

Q.P. Code: 00003825

[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. Accounting policies are same for all concerns.
2. Capital receipt is non-recurring in nature.
3. Inventories includes machinery.
4. Wages paid for installation of machinery are debited to Profit and Loss Account.
5. Profit and Loss Account shows financial position of an organization.
6. Contribution to PF is allocated on the basis of number of employees.
7. Asset Accrual Method is also known as Credit Purchase Method.
8. In Department accounting, each department is treated as a separate entity for the purpose of recording and reporting.
9. Damaged inventory is valued at cost or market price whichever is lower.
10. Hire purchase price is equal to cash price.

Q. 1. B. Match the following (Any seven) 07

	Column A		Column B
1	Treatment of Goodwill	A	Amount earned by sale of goods
2	Inventory Valuation	B	Capital Receipt
3	Revenue	C	HP – Cash Price
4	Fluctuation in prices is overcome	D	Current Liabilities
5	Term Loan from Bank	E	Areas of accounting policy
6	Outstanding Expenses	F	Value of Asset
7	Income due but not received	G	After payment of Last Instalment
8	Depreciation	H	Weighted Average Method
9	Interest	I	Outstanding Income
10	Right of Ownership	J	Raw material, consumables

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Q. 2. A. From the following Trial Balance as on 31<sup>st</sup> March 2023 of Mr. Parn, prepare 15 Manufacturing Account, Trading Account, Profit and Loss Account for year ended 31<sup>st</sup> March 2023 and Balance Sheet as on that date :

Trial Balance as on 31<sup>st</sup> March 2023

Particulars	Debit ₹	Credit ₹
Opening Stock – Raw Material	8,000	
Opening Stock – Work in Progress	1,500	
Opening Stock – Finished Goods	5,500	
Royalty on Production	5,000	
Machinery	50,000	
Factory Power and Fuel	6,500	
Sales		1,64,000
Factory Rent	6,000	
Office Salaries	12,500	
Office Expenses	14,500	
Purchase of Raw Materials	61,500	
Advertisement	9,000	
Interest	4,000	
Discount Allowed	3,000	
Creditors		15,000
Bank	2,000	
Provision for Bad Debts		1,000
Bad Debts	2,000	
Debtors	27,500	
Capital		70,000
Bills Payable		5,000
Drawings	7,500	
Direct Wages	29,000	
<b>Total</b>	<b>2,55,000</b>	<b>2,55,000</b>

Following further information is provided to you:

1. Closing stock as on 31<sup>st</sup> March 2023 was Raw Material ₹ 9,000; Work in Progress ₹ 3,500; Finished Goods ₹ 6,500.
2. During the year Mr. Parn withdrawn finished goods worth ₹ 4,000 for personal use.
3. Outstanding salaries ₹ 1,000.
4. Depreciate Machinery @ 5% p.a.
5. Provide reserve for doubtful debts @10% on debtors.

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OR

- Q. 2. B. Hardik Roadways purchased a truck from Eicher Ltd. on hire-purchase system 15  
on 01<sup>st</sup> April 2020. The cash price of truck was Rs. 25,00,000. Payment was  
made as follows:

1-4-2020: ₹ 6,00,000.

31-03-2021: ₹ 9,00,000.

31-03-2022: ₹ 8,00,000.

31-03-2023: ₹ 7,00,000.

Depreciation at 10% per annum on original cost is charged. You are required  
to: Calculate interest per year; and show the necessary accounts in the books of  
Hardik Roadways.

- Q. 3. A Chrome Ltd. manufactures different types of Dichromate's. From the following 08  
information find the value of inventory per kg of Sodium Dichromate

Material cost ₹ 150 per kg

Direct Labour Cost ₹ 50 per kg

Direct Variable Production Overheads ₹ 20 per kg

Fixed production overheads for the year on normal capacity of 1,00,000 kgs is  
Rs.15,00,000.

Finished goods on stock at the end of the year 3,000 kgs.

- Q. 3. B The company deals in three products, A, B and C, which are neither similar nor  
interchangeable. The Historical Cost and Net Realizable Value of the items of  
closing stock for the year 2022-23 are determined as follows:

Product	Historical Cost ( ₹ in Lakhs)	Net Realisable Value ( ₹ in Lakhs)
A	40	28
B	32	32
C	16	24

What will be the value of Closing Stock?

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- Q. 3. C. From the following information relating to M/s. Bhairava Departmental Stores, 15 Departmental Trading Account, Profit and Loss Account and General Profit and Loss Account for the year ending 31<sup>st</sup> March 2023.

Particulars	Dept. J	Dept. C
Opening Stock	36,000	45,000
Purchases	3,15,000	3,60,000
Direct Wages	18,000	26,550
Sales	4,05,000	5,40,000

Following are the other common incomes and expenses:

Particulars	Total ₹
Advertisement	18,900
Salaries	54,900
Audit Fees	1,800
Rent and Rates	27,000
Legal Charges	3,600
Carriage inward	6,750
Carriage Outward	12,600
Discount Received	4,500
Discount Allowed	6,300

Additional Information:

1. Closing stock was Department J - ₹ 90,000 and Department C - ₹ 112,500.
2. The area occupied is in the ratio of 2:1 between the departments respectively.
3. Salaries are to be allocated equally.
4. The remaining common income and expenses to be allocated on appropriate basis to the extent possible.

**OR**

- Q. 4. A. State whether the following expenditure and receipts are capital or revenue. Give 15 reasons for your answer.
1. Sold old furniture for ₹ 10,000.
  2. Paid ₹ 5,000 for renewal charges of license.
  3. Paid Income tax ₹ 25,650.
  4. Purchased used Plant from friend for ₹ 58,000.
  5. Money raised ₹ 10,00,000 by issue of preference shares.

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6. Received ₹ 7,550 as interest on fixed deposit.  
 7. Custom duty of ₹ 18,000 paid on import of Raw Materials.  
 8. Paid audit fees ₹ 2,500 to CA. Vishal Patil, Chartered Accountant.

OR

- Q. 4. B. Find out the value of Closing stock as on 31<sup>st</sup> December 2023 of M/s VKP Ltd. 15  
 using:  
 a. FIFO Method  
 b. Weighted Average Method

<u>2023 Receipts</u>	December 01	Opening Stock	200 units	at ₹ 3.50 per unit
	December 03	Purchased	300 units	at ₹ 4.00 per unit
	December 13	Purchased	900 units	at ₹ 4.30 per unit
	December 23	Purchased	600 units	at ₹ 3.80 per unit
<u>Issues</u>	December 05	Issued	400 units	
	December 15	Issued	600 units	
	December 25	Issued	600 units	

- Q. 5. A. What are the contents of Hire Purchase Agreement. 08  
 Q. 5. B. Discuss the main features of AS - 2. 07

OR

- Q. 5. C Short Notes: (Any 3 out of 5) 15  
 1. Weighted Average Cost Method  
 2. Benefits of Accounting Standards  
 3. Deferred Revenue Income  
 4. Manufacturing Account  
 5. Credit Purchase Method

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