

24/3/14

MN3AAQ

Fy B I
Fin. Acctg.

Time -2 hours

Maximum marks -60

Instructions

Solve all questions

Q 1 (a)

8 marks

The following details are provided of Onkar Ltd. for the month of January 2014. You are required to find out the value of closing inventory on 31st January by adopting the FIFO method.

Date for the month of	Receipt/ Issues (units)	Rate per unit in Rs.
January 2014		
5.01.2014	Balance 200	100
10.01.2014	Receipt 200	120
18.01.2014	Issue 350	----
27.01.2014	Receipt 300	130
31.01.2014	Issue 250	----

(b)

7 marks

Moraya Ltd. has authorized capital of Rs. 40,00,000 divided into 4,00,000 equity shares of Rs. 10 each. The company has brought an Initial Public Offering of 2,00,000 equity shares.

The terms of payment are as follows :

- (i) 1st April 2013 amount on application Rs. 4.
- (ii) 1st July 2013 amount on allotment Rs. 4.

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(iii) 1st October amount on first and final call Rs. 2 .

Applications were received for 2,40,000 Shares . On 30th April excess amount on application was refunded. On 20th July amount on allotment was received in full. On 20th October amount on first and final call was received in full.

You are required to pass Journal entries in the books of Moraya Ltd. for all the above transactions.

Q 2(a)

8 marks

(i)

5 marks

Danish purchased a truck on hire purchase system ^{on 1st January 2011}. The cash price of the truck is Rs. 35,00,000.

Down payment was Rs. 5,00,000

The balance was to be paid in annual installment of Rs. 10,00,000 each plus interest.

Interest was charged on the outstanding balance @ 10% p. a.

You are required to prepare for 3 years a statement showing calculation of hire purchase installments paid by Danish.

(ii)

3 marks

Find out the amount of salaries to be debited to the Income and Expenditure Account of Aarav sports club for the year ended 31st March 2013 from the information given below.

Particulars

Amount in Rs.

Payment for salaries during the year 2012-2013

9,00,000

Outstanding salaries as on 1.04.2012

37,500

Prepaid salaries as on 1.04.2012	22,500
Outstanding salaries as on 31.03.2013	60,000
Prepaid salaries as on 31.03.2013	30,000

(b)

7 marks

Following information is given for Akshay Ltd.

1. Years Profit after tax Rs.

1	8,00,000
2	10,00,000
3	12,00,000
4	12,50,000
5	20,00,000

2. Average Capital employed Rs. 1,00,00,000.

3. Normal rate of return is 10 %

4. Annuity value of Re. 1 for 5 years @ 10 % is 3.7907.

5. Calculate Goodwill by the following methods:

(i) Superprofit method

(ii) Annuity method

(iii) Capitalization method

Q 3

15 marks

Following Trial Balance and adjustments are given in respect of Mrs. Sonakshi for the year ended 31st March 2013. You are required to prepare Profit and Loss Account and Balancesheet for the year ended 31st March 2013 .

Trial balance for the year ended 31st March 2013

Particulars	Debit Rs.	Particulars	Credit Rs.
Mrs. Sonakshi's Drawings	70,000	Mrs Sonakshi's capital	2,45,000
Opening stock	2,10,000	Purchase return	9,100
Salaries	43,925	Sales	8,75,000
Advertising	2,940	Sundry Creditors	2,10,000
Discount	2,100	Bank Overdraft	63,000
Bad Debts	2,800		
Business Premises	42,000		
Furniture and Fixtures	35,000		
Cash in hand	7,210		
Purchases	5,25,000		
Sales Returns	18,900		
Wages	24,500		
Conveyance	4,620		
Rent and taxes	17,500		
Insurance	2,100		
Interest	1,505		
Plant and Machinery	70,000		
Sundry Debtors	3,22,000		
	14,02,100		14,02,100

Adjustments

1. Closing stock Rs. 3,15,000.
2. Outstanding Rent Rs. 1,750.
3. Outstanding Wages Rs. 1,400.
4. Prepaid Insurance Rs. 1,050.
5. Prepaid Salary Rs. 2,450.
6. Write off Rs. 2,800 as further bad debts and provide for doubtful debts @ 5% on Sundry Debtors.
7. Provide Depreciation on

Premises	2.5%
Plant and Machinery	7.5%
Furniture & Fixtures	10%

Q 4 Answer any 3 out of 5

5 marks each

1. Who are the users of information generated by Financial Accounting ?
2. What procedure is followed for issuing Accounting Standards in India ?
3. What are the disclosure policies suggested by AS-1 ?
4. Give the meaning and importance of IFRS.
5. Differentiate between capital and revenue expenditure.

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