

Instructions to Candidates:

- 1) All Questions are Compulsory carrying 15 marks each.
- 2) In all FIVE Questions i.e. Q. No. 1, 2, 3, 4 and 5 are to be attempted, USING INTERNAL OPTIONS as indicated
- 3) Use of simple 12-digit non-programmable calculator is allowed.
- 4) Possession or use of Mobile phones during the Examination is strictly prohibited and will amount to copying.
- 5) **Answer- papers and supplements without the Correct class and Roll No. are liable to be disqualified and considered null and void.**

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

Q1 (A) (8 MARKS) *Fill in the blanks (Do Not Re-write the questions, Write all 10 sub-question nos. in same order 12345678910, but Answer any 8 out of the following 10 sub-questions):-*

1. Purchases of traded goods is shown in _____ account while preparing final accounts
2. Spare parts used for repairing of machinery is _____ expenditure.
3. Disclosure of accounting policies is covered by _____ Accounting standard.
4. Initial Amount paid at the time of delivery of assets purchased on hire-purchase basis is called as _____ payment.
5. Revenue Recognition is covered by _____ Accounting standard.
6. _____ Method reflects latest purchase price in valuation of closing stock.
7. Cash account can never show _____ balance.
8. Carriage outwards is transferred to _____ A/c while preparing Final Accounts of a Trader.
9. Goodwill is _____ Fixed Asset.
10. _____ Accounting Standard governs inventory valuation

Q1 (B) (7 MARKS) *Multiple choice questions (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):-*

1. Closing stock is ascertained from:- a) Purchase account b) Debtors account c) Creditor account d) Stores Ledger Accounts
2. For the seller of goods sold on hire-purchase basis , the down payment received is :-
a) Revenue expenditure b) Capital Expenditure c) Revenue receipt d) Capital receipt
3. At the end of the financial year, balance in Depreciation on Furniture Account is transferred to:- a) Furniture account b) Depreciation account c) Profit and Loss account d) Trading account
4. In the stores Ledger, New Weighted Average Rate must be calculated:-
a) after every receipt b) after every payment c) after every issue d) None of above
5. In Departmental accounting, Rent paid should be allocated between Departments in:-
a) Time Ratio b) Equally c) Ratio of Area occupied d) sales ratio

6. Following is an asset: a) Creditors b) Bills payable c) Inventory d) Outstanding wages

7. Capital Expenditures are shown in : a) Trading account b) Profit and Loss account

c) Liability side of Balance sheet d) Assets side of Balance sheet.

8. Raw Material consumed appears in : a) Trading account b) Manufacturing account

c) Profit & Loss account d) Balance sheet

9. Proprietor's drawing reduces : a) Capital b) Income c) Expenses d) Profit

10. Amount of Net profit of Dept. X is Rs. 70,000, Net profit of Dept. Y is 60,000 and Net Loss of Dept Z is Rs. 30,000, then total Net profit of whole organization of three departments is :

a) Rs. 1,60,000 b) Rs. 1,30,000 c) Rs. 1,00,000 d) none of the above

Q 2 (15 marks) The following is the Trial Balance of Ashton Cycles as on 31st March, 2015, whose sole proprietor is Shri Ashok

. Particulars	Debit (Rs.)	Credit (Rs.)
Opening stock of Raw Materials	8,000	
Opening stock of W.I.P.	7,000	
Opening stock of Finished Goods	9,000	
Purchase of Raw Materials	98,000	
Wages	42,000	
Factory Rent (11 months upto 28 February , 2015)	44,000	
Bills Receivable	16,000	
Machinery A/c (opening balance)	1,80,000	
Furniture A/c (opening balance)	20,000	
Bank	26,000	
Sales		4,25,000
Office Rent	24,000	
Advertisement	38,000	
Sundry Creditors		14,000
Printing and Stationery	3,000	
Discount allowed	2,000	
Salaries	18,000	
Sundry Debtors	52,000	
Ashok's Capital A/c		1,60,000
Drawings	16,000	
Bills Payable		4,000
TOTAL	6,03,000	6,03,000

Adjustments :

- 1) Closing stock was valued as follows at cost or net realizable value whichever is less :
Raw Materials Rs. 18,000 ; WIP Rs. 17,000 ; Finished Goods Rs. 19,000
- 2) Depreciate machinery @ 15% p.a. on reducing balance method
- 3) Depreciate Furniture @ 10% p.a. on reducing balance method
- 4) Provide for Factory Rent for March 2015, which was payable at a fixed rate per month for the entire year

Prepare Manufacturing , Trading and Profit & Loss Account of Ashton Cycles for the year ended 31st March 2015 and also the Balance sheet as at that date.

Q2 (15 marks) From the following particulars prepare **Columnar Departmental Trading and Profit & Loss account for year ended 31st March 2015** of MN Departmental Store having two Departments M and N .

Particulars	Basis of Allocation	Dept.M Rs.	Dept.N Rs.	TOTAL Rs.
Opening stock		24,000	10,000	34,000
Purchases		4,00,000	2,00,000	6,00,000
Carriage Inwards	Select suitable basis			18,000
Salaries	Select suitable basis			40,000
Sales		9,00,000	3,00,000	12,00,000
Furniture		1,00,000	40,000	1,40,000
Depreciation on Furniture	Select suitable basis			14,000
Discount Received	Select suitable basis			3,000
General Expenses	Equally			24,000
Rent and Taxes	Select suitable basis			63,000
Advertisement Exp	Select suitable basis			44,000
Discount Allowed	Select suitable basis			12,000
Closing stock		30,000	16,000	46,000

Additional Information :

1. Area occupied by Dept. M is 500 sq. ft. and by Dept. N is 200 sq. ft.
2. No. of Employees in Dept M is 6 and in Dept. N is 2

Q 3) (15 marks) The following information in respect of Material XL has been extracted from the records of Babylon enterprises .

Date	Particulars	Qty. Units	Rate Rs.
1/9/2015	Opening balance	360	7.50
6/9/2015	Purchased	280	8.00
11/9/2015	Purchased	340	8.50
16/9/2015	Issued to factory	400	?
21/9/2015	Purchased	520	8.30
26/9/2015	Issued to factory	300	?
30/9/2015	Issued to factory	500	?

Prepare Stores Ledger Account of Material XL for September 2015 using FIFO Method

OR

Q 3 (15 marks) On 1st April 2011, BP & Co. purchased a Machinery on hire- purchase basis from SV & Co. on the following terms and conditions:- a) The cash price of Machinery was Rs. 63,635/- b) Rs. 18,000 was payable immediately on 1st April 2011 on delivery and signing of the agreement c) Three further instalments of Rs. 19,000 each were payable on 31st March, 2012, 2013 and 2014. d) Interest @ 12% p.a. on opening outstanding balances of cash price was payable on annual basis on 31st March every year e) The purchaser charges depreciation on machinery @ 20% p.a. on reducing balance method and f) The books of both the parties are closed on 31st March every year.

Prepare the following for the three years 2011-12 , 2012-13 and 2013-14 :-

- 1) Machinery account , in the books of BP & Co.
- 2) Depreciation account in the books of BP & Co.
- 3) SV & Co. account , in the books of BP & Co. and
- 4) BP & Co. A/c in the books of SV & Co.

Q4 (15 marks) State whether the following are Capital or Revenue in nature . Give clear reasons in each case

1. Custom duty paid on raw materials imported from Japan
2. Wages paid for the year
3. Purchase price of Machinery imported from Japan.
4. Custom duty paid on above Machinery imported from Japan
5. Depreciation on Factory Building for the year
6. Printing and stationery expenses
7. Amount of Legal Fees paid to advocate for drafting the Agreement in relation to purchase of plot of Land
8. Down payment made on purchase of Computer on hire-purchase basis

OR

Q4 (15 marks)(8+7) Q 4A (8 marks) Prepare General Profit & Loss Account of Manohar for the year ended 31/3/2015 and Balance sheet as on that date from the following:-

Particulars	Debit Rs.	Credit Rs.
Bank Loan - from 1/4/2014		1,20,000
Interest paid @ 10% p.a.on Bank Loan during the year	12,000	
Business Donations paid during the year	5,000	
Manohar's Capital on 1/4/2014		2,40,000
Manohar's Drawings during the year	12,000	
Fixed Assets wdv on 31/3/2015	2,90,000	
Sundry Debtors on 31/3/2015	55,000	
Cash on 31/3/2015	32,000	
Sundry Creditors on 31/3/2015		24,000
Closing Stock – Dept P	8,000	
Closing Stock – Dept Q	6,000	
Net Profit for the year – Dept P		48,000
Net Loss for the year – Dept Q	12,000	
TOTAL	4,32,000	4,32,000

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.
1/3/2015	Opening balance	6,000	9.5000
16/3/2015	Purchased	8,000	9.7500
21/3/2015	Issued to factory	7,400	?
31/3/2015	Issued to factory	3,600	?

Q5 (15 marks) Theory (5A= 8 marks plus 5B= 7 marks):

Q 5A (8 marks) What is Departmental Accounting? What are the benefits of knowing the gross profit and net profit of each department ?

Q 5B (7 marks) Explain clearly what is Disclosure of Accounting Policies .

OR

Q5 (15 marks) Write short notes on Any Three out of Five (5 marks each):

1. Capital Expenditure
2. Cost of Production
3. Methods of Stock Valuation
4. Accounting standards
5. Hire purchase transactions