

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

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

8 marks

1. The common forms of book keeping are -----, ----- and -----.
2. Prudence is similar to -----.
3. The term foreseeable future is associated with ----- Concept .
4. DEPB means -----.
5. AS-2 does not recommend ----- method of valuation of stock.
6. ----- Concept differentiates between the business and the owner.
7. Sundry Creditors comes under the heading -----in the Balance Sheet.
8. Delivery van is included under the heading ----- in the Balance Sheet.

(b) Match the following: (any 7)

7 marks

Warehousing Expenses	Current assets
Hire of special machinery	Current liabilities
Preliminary Expenses	Depreciation
AS-6	Manufacturing expenses
Marketable Investments	Selling and distribution expenses
Bills Payable	Accrual Concept
Mercantile basis	Profit and Loss Account credit side
Dividend received	Profit and Loss Account debit side
Salaries	Deferred Revenue Expenditure

Q.2

15 marks

The following details are provided of Gunesh Ltd. for the month of January 2015. You are required to find out the value of closing inventory on 31st January by adopting the Weighted Average Cost method.

Date for the month of	Receipt/ Issues (units)	Rate per unit in Rs.
January 2015		
5.01.2015	Balance 500	25
10.01.2015	Receipt 500	30
18.01.2015	Issue 750	----
27.01.2015	Receipt 400	40
31.01.2015	Issue 300	----

OR

You are given the Trial Balance of Ramesh as on 31.3.2015. You are required to pass the Adjustment Entries and closing Entries in the Journal of Ramesh.

Particulars	Rs	Rs
Ramesh 's Capital A/c		75,00,000
Ramesh'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 Debts ; 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 Gupta Ltd. on 5th June 2015 destroying all stock of raw materials. Some books and records were saved from which the following particulars were determined.

Particulars	Rs.
Stock as on 1.1.2014	14,89,950
Stock as on 31.12.2014	17,32,500
Purchases for the year 2014	36,00,000
Sales for the year 2014	45,04,500

Purchases for the period 1.1.2015 to 4.6.2015	5,62,500
Sales for the period 1.1.2015 to 4.6.2015	13,50,000

The company has been following the practice of valuing the stock of goods at actual cost plus 10%. On 1.1.2014 the stock includes some slow moving items valued at Rs. 4950. The slow moving items were sold during the year 2014 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.

OR

Q.3 State with reasons whether the following are Capital or Revenue in nature 15 marks

1. Introduction of fresh capital by partner.
2. Cost of installation Rs. 64,000 of Plant and Machinery in a factory.
3. Cost of market research for a new product.
4. Amount spent on uniform of staff.
5. Loss of fixed assets worth Rs. 5,00,000 in fire and insurance claim received Rs. 4,20,000.

Q. 4 15 marks

The Trial Balance of Ms. Maya as on 31st March 2015 was as follows

Debit balances	Rs.	Credit balances	Rs.
Raw material	23,000	Sundry Creditors	17,000
Work in progress	10,000	Bills payable	8,500
Finished goods	15,500	Sale of scrap	1,500
Sundry debtors	27,000	Commission	400
Carriage inwards	1,000	Provision for doubtful debts	1,600
Carriage outwards	1,000	Maya's capital account	1,00,000
Bills receivable	16,000	Sales	2,00,000
Wages	12,000		
Salaries	10,000		
Repairs to Plant	1,200		
Repairs of office furniture	600		
Purchases	1,00,000		
Cash at bank	2,300		
Plant and Machinery	90,000		
Office furniture	9,000		
Rent	5,000		
Lighting expenses	1,800		
Factory expenses	2,000		
Conveyance	1,600		
	3,29,000		3,29,000

Adjustments

1. Closing stock

Raw materials Rs. 15,800

Work in progress Rs. 7,000

Finished stock Rs. 18,200

2. Salaries Rs. 2,000 and Wages Rs. 2,000 for the month of March 2015 was paid in April 2015.

5. 25% of the lighting expenses and rent is to be charged to Office and remaining to the factory.
6. Depreciation to be charged on Plant and Machinery at 10% p.a. and on Furniture at 5% p.a..
7. Provision for doubtful debts is to be maintained at 10%.

You are required to prepare Manufacturing Account, Trading Account and Profit and Loss Account and Balance Sheet for the year ended on 31st March 2015.

OR

Q.4

15 marks

You are given

1. The Balance Sheet of Durgesh as on 31st March 2014.
2. The Cash Account for the year ended 31st March 2015.
3. Additional Information.

You are required to prepare a Trading and Profit and Loss Account for the year ended 31st March 2015 and a Balance Sheet on that date.

Balance Sheet as on 31st March 2014

Liabilities	Rs.	Assets	Rs.
Capital	1,88,100	Plant and Machinery	1,33,000
Sundry Creditors	38,000	Furniture	19,000
Bills Payable	76,000	Stock	38,000
Outstanding Wages	1,900	Sundry Debtors	47,500
		Bills Receivables	38,000
		Cash	28,500
	3,04,000		3,04,000

Cash Account for the year ended 31st March 2015

Receipts	Rs	Payments	Rs
To balance b/d	28,500	By Wages	38,000
To Cash sales	66,500	By Drawings	22,800
To Debtors	1,52,000	By payments to Creditors	66,500
To Bills Receivable	1,42,500	By Bills payable	1,14,000
		By Sundry expenses	57,000
		By rent	38,000
		By balance c/d	53,200
	3,89,500		3,89,500

Additional information.

Sr no	Particulars	Rs
1	Sundry Debtors 31.03.2015	76,000
2	Sundry Creditors 31.3.2015	47,500
3	Bills receivable 31.3.2015	85,500
4	Bills payable 31.3.2015	

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5	Stock	31.3.2015	57,000
6	Bills Receivable dishonoured during the year		9,500
7	Bills Payable dishonoured during the year		3,800
8	Discount allowed		4,750
9	Discount Received		12,350
10	Bills received endorsed		28,500
11	Bills Receivable endorsed dishonoured		3,800

Q 5 Answer any 3

15 marks

1. What are the advantages of Financial Accounting ?
2. What is Capital Expenditure ? Explain and give examples.
3. Define the term Inventory as per AS 2. What are the objectives of stock valuation ?
4. What are the disclosure requirements per AS 1 ?
5. What transactions are excluded from AS 9 ?
6. What is Money Measurement Concept ?

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