

Instructions :

1. Solve all questions after exercising internal option.
2. All questions carry equal marks.

Q.1 Prepare a stores Ledger Account of Success Ltd. for the month of January 2013 by following the FIFO Method. [15]

2013	
January 1	Received 1,000 units at Rs. 20 per unit.
January 5	Received 350 units at Rs. 21 per unit.
January 7	Issued 700 units.
January 9	Issued 400 units
January 13	Received 550 units at Rs. 22 per unit
January 18	Issued 350 units
January 22	Received 100 units at 23 per unit
January 25	Issued 500 units
January 27	Received 200 units at Rs. 20 per unit
January 31	Issued 180 units.

Find out the valuation of stock by FIFO Method on 31st January 2013.

OR

Q.1 Following particulars are available in respect of Material Zed. [15]

You are required to prepare a stores Ledger Account showing the Receipts and Issues by adopting the Weighted Average Method. Find out the value of closing stock on 25th October 2012.

Receipts	
2012	
October 1	Opening stock 200 units at Rs. 3.50 per unit
3	Purchased 300 units at Rs. 4.00 per unit
13	Purchased 900 units at Rs. 4.30 per unit
23	Purchased 600 units at Rs. 3.80 per unit
Issues	
2012	
October 5	Issued 400 units
15	Issued 600 units
25	Issued 600 units

Q.2 A fire occurred in the factory of Sanjog Ltd. on 13th March 2013 destroying all stock of goods. The books and records were saved from which the following particulars were determined. [15]

Particulars	Rs.
Purchases for the year 2012	36,00,000
Sales for the year 2012	45,04,500
Stock as on 1.1.2012	14,89,950

Stock as on 31.12.2012

17,32,500

Purchases for the period 1.1.2013 to 12.03.2013

5,62,500

Sales for the period 1.1.2013 to 12.03.2013

13,50,000

The company has been following the practice of valuing the stock of goods at actual cost plus 10%

On 1.1.2012, the stock includes some obsolete items valued at Rs. 4,950.

These obsolete items were sold during the year 2012 for Rs. 4,500.

Subject to these, the rate of Gross profit on the basis of valuation of stock was uniform.

You are required to ascertain the value of stock destroyed to lodge a Fire Insurance claim.

OR

Q.2 You are given :-

[15]

1. The Balance sheet of Neelam as on 31st March 2012.
2. The Cash Account for the year ended 31st March 2013.
3. Additional Information

You are required to prepare a Trading and Profit and Loss Account for the year ended 31st March 2013 and Balance sheet as on that date.

Balance sheet as on 31st March 2012.

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	1,00,000	Cash	75,000
Bills Payable	2,00,000	Bills Receivable	1,00,000
Outstanding Wages	5,000	Sundry Debtors	1,25,000
Capital	4,95,000	Stock	1,00,000
		Furniture	50,000
		Plant and Machinery	3,50,000
	8,00,000		8,00,000
Cash Account for the year ended 31st March 2013.			
Receipts	Rs.	Payment	Rs.
To Balance b/d	75,000	By Wages	1,00,000
To Cash Sales	1,75,000	By Drawings	60,000
To Debtors	4,00,000	By Payment to Creditors	1,75,000
To Bills Receivable	3,75,000	By Bills Payable	3,00,000
		By Sundry Expenses	1,50,000
		By Rent	1,00,000
		By Balance c/d	1,40,000
	10,25,000		10,25,000

Additional Information :

Particulars	Rs.
Closing balances on 31.03.2013	
1. Sundry Debtors	2,00,000
2. Sundry Creditors	1,25,000
3. Bill Receivable	2,25,000
4. Bill Payable	2,50,000
5. Stock	1,50,000
Transactions during the year	
6. Bills Receivable dishonoured	25,000
7. Bills Payable dishonoured	10,000
8. Discount Allowed	12,500
9. Discount Received	32,500
10. Bills Receivable Endorsed	75,000
11. Bills Receivable Endorsed dishonoured	10,000

Q.3 The Trial Balance of Suraj as on 31st March 2013 is given below.

Particulars	Debit Rs .	Credit Rs .
Opening Stock		
Raw Materials	3,75,000	
Work-in-Progress	1,20,000	
Finished Goods	3,30,000	
Purchases	3,22,500	
Buildings	2,25,000	
Plant and Machinery	5,40,000	
Furniture	60,000	
Delivery Van	45,000	
Sundry Debtors	1,23,750	
Bills Receivable	24,000	
Sundry Creditors		78,000
Bill Payable		51,000
Cash at Bank	1,47,000	
Cash in hand	13,500	
Capital		12,75,000
Sales		11,70,000
Wages	1,24,500	
Factory Power and Fuel	19,500	
Carriage Inward	3,750	
Factory Insurance	7,500	
Salary to Office Staff	16,500	
Office Rent	15,750	
Printing and Stationery	7,800	
Bank Charges	3,750	
Discount	4,950	3,750
Miscellaneous Expense	8,250	
Advertisement	8,250	
Sales Returns	16,500	

[15]

1. Closing stock as on 31st March, 2013

Raw Materials	Rs. 1,27,500
Work-in-progress	Rs. 45,000
Finished Goods	Rs. 3,07,500
2. Factory Insurance prepaid Rs. 3,000
3. Charge Depreciation.

Building	5%
Plant and Machinery	15%
Furniture	10%
Delivery Van	20%

You are required to prepare Manufacturing Trading and Profit and Loss Account for the period 1st April 2012 to 31st March 2013 and Balancesheet as on 31st March, 2013.

OR

Q.3 You are given the Trial Balance of Mr. Mukesh as on 31.03.2013. You are required to pass the Adjustment entries and Closing entries in the Journal of Mr. Mukesh.

Particulars	Rs .	Rs .
Mr. Mukesh's Capital A/c		4,50,000
Mr. Mukesh's Drawings A/c	39,000	
Plant and Machinery A/c	1,80,000	
Opening Stock	75,000	
Purchases	5,25,000	
Sales		7,50,000
Return Inwards	30,000	
Return Outwards		15,000
Sundry Debtors	1,20,000	
Sundry Creditors		90,000
Carriage Inwards	7,500	
Carriage Outwards	7,500	
Wages	45,000	
Salaries	30,000	
Factory Rent	3,000	
Office Rent	7,500	
Insurance	7,500	
Discount Received		9,000
Discount Allowed	4,500	
Furniture	30,000	
Bad Debts	6,000	
Commission	4,500	
Building	1,20,000	
Bills Payable		30,000
Bills Receivable	90,000	
Cash in hand	3,000	
Cash in Bank	9,000	
	13,44,000	13,44,000

[15]

Adjustments

1. Closing stock Rs. 3,00,000
2. Prepaid Insurance Rs. 3,000
3. Outstanding wages Rs. 4500.
4. Outstanding Salary Rs. 3000.
5. Interest on Capital @ 5%
6. Additional Bad debts Rs. 6,000
7. Reserve for Bad debts @ 5%
8. Reserve for Discount on Debtors at 5%
9. Reserve for Discount on Creditors at 2%
10. Interest on Drawing @ 6% p.a. for 6 months
11. Commission earned but not received Rs. 3,000.
12. Office Rent outstanding Rs. 6,000
13. Depreciation on Furniture @ 10%
14. Depreciation on Plant and Machinery @ 10%

Q.4 A) What is Revenue Expenditure ? Explain and give examples.

[5]

B) Give reasons and state whether the following items are capital or Revenue in nature.

[10]

1. Carriage Inwards paid for bringing Raw materials into the factory.
2. Loss of current Assets in fire and Insurance claim received.
3. Legal Expenses incurred in connection with issue of Equity shares of the company.
4. Cash of Rs. 2 lakhs brought in the business by the partner.
5. Cash received from sale of old machinery Rs. 60,000 by manufacturing company.

OR

Q.4 Answer any 3 Questions.

[5 marks each]

1. What is the importance of Financial Accounting?
2. Explain the Business Entity Concept.
3. How are Accounting standards issued in India ? Explain the procedure.
4. What are the Fundamental Accounting Assumptions as per AS - 1?
5. Explain the following terms as per AS -2
 - 1) Inventory
 - 2) Methods and stages of stock valuation
 - 3) Objectives of stock valuation

6. What transactions are excluded from scope of AS - 02