marks :75

**NOTE :**

1. All the questions are compulsory with internal options.
2. Each question carry 15 marks.
3. Working notes form part of your answer.
4. Use of only simple calculator is allowed.

**Q1A State whether the following statements are True or False(any eight)**

(08)

1. If the consignee gets Del Credere Commission, the consignee will bear the bad debts.
2. Under Single Entry System, only cash and personal accounts are maintained.
3. Branch Stock Account is always prepared at cost price.
4. Invoice price is always higher than cost price.
5. Sale of assets is debited to Trading Account.
6. Discount allowed to customer is not recorded in Branch Account.
7. Single Entry System is followed by large sized organisations.
8. While calculating the insurance claim, value of salvage is deducted from the cost of stock lost.
9. Consignee cannot return the unsold goods to consignor.
10. Gross profit ratio helps in determining stock till date of fire.

**Q1B Match the pair (Attempt any Seven)**

(07)

	Column A		Column B
1	Credit Sales	a	Borne by the consignor
2	Opening Balance Sheet	b	Trading Account
3	Single Entry System	c	Total Debtors Account
4	Del Credere Commission	d	Profit 25% on Cost
5	Consignor and Consignee	e	Opening Capital
6	Profit 20% on Sales	f	Bills Payable Account
7	Expenses on Consignment	g	No proper books of accounts
8	Opening Stock	h	Total Creditors Account
9	Credit Purchase	i	Extra Commission
10	Bills Payable Accepted	j	Principal and Agent

- Q2A** On 1<sup>st</sup> January, 2013, MR A Started a business with goods of the value of Rs 30,000 and cash Rs 15,000. He does not maintain any books of accounts other than the Cash Book. During the year ended 31<sup>st</sup> December, 2013 the following information is available from the Cash Book. (15)

Particulars	Rs
Collection from Debtors	1,00,000
Cash Sales	60,000
Purchase of Motor Car	40,000
Payments to suppliers	55,000
Cash Purchases	25,000
Payment for expenses	8,000
Drawings	9,000

His Other assets and liabilities on 31<sup>st</sup> December, 2013 were:

Amount due from Customers	25,000
Amount due to Suppliers	15,000
Stock of unsold goods	35,000
Cost of goods lying with Customer on approval (Sale Price Rs 20,000)	15,000

You are asked to prepare Trading and Profit & Loss Account and find out the profit or loss made by Mr A. Also draw up Balance Sheet as on 31<sup>st</sup> December, 2013.

**OR**

- Q2B** Mr. Mayur, a retailer, does not keep any books of accounts but does operate a business bank account. A summary of the bank statements for the year ended 31-3-2013 is given below: (15)

Receipts	Amount (Rs)	Payments	Amount(Rs)
Opening Balance	2,640	Cash paid to Creditors	37,250
Cash received from Debtors	48,500	Salaries	5,500
Closing Balance	2,210	Rent	1,800
		General Expenses	3,500
		Advertisement	300
		Drawing	5,000
	<b>53,350</b>		<b>53,350</b>

His assets and liabilities on 31<sup>st</sup> March, 2012 and 2013 were:

Particulars	31-3-2012 (Rs)	31-3-2013 (Rs)
Fixed Assets	10,400	10,400
Stock	5,240	6,300
Debtors	6,500	6,800
Rent prepaid	300	600
Creditors	4,600	4,700
Outstanding advertisement bill	100	150

Fixed assets should be charged depreciation at 10%.

Prepare the Trading and Profit & Loss Account of Mr. Mayur for the year ended 31-3-2013 and a Balance Sheet as at that date.

- Q3A** Ramdas of Mumbai consigned 50 bundles of cutpiece cloth @ Rs 700 each to Mukherjee of Kolkata to be sold on commission basis. An advance of Rs 16,000 was received from Mukherjee. Mukherjee sent an account sale which states that total goods were sold for Rs 56,000 and Rs 1,800 were paid for carriage, godown rent and port expenses. Their commission was Rs 2,000. They sent a bank draft for the balance amount to Ramdas. (15)
- From the above particulars pass necessary journal entries in the books of Ramdas and also show Ledger Accounts in the books of Ramdas (Consignor).

**OR**

- Q3B** Following information is given from the books of Shivam Law Agency for its branch at Virar for the financial year 2013-14. Prepare Virar Branch A/c in the books of Shivam Law Agency. (15)

Particulars	Rs	Particulars	Rs
<u>Balance as on 1-4-2013</u>		<u>Transactions during 2013-14</u>	
Branch Debtors	1200	Goods sent by H.O	7800
Stock	600	Cash sent by H.O for petty cash	2000
Cash	100	Goods lost at branch	750
<u>Balance as on 31-3-2014</u>		Credit sales	3600
Branch Debtors	?	Insurance claim received by branch	600
Cash	600	Cash received from debtors	2400
Stock	1000	Discount allowed	480
		Bad debts	520
		Goods returned by debtors	100
		Branch Expense paid by H.O –Salary	320
		Advertisement	780
		Amount remitted by branch to H.O	8460



- Q4A** Bonfire Enterprises closes their accounts on 30th June every year. On 30th September 2013 a major fire destroyed most of their stock. Following information could be gathered from their books: (15)

Particulars	Rs
Stock on 30 <sup>th</sup> June 2013	3,60,000
Purchases -1 <sup>st</sup> July,2013 to 30 <sup>th</sup> September 2013	6,00,000
Wages-1 <sup>st</sup> July ,2013 to 30 <sup>th</sup> September 2013	2,30,000
Sales-1 <sup>st</sup> July,2013 to 30 <sup>th</sup> September 2013	10,00,000
Carriage inward for the above period	10,000
Carriage outward for the above period	15,000

Average percentage of G.P to cost is  $33 \frac{1}{3}$ . Stock of the value Rs 75000 could be salvaged.

Policy was Rs 2,50,000 . Claim was subject to average clause.

**Following further information is available:**

- 1) Stock in the beginning was calculated at 10% less than cost.
- 2) Purchases include purchase of furniture Rs 25,000.
- 3) Amount spent for bringing and setting up the furniture in the office was Rs 5000 which was included in carriage inward.

You are required to calculate the amount of claim.

**OR**

- Q4B** A fire occurred in the premises of Mr. Rajendra on 15<sup>th</sup> October,2015. From the following particulars ascertain the loss of stock and prepare a statement of claim to be lodged with Insurance Company. (15)

Particulars	Rs
Stock on 31-3-2013	1,98,000
Stock on 31-3-2014	2,42,000
Purchases for 2013-14	6,40,000
Sales for 2013-14	8,00,000
Purchases from 1-4-2014 to 15-10-2015	6,00,000
Sales from 1-4-2014 to 15-10-2015	7,58,000

The stock on 31<sup>st</sup> March,2013 was valued at 90% of cost price and 31<sup>st</sup> March,2014 was valued at 10% above cost. Salvage was Rs 35,600 and the amount of policy was Rs 2,00,000. The claim was subject to average clause.

- Q5A** Distinguish between Single Entry System and Double Entry system. (08)

- Q5B** Advantages of Consignment. (07)

**OR**

- Q5C** Write short notes (any 3) (15)

1. Distinguish between Consignment and Sale.
2. Types of Commission in Consignment.
3. Explain the Objectives of Branch Accounting.
4. Average Clause in Fire Insurance Claim.

## 5. Conversion Method