

SET IV
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. Capital expenditure is shown as an Assets side in the balance sheet.
2. Balance Sheet shows financial position of a business.
3. Manufacturing A/c balance is cost of production.
4. Net profit added to capital.
5. Dividend received is revenue receipt.
6. AS-9 stands for revenue recognition.
7. Freight inward is allocated on the basis of purchase of the departments.
8. Land is not depreciable asset.
9. Prepaid Insurance is an Asset.
10. Down payment is the signing amount paid by buyer at the time of purchases.
11. Cost of purchases does include carriage inward.
12. First In First Out is one method of stock valuation.

Q. 1. (B) Match the pairs. (Any 10) (10 Marks)

Sr. No.	Group A	Sr. No.	Group B
1	Discount Allowed	1	Less from Bad debts
2	Additional capital	2	Liability side
3	Old R.D.D	3	Down payment
4	Outstanding Salary	4	List of AS
5	Prepaid Insurance	5	Profit & loss A/c credit side
6	Signing Amount	6	Add to capital
7	AS -1	7	Trading A/c Dr. side
8	As-2	8	Revenue Expenditure
9	Dividend received	9	First in First out
10	Gross Profit	10	Sales Ratio
11	Carriage inward on purchase of raw material	11	Revenue Receipts
12	Sale of goods	12	Assets side

Q.2. From the following Trial Balance as on 31st March 2023 of Miss Aakruti, 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	1,00,000	Sales	6,20,000
Opening Stock of Raw Material	24,000	Creditors	50,000
Opening Stock of Work in Progress	14,000	Capital	1,70,000
Opening Stock of Finished Goods	40,000	R.D.D	3,000
Purchases of Raw Material	1,94,000	Bills Payable	14,000
Carriage on material purchased	22,000	Sale of scrap	3,000
Direct Wages	1,14,000		
Rent for factory	14,000		
Direct expenses	24,000		
Royalty	16,000		
Drawings	42,000		
Cash at Bank	24,000		
Salaries	62,000		
Discount allowed	26,000		
Interest	14,000		
Factory lighting	8,000		
Bad debts	2,000		
Machinery	1,20,000		
	<u>8,60,000</u>		<u>8,60,000</u>

Following further information is provided:

1. Closing stock as on 31st March 2023 was Raw Material Rs.16,000, Work in Progress Rs.8,000, Finished Goods Rs. 20,000.
2. Depreciate Machinery @10%p.a.
3. During the year uninsured goods costing Rs. 6,000 were destroyed by fire.
4. Provide Reserves for Doubtful debts @5% on debtors.
5. Outstanding factory lighting Rs. 10,000.

OR

Q.2. From the following Trial Balance as on 31st March 2023 of Mrs. Aaditi. 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	5,000	Capital	40,000
Opening Stock of Raw Material	5,000	Sales	1,72,500
Opening Stock of Work in Progress	4,500	Creditors	9,000
Opening Stock of Finished Goods	8,500	R.D.D	1,000
Purchases of Raw Material	54,000	Bills payable	1,500

Freight on Raw Material	3,000	
Direct Wages	22,000	
Factory Rent	9,000	
Factory Power & Fuel	4,500	
Factory Supervisors salary	5,000	
Machinery	35,000	
Office expenses	12,000	
Cash at Bank	2,500	
Selling expense	10,000	
Interest	3,500	
Insurance	5,000	
Bad debts	500	
Debtors	35,000	
	<u>2,24,000</u>	<u>2,24,000</u>

Following further information is provided to you:

1. Closing stock as on 31st March 2023 was Raw Material Rs. 5,000, Work in Progress Rs. 3,000, Finished Goods Rs. 7,500.
2. Depreciate Machinery @ 10% p.a.
3. Provide Reserves for Doubtful debts @ 5% on debtors.
4. Outstanding Office expenses Rs. 1,000
5. During the year finished goods of Rs. 2,500 withdrawn by proprietor for personal use.

Q.3. Find out the value of Closing Stock as on 31st July, 2023 Of M/s Jalaram Traders using:

- a) FIFO Method & b) Weighted Average Method (20 Marks)

Keep stock record on FIFO and Weighted Average basis for the following transactions:

Purchases during July 2023			Sales during July 2023		
Date	Units	Rate	Date	Units	Rate
1	6,000	11	5	4,800	22
12	3,200	10	26	2,800	23
21	4,800	9	28	5,800	24
30	6,400	12			

OR

Q.3. State whether the following expenditure and receipts are Capital or Revenue and give reason for your answer. (20 Marks)

1. Carriage paid for bringing new furniture Rs. 5,000.
2. Sold old Investment for Rs. 40,000.
3. Insurance premium paid Rs. 1,000 to Insurance premium as annual premium.
4. Loan repaid Rs. 20,000.
5. Paid legal chargers Rs. 2,000 for the purchase of Land.
6. Cost of improving seating capacity of Hall Rs. 1,00,000.
7. Repairs of Machinery Rs. 5,000

8. A second hand Motor Car purchased for Rs. 25,000
9. Carriage outward paid Rs. 10,000
10. Preliminary expenses paid Rs. 4,000.

Q.4. From the following particulars you are required to prepare Departmental Trading and Profit & Loss Account for Departments R and Department S. (20 Marks)

Particulars	R	S
Opening Stock	2,40,000	3,60,000
Purchases	14,40,000	21,60,000
Closing stock	80,000	3,20,000
Sales	24,00,000	32,00,000
Salaries	1,00,000	1,20,000
Wages	5,000	8,000
Carriage Inward	6,000	4,000
Transfer from R to S Goods costing Rs.10,000		

Following expenses incurred among two department as under: Advertising expenses Rs. 1,12,000, Rent Rs. 80,000, General Expenses Rs. 2,40,000, Audit fees Rs. 20,000, Discount allowed Rs. 42,000, Discount Received Rs. 30,000.

Additional information:

1. Advertising expenses allocated as per suitable ratio.
2. Rent & audit fees should be allocated equally.
3. General expenses allocated in the ratio of 3:2
4. Discount allowed allocated in sales ratio & Discount received allocated in purchase ratio.

OR

Q.4. M/s Avanti Transport purchased Bus on Hire purchase basis from M/s Bajaj Ltd. on 1st January 2020. The cash price of the Bus was Rs. 24,00,000. An initial payment of Rs. 9,60,000 was made on the date of purchase. The balance was paid in 3 annual instalments excluding interest as follows: 31/12/2020 Rs. 5,20,000, 31/12/2021 Rs. 4,80,000, 31/12/2022 Rs. 4,40,000. M/s Tata Ltd. charged interest @ 10 % p.a. on balance amount payable and charge depreciation by Written Down Value Method at @10%p.a.. You are required to prepare Bus A/c and M/s Bajaj Ltd. A/c in the books of M/s Avanti Transport for 3 years ending 31/12/2020, 31/12/2021, 31/12/2022. (20 Marks)

Q.5. A. Explain Distinguish between Capital Expenditure and Revenue Expenditures. (10 Marks)

Q.5. B. Discuss the Accounting Standards and mention the advantages of Accounting Standards. (10 Marks)

OR

Q.5. Write short notes (any 4)

(20 Marks)

- 1) AS – 9
- 2) Deferred Revenue Expenditures
- 3) Trading A/c & Profit & Loss A/c
- 4) Allocation of Expenses
- 5) Any Five Adjustments of Final A/c with 2 effects
- 6) Advantages & Disadvantages of FIFO