



Time: 2½ hrs.

- Note:
1. All questions are compulsory with internal options.
 2. Figures to the right indicate full marks.
 3. Draw neat diagram wherever necessary.

Q. 1 (A) Fill in the blanks with the correct answer from the alternatives given below. (08)
(Attempt any 8)

- (1) For a furniture manufacturing company, wood is a
 - (a) Raw material
 - (b) Work in progress
 - (c) Finished goods
 - (d) None of the other options
- (2) In Departmental accounts, comprehensive insurance (if ratio is not given) is taken in
 - (a) Departmental trading account
 - (b) General Profit and Loss account
 - (c) Departmental Profit and Loss account
 - (d) Balance sheet
- (3) In manufacturing organisation, depreciation on machinery appears on the debit side of
 - (a) Trading account
 - (b) Profit and Loss account
 - (c) Manufacturing account
 - (d) None of the other options
- (4) In a Hire Purchase transaction, interest payable by purchaser is credited to
 - (a) Interest account
 - (b) Asset account
 - (c) Hire Vendor account
 - (d) None of the other options
- (5) Interest in a hire purchase transaction, is charged on the
 - (a) Outstanding cash price
 - (b) Full cash price
 - (c) Outstanding hire purchase price
 - (d) None of the other options
- (6) Number of workers in each department is not used as a basis of allocation for
 - (a) Staff welfare
 - (b) Carriage outward
 - (c) Costs of Canteen
 - (d) Costs of Personnel department
- (7) Revenue expenditure means an expenditure
 - (a) incurred only on goods or service
 - (b) from which no benefits can be expected
 - (c) from which no future benefits can be expected
 - (d) None of the other options
- (8) Capital expenditure is _____ expenditure.
 - (a) Abnormal
 - (b) recurring
 - (c) non-recurring
 - (d) wasteful
- (9) Which of the following is not part of inventory ?
 - (a) Finished goods
 - (b) Raw materials
 - (c) Spare parts of machinery
 - (d) Work-in-progress
- (10) Following is an example of an accounting policy
 - (a) Accrual
 - (b) Consistency
 - (c) Going concern
 - (d) Depreciation



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- (B) State whether the following statements are true or false. (Attempt any 7) (07)
- (1) Amount paid as carriage inward is included in cost of inventory.
 - (2) Hire purchase price is the total of cash price and interest.
 - (3) Disclosure under AS - 1 need not form a part of final accounts.
 - (4) Manufacturing account always shows a debit balance.
 - (5) It is not necessary to disclose the change in accounting policy.
 - (6) Inventory which are held for sale in the ordinary course of business are current assets.
 - (7) Revenue from interest is recognised only when it is actually received.
 - (8) Departmental Profit and Loss Account are useful to managers for evaluating the performance of each department.
 - (9) If the buyer fails to pay the instalment, the seller has a right to repossess the asset sold under Hire Purchase System.
 - (10) Selling price is not considered while preparing stores ledger.

Q.2

Reliance Textiles had three departments Hosiery, Garments and Clothes.
Following information is available from the Departments.

(15)

Particulars	Hosiery Rs.	Garments Rs.	Clothes Rs.
Opening stock	33,000	27,000	1,05,000
Purchases	90,000	60,000	2,25,000
Sales	1,80,000	1,20,000	2,70,000
Wages	15,000	9,000	-
Closing Stock	21,000	72,000	81,000

Expenses paid – Salaries Rs. 60,000; Rent Rs. 10,800; Printing Rs. 4,800; Electricity Rs. 2,160; Sundry expenses Rs. 2,850.

Transfer from Cloth Department to Hosiery Rs. 6,000 and Garments Rs. 63,000.

1. Salaries Rs. 48,000 were paid to 20 salesmen on a uniform scale in the three departments. The number of salesman were 4, 5 & 11 respectively.
Allocate the remaining salary in equal proportion to the three departments.
2. Space occupied by the departments was equal.
3. Printing expenses to be apportioned as 1:1:2 respectively.
4. The electricity points in each dept. were 5, 4 & 9 respectively.
5. Sundry expenses to be allocated in ratio of sales.

Prepare Departmental Trading and Profit & Loss account for the year ended on 30th September, 2013

OR

Q.2

AB and Co. has two department viz. 'A' Department and 'B' Department. From the following information-

(15)

Prepare Departmental Trading and Profit and Loss Account for the year ended 31st March, 2016.

Particulars	Dept. A Rs.	Dept. B Rs.	Total Rs.
Opening stock	13,400	11,200	24,600
Purchases	73,600	71,400	1,45,000
Sales	1,10,000	88,000	1,98,000
Salaries	8,000	7,000	15,000

Common Expenses and Income :-

Interest on loan Rs. 2,000

Carriage outward Rs. 2,900

Discount earned Rs. 1,450



Depreciation Rs. 7,500
 Rent and Rates Rs. 5,400
 Advertisement Rs. 8,100
 Building Insurance Rs. 1,800
 General expenses Rs. 4,500
 Discount allowed Rs. 2,700

Additional information :-

1. Closing stock : Dept. A Rs. 20,500 and Dept. B Rs. 17,600.
2. The area occupied by the two departments is in ratio 5 : 4.
3. Depreciation and general expenses are to be allocated equally.

Q.3 Anmada sold a car to Impala on 1.4.2011 on following terms :- (15)

- 1) Rs. 3,000 to be paid immediately.
 - 2) Balance to be paid in three equal instalments of Rs. 3,000 each on 31st March every year.
 - 3) The cash price of the car was Rs. 11,175.
 - 4) Interest @ 5% p.a. to be charged on outstanding balances.
- Impala charges depreciation @ 10% p.a. on diminishing value basis.
 Show the ledger accounts in the books of Impala.

OR

Q.3 On 1st January, 2014 Vasudha purchased a LED TV from Vijay Sales on hire (15)

- purchase system. The terms of contract were as under :
- a. The cash price of the T.V. was Rs. 1,30,000.
 - b. Rs. 40,000 was to be paid on signing of the contract.
 - c. The balance was to be paid in annual instalment of Rs. 30,000 each plus interest.
 - d. Interest chargeable on the outstanding balance was 6% p.a.
 - e. Depreciation @ 10% p.a. is to be written off on WDV method.

You are required to prepare in the books of Vasudha the following :

1. Statement Showing calculation of interest.
2. LED TV's Account
3. Depreciation Account
4. Vijay Sales Account

Q.4 From the following trial balance of Shiv as on 31st December, 2015; you are (15)

required to prepare Manufacturing Account, Trading and Profit and Loss account for the year ended 31st December, 2015 and a Balance sheet as on that date after making necessary adjustments.

Particulars	Dr. (Rs.)	Particulars	Cr. (Rs.)
<u>Opening Stock :-</u>		Capital	1,00,000
Raw Materials	3,500	Sundry creditors	10,000
Work-in-Progress	7,500	Sales	1,20,000
Finished Goods	4,000	Return outward	1,000
Purchase of raw materials	82,000	Old R.D.D.	400
Return inwards	2,000	Discount	400
Sundry debtors	20,600	Bad debts recovery	1,200
Furniture and fixtures	5,000		
Power and fuel	200		
Carriage outward	500		
Office rent and taxes	4,600		
Printing and stationery	800		



Factory expenses	400		
Postage	800		
Insurance charges	700		
Salaries to staff	21,300		
Cash and bank balance	26,700		
Drawings	16,000		
Wages	11,400		
Plant and machinery	25,000		
	2,33,000		2,33,000

Adjustments :-

- Stock as on 31st December, 2015 :- Raw materials Rs. 2,000; Work-in-progress Rs. 8,000 and Finished Goods Rs. 4,600.
- Prepaid Insurance Rs. 300.
- Provide depreciation on furniture and fixtures at 5% and on plant and machinery at 20% p.a.
- Write off Bad debts Rs. 600 and maintain Reserve for doubtful debts at 5% on Sundry debtors.
- Goods distributed as free samples worth Rs. 4,000 in order to increase the sales.

OR

Q.4 a) State with reasons whether the following are capital or revenue in nature. (08)

- Cost of construction of building.
- Income from sale of goods.
- Amount spent on uniform of staff.
- Payment of audit fees.

b) From the following data of April 2014, calculate the Cost of goods sold and the Closing Inventory using FIFO method. (07)

1 st April	Opening stock 50 units at cost of Rs. 100
5 th April	Purchased 200 units @ Rs. 3.00
10 th April	Sold 225 units @ Rs. 4.00
15 th April	Purchased 250 units @ Rs. 4.12
30 th April	Sold 150 units @ Rs. 5.00

Q.5 a) Explain the various basis for apportionment of expenses and incomes in departmental accounts. (08)

b) Explain Capital expenditure and Revenue expenditure with examples. (07)

OR

Q.5 Write short notes on (Attempt any 3) (15)

- Disclosure of accounting policies
- Inventories valuation as per AS - 2
- Manufacturing account
- Hire purchase agreement
- First-in-first-out method and Weighted average method

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