Time : 2 hrs. **CODE - RIGA** Marks :60

Note : **1) Attempt all questions.**
2) Figures to the right indicate marks.

Q.1 Prepare a Stores Ledger Account from the following transactions assuming that issues of stores have been made on the principle of First In First out.

2007

January	2	Purchased 2000 units at Rs. 4.00 per unit.
January	20	Purchased 250 units at Rs. 5.00 per unit.
February	5	Issued 1000 units.
February	10	Purchased 3000 units at Rs. 6.00 per unit.
February	12	Issued 2000 units.
March	2	Issued 500 units.
March	5	Issued 1000 units.
March	15	Purchased 2250 units at Rs. 5.50 per unit.
March	20	Issued 1500 units.

15

OR

Q.1 On 1st July 2007, a fire took place in the godown of Mr. Rathod, which destroyed all stocks.

Calculate the amount of insurance claim for stock form the following details.

Sales in 2005	2,00,000
Gross profit in 2005	60,000
Sales in 2006	3,00,000
Gross profit in 2006	60,000
Stocks as an 1-1-2007	2,70,000
Purchases from 1-1-2007 to 30-6-2007	4,00,000
Sales from 1-1-2007 to 30-6-2007	7,20,000

The following are to be taken into consideration

a) Stock on 31st December 2006 had been under valued by 10%.

b) Stock taking conducted in March 2007 had revealed that stocks costing Rs. 80,000, were lying in damaged condition. 50% of these stocks had been sold in May 2007 at 50% of cost and the balance were expected to be sold at 40% of cost. **15**

Q.2 Akbarali department stores had three Departments viz., X,Y,Z. The following particulars regarding the three Departments are given.

	Dept. X Rs.	Dept. Y Rs.	Dept. Z Rs.
Opening stock	40,000	20,000	60,000
Purchases	1,10,000	55,000	2,20,000

The following expenses were also incurred.

	Rs.
General Expenses	24,000
Rent, Rates, Taxes	18,000
Commission received	9,000
Discount allowed	27,000
Sales promotion expenses	36,000
Salesman's salary	9,000
Discount Received	14,000

Goods worth Rs. 10,000 were transferred from Department X to Department Y. Goods worth Rs. 5,000 were transferred from Department Z to Y.

1) Allocate General Expenses and Rent, Rates and Taxes equally between the three departments.
2) Commission received is divided in the ratio of 3:2:1 between departments X,Y and Z respectively.

   Prepare Departmental Trading and Profit & Loss Account allocating other expenses on appropriate basis. **15**

OR

Q.2 The accounts of Apna-Mills Ltd. end on 30th September each year. On 28th February 2007 its premises were destroyed by fire.

The company had effected loss of profit insurance for Rs. 7,50,000, period of indemnity being 6 months.

The profit for the year ended on 30th September 2006 was Rs. 4,50,000 after debiting standing charges Rs. 1,50,000 and the turnover for that year was Rs. 90,00,000.

The turnover for the year ending 28th February 2007 was Rs. 93,75,000 (of which Rs. 37,50,000 related to last six months) and that of six months ending 31st August 2007 was Rs. 18,75,000.

Calculate the amount receivable from insurance company against Loss of Profit Policy. **15**

Q.3 Shrihas Ltd. a trading company has a branch at Chiplun. All purchases are made by Head office and goods sent to the branch are invoiced at selling price which is 20% above cost. Sales at branch are on credit terms. Branches expenses are paid by Head Office and all cash received by the branch is remitted to Head Office. All branch transactions are recorded in the head office books. Following information is given to you.

	Rs.
Branch stock (at Cost to Branch) on 1-1-2007	3,600
Brach Debtors on 1-1-2007	2,575
Transactions during the year 2007 were :	
Goods sent to Branch at the Invoice Price	32,460
Returns from Branch to Head office at Invoice price	642
Branch Sales	33,780
Return from customers to Branch	354
Cash received from Branch Debtors	32,848
Discount allowed to Branch Debtors	1,415
Branch expenses paid	4,027

Branch stock at 31st December 2007 (at invoice price) was Rs.1,962 and expenses outstanding on that date were Rs. 50.

You are required to show Branch Stock Account, Branch Stock Adjustment Account, Branch Debtors Account, Branch Expenses Account and Branch Profit & Loss Account in the Ledger of Head Office for the year ended on 31st December 2007. **15**

OR

Q.3 The following balances appeared in the books of Baroda Branch of a firm in London on 31st December 2007.

	Dr. Rs.	Cr. Rs.
Stock on 1st January	25,200	---
Purchases	1,50,000	---
Sales	---	2,25,000
Debtors	78,000	--
Creditors	---	52,000
Bills receivable	20,800	---
Bills payable	---	18,200
Wages / Salaries	9,600	--
Rent, Rates, Taxes	7,200	---
Miscellaneous expenses	3,000	
Furniture	9,820	
Cash at UTI Bank	57,980	
Head office A/c.		66,400
	3,61,600	**3,61,600**

Stock on 31st December 2007 was Rs. 65,000. Baroda Branch Account in the books of London Head Office showed a debit balance of 2,680£ on 31st December 2007.

Furniture was purchased from a remittance of 350£ received from London Head office, which exactly covered the cost of the item.

The exchange rates were :-

31st December 2006 Rs. 28 per £

31st December 2007 Rs. 26 per £

The average rate for 2007 may be taken as Rs. 24 per £. Prepare the Trading and Profit and Loss Account and Balance Sheet of Baroda Branch in the books of London Head Office. **15**

Q.4 Write short notes (any three) **15**

1) Advantages of computerised Accouting.
2) Need for departmentation.
3) Importance of stock valuation
4) Short sales
5) Advantages of self balancing system.

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