

BYPASS

TIME : 2 hrs.

MARKS : 50

- Instruction :**
- 1) Question No. 1 carries 14 marks and the remaining questions carry 12 marks each
 - 2) Question No.1 and Question No.2 are compulsory.
 - 3) Question No.3 contains internal option i.e. Q.No.3 or Q.No.3 out of which any one is to be attempted.
 - 4) Question No.4 contains internal option i.e. Q.No.4 or Q.No.4 out of which any one is to be attempted.
 - 5) In all, four questions are to be attempted i.e. Q.No.1, Q.No.2, Q.No.3 and Q.No.4.

Q.1 Gemini is the proprietor of a trading business carried in two departments i.e. Dept. A and Dept. B.

The balance sheet of the business Gemini stores as on 31.3.2007 was as follows :
Balance Sheet as on 31.3.2007

Liabilities	Rs.	Assets	Rs.
Gemini's Capital	7,00,000	Stock : Dept. A : 20,000	
Sundry Creditors	2,00,000	Dept B : <u>2,80,000</u>	3,00,000
		Sundry Debtors	4,00,000
		Cash	2,00,000
	<u>9,00,000</u>		<u>9,00,000</u>

Transactions for the year ended 31.3.2008 :

Purchases : Dept A :	5,00,000
Dept B	7,00,000
Sales : Dept.A	6,00,000
Dept.B	11,00,000
Rent	1,02,000
Salaries	51,000
Advertisement	34,000
Carriage Outward	17,000
Commission on sales	85,000
Discount allowed	25,500
Miscellaneous Expenses (in sales ratio)	8,500
Insurance	8,000
Cash received from Debtors	16,00,000
Cash paid to Creditors	11,00,000

Additional Information :

- 1) Closing stock on 31/3/2008 was as follows :-
Dept. A Rs.1,60,000 and Dept. B Rs.2,40,000.
- 2) Apportion salaries in the ratio of 8 : 9 and insurance expense equally to Depts. A & B.
- 3) Space occupied by the two Departments A and B is in the ratio of 1 : 2
- 4) Apportion remaining expenses on suitable basis.

Prepare Departmental Trading and Profit and Loss Account of Gemini stores in

- a) Depreciation is recorded on the payment side of the Cash Book
- b) Closing balance in Rent Account should be carried forward to the next accounting year.
- c) Trial Balance will not tally until Cash and Bank balances as per Cash Book are also included.
- d) Departmental Accounts help us to know the profitability of each department.
- e) Carriage inward should be apportioned to departments in the ratio of departmental purchases.
- f) When inter-department transfers are made at cost, stock reserve is required to be provided.
- g) AS-2 deals with Inventory Valuation
- h) Last in First out Method i.e. LIFO Method is a recognised method of stock valuation as per Accounting standards.
- i) When purchase prices fluctuate heavily, weighted Average method of Stock Valuation is suitable
- j) Final Accounts prepared from Single Entry books are very reliable.
- k) Fraud and theft is more likely to happen in Single Entry System.
- l) Final Accounts can be prepared from Single Entry records in each and every case.

Q.3 The following details relating to material SDX have been extracted from the records of Oriental Chemical Co.

Date	Particulars
01/04/2008	Balance in stock : 600 kgs. valued @ Rs.18 per kg
05/04/2008	Received 700 kgs. purchased @ Rs.17 per kg.
07/04/2008	Issued 500 kgs. to factory
02/05/2008	Received 300 kgs. purchased @ Rs.16 per kg.
04/05/2008	Issued 1000 kgs. to factory
03/06/2008	Received 400 kgs. purchased @ Rs.18 per kg.
30/06/2008	Issued 200 kgs. to factory

Using FIFO Method, you are required to prepare the 'Stores Ledger Account' of Material 'SDX' for the three months's ended 30th June, 2008.

OR

Q.3 Thomas is the proprietor of a small trading business Evergreen Stores.

The balance Sheet of Evergreen Stores as on 31.3.2008 was as follows.
Balance Sheet as on 31.3.2008

Liabilities	Rs.	Assets	
Thomas's Capital	7,00,000	Stock	3,00,000
Creditors - C	2,00,000	Debtors - D	4,00,000
		Cash	2,00,000
	9,00,000		9,00,000

Transactions during the month of April 2008 were as follows :-

a) Purchased goods on credit from C	Rs. 50,000
b) Sold goods on Credit to D	Rs. 80,000
c) Drawings of Mr. Thomas	Rs. 12,000
d) Rent paid for April 2008	Rs. 10,000

You are required to :-

- A) Record the above transactions of April 2008 in the subsidiary books including Cash Book
- B) Open all necessary ledger accounts and post all the above transactions into the same.
- C) Balance the ledger accounts as on 30/04/2008.
- D) Prepare Trial balance as on 30/4/2008.

Q.4 Mahesh did not keep proper books of accounts of his business. However, he is able to provide the following information :-

	31.3.2007 Rs.	31.3.2008 Rs.
Land and Building	1,40,000	?
Plant and Machinery	94,000	?
Stock	1,50,000	1,06,000
Sundry Debtors	1,28,000	1,58,000
Cash	2,000	31,000
Sundry Creditors	1,04,000	1,22,000

Transactions during the year ended 31.3.2008 :-

	Rs.
Received from Debtors	7,80,000
Paid to Creditors	5,80,000
Wages paid	31,000
Salaries paid	24,000
Office Expenses paid	26,000
Drawing in cash	90,000
Discount allowed to customers.	4,000
Discount received from suppliers	2,000

Additional information :-

- a) Provide depreciation on Plant and Machinery @ 15%
- b) Provide depreciation on Land and Buildings @ 5%
- c) Provide for salaries outstanding on 31.3.2008 Rs.3,900

Prepare Trading and Profit and Loss Account of Mahesh for the year ended 31.3.2008 and also the Balance Sheet as on that date :

OR

Q.4 **Write short notes on (Any three) :-**

- a) Weighted Average Method
- b) Disadvantages of Single Entry System
- c) Inter - departmental transfers of goods
- d) Computerised Accounting System.