

SET III
FYBCOM SEM I

ACCOUNTANCY & FINANCIAL MANAGEMENT

DURATION : 3 HOURS

MARKS : 100

NOTE : - ALL QUESTIONS ARE COMPULSORY CARRYING 20 MARKS EACH.

Q.1. (A) State whether the following statements are True or False: (any 10) (10Marks)

1. Revenue expenditure is shown as an Assets side in the balance sheet.
2. Profit & Loss A/c shows financial position of a business.
3. Trading A/c balance is cost of production.
4. Net loss added to capital.
5. Dividend received is capital receipt.
6. AS-2 stands for revenue recognition.
7. Freight outward is allocated on the basis of purchase of the departments.
8. Land is depreciable asset.
9. Prepaid Insurance is a liability.
10. Cash price is the singing amount paid by buyer at the time of purchases.
11. Cost of purchases does include carriage outward.
12. First In First Out is the only method of stock valuation.

Q.1. (B) Multiple choice questions (any 10) (10Marks)

1. FIFO stands for _____
a) First In First Out b) First Out First In c) Fast In Fast Out d) First In Fast Out
2. _____ is the purchase price payable if full payment is made immediately.
a) Market Price b) Cash Price c) Hire Purchase Price d) Down Payment
3. _____ is a Accounting standard deals with recognition of revenue.
a) AS1 b) AS2 c) AS9 d) AS3
4. Power is allocated on the basis of _____ each department.
a) No. of points b) No. of employees c) Floor Area d) Horse Power of equipment installed
5. _____ is not allocated in the sales ratio.
a) Advertisement b) Bad debts c) Discount allowed d) Freight Inward
6. The final result of Profit & Loss Account shows _____.
a) Gross profit b) Net profit c) Cost of Manufacturing d) Factory Profit
7. Interest on hire purchase transaction is charged on the _____ cash price.
a) Outstanding b) Full Cash Price c) Beginning d) Last
8. Purchase of Motor Car is _____ expenditure.
a) Capital b) Revenue c) Deferred revenue d) fixed
9. In Trading A/c excess of Credit side total amount over Debit side total amount is _____.
a) Gross profit b) Net loss c) Net profit d) Gross loss
10. Investment is a _____ asset.
a) Intangible b) Current c) Fixed d) Tangible

11. For a Paper manufacturing company, wood is a _____.

a) Raw material b) WIP c) Finished goods d) All of these

12. The person who buys the Assets on Hire purchase basis is called a _____

b) Hirer b) Vendor c) Consignor d) Principal

Q.2. From the following Trial Balance as on 31st March 2023 of Mr. Pradhan. Prepare Manufacturing A/c, Trading A/c & Profit & loss A/c for the year ended 31st March, 2023. & Balance sheet as on that date. (20 Marks)

Trial Balance as on 31st March 2023.

Particulars	Amt.	Particulars	Amt.
Drawings	50,000	Capital	4,00,000
Opening Stock of Raw Material	50,000	Sales	17,25,000
Opening Stock of Work in Progress	45,000	Creditors	90,000
Opening Stock of Finished Goods	85,000	R.D.D	10,000
Purchases of Raw Material	5,40,000	Bills payable	15,000
Freight on Raw Material	30,000		
Direct Wages	2,20,000		
Factory Rent	90,000		
Factory Power & Fuel	45,000		
Factory Supervisors salary	50,000		
Machinery	3,50,000		
Office expenses	1,20,000		
Cash at Bank	25,000		
Selling expense	1,00,000		
Interest	35,000		
Insurance	50,000		
Bad debts	5,000		
Debtors	3,50,000		
	<u>22,40,000</u>		<u>22,40,000</u>

Following further information is provided to you:

1. Closing stock as on 31st March 2023 was Raw Material Rs. 50,000, Work in Progress Rs. 30,000, Finished Goods Rs. 75,000.
2. Depreciate Machinery @ 10% p.a.
3. Provide Reserves for Doubtful debts @ 10% on debtors.
4. Outstanding rent Rs. 10,000
5. During the year finished goods destroyed by fire were Rs. 10,000. Insurance company admitted the claim for Rs 6,000.

OR

Q.2. From the following Trial Balance as on 31st March 2023 of Miss Aditi . Prepare Manufacturing A/c, Trading A/c and Profit & Loss A/c for the year ended 31st March, 2023 and Balance Sheet as on that date. (20 Marks)

Trial Balance as on 31st March, 2023

Particulars	Amt.	Particulars	Amt.
Debtors	25,000	Sales	1,55,000
Opening Stock of Raw Material	6,000	Creditors	12,500
Opening Stock of Work in Progress	3,500	Capital	42,500
Opening Stock of Finished Goods	10,000	R.D.D	1,500
Purchases of Raw Material	48,500	Bills Payable	3,500
Octroi on material purchased	5,500		
Direct Wages	28,500		
Rent for factory	3,500		
Direct expenses	6,000		
Indirect wages	4,000		
Drawings	10,500		
Cash at Bank	6,000		
Salaries	15,500		
Discount allowed	6,500		
Interest	3,500		
Factory lighting	2,000		
Bad debts	500		
Machinery	30,000		
	<u>2,15,000</u>		<u>2,15,000</u>

Following further information is provided:

1. Closing stock as on 31st March 2023 was Raw Material Rs. 4,000, Work in Progress Rs. 2,000, Finished Goods Rs. 5,000.
2. Depreciate Machinery @ 10% p.a.
3. During the year goods costing Rs. 3,000 were distributed as free samples which remained unrecorded.
4. Provide Reserves for Doubtful debts @ 5% on debtors.
5. Outstanding factory rent Rs. 5,000.

Q.3 From the following information prepare Departmental Trading and Profit & Loss account for the year ending 31st March 2023 in the books of Sapana Super Market. (20 Marks)

Particulars	P	Q	Total
Opening stock	50,000	80,000	1,30,000
Purchases	2,00,000	1,60,000	3,60,000
Sales	4,50,000	3,00,000	7,50,000
Wages	30,000	20,000	50,000
Office Salaries			2,40,000
Discount allowed			44,000
Discount Received			14,400
Rent			3,200

Additional information:

1. Stock in hand as on 31st March 2023, Dept. P Rs. 1,70,000 & Dept. Q Rs. 1,40,000.
2. Office staff appointed by Dept. P 20 persons and Dept. Q 10 persons.

3. Area occupied by Dept. P 1000 Sq. ft. and Dept. Q 600 Sq. ft.
4. Depreciation on furniture was Rs. 26,000 which was allocated in Dept. P and Dept. Q equally.
5. Goods transferred from Dept. P to Dept. Q was Rs. 80,000.

OR

Q.3. State with reasons whether following expenses or incomes is capital or revenue. (20Marks)

- 1) Sold 8 % Government Bonds (Investment) for Rs. 50,000.
- 2) Carriage outward paid Rs. 10,000 for sale of goods.
- 3) Interest paid on Bank loan paid Rs, 6,000.
- 4) Stamp duty paid on purchase of Building Rs.40,000
- 5) Rs.8,000 spent on registration of pattern.
- 6) Sundry expenses Rs. 9,000 paid during the year.
- 7) Interest received on bank deposits Rs. 4,000.
- 8) New Share capital issued at par Rs2,00,000.
- 9) Advertisement Expenses paid for Rs. 10,000 for 2 years.
- 10) Repairing charges Rs.5,000 paid for keeping machinery on working condition.

Q.4. Following is the information related to purchases and sales of goods made by Angana Enterprises in the month of October 2023. Find out from the given information: Stock on 1st October 2023 was 12,000 units @ Rs. 400 per units. The value of closing stock as on 31st October 2023 using Weighted Average Price Method and First In First Out. (20 Marks)

Date	Particulars	Units	Rate
03/10/2023	Sales	6,000	600
06/10/2023	Purchases	14,000	500
13/10/2023	Sales	16,000	700
18/10/2023	Sales	2,000	750
20/10/2023	Purchases	20,000	470
22/10/2023	Purchases	6,000	500
25/10/2023	Sales	24,000	750
27/10/2023	Purchases	20,000	530
30/10/2023	Sales	16,000	700
31/10/2023	Purchases	12,000	550

OR

Q.4. Aaradhya Transport purchased a car on 1st Jan.2020 from Tata Motors Ltd. on hire purchases basis. The cash price of car was Rs. 10,00,000. Miss Aaradhya paid Rs 4,00,000 as signing amount. The company charge interest on outstanding amount at @ 10 %. Installments including interest are as follows: 31-12-2020 Rs. 2,60,000, 31-12-2021 Rs. 2,40,000, 31-12-2022 Rs. 2,20,000. Miss Aaradhya decided to write off depreciation @10% p.a. on WDV method. You required to prepare Car A/c, Depreciation A/c, Tata Motors A/c, and Interest A/c in the books of Miss Aaradhya for 3years. (20 Marks)

Q.5. A. Explain Hire Purchase System and its Feature. (10 Marks)

Q.5 B. What is departmental Accounting? How would you allocate expenses on different basis in case of Departmental Accounting? (10 Marks)

OR

Q.5. Write short notes (any 4)

(20 Marks)

- 1) AS – 1
- 2) Capital Expenditures
- 3) First In First Out
- 4) Manufacturing A/c
- 5) List of Accounting Standards
- 6) Features of Hire Purchase System.