

NOIOAFD

Q 1. (a) Fill in the blanks (any 8)

8 marks

1. Going Concern, Consistency, and Accrual are -----.
2. Prudence is similar to -----.
3. AS-9 deals with -----.
4. AS-6 deals with -----.
5. AS-2 does not recommend ----- method of valuation of stock.
6. ----- Concept differentiates between the business and the owner.
7. ----- is the book where day by day entries are made.
8. Outstanding expenses are an application of ----- Concept.
9. Average Clause is applied in case of -----.
10. Bills receivable are included under the heading ----- in the Balancesheet.

(b) Match the following: (any 7)

7 marks

Works managers salary	Current assets
Salesmen's commission	Current liabilities
Depreciation of office equipment	Advertisement expenses
Free samples distributed	Manufacturing expenses
Prepaid expenses	Selling and distribution expenses
Sundry creditors	Accrual Concept
Mercantile basis	Profit and Loss Account credit side
Dividend received	Profit and Loss Account debit side
Discount allowed	Fixed assets
AS-10	Office expenses

Q. 2

15 marks

From the following information related to Sudha Ltd. for the month of June 2014 prepare a Stores Ledger Account by using FIFO Method.

Material Delta

Stock (Kgs)

June 1 4000 @ Rs. 28 per Kg.

Purchases (Kgs)

June 11 3600 @ Rs. 27 per Kg.

June 21 3400 @ Rs. 25 per Kg.

Sales (Kgs.)

June 6 2600

June 15 2800

June 18 1400

June 29 2200.

You are required to find out the valuation of stock on 30th June 2014 by using FIFO Method.

OR

Q.2

15 marks

You are given the Trial Balance of Mrs Gayatri as on 31.3.2013. You are required to pass the Adjustment Entries and closing Entries in the Journal of Mrs Gayatri.

Particulars	Rs	Rs
Mrs. Gayatri 's capital A/c		75,00,000
Mrs. Gayatri's Drawing A/c	6,50,000	
Plant and machinery	30,00,000	
Opening stock	12,50,000	
Purchase	87,50,000	

Sales		1,25,00,000
Return Inwards	5,00,000	
Return Outwards		2,50,000
Sundry Debtors	20,00,000	
Sundry Creditors		15,00,000
Carriage Inwards	1,25,000	
Carriage outwards	1,25,000	
Wages	7,50,000	
Salaries	5,00,000	
Factory Rent	50,000	
Office rent	1,25,000	
Insurance	1,25,000	
Discount Received		1,50,000
Discount allowed	75,000	
Furniture	5,00,000	
Bad Debts	1,00,000	
Commission	75,000	
Building	20,00,000	
Bills payable		5,00,000
Bills receivable	15,00,000	
Cash in Hand	50,000	
Cash at bank	1,50,000	
	2,24,00,000	2,24,00,000

Adjustments:

1. Closing stock : Rs 50,00,000
2. Prepaid insurance: Rs 50,000
3. Outstanding Wages: Rs 75,000
4. Outstanding Salary : Rs 50,000
5. Interest on Capital @ 5%
6. Additional Bad Debt ; Rs 1,00,000
7. Reserve for Bad debts @5%
8. Reserve for Discount on Debtors:@5%
9. Reserve for Discount on Creditors@2%.
10. Interest on Drawings @6% p.a for 6 months
11. Commission earned , but not received :Rs 50,000
12. Office rent outstanding Rs 1,00,000
13. Depreciation on Furniture, Plant and Machinery @ 10 %.

Q. 3

15 marks

A fire occurred in the godown of Taj Ltd. on 5th June 2014 destroying all stock of raw materials. Some books and records were saved from which the following particulars were determined.

Particulars	Rs.
Stock as on 1.1.2013	14,89,950
Stock as on 31.12.2013	17,32,500
Purchases for the year 2013	36,00,000
Sales for the year 2013	45,04,500
Purchases for the period 1.1.2014 to 4.6.2014	5,62,500
Sales for the period 1.1.2014 to 4.6.2014	13,50,000

The company has been following the practice of valuing the stock of goods at actual cost plus 10%. On 1.1.2013 the stock includes some slow moving items valued at Rs. 4950. The slow moving items were sold during the year 2013 for Rs. 4500. 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.

Q. 3 You are given:-

1. The Balancesheet of Ranjit as on 31st March 2013.
2. The Cash Account for the year ended 31st March 2014.
3. Additional Information.

You are required to prepare a Trading and Profit and Loss Account for the year ended 31st March 2014 and a Balancesheet on that date.

Balancesheet as on 31st March 2013

Liabilities	Rs.	Assets	Rs.
Capital	2,97,000	Plant and Machinery	2,10,000
Sundry Creditors	60,000	Furniture	30,000
Bills Payable	1,20,000	Stock	60,000
Outstanding Wages	3,000	Sundry Debtors	75,000
		Bills Receivables	60,000
		Cash	45,000
	4,80,000		4,80,000

Cash Account for the year ended 31st March 2014

Receipts	Rs	Payments	Rs
To balance b/d	45,000	By Wages	60,000
To Cash sales	105,000	By Drawings	36,000
To Debtors	240,000	By payments to Creditors	105,000
To Bills Receivable	225,000	By Bills payable	180,000
		By Sundry expenses	90,000
		By rent	60,000
		By balance c/d	84,000
	615,000		615,000

Additional information.

Sr no	Particulars	Rs
1	Sundry Debtors 31.03.2014	120,000
2	Sundry Creditors 31.3.2014	75,000
3	Bills receivable 31.3.2014	135,000
4	Bills payable 31.3.2014	150,000
5	Stock 31.3.2014	90,000
6	Bills Receivable dishonoured during the year	15,000
7	Bills Payable dishonoured during the year	6,000
8	Discount allowed	7,500
9	Discount Received	19,500
10	Bills received endorsed	45,000
11	Bills Receivable endorsed dishonoured	6,000

Q. 4

15 marks

The Trial balance of Siraj on 31st march 2013 is as given Below

Particulars	Debit Rs	Credit Rs
Opening stock		
Raw materials	1,30,000	
Work in progress	7,500	
Finished Goods	82,500	
Factory building	20,000	
Plant and machinery	1,30,000	
Furniture	8,000	
Goodwill	50,000	
Sundry debtors	1,35,000	
Bank loan		3,00,000
Sundry creditors		1,50,000
Investments	10,000	

Bad debts Reserve		5,000
Capital		1,95,000
Purchase of materials	8,60,000	
Wages	1,50,000	
Factory Power and fuel	15,000	
Salaries	65,000	
Carriage Inward	50,000	
Sales		11,00,000
Repairs	2,500	
Rent	16,500	
Office Insurance	3,900	
Office expenses	18,100	
	17,54,000	17,54,000

Adjustments

1. Closing stock as on 31.3.2014

Raw materials	Rs. 2,10,000
Work in progress	Rs. 12,500
Finished goods	Rs. 2,07,500

2. Depreciation to be provided at 2 ½ % on factory building, 10% on Machinery and 15% on Furniture.

3. Repairs and rent to be apportioned between Factory and Office in the ratio of 3:2.

4. Provide Reserve for bad doubts @ 4 % on debtors.

5. Insurance premium covers a period of one month in advance

You are required to prepare Manufacturing Trading and Profit and Loss Account for the period 1st April 2013 to 31st March 2014 and a Balance Sheet as on 31st March 2014.

OR

Q. 4

15 marks

State Whether the Following items are Capital or Revenue and Give Reasons.

1. Introduction of fresh capital Rs. 5,00,000 by a partner.
2. Amount spent on installation of plant and machinery in factory.
3. Carriage inwards paid for bringing raw materials into the factory.
4. Loss of raw material stock in Fire and insurance Claim received.
5. Cost of market Research of a New Product.

Q. 5 Answer any 3 questions

15 marks

1. What is Capital Expenditure ? Explain and give examples.
2. Explain the Business Entity Concept.
3. What are the Accounting Policies? Give six examples of the areas in which different Accounting Policies can be followed by the Company.
4. How to determine the cost of stock as per AS-2 ?
5. Explain the term 'Revenue from Rendering of Services' as per AS-9.
6. What is the importance of Financial Accounting ?
