

Time: 2½ hrs.

Marks :75

- Note:
1. All questions are compulsory with internal options.
 2. The figures to the right indicate full marks.
 3. Draw a 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) Which of the following is not covered by AS 9? _____
 (a) Lease rent (b) Dividend
 (c) Interest (d) Royalties
- (2) Freight inwards appearing in the trial balance are shown _____
 (a) on the debit side of Profit and Loss (b) on the credit side of Trading account
 (c) on the liabilities side of the Balance sheet (d) on the debit side of Manufacturing account
- (3) 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
- (4) The difference between department's net sales and cost of goods sold is _____
 (a) departmental gross profit (b) departmental net profit
 (c) departmental cost of goods sold (d) net profit taken to balance sheet
- (5) Income tax paid by Mr. N is Rs. 25,000. The amount to be _____
 (a) credited to the profit and loss account (b) ignored altogether
 (c) deducted from capital (d) debited to the trading account
- (6) Accounting policies _____
 (a) are same for all concerns (b) are laid down by law
 (c) change from concern to concern (d) are prescribed by AS 1
- (7) Income received in advance is shown on _____
 (a) liability side (b) asset side
 (c) debit side of profit and loss account (d) none of the other options
- (8) Depreciation is allocated on basis of _____
 (a) Value of assets (b) Area occupied
 (c) Light points (d) Number of workers
- (9) As per AS - 2, inventory covers _____
 (a) Livestock (b) Goods purchased for resale
 (c) Investment held as stock in trade (d) Work in progress in construction contracts
- (10) Sale of scrap appearing in the trial balance is shown _____
 (a) on the credit side of trading account (b) on the credit side of manufacturing account
 (c) on the debit side of profit and loss account (d) on the liabilities side of the balance sheet

(B) State whether the following statements are True or False. (Attempt any 7) (07)

- (1) Balance sheet is an account.
- (2) LIFO method is not recognised by AS-2.
- (3) Trading account always show credit balance.
- (4) A separate balance sheet is prepared for each department.
- (5) Freight inward is allocated on the basis on purchase.
- (6) Wages paid for erection of machinery are debited to profit and loss account.

- (7) Livestock is a current asset.
- (8) Capital receipt is non-recurring in nature.
- (9) AS – 9 deals with government grants.
- (10) Wages paid to worker is a revenue expenditure.

Q.2 (a) The following figures are taken from the Trial Balance of Gautam & Co. on 30th September, 2023.

(15)

Particulars	Rs.	Particulars	Rs.
Inventories :-		Direct labour	1,60,000
-Finished Stock	80,000	Factory Supervision	10,000
-Raw materials	1,40,000	Repairs and Upkeep- Factory	14,000
-Work-in-process	2,00,000	Heat, Light and Power	65,000
Office Appliances	17,400	Rates and Taxes	6,300
Plant and Machinery	4,60,500	Misc. Factory expenses	18,700
Buildings	2,00,000	Sales Commission	33,600
Sales	7,68,000	Sales Travelling	11,000
Sales return and rebates	14,000	Sales Promotion	22,500
Materials purchased	3,20,000	Distribution Dept. Salaries	18,000
Freight on materials	16,000	Office Salaries and expenses	8,600
Purchases returns	4,800	Interest on borrow 1 funds	2,000

Further details are available as follows:-

1. Closing inventories :-
 Finished goods Rs. 1,15,000
 Raw materials Rs. 1,80,000
 Work-in-progress Rs. 1,92,000
 2. Accrued expenses on :-
 Direct labour Rs. 8,000
 Interest on borrowed funds Rs. 2,000
 3. Depreciation to be provided on :-
 Office appliances 5%
 Plant and Machinery 10%
 Building 4%
 4. Distribution of the following cost :-
 Heat, Light and Power to Factory, Office and Distribution in the ratio 8:1:1.
 Rates and Taxes two-third to Factory and one-third to Office.
 Depreciation on Buildings to Factory, Office and Selling in the ratio 8:1:1.
- You are required to prepare Manufacturing Account, Trading Account and Profit and Loss Account for the year ended 30-9-2023.

OR

Q.2 (p) State with reasons whether the following are capital or revenue in nature.

(08)

- a) Cost of goodwill purchased.
- b) Import duty on raw material purchased.
- c) Commission received on sale Rs. 2,000.
- d) Cost of construction of building.

(q) From the following data of April 2014, calculate the Cost of goods sold and the Closing Inventory using Weighted Average Price 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.3 (a) From the following Trial Balance prepare Departmental Trading, Profit & Loss Account for the year ended on 31st March, 2014 and Balance sheet as on 31-3-2014.

(15)

Particulars	Rs.	Rs.	Particulars	Rs.	Rs.
Stock - 1.4.2013:-			Salaries	300	
Dept. X	1,500		Lighting and heating	180	
Dept. Y	1,200		Discount allowed	220	
Purchases:-			Discount received		130
Dept. X	2,800		Advertising	360	
Dept. Y	2,400		Carriage inwards	210	
Sales:-			Furniture and fittings	400	
Dept. X		6,000	Machinery	2,000	
Dept. Y		5,000	Sundry Debtors	600	
Wages:-			Sundry Creditors		1,6003,1
Dept. X	750		Ajay's Capital		90
Dept. Y	250		Account	400	
Rent, Rates and	900		Ajay's Drawings	1,000	
Taxes	300		Cash at bank	150	
Sundry Expenses			Cash in hand	15,920	15,920

The following information is available:

- Dept. X transferred goods costing Rs. 40 to Dept. Y.
- Rent and taxes, Sundry Expenses, Lighting, Salaries and Carriage inward to be apportioned 2/3 to Dept. X and 1/3 to Dept. Y.
- Advertising to be apportioned equally.
- Discount allowed and Discount received are apportioned on the basis of departmental sales and purchases (Excluding transfer).
- Depreciation at 10% p.a. on Furniture and Plant and Machinery is to be charged 3/4 to Dept. X and 1/4th to Dept. Y.
- Stock as on 31-3-2014 : Dept. X – Rs. 1,650; Dept. Y – Rs. 1,200.

OR

- Q.3 (p) Big Bazaar 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.

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

Prepare Departmental Trading and Profit & Loss account for the year ended on 30th September, 2023.

- Q.4 (a) V purchased a car from H Ltd. on 1st January, 2019 on hire purchase system. The payment inclusive of interest to be made as follows: Rs. 4,000 on delivery, Rs. 7,600 at the end of first year, Rs. 6,000 at the end of the second year and Rs. 5,500 at the end of the third year. The cash price was Rs. 20,000. Interest is charged @ 10% p.a. V closes his books on 31st December every year, by charging depreciation @ 15% p.a. on diminishing balance method. You are required to open the necessary ledger accounts in (15)

the books of V.

OR

Q.4 (p) Nitin purchased a computer from Poona Ltd. on hire purchase system on 1.1.2018, paying cash Rs. 20,000 down and agreeing to pay three instalments of Rs. 20,000 each on 31st December every year. The cash price of the computer is Rs. 74,500 and Poona Ltd. charged interest at 5% p.a. Show necessary ledger accounts in the books of Nitin. **(15)**

Q.5 (a) Distinguish between capital expenditure and revenue expenditure. **(08)**

(b) Explain the various basis for allocation of expenses and incomes in departmental accounts. **(07)**

OR

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

(1) First-in-first-out method and Weighted average method

(2) Disclosure of accounting policies

(3) Revenue recognition as per AS – 9

(4) Inventories valuation as per AS – 2

(5) Hire purchase agreement

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