

**Duration : 2 ½ Hours****Marks : 75**

**N.B :** (1) All Questions are compulsory.  
(2) Figure to right indicate full marks.  
(3) Working should form part of your answer.

**Q.1 (A) Fill in the Blanks with appropriate option (Any8)****08**

- 1 The Generally Accepted Accounting Principles are contained in \_\_\_\_\_.  
(a) Accounting Regulation, (b) Accounting guidance notes, (c) Accounting standards, (d) Accounting Framework
- 2 Which of the following is not covered by AS 9 \_\_\_\_\_.  
(a) Lease Rent, (b) Dividend, (c) Interest, (d) Royalties
- 3 Which Accounting standard deal with recognition of revenue \_\_\_\_\_.  
(a) AS 1, (b) AS 2, (c) AS 10, (d) AS 9
- 4 Lower of cost or market rule is an example of which concept \_\_\_\_\_.  
(a) Consistency, (b) Conservatism, (c) Realisation, (d) Matching
- 5 Inventories should be generally valued at lower of cost or \_\_\_\_\_.  
(a) Fair Market Value, (b) Replacement value, (c) Present value, (d) Net Realisable value
- 6 Capital expenditure is \_\_\_\_\_ expenditure.  
(a) Abnormal, (b) Recurring, (c) Non-Recurring, (d) Wasteful
- 7 The Final result of a Manufacturing Account shows \_\_\_\_\_.  
(a) Gross Profit from Manufacturing, (b) Net Profit from Manufacturing, (c) Cost of Manufacturing, (d) Book Value of Factory
- 8 Sale of Scrap is \_\_\_\_\_.  
(a) Shown on Debit of the Manufacturing Account, (b) Shown on Debit of Trading Account, (c) Shown on Credit of Manufacturing Account, (d) Shown on Credit of Trading Account
- 9 Which of the following is not allocated in the sales ratio \_\_\_\_\_.  
(a) Advertisement, (b) Bad Debts, (c) Commission on Sales, (d) Carriage Inward
- 10 \_\_\_\_\_ is the purchase price payable if full payment is made immediately.  
(a) Market Price, (b) Cash Price, (c) Hire Purchase Price, (d) Down Payment

**Q.1 (B) State Whether the Following are True or False (Any 7)****07**

- 1 AS 1 need not be followed by a partnership firm.
- 2 AS 9 does not deal with insurance contract.
- 3 AS 2 does not recognize LIFO method for Stock valuation.
- 4 Physical Stock as on the last of accounting year is the closing stock to be brought in the books.
- 5 Capital Work-in-Progress is treated as Capital Expenditure.
- 6 Revenue Receipt include the receipt of use of assets.
- 7 Profit and Loss Account shown the financial position of the concern.
- 8 Trail Balance shows the profit earned by the firms during a period.
- 9 Management expenses are taken to the General Profit and Loss Account.
- 10 Full cash Price method is also known as Asset Accrual Method.

**Q.2** From the Trial Balance of Anand Ltd Prepare Manufacturing Account, Trading Account, Profit and Loss Account, and Balance Sheet as on 31<sup>st</sup> March, 2018. **15**

**Trial Balance of Anand Ltd as on 31<sup>st</sup> March, 2018**

Particular	Dr. (Rs)	Cr. (Rs)
Purchase of Raw Material	4,00,000	-
Sales	-	6,00,000
Computer	40,000	-
Opening Stock of Raw Material	40,000	-
Opening Stock of Work in Progress	10,000	-
Opening of Finished Goods	25,000	-
Capital	-	1,00,000
Freight on Raw Material	5,000	-
Direct Wages	25,000	-
Factory Rent	22,000	-
Factory Power and Fuel.	20,000	-
Factory Electricity	30,000	-
Machinery	1,00,000	-
Drawing	20,000	-
Office Salaries	25,000	-
Cash at Bank	10,000	-
Selling and Distribution Expenses	15,000	-
Bank Charges	10,000	-
Discount Allowed	15,000	-
Creditors	-	1,06,000
Bad Debt	5,000	-
Provision for Bad Debts	-	6,000
Sundry Debtors	55,000	-
Bill Payable	-	50,000
Discount Received	-	20,000
Sundry Expenses	10,000	-
<b>Total</b>	<b>8,82,000</b>	<b>8,82,000</b>

**Adjustment :-**

- (1) Closing Stock as on 31<sup>st</sup> March, 2018 is Raw Material Rs 20,000, Work in Progress Rs 15,000, Finished Goods Rs 30,000.
- (2) Depreciation of Machinery @ 10%, and Computer @ 15%.
- (3) Outstanding Factory Rent is Rs 2,000.
- (4) Provide Reserve for Doubtful Debts @ 10% on Debtors.

**OR**

**Q.2** From the Trial Balance of Laxmi Ltd Prepare Manufacturing Account, Trading Account, Profit and Loss Account, and Balance Sheet as on 31<sup>st</sup> March, 2018. **15**

**Trial Balance of Laxmi Ltd as on 31<sup>st</sup> March, 2018**

Particular	Dr. (Rs)	Cr. (Rs)
Purchase of Raw Material	2,00,000	-
Carriage Inward of Raw material	6,000	-
Opening Stock of Raw Material	15,000	-
Opening Stock of work in progress	8,000	-
Opening Stock of Finished Goods	18,000	-
Sales	-	5,00,000
Office Expenses	60,000	-
Cash at Bank	15,000	-
Direct Wages	58,000	-
Factory Power and Fuel	11,000	-
Machinery	90,000	-
Capital	-	1,00,000
Drawing	10,000	-
Bad Debts	2,000	-

Provision of Bad Debts	-	3,000
Factory Rent	60,000	-
Sundry Debtors	60,000	-
Creditors	-	10,000
<b>Total</b>	<b>6,13,000</b>	<b>6,13,000</b>

**Adjustment :-**

(1) Closing Stock as on 31<sup>st</sup> March 2018 is Raw Material is Rs 20,000, Work in Progress is Rs 10,000, and Finished Goods is Rs 20,000.

(2) Provide Reserve for Doubts Debts @ 5% on Debtors.

(3) Depreciation on Machinery is @10 p.a.

(4) Outstanding Factory Rent is Rs 5,000.

**Q.3**

On 1/1/2018, Ajay Ltd purchase one Machinery from Vijay Ltd. Cash price of Machinery was Rs 6,00,000. Down Payment of Rs 1,50,000 was made on that day. Remaining amount was to be paid in 3 annual installment of Rs 1,50,000 each plus interest @ 10% on outstanding balance at the beginning of the year. The due date of annual installment was on 31<sup>st</sup> December, every year. Ajay Ltd depreciated machinery in their books @ 10% p.a on WDV Method. You are required to prepare the following in the book of Ajay Ltd :-

(1) A statement showing calculated of interest.

(2) Machinery Account.

(3) Vijay Ltd Account.

**15**

**OR**

**Q.3**

From the Following information related to M/S Beta Ltd stores, Prepare Departmental Trading Account and Profit and Loss Account and General Profit and Loss Account. For the year ended 31<sup>st</sup> March 2015.

<b>Particular</b>	<b>Department. M (Rs)</b>	<b>Department. N (Rs)</b>	<b>Department. O (Rs)</b>
Opening Stock	35,000	50,000	65,000
Purchases	4,80,000	3,00,000	2,75,000
Sales	8,00,000	6,00,000	5,30,000
Salaries	76,000	88,000	66,000
Closing Stock	41,000	32,000	51,000

**Common Income and Expenses are :-**

Rent Rs 16,000, Electricity Rs 30,000, Printing and Stationary Rs 6,000, Discount Allowed Rs 20,000, Discount Received Rs 20,000, General Expenses Rs 10,000.

**Additional information :**

Area occupied by the three departments are 800, 600 and 400 sq.ft. respectively.

Allocated Electricity and Printing and Stationery in the ratio of Gross Sales of the respective departments.

Allocate other expenses on appropriate basis to the extend possible.

**Q.4**

State whether the following Expenditure or Receipts are Capital or Revenue or Deferred Revenue Expenditure. Give reason for your answer.

(1) Purchase of second hand car for Rs 1,00,000.

(2) Commission received on sales Rs 10,000.

(3) Amount spent on uniform of staff Rs 20,000.

(4) Additional capital of Rs 5,00,000 introduced in business.

(5) Paid Rs 25,000 toward factory rent.

(6) Paid Rs 1,00,000 as a Custom Duty on Furniture purchased from Germany.

(7) Received Rs 5,000 as dividend on shares.

**15**

**OR**

**Q.4**

From the following particulars, prepare stock ledger by Weighted Average Method and also find Cost of Goods Sold :

<b>Transaction</b>	<b>Date</b>	<b>Units</b>	<b>Rate Per Unit in Rs</b>
Opening Stock	1/1/2019	5,000	20
Sales	2/1/2019	3,000	-
Purchase	3/1/2019	6,000	21
Sales	5/1/2019	4,000	-

Purchase	7/1/2019	6,500	23
Sales	8/1/2019	6,000	-
Purchase	9/1/2019	5,000	22
Sales	10/1/2019	7,000	-
Purchase	11/1/2019	5,500	21
Purchase	13/1/2019	5,600	24
Sales	15/1/2019	5,500	-

**Q.5 A** Distinguish between FIFO Method and Weighted Average Method. **08**

**B** Explain the Concepts, Benefits and Limitation of Accounting Standard. **07**

**OR**

**Q.5** Write Short Notes on (Any 3) of the following **15**

- 1** Revenue Expenditure.
- 2** Calculation of Interest in Hire Purchase.
- 3** General Profit and Loss Account in Departmental Accounting.
- 4** Disclosure Requirement as per AS 1.
- 5** Advantages of Departmental Accounting.

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