

Time: 2½ hrs.

Marks:75

- 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. (Attempt any 8) (08)

- (1) The relationship between the "Consignor" and the "Consignee" is that of ____
 - a) Principal and Principal
 - b) Agent and Principal
 - c) Principal and Agent
 - d) Agent and Sub-agent
- (2) Goods sent on consignment are the property of ____
 - a) the consignee
 - b) both the consignor and the consignee equally
 - c) either the consignor or the consignee
 - d) the consignor
- (3) The Head office sends its goods to its branch at a loading of 25% on sales ____
 - a) The loading is 50% of cost
 - b) The loading is 1/4th of cost
 - c) The loading is 1/3rd of cost
 - d) The loading is 20% of cost
- (4) Under the 'Debtor' method, closing balance in the Branch account indicate ____
 - a) amount due from the branch
 - b) closing branch at the branch
 - c) profit or loss at the branch
 - d) None of the other options
- (5) When Branch 'A' sends goods to Branch 'B' then in the books of Branch 'A' debit is given to ____
 - a) Head office account
 - b) Branch 'B' account
 - c) Sales return account
 - d) Purchase returns account
- (6) Average clause in an Insurance policy applies only in case of ____
 - a) Life insurance
 - b) Over-insurance
 - c) Under-insurance
 - d) None of the other options
- (7) Fire insurance provides cover for ____
 - a) Tangible assets
 - b) Intangible assets
 - c) Fictitious assets
 - d) None of the other options
- (8) Claim to be lodged with insurance company is for ____
 - a) Closing stock + Salvaged goods
 - b) Closing stock on the date of fire - Salvaged goods
 - c) Policy amount - Salvaged goods
 - d) None of the other options
- (9) Opening capital is ascertained by preparing ____
 - a) Total Debtors account
 - b) Total Creditors account
 - c) Cash account
 - d) Opening Statement of affairs
- (10) Closing balance of trade creditors can be ascertained from ____
 - a) Total Creditors account
 - b) Balance sheet
 - c) Bills payable account
 - d) Cash book

- (B) State whether the following statements are true or false. (Attempt any 7) (07)
- (1) Consignor is a person who consigns goods.
 - (2) Profit/Loss on consignment belongs to the consignor.
 - (3) Bills receivable dishonoured are credited to bills payable account.
 - (4) Invoice price is always higher than cost.
 - (5) Under stock and debtor method, branch debtors account is maintained.
 - (6) Memorandum Trading account is prepared to ascertain the amount of salvage.
 - (7) Fire insurance covers death of human beings due to fire.
 - (8) RBI governs insurance business in India.
 - (9) Credit sales are debited to branch debtors account under stock and debtor method.
 - (10) A statement of assets and liabilities as on a particular date with missing figure is called as Balance sheet.

Q.2 Mr. Singh does not maintain his books of account on double entry keeping system. (15)
He supplies you the following information:

I) Assets and liabilities as on 1st April, 2021 and 31st March, 2022.

Particulars	01/04/2021 Rs.	31/03/2022 Rs.
Plant	72,000	72,000
Motor vehicles	1,00,000	?
Sundry debtors	67,000	49,000
Sundry creditors	74,000	59,000
Stock	76,000	1,00,000
Cash and bank balance	3,000	24,000

II) Cash transactions during the year :

Particulars	Rs.
Purchase of Motor Vehicle (on 01/04/2021)	30,000
Capital introduced	30,000
Cash sales	?
Rent paid	20,000
Salaries paid	23,000
Received from debtors	2,00,000
Payment to creditors	1,00,000
Paid for general expenses	17,000
Drawings	36,000
Carriage inward	49,000

a. Depreciation to be provided on plant @ 10% p.a. on motor vehicle @ 20% p.a.

b. Rent outstanding is Rs. 2,000.

c. Discount allowed was Rs. 3,000 and discount received Rs. 2,000.

You are required to prepare: - (a) Trading and profit and loss account for the year ended 31st March, 2022 and (b) Balance sheet as on 31st March, 2022.

OR

Q.2 The business premises of Gala Timber Mart destroyed by fire on 16/07/2022. (15)
However, all the books of accounts and stock amounting Rs. 18,000 were

salvaged and the following information was available from the books.

Year ended	Gross Profit (Rs.)	Sales (Rs.)
31-3-2019	2,39,500	9,58,000
31-3-2020	2,25,000	9,00,000
31-3-2021	2,05,480	9,34,000
31-3-2022	2,00,640	9,12,000

Additional information:

a) Stock on 31-03-2022 Rs. 1,02,250.

b) Purchases from 01-04-2022 to 16-07-2022 Rs. 2,12,380.

c) Sales from 01-04-2022 to 16-07-2022 Rs. 3,50,000.

d) Wages from 01-04-2022 to 16-07-2022 Rs. 25,000.

e) The amount of policy was Rs. 55,000.

Claim was subject to average clause.

You are required to prepare a statement of claim against insurance company.

Q.3 A head office in Chennai has a branch in Delhi to which goods are invoiced by the (15)
head office @ 20% profit on sales price.

All cash received by the branch is daily remitted to head office.
From the following particulars, show the Branch account in the books of the head office.

Particulars	Rs.
Stock on 1 st January, 2022 (at Invoice price)	6,25,000
Debtors on 1 st January, 2022	6,00,000
Goods supplied by head office (at Invoice price)	20,00,000
Cash sales	8,00,000
Cash received from customers	14,75,000
Goods returned to head office (at Invoice price)	1,20,000
Cheques received from head office :-	
- Wages & Salaries	5,50,000
- Rent, Rates and Taxes	1,50,000
- Sundry Expenses	25,500
Stock as on 31 st December, 2022 (at Invoice price)	7,50,000
Debtors as on 31 st December, 2022	11,25,000
Liability for outstanding petty expenses as on 31/12/2022	5,500

OR

Q.3 Shivam Enterprises of Mumbai has a branch at Shimla. Following information is (15)
obtained from the branch for the year 2021-22.

Particulars	01/04/2021	31/03/2022
Stock	60,000	40,000
Debtors	50,000	60,000
Cash	1,500	1,000

Transactions during the year 2021-22.

Particulars	Rs.
Goods sent to branch	2,25,000
Credit sales	?
Cash sales	1,80,000
Goods returned by customers to branch	8,000
Goods returned to head office	6,000
Cash received from debtors	1,50,000
Expenses paid at branch:	
Salaries	15,000
Commission	10,000
Rent and taxes	16,500
Discount allowed to customers	2,500
Bad debts	1,000

Prepare following accounts for the branch under stock and debtors method in Mumbai office :-

- Branch Stock account
- Branch Debtors account
- Branch Expenses account
- Branch Profit and Loss account

Q.4 Mr. Ajay of Ahmedabad sent on consignment 100 sewing machines costing Rs. (15)
200 each to Mr. Bhavesh of Baroda. The consignor paid Rs. 1,000 for freight and insurance. Mr. Bhavesh spent Rs. 500 for godown rent. At the end of the year 10 machines were unsold lying as stock with Mr. Bhavesh.
The consignee sold 90 sewing machines @ Rs. 250 per machine.
Mr. Bhavesh remitted the sales proceeds after deducting expenses and his commission @ 5% of goods sold.

Prepare Consignment account, Consignor's account and Goods sent on Consignment account in the books of Ajay of Ahmedabad.

OR

Q.4 The premises of S Ltd. were engulfed by fire on 1st November, 2022 whereby (15)
substantial stock was severely destroyed. The records available with the company yield the following information.

a) For the year ended 31st March, 2022.

Particulars	Rs.
Opening stock	1,20,000
Closing stock	1,95,000
Purchases	12,00,000
Sales	25,00,000
Wages	4,50,000
Direct expenses	3,00,000

b) For half year ended 30th September, 2022.

Purchases Rs. 7,50,000

Sales Rs. 13,50,000

c) For the period from 1st October, 2022 to date of fire, purchases and sales were at the same monthly rate as for the period 1st April, 2022 to 30th September, 2022.

d) The wages and direct expenses during the period 1st April, 2022 to date of fire were at the same rate per month as in last year.

e) Salvage value is Rs. 26,250.

f) The policy amount Rs. 3,10,000. The claim was subject to average clause.

Compute the amount of claim to be lodged with the Insurance company.

- Q.5 A) Explain conversion method under single entry system. (08)
B) Explain Normal and Del credere commission. (07)

OR

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

- (1) Stock and debtor system
- (2) Average clause
- (3) Memorandum trading account
- (4) Branch stock account
- (5) Consignee account

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