

Time : 2 & 1/2 hrs.

Marks : 75

Instructions to Candidates:

- 1) All Questions are Compulsory carrying 15 marks each.
- 2) Question No. 1 is Objective 15 marks.
- 3) Question No. 2 carries internal option , i.e. Question No. 2 of 15 marks OR Question No. 2 of 15 marks , out of which Any One is to be attempted
- 4) Question No. 3 carries internal option , i.e. Question No. 3 of 15 marks OR Question No. 3 of 15 marks , out of which Any One is to be attempted
- 5) Question No. 4 carries internal option , i.e. Question No. 4 of 15 marks OR Question No. 4 of 15 marks , out of which Any One is to be attempted.
- 6) Question No. 5 carries internal option , i.e. Question No. 5 of 15 marks OR Question No. 5 of 15 marks , out of which Any One is to be attempted
- 7) In all FIVE Questions are to be attempted.
- 8) Use of simple 12-digit non-programmable calculator is allowed.
- 9) Possession or use of Mobile phones during the Examination is strictly prohibited and will amount to copying.

Q1 (15 marks) Objective: (1A= 8 marks plus 1B= 7 marks):

Q1 (A) (8 MARKS) Match the following (Do Not Re-write the questions, Write all 10 sub-question nos. from Column A in same order 12345678910, and write matched answer from Column B for any 8):-

Q.1A) Match the following with the most appropriate pair

Column A

- 1) Copy rights
- 2) Hire Purchase Price
- 3) Work in process
- 4) AS-1
- 5) FIFO method
- 6) Staff Welfare expenses
- 7) Cash sales
- 8) Office Equipments purchased
- 9) Cash Price
- 10) AS - 9

Column B

- a) Appears in Manufacturing A/c
- b) Intangible assets
- c) Excludes Interest
- d) Closing stocks at latest rates
- e) Allocated on no. of employees
- f) Capital expenditure
- g) Revenue Recognition
- h) Revenue receipt
- i) Higher than cash price
- j) Disclosure of Accounting policies

Q 1B (7 marks) State true or false (Do Not Re-write the questions, Write all 10 sub-question nos. in same order 12345678910, but Answer any 7 out of the following 10 sub-questions) Answer any 7 out of the following 10 sub-questions:-

Q.No. 1) (B) State true or false :-

- 1) Sale of factory scrap will be credited to Trading A/c. in case of a manufacturer
- 2) Hire purchase price is Cash price plus interest.
- 3) Carriage inwards paid on new machinery is Revenue expenditure.
- 4) Lighting cost can be allocated on the basis of no. of light points or area occupied.
- 5) In FIFO method, we calculate average rate of stocks.
- 6) AS-2 is related to Revenue Recognition.
- 7) Cost of production is found from Trading A/c.
- 8) Bank Overdraft is an asset of the business
- 9) Disclosure means giving required information orally at a meeting
- 10) AS - 9 relates to Revenue Expenditure

Q2 (15 marks) The Trial balance of Mr. Sagar as on 31st March 2014. is given below

Prepare Manufacturing A/c, Trading A/c, Profit & loss A/c and Balance Sheet from the same after considering the given adjustments

Particulars	Dr. amount	Cr. Amount
	Rs.	Rs.
Opening stock :-		
- Raw materials	15,000	
- Work in process	9,000	
- Finished goods	14,500	
Debtors	33,000	
Carriage inwards	1,000	
Bills receivable	23,500	
Wages	22,000	
Salaries	11,000	
Factory Rent	1000	
Repairs to plant	1,200	
Repairs to Office furniture	600	
Purchases	2,00,000	
Cash	11,000	
Machinery	1,10,000	
Office furniture	28,000	
Office Rent	5,000	
Lighting	1,300	
General expenses	1,600	
Creditors		16,000
Bills payable		9,500
Sale of scrap		1,500
Commission received		1,700
Capital account		1,10,000
Sales		3,50,000
Total	4,88,700	4,88,700

Additional information :-

- Closing stocks are
 - Raw materials 16,000
 - Finished Goods 15,000
 - Work in process 7,000
- 2) Unpaid Salaries were Rs. 1,000 .
- 3) Machinery should be depreciated @ 15% p.a. & Office furniture @ 10%.p.a. on reducing balance method
- 4) Make Provision for doubtful debts @ 10% on debtors.
- 5) Lighting should be divided as Factory area Rs. 1,000 & office area Rs. 300.

.OR

Q3) (15 marks) Prepare Stores ledger a/c from the following details and calculate closing stock value by first in first out method (FIFO)

		Units	Price per unit Rs.
June 1	Opening stock	1500	20
June 3	Purchases	750	25
June 5	Purchases	600	22
June 7	Issues	1800	
June 10	Issues	750	
June 12	Purchases	600	23
June 15	Issues	750	

OR

Q3 (15 marks) On 1st April 2010, P & co. purchased on Hire purchase a machinery

having a cash price of Rs. 1,75,000 from Q & co. The signing amount of Rs. 25,000 was paid on the same date. The balance amount is to be paid in three equal installments of Rs. 50,000 plus interest of 15% on the opening outstanding amount.

First installment is payable on 31-03-2011, second on 31-03-2012, and the third on 31-03-2013.

Depreciation at 10% p.a. on the reducing balance method is to be provided at the year end, on 31st march every year

Prepare the Machinery A/c , Q & co's a/c , Depreciation account and Interest A/c in the books of P & co. for 2010-11, 2011-12 and 2012-13

Q 4) (15 marks) State with reasons which of the following are capital and which are revenue in nature:-

- Purchase of Computer for office use
- Sale of old machinery as scrap
- Purchase of Office stationery
- Import duty paid on import of Raw materials
- Wages paid on installation of machinery
- Legal expenses paid in connection with purchase of business premises
- Annual Painting of factory building
- Depreciation on Machinery

OR

Q4 (15 marks)(8+7)**Q 4A (8 marks)** Prepare Manufacturing Account from the following

Particulars	Rs.
Sales	8,46,000
Opening Stock of WIP	16,000
Opening Stock of Finished goods	46,000
Raw Materials Consumed	2,54,000
Direct Wages	66,000
Indirect wages	14,000
Factory Rent	60,000
Depreciation on machinery	8,400
Repairs and maintenance of Machinery	2,600
Fuel consumed	6,800
Power	3,200
Factory Lighting	4,600
Other factory Expenses	33,400
Closing Stock of WIP	7,000
Closing Stock of Finished goods	52,000

Q 4B (7 marks) Prepare Stores Ledger Account from the following using Weighted Average Method. Calculate Weighted Average Rate with 4 decimals.

Date	Particulars	Qty. Units	Rate Rs.
1/3/2014	Opening balance	3,000	7.5000
16/3/2014	Purchased	6,000	7.7500
21/3/2014	Issued	5,400	?
31/3/2014	Issued	2,200	?

Q5 (15 marks) (5A= 8 marks plus 5B= 7 marks):**Q 5A (8 marks)** Answer the following in 3 or 4 lines; (2 marks each)

- 1) What are Accounting Standards ? Give one example
- 2) What are the recognized methods of finding out Cost of Stock ?
- 3) What is Capital Expenditure? Give one example
- 4) What is General Profit & loss A/c? Give one example of item transferred to this account.
- 5) What is Hire purchase price?

Q 5B (7 marks) What is Sales Ratio? How do we use sales ratio in Departmental Accounting? Give examples**OR****Q5 (15 marks)** Write short notes on Any Three out of Five (5 marks each)

- 1) Hire purchase system
- 2) Manufacturing Account
- 3) Valuation of Inventories
- 4) Allocation of expenses for Departmental Accounts
- 5) Revenue Expenditure