

[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. Fill in the blanks: (any seven):

07

1. Salary paid to Managing Director is
 - (a) Revenue Expenditure
 - (b) Capital Expenditure
 - (c) Deferred Revenue Expenditure
 - (d) Trading Expenditure
2. Advertising is allocated among different departments on the basis of
 - (a) Sales
 - (b) Purchases
 - (c) No. of employees
 - (d) Floor space area
3. The following asset is not a depreciable asset
 - (a) Land
 - (b) Mines
 - (c) Machinery
 - (d) Motor vehicle
4. Which one of these is a Capital Expenditure
 - (a) purchase of machinery for factory
 - (b) Wages paid to workers
 - (c) cost of repairs to cinema screen
 - (d) Import duty on raw material
5. Under Hire purchase system, the buyer becomes the owner of goods immediately after
 - (a) Receipt of goods
 - (b) Signing the agreement
 - (c) payment of 1st Installment
 - (d) payment of last Installment
6. Weighted average cost method can be used under _____
 - (a) periodic system
 - (b) perpetual system
 - (c) both periodic & perpetual system
7. An inventory costing method that assumes that those items which have been purchased First in inventory are sold first is _____
 - (a) Last in first out
 - (b) Average
 - (c) First In First Out
8. Discount Allowed is allocated among different departments on the basis of
 - (a) Sales
 - (b) Purchases
 - (c) No. of employees
 - (d) Floor space area
9. Drawings are deducted from _____
 - (a) Sales
 - (b) Purchases
 - (c) Return outward
 - (d) Capital
10. _____ is the purchase price payable if full payment is made immediately.
 - (a) Market price
 - (b) Cash price
 - (c) Hire purchase price
 - (d) Down payment

Q. 1. B. State whether the following statements are True or False (any eight):

08

1. The buyer purchases the goods, takes the title and accepts billing, the revenue will be recognized.
2. Trading account is prepared to calculate net profit or net loss.
3. The fixed assets acquired on hire purchase basis have to be recorded at their cash price.
4. Perpetual inventory system makes available stock at the end of the year only.
5. Cost of purchase does not include duties and taxes.
6. Bad debts are charged to General Profit and Loss Account.
7. Loss of stock by fire need not be allocated among the different departments.
8. Weighted average method of stock valuation is not recognized method.
9. AS-2 is applicable to goodwill.
10. Revenue expenses are non-recurring expenses.

Q. 2. A. Naila's Trial Balance as on 31st March 2023 is as follows:

15

<i>Particulars</i>	<i>Dr.</i>	<i>Cr.</i>	<i>Particulars</i>	<i>Dr.</i>	<i>Cr.</i>
Opening Stock			Printing and Stationery	2,600	
- Raw Materials	1,25,000		Bank Charges	1,250	
- Work-in-Progress	40,000		Travelling Expenses	5,000	
- Finished Goods	1,10,000		Discount	1,650	
Purchases	1,07,500		Sales Return	5,500	
Buildings	75,000		Advertisement	2,750	
Plant & Machinery	180,000		Sales		7,80,000
Furniture	20,000		Capital		8,50,000
Trade Mark	15,000		Sundry Creditors		52,000
Wages	41,500		Sundry Debtors	41,250	
Factory Taxes	2,000		Discount		2,500
Motive Power	4,500		Miscellaneous Exp.	2,750	
Factory Insurance	2,500		Bills Payable		34,000
Salary to Office Staff	5,500		Bills Receivable	8,000	
Office Rent	5,250		Corporation Bank	49,000	
Carriage Inward	1,250		Cash on hand	4,500	
			859,250	859,250	

Adjustments :

1. Closing Stock :

Raw Materials ₹ 42,500

Work-in-Progress ₹ 15,000

Finished Goods ₹ 102,500

2. Factory taxes prepaid ₹1,000

3. Depreciation on:

a. Furniture 10%

b. Plant & Machinery 15%

c. Trade Mark 20%

d. Building 5%

Prepare Manufacturing, Trading and Profit & Loss Account for the financial year 2022-23.

OR

Q. 2. B. From the following Trial balance of Mr. Salman, prepare manufacturing account, trading and Profit & Loss account for the year ended 31st December, 2023. **15**

<i>Debit Balances</i>	<i>₹</i>	<i>Credit Balances</i>	<i>₹</i>
Drawings	18,000	Capital	2,25,000
Goodwill	20,000	Sundry Creditors	62,500
Plant & Machinery	1,00,000	Bank Loan	37,500
Land & Building	60,000	Sales	1,62,000
Cash & Bank Balances	18,500	Discount	4,500
Sundry Debtors	29,500	Return Outward	3,250
Trade Marks	4,500		
Salary to Manager	8,000		
Purchases of Raw Materials	75,000		
Opening Stock			
- Raw Materials	17,500		
- Work-in-progress	30,000		
- Finished goods	45,000		
Carriage Inward	5,000		
Wages & Salaries	37,500		
Factory Expenses	6,000		
Factory Rent & Rates	7,500		
Office Expenses	4,000		
Printing & Stationery	3,750		
Discount	2,750		
Bad Debts	2,250		
	4,94,750		4,94,750

Adjustments :

1. On 31st December 2023, stocks were valued as:

Raw Material ₹27,500

Work in Progress ₹37,500

Finished Goods ₹47,500

2. Outstanding expenses : Printing and Stationery ₹750.

3. Prepaid expenses : Factory Rent and Rates ₹1,000.

4. Depreciate : Plant and Machinery @ 10% p.a.

Q. 3. A. From the following particulars, prepare stock recorded by FIFO and Weighted Average Method **15**

Date	Transaction	Units	Rate
04-1-2022	Purchases	20	30
17-1-2022	Purchases	30	28
20-1-2022	Sales	25	35
22-1-2022	Purchases	40	29
25-1-2022	Sale	40	33
28-1-2022	Sale	10	34
30-1-2022	Purchases	50	26
31-1-2022	Sales	45	35

The stock on hand on 1st January, 2022 was 25 units @ ₹ 25 each.

OR

Q. 3. B. The Indian Transport Ltd. purchased trucks from the TATA Motors Ltd., on Hire Purchase **15**

Basis. The cash price of the trucks was ₹1,60,000. The amounts were payable as under:

₹50,000 on the date of purchase i.e. 1st January, 2021

₹ 40,000 on 31st December, 2021

₹ 40,000 on 31st December, 2022

₹ 41,239 on 31st December, 2023

The TATA Motors Ltd., charged interest at 5% p.a. on the unpaid amount. The purchasing company decided to write off as depreciation 20% on the diminishing balance each year. You are required to give Trucks Account, The TATA Motor Ltd. Account and Interest Account in books of the Indian Transport Ltd., according to Credit Purchase Method.

Q. 4. A. State whether the following are Capital or Revenue. Give reasons or the same: **15**

1. Customs duty paid on raw material purchased.
2. Wages paid to carpenter for making furniture.
3. Sale of old machinery.
4. Term Loan taken from Bank.
5. Commission received on Sales.
6. Brokerage paid on Purchase of Land.
7. Petrol engine of passenger bus was replaced by a diesel engine, ₹70,000.
8. Preliminary expenses paid ₹42,000.
9. Cost of goodwill purchased.
10. Spent ₹30,000 for white washing of factory building.

OR

Q. 4. B. From the following information prepare Departmental Trading and Profit and Loss Account for **15**
the year ending 31st December 2023:

Particulars	Dept. PIZZA ₹	Dept. BURGER ₹	Total ₹
Opening Stock	8,000	10,000	18,000
Purchases	70,000	80,000	1,50,000
Sales	90,000	1,20,000	2,10,000
Salaries	4,000	5,900	9,900
General Salaries			12,200
Rent & Rates			6,000
Carriage Inward			15,000
Carriage Outward			2,800
Discount allowed			1,400
Discount earned			1,500
Advertisement			4,200
Insurance of Goods			600

Additional Information:

1. General Salaries are to be allocated equally and insurance of goods in the ratio of 7 : 8.
2. The area occupied is in the ratio of 2 : 1 between Departments PIZZA & BURGER respectively.
3. Goods transferred from Department BURGER to Department PIZZA ₹ 15,000 were not recorded.
4. Closing Stock : Department PIZZA ₹ 20,000, Department BURGER ₹ 25,000.

Q. 5. A. What are the important points regarding manufacturing A/c? **08**

Q. 5. B. What is Capital Expenditure? Explain its features. **07**

OR

Q. 5. C Attempt (Any 3 out of 5) **15**

1. Distinguish between Capital Receipts & Revenue Receipts.
2. Hire Purchase Agreement
3. Requirements of AS-9
4. Explain with examples Income Received in Advance and Accrued Income.
5. Departmental Accounting.

*****END*****