

Q.P. Code: 00003824

[Time:2.30 Hrs]

[Marks:75]

Please check whether you have got the right question paper.

- N.B:
1. All question are compulsory.
 2. Figures to the right indicate full marks.
 3. Working note should form part of main answer
 4. Use of simple calculators is allowed

Q. 1. A. State whether the following statement are True or False (any eight) 08

1. Compliance of accounting standards is optional.
2. A concern should select an accounting policy which enables it to hide losses.
3. A change in accounting policy requires sanctions of the central government.
4. An expenditure intended to benefit the current period is a revenue expenditure
5. Every adjustment is recorded twice.
6. Rent of building is allocated on the basis of area.
7. Under Hire purchase, instalment is treated as hire.
8. Current Assets are kept in business for a long time.
9. Departmental reports can be useful to management for evaluating performance of manger.
10. Down payment is payment made down the table.

Q. 1. B. Fill in the blanks with appropriate given options (any seven) 07

1. Accounting standard 1 is _____.
 - a. Recommendatory
 - b. Mandatory
 - c. Optional
 - d. No longer valid
2. Capital expenditure is _____ expenditure.
 - a. Abnormal
 - b. Recurring
 - c. Non-recurring
 - d. Wasteful
3. Copy Right is _____.
 - a. Tangible Asset
 - b. Intangible Asset

d. Fictitious Asset.

a. Bad debts

b. Commission

d. Advertisement

a. Hirer

b. Buyer

d. Vendor

a. Interest only

b. Cash price only

d. Cash price and Interest

a. Wages

b. No. of Light points

d. Cost of Machine

a. Trading Account

b. P & L Account

d. Partner's Capital Account

a. FIFO

b. LIFO

d. None of the above

a. AS – 1

b. AS - 3

d. AS – 12

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- Q. 2. A. Write a short ledger card in the proper form making use of the following particulars, pricing issues on the principle of FIFO. 15

Date January 2023	Transactions	Quantity Units	Rate per unit (₹)
1	Opening Balance	500	20
2	Sales	300	28
6	Purchases	800	22
8	Sales	400	29
12	Sales	300	30
14	Purchases	400	25
20	Sales	600	29
24	Purchases	500	28
25	Sales	300	30
28	Sales	100	31

The stock verifier found a shortage of 10 units in the 30th and left a note.

OR

- Q. 2. B. Mr. Vishal purchased a Wagner car from M/s. Chaudhary Auto on Hire-purchase basis on 1st October 2020. The term of the contract were as follow: 15

- The cash price of the car was ₹ 7,50,000.
- On the date of purchase ₹ 1,50,000 was paid.
- The balance was paid in instalment of ₹ 2,00,000 plus interest @ 15% per annum.
- The instalment were paid on 31st March every year commencing from 31st March 2021.

Mr. Vishal charged depreciation @ 20% p.a. under Straight Line Method. They closed their books on 31st March every year. Show in books of Mr. Vishal Wagner Car A/c, M/s. Chaudhary Auto A/c, Interest A/c, and Profit and Loss A/c.

- Q. 3. A. State whether the following expenditure and receipts are capital or revenue. 15
Give reasons for your answer.

- Paid ₹ 50,000 for obtaining business license.
- Paid ₹ 25,000 towards salaries of employees.
- Paid ₹ 12,000 as Excise duty on goods manufactured.
- Cost of ₹ 45,000 was incurred for replacement of defective parts of machinery.

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5. Received ₹ 5,000 as dividend on shares.
6. Paid subscription charges of ₹ 2,000 p.a. for a trade magazine.
7. Sold Government Bonds (held as Investment) for ₹ 7,50,000 and earned profit of ₹ 15,000.

OR

Q. 3. B. The Trail Balance of Vishwa Ltd. as on 31st March 2023 was as follows:

15

Trial Balance as on 31st March 2023

Debit Balance	Amount (₹)	Credit Balance	Amount (₹)
Stock on 1-4-2022		Sales	44,00,000
Raw Material	5,20,000	Creditors	6,00,000
Work in Progress	30,000	Interest	16,000
Finished Goods	3,30,000	Bank Loan	12,00,000
Debtors	5,40,000	R.D.D.	20,000
Plant & Machinery	5,20,000	Capital	7,80,000
Factory Building	80,000		
Furniture	32,000		
Goodwill	2,00,000		
Investment	40,000		
Purchase	34,40,000		
General Expenses	72,400		
Freight on Materials	2,00,000		
Factory Wages	6,00,000		
Factory Power	60,000		
Office Salaries	2,60,000		
Repairs	10,000		
Rent and Taxes	66,000		
Insurance	15,600		
	70,16,000		70,16,000

Following further information is provided to you:

1. Stock as on 31st March 2023 was Raw Material ₹ 8,40,000; Work in Progress ₹ 50,000; Finished Goods ₹ 8,30,000.
2. Depreciation to be provided as factory building @ 2.5%; Plant and Machinery @ 10% and Furniture @15%.
3. Insurance premium covers a period of one month in advance.
4. Provide Reserve for Bad and Doubtful Debts @ 4% on debtors.

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- Q. 4. A. Ramson's Stores has three Departments : AJ, DJ, and CJ. From the following information, prepare Departmental Trading Account, and Profit and Loss Account for the year ending 31st March 2023.

Particulars	Dept. AJ	Dept. DJ	Dept. CJ
Purchase	52,800	43,600	34,800
Sales	80,000	64,000	48,000
Opening Stock	14,600	11,240	9,120
Closing Stock	12,400	8,654	9,746

Following are the other common incomes and expenses:

Particulars	Total ₹
Insurance	900
Commission	3,840
Delivery Expenses	2,400
Rent	4,200
Discount Received	1,968
Salaries	31,500
Advertisement	1,944
Administration Expenses	7,890
Depreciation	2,940

All the expenses are to be apportioned equally between three departments, expect the following:

- Delivery expenses and commission in proportion to sales.
- Salaries and Insurance in proportion of 6:5:4.
- Discount received on the basis of purchase.

OR

- Q. 4. B. Murtim Pvt. Ltd. manufactures computers. During the year ended 31st 08 March, 2023, the company manufactured 1,000 computers. The break-up of cost is as under:

Particulars	Amount
Raw Material	₹ 450 lakhs
Direct Labour	₹ 300 lakhs
Variable Production Overheads	₹ 200 lakhs
Fixed Production Overheads (Includes interest of Rs.100 lakhs)	₹ 300 lakhs

Compute the cost per computer for the purpose of closing stock.

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- Q. 4. C. VSM Associates furnishes you following details from which you are required to ascertain cost of purchase of inventories. 07

a. Cost of Purchase of Inventory	₹ 20 lakhs
b. Duties & Taxes paid and are recoverable from Tax Authorities	₹ 5 lakhs
c. Trade Discount	₹ 2 lakhs
d. Duties & Taxes paid and not recoverable	₹ 2 lakhs
e. Freight Inwards	₹ 1 lakh
f. Other Expenses directly attributable to Acquisition of Inventory	₹ 2 lakhs

- Q. 5. A. What are the main principles of AS-1 : Disclosure of Accounting Policies? 08

- Q. 5. B. Explain in brief different methods of allocating expenses amongst the departments. 07

OR

- Q. 5. C Short Notes : (Any 3 out of 5) 15

1. Perpetual system of Inventory
2. Main Requirements of AS 9
3. Limitations of Accounting Standards
4. Deferred Revenue Expenditure
5. Stock Reserve
