

QP Code : 07445

(3 Hours)

[Total Marks : 100

Please check whether you have got the right question paper.

- N.B.**
- (1) Strictly avoid resorting to any unfair means during the examination.
 - (2) Figures in brackets to the right indicate full marks allotted to the question.
 - (3) Working notes should form part of your answers.
 - (4) All six questions are compulsory, although, there are internal options in case of questions 2 to 6.
 - (5) Use of simple calculator is allowed.

1. (a) Fill in the blanks with most appropriate words (any 10) :—

(10)

- (i) Opening balance of Petty Cash is shown on _____ side of Branch Account.
- (ii) Goods Sent to an consignee for sale is called as _____.
- (iii) Good sent on consignment is credited to _____ Account.
- (iv) Goods costing 2,00,000 were sent on consignment at cost plus 25%. Invoice value of the goods will be _____.
- (v) Ownership of the goods sent on consignment remains with the _____.
- (vi) Proforma invoice is prepared by _____.
- (vii) _____ branches do not maintain complete books of accounts.
- (viii) Under Branch Debtors System, depreciation of branch fixed assets is not shown in _____ Account.
- (ix) Branch Account is prepared under _____ method of Branch Accounting.
- (x) In fire insurance, the insured gets compensation proportionate to _____ incurred, in case of sufficient insurance.
- (xi) Slow moving goods are called as _____ goods.
- (xii) Credit purchase can be ascertained from _____ Account.

(b) State whether the following statements are True or False (any 10) :—

(10)

- (i) Single Entry System is suitable to small organization.
- (ii) Credit sales can be ascertained from Debtors Account.
- (iii) Under Single Entry System, closing capital is ascertained by preparing opening statement of affairs.
- (iv) The relationship between consignor and consignee is that of Principal & Agent.
- (v) In case of del-credere commission, bad debt loss is borne by the consignee.
- (vi) Consignment is same as sales.
- (vii) Discount allowed to customers is not recorded in Branch Account.
- (viii) Dependent branch depends on customers for supply of goods and expenses.
- (ix) Under Stock and Debtors system, Branch Stock account is a real account.
- (x) Rate of gross profit need not be consistent for deciding the stock on the date of fire.
- (xi) Average clause has no effect on calculation of claim.
- (xii) In case of overvaluation of stock, it should be brought down to cost.

[TURN OVER

2. Following details were extracted from the information given by Mr. Kedarnath for the year ended 31st March 2017 : (15)

(a) Cash and Bank Account

| Receipt | ₹ | Payment | ₹ |
|---------------------------|---------|----------------------------|---------|
| To Balance b/d | 10,000 | By Cash Purchases | 47,000 |
| To Cash Sales | 120,000 | By Creditors | 250,000 |
| To Debtors | 300,000 | By Bills payable | 30,000 |
| To Bills Receivables A /c | 20,000 | By Salaries | 50,000 |
| To Interest Received | 6,000 | By Printing and Stationery | 22,000 |
| To Loan received | 40,000 | By Insurance | 15,000 |
| | | By Sales Commission | 24,000 |
| | | By Furniture Purchased | 30,000 |
| | | By Balance c/d | 28,000 |
| | 496,000 | | 496,000 |

(b)

| Particulars | Balance on 31-03-16 ₹ | Balance on 31-03-17 ₹ |
|---------------------|-----------------------------|-----------------------------|
| Furniture | 20,000 | 50,000 |
| Cash & Bank Balance | 10,000 | 28,000 |
| Stock | 30,000 | 40,000 |
| Debtors | 50,000 | 60,000 |
| Bills Receivables | 7,000 | 8,000 |
| Creditors | 20,000 | 30,000 |
| Bills payable | 4,000 | 12,000 |

(c) Other details :—

- Provide Depreciation on Furniture at the rate 10% p.a. Furniture was purchased during the year on 1st August 2016.
- Insurance Prepaid was ₹ 1,000/-
- Bills Receivable dishonoured during the year ₹ 400/-

You are required to prepare :

- Trading & Profit & Loss Account for the year ended 31st March, 2017.
- Balance Sheet as on 31st March, 2017.
- Working Notes are necessary to substantiate your answer.

OR

[TURN OVER

2. Following information is given to you by Mr. Hariharan :

(15)

(a) Opening Statement of Affairs as on 1st April 2016

| Liabilities | ₹ | Assets | ₹ |
|-------------------|---------|--------------------------|---------|
| Capital | 100,000 | Laptop | 50,000 |
| Creditors | 50,000 | Closing Stock | 30,000 |
| Loan from friends | 15,000 | Debtors | 40,000 |
| | | Bills Receivable Account | 8,000 |
| | | Cash and Bank Balance | 37,000 |
| | 165,000 | | 165,000 |

(b) Following Information was available with respect to Cash and Bank Transactions :

| Particulars | ₹ |
|---|----------|
| 1 Received from Debtors | 1,10,000 |
| 2 Paid to Creditors | 60,000 |
| 3 Cash Purchases | 15,000 |
| 4 Cash Sales | 20,000 |
| 5 Salaries | 18,000 |
| 6 Office Expenses | 20,000 |
| 7 Commission Received | 4,000 |
| 8 New Laptop Purchased | 50,000 |
| 9 Bills Receivable Matured and Received | 15,000 |
| 10 Bills Payable Paid | 5,000 |

(c) Following additional Information was also made available to you :

- | | |
|--|----------|
| (i) Credit Purchase | 70,000 |
| (ii) Credit Sales | 150,000 |
| (iii) Depreciation to be Charged on computer | 25% p.a. |
| (iv) Laptop purchased during the year was purchased on 1st October, 2016 | |
| (v) Bills Receivable Drawn | 18,000 |
| (vi) Bills Payable Accepted | 7,000 |
| (vii) Closing Stock | 12,000 |
| (viii) Discount allowed to customers | 1,000 |

You are required to prepare :

- Trading and Profit & Loss Account for the year ended 31st March, 2017.
- Balance Sheet as on 31st March, 2017.
- Working Notes to substantiate your answer.

[TURN OVER

3. The following information relates to Bhopal Branch of Star Corporation, Mumbai for the year (15) 2016-17 :

| Particulars | 31/03/2016 | 31/03/2017 |
|--------------------------|------------|------------|
| | ₹ | ₹ |
| Stock (at Invoice Price) | 50,000 | 75,000 |
| Debtors | 70,000 | 95,000 |

Goods worth ₹ 4,37,500/- were sent by Head Office to the Branch @ 20% on Invoice Price. Branch sold Goods worth ₹ 3,80,000/- of which Cash sales amounted to ₹ 1,70,000/-. Branch spent ₹ 30,000/- for salaries, ₹ 12,000/- for Rent and ₹ 6,700/- for Miscellaneous expenses. All expenses were remitted by Head Office. Branch remits all Cash received to head Office daily.

Other details of Branch Transactions are as follows :

| | |
|---|--------|
| Returns to Head Office (at Invoice Price) | 10,000 |
| Returns from Debtors | 5,000 |
| Bad Debts | 1,000 |
| Allowances to Debtors | 1,500 |

You are requested to show the Bhopal Branch Account in the books of Head Office for the year ending 31st March, 2017 and support your answer by preparing Branch Debtors and Goods sent to Branch Accounts. Use Branch Debtors method.

OR

3. Ankush Trading Company, Nagpur, sends goods to its Kanpur Branch at cost, which the Branch (15) sells on credit as well as for cash. From the following particulars prepare necessary Account by Stock and Debtors Method in the Head Office Books assuming Cash is immediately remitted by Branch to Head Office. Expenses are paid directly by Head office.

| Particulars | ₹ |
|--------------------------------------|----------|
| Stock at Branch on 1-1-2016 | 75,500 |
| Goods received from Head office | 3,55,000 |
| Goods returned by customers | 3,000 |
| Total Sales | 3,67,600 |
| Cash Sales | 1,67,600 |
| Goods returned to Head office | 3,500 |
| Stock at Branch on 31-12-2016 | 69,500 |
| Debtors on 01-01-2016 | 55,000 |
| Cash paid by customers | 1,84,500 |
| Discount and commission to customers | 1,360 |
| Bad debts | 390 |
| Rent Rates and Taxes | 1,200 |
| Salesmen Expences and wages | 3,650 |

[TURN OVER

4. M/s Diamond Cements Ltd. of Nagpur consigned to Suyesh Brothers of Bhopal, 5,000 Cement bags costing ₹ 80/- per Bag. M/s Diamond Cements Ltd. paid ₹ 4,500/- for railway freight, ₹ 2,500/- for insurance and ₹ 2,200/- for sundry expenses. On receipt of consignment, Suyesh Brothers accepted a Bill for ₹ 2,00,000/-
Suyesh Brothers sent an Account sales which shows as:
- (1) Cash Sales of 4,000 bags @ ₹ 95 each.
 - (2) Expenses paid by Suyesh Brothers were :
 - (a) Godown rent ₹ 2,000/-;
 - (b) Selling expenses ₹ 6,000/-.
 - (c) Suyesh Brothers remitted the balances due by bank draft after deducting their expenses and commission at 2% on gross sales.
- Prepare Consignment Account and Consignee's Account in the books of M/s Diamond Cements Ltd.

OR

4. The Hero Cycles Ltd., Mumbai appointed Ganesh Cycles of Chandrapur as their selling agent on the undermentioned terms and conditions:
- (a) Supplied cycles to be sold at invoice price or over.
 - (b) Ganesh cycles an authorized agents at Chandrapur, is entitled to a commission of 12.5% on the invoice price and 25% of any surplus amount realized.
 - (c) On 1st January, 2016; 1,500 bicycles were consigned to Ganesh cycles of Chandrapur. Each bicycle costing Rs. 60 including freight and invoiced at ₹ 80/- each.
 - (d) A bill for ₹ 25,000/- is drawn on Ganesh Cycles, Chandrapur as an advance.
 - (e) Before 31st December, 2016, Ganesh Cycles sold 1,000 bicycles at an average price of ₹ 95 per cycles.
 - (f) Consignee made the following expenses :
For advertisement and selling expenses ₹ 4,500/-, Godown Rent, Insurance etc. ₹ 3,000/-.
 - (g) Bank draft was received from Ganesh Cycles towards the balance.
- Prepare Consignment Account, Consignee's Account and Goods sent on Consignment Account in the books of Hero Cycles Ltd.

5. On 30th September, 2016, a fire destroyed major part of stock of M/S. Fireprone & Co. Stocks costing ₹ 5,20,000/- could be salvaged but not saved their stock ledgers. A fire insurance policy was in force under which the sum insured was ₹ 12,00,000.
You are given the following data from the available records :
- (a) Total of sales invoices during the period April to September, 2016 amounted to ₹ 90,60,000/-. An analysis showed, that goods of the value of ₹ 9,00,000/- had been returned by customers before the date of fire.
 - (b) Opening stock on 1st April, 2016 was ₹ 6,60,000/- which was over-valued by 10%.
 - (c) Purchases between 1st April 2016 and 30th September, 2016 were ₹ 65,00,000/-.
 - (d) Normal Gross Profit Rate was 33 $\frac{1}{3}$ % on sale.
- Prepare a statement of insurance claim.

OR

[TURN OVER

