

Q.P. Code:00005520

[Time:3.00 Hrs]

[Marks:100]

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. Fill in the blanks choosing the correct alternatives (any 10 out of 12)**10**

1. Bills Payable dishonored are debited to _____ Account.
a. Bills Receivable b. Bills Payable c. Sundry Debtors d. Sundry Creditors
2. With the available information a trader needs to convert the incomplete records into complete records, it is known as _____.
a. Complete records method b. Statement of Affairs method
c. Conversion method d. None of these.
3. If the rate of gross profit is 25% on sales and cost of goods sold is Rs. 10,000 the gross profit will be _____.
a. Rs. 2,500 b. Rs. 3,333 c. Rs. 2,800 d. None of these
4. The relationship between Consignor and Consignee is that of _____.
a. Principal and Agent b. Debtor and Creditor c. Buyer and Seller d. Owner and Servant.
5. If the consignee gets _____, he will bear bad debts.
a. Commission b. Del Credere Commission c. Discount d. None of these.
6. Consignment account is a _____ Accounts.
a. Personal b. Real c. Nominal d. None of these.
7. Goods sent by head office to the branch but not received by the Branch are termed as _____.
a. Branch Account b. Good in transit c. Neither a nor b d. Both a and b
8. Under _____ method, goods returned by Branch are credited to Branch Account.
a. Stock and Debtors b. Debtors c. Both a and b d. None of these
9. The branch is said to be _____ when its accounts are maintained by Head office.
a. Independent b. Dependent c. Foreign d. None of these.
10. Stock for the purpose of claim should be _____.
a. At marginal cost b. At market value c. At cost d. At realizable value.
11. The amount to be paid by insurance company in the event of loss is called as _____.
a. Premium b. Insurance c. Sum assured d. None of these.
12. If Gross profit is 20 % on cost, then it is _____ on sales.
a. 25% b. 50% c. $\frac{1}{6}^{\text{th}}$ d. $\frac{1}{5}^{\text{th}}$

Q.P. Code:00005520**Q. 1. B. State whether the following statements are True or False (any 10 out of 12) 10**

1. For ascertaining Credit Sales, Sundry Debtors Account is prepared.
2. Single entry is suitable to small organization.
3. Capital at the beginning of the year is ascertained by preparing Statement of Affairs of the opening date.
4. Bills Receivable dishonored are debited to Sundry Debtors Account.
5. Del Credere commission is paid by the Consignor to Consignee
6. Consignment Account is a Personal Account.
7. A Consignee is allowed to sell goods on cash basis only.
8. Under Debtors method, opening assets of the branch are shown on the credit side of the Branch Account.
9. Memorandum Trading Account is prepared to ascertain the amount of salvage.
10. Goods saved out of fire are called stock on date of fire.
11. Average clause is applicable in case of underinsurance.
12. If Gross profit is 20% of sales that means it is 25% of cost.

Q. 2 A. You are given: I A Balance Sheet of Akshay as on 1st January 2022. II A summary of Cash Transactions for 2022. III A list of remaining transactions for that year. 20**I Balance Sheet as on 1/01/2022**

| Liabilities | Amount | Assets | Amount |
|---------------|----------|-----------------------|----------|
| Loans | 12,000 | Debtors | 40,000 |
| Creditors | 27,000 | Less: Provision (750) | 39,250 |
| Bills Payable | 1,500 | Bills Receivable | 10,000 |
| Capital | 1,40,000 | Stock | 45,000 |
| | | Plant | 30,000 |
| | | Buildings | 55,000 |
| | | Cash | 1,250 |
| | 1,80,500 | | 1,80,500 |

II Cash Transactions for 2022

| Receipts | Amount | Payments | Amount |
|---------------------------------|----------|-------------------------|----------|
| To Balance on 1.1.2022 | 1,250 | By Payment to Creditors | 1,10,000 |
| To amount received from debtors | 1,72,000 | By Cash Purchases | 25,000 |
| To Bills receivable | 35,000 | By Bills Payable | 45,000 |
| To Cash Sales | 24,500 | By Loans Paid | 12,000 |
| | | By Salaries | 9,000 |
| | | By Rent | 6,000 |
| | | By Interest | 450 |
| | | By General charges | 750 |
| | | By Drawings | 15,500 |
| | | By Balance on 31.12.22 | 9,050 |
| | 2,32,750 | | 2,32,750 |

Q.P. Code:00005520**III Other Transactions for the year 2022**

| | |
|---|----------|
| a. Total Purchases | 2,15,000 |
| b. Total Sales | 2,35,000 |
| c. Discount allowed to customers | 1,250 |
| d. Discount allowed by creditors | 1,850 |
| e. Bills receivable received during the year | 60,000 |
| f. Bills payable granted during the year | 50,000 |
| g. Stock as on 31 st December 2022 | 90,000 |
| h. O/s Expenses | 1,500 |
| i. Commission earned by the firm but not received | 1,200 |

Provide 5% Reserve for doubtful debts and 2.5 % for discount on debtors and Depreciate Buildings by 2.5% and Plant by 5 % p.a. You are required to prepare Trading and Profit and Loss Account and Balance Sheet from the above.

OR

Q. 2. B. You are given: I A Balance Sheet of Rajkamal as on 1st January 2022. II A summary of Cash Transactions for 2022. III A list of remaining transactions for that year. **20**

I Balance Sheet as on 1/01/2022

| Liabilities | Amount | Assets | Amount |
|---------------|----------|------------------|----------|
| Creditors | 36,000 | Debtors | 45,000 |
| Bills Payable | 72,000 | Bills Receivable | 36,000 |
| Capital | 1,80,000 | Stock | 36,000 |
| | | Plant | 1,26,000 |
| | | Furniture | 18,000 |
| | | Cash | 9,000 |
| | | Bank | 18,000 |
| | 2,88,000 | | 2,88,000 |

II Cash Transactions for 2022

| Receipts | Amount | Payments | Amount |
|---------------------------------|----------|--------------------------|----------|
| To Balance on 1.1.22 | 27,000 | By Payment to Creditors | 63,000 |
| To amount received from debtors | 1,44,000 | By Bills Payable | 1,08,000 |
| To Bills receivable | 1,35,000 | By Wages | 36,000 |
| To Cash Sales | 63,000 | By Rent, Rates and Taxes | 36,000 |
| | | By Sundry expenses | 54,000 |
| | | By Drawings | 21,600 |
| | | By Balance on 31-12-2022 | 50,400 |
| | 3,69,000 | | 3,69,000 |

Q.P. Code:00005520**III Other Transactions for the year 2022.**

| | | |
|----|---|------------|
| a) | Debtors on 31/12/2022 | Rs. 72,000 |
| b) | Creditors as on 31/12/2022 | Rs. 45,000 |
| c) | Bills Receivable as on 31/12/2022 | Rs. 54,000 |
| d) | Bills payable as on 31/12/2022 | Rs. 90,000 |
| e) | Stock as on 31/12/2022 | Rs. 54,000 |
| f) | Discount allowed | Rs. 1,800 |
| g) | Discount received | Rs. 3,600 |
| h) | Bills Receivable endorsed | Rs. 27,000 |
| i) | Bills receivable in hand dishonored during year | Rs. 9,000 |
| j) | Bills Receivable as endorsed dishonored | Rs. 3,600 |
| k) | Bills Payable dishonored | Rs. 3,600 |

You are required to prepare Trading and Profit and Loss Account and Balance Sheet from the above.

Q. 3. A. M/s. Hitesh Traders of Mumbai consigned goods to Bhavesh & co. of Nagpur 1,000 bags of 20

Cement costing Rs. 250 per bag. M/s. Hitesh Traders paid Rs. 1500/- for insurance, Rs. 3,500 for carriage and Rs. 5,000 for miscellaneous expenses.

On receiving the consignment M/s. Bhavesh & co. accepted a bill for half the amount of cost price.

Bhavesh & co. sent an account sale which is as follows:

Cash Sales of 600 bags @350 each

Credit sales of 300 bags @Rs. 400 each.

Bhavesh & co. took 50 bags for his own use @ Rs. 320 per bag.

Expenses paid by Bhavesh & co. were godown rent Rs. 3,000 and selling expenses Rs. 5,000.

Bhavesh /& co. remitted balance due by a draft after deducting his expenses and commission @ 10 % on sales and del Credere commission @2 % on credit sales of 300 bags only.

Show Consignment Account and Bhavesh & Co. Account in the books of M/s. Hitesh Traders along with necessary working notes.

OR**Q. 3. B. Synergy Dressmaker of Mumbai consigned 1,600 bales of goods to Mr. Ayaan of Kalyan. 20**

The cost price was Rs. 800 per bales. But the invoice was made out to show a gross profit of 25% of cost price. Mr. Ayaan sold $\frac{3}{4}$ of the consignment at a profit of 25% of invoice price and incurred Rs. 10,000 on account of freight and landing charges and also paid Rs. 6,000 rent of Godown rent excluding commission. Consigner spent Rs. 5,000 earlier as expenses. Mr. Ayaan is entitled to commission of 5% on sales. Mr. Ayaan sent a bank draft of the balance due. Prepare necessary account in the books of consigner and consignee.

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- Q. 4. A. M/s Sultan Trader Delhi** has a branch at Agra. Although, goods are sent to branch on Delhi, branch is authorized to make local purchases on credit. Collection made by branch is remitted to Head office through a bank account in State Bank of India. All expenses by the branch are made by the Head office by Cheque.

The following details of Agra branch are given for the Year 2022-2023:

| Balances on | 01/04/2022 | 31/03/2023 |
|-----------------------------|------------|------------|
| Stock of Goods | Rs. 70,000 | Rs. 90,000 |
| Debtors | Rs. 30,000 | ? |
| Creditors | Rs. 20,000 | ? |
| State Bank of India Account | Rs. 75,000 | Rs. 50,000 |

| Particulars | Rs. |
|---|----------|
| Transaction during the Year: | |
| Goods sent to branch | 1,20,000 |
| Goods returned by Customer to branch | 6,000 |
| Total Sales | 1,50,000 |
| Cash Sales | 90,000 |
| Goods returned to Head office by branch | 10,000 |
| Cheques received from head Office for: | |
| Salary | 20,000 |
| Advertising | 5,000 |
| Rent, Rates and taxes | 10,000 |
| Salesman Salary | 2,000 |
| Cheque received from customer | 50,000 |
| Discount and commission to customer | 2,000 |
| Bad debts | 900 |
| Cheques paid to suppliers | 10,000 |
| Discount received | 800 |
| Goods returned to Supplier | 2,000 |
| Locally purchased Goods | 20,000 |

Ascertain the profit made by Agra branch using Stock and Debtors method by preparing the following accounts:

- Branch Stock Account
- Branch Debtors Account
- Branch Creditors Account
- Branch Bank Account
- Branch Profit & Loss Account

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- Q. 4. B.** On 16th June, 2023 the premises of M/s. Fire prone & Co. were destroyed by fire but **20** sufficient records were saved from which the following particulars were found.

| Particulars | Amount (Rs.) |
|---------------------------------------|--------------|
| Stock – 01.01.2022 | 50,000 |
| Stock – 31/12/2022 | 70,000 |
| Purchases -2022 | 4,74,000 |
| Sales -2022 | 6,00,000 |
| Purchases (01/01/2023 to 16/06/2023) | 1,50,000 |
| Sales (01/01/2023 to 16/06/2023) | 2,05,000 |

In valuing the stock for the balance sheet as on 31/12/2022 Rs. 4,000 has been written off on certain stock having cost of Rs. 9,000. Half of these goods were sold in March 2023 for Rs. 5,000. The balance is estimated to be worth the original cost. Subject to this exception, gross profit has remained at uniform rate. The Stock salvage was worth Rs. 9,500. Ascertain the amount of claim to be lodged with the Insurance company.

- Q. 5. A.** What is single entry system. Distinguish between Single Entry & Double Entry system of **10** accounting.

- Q. 5. B.** Explain in brief Stock and Debtors method. **10**

OR

- Q. 5. C.** Attempt (Any 4 out of 6) **20**

1. Consignment Account
2. Average Clause
3. Dependent Branch
4. Memorandum Trading Account
5. Total Debtors Account.
6. Del Credere Commission
