

[Time: 3 Hours]

[Marks:100]

Please check whether you have got the right question paper.

- N.B:
1. Strictly avoid restoring to any unfair means during the examination.
 2. Figures in brackets to the right indicate full marks allotted to the question.
 3. Working notes should form part of your answers.
 4. All six questions are compulsory, although there are internal options in case of questions 2 to 6.
 5. Use of simple calculator is allowed.

Q. 1 A) State whether the following statements are True or False (Any Ten) (10)

- a) For ascertaining credit purchases, sundry debtors account is prepared.
- b) Bills receivable dishonored are credited to bills payables Account.
- c) A statement of assets and liabilities as on a particular date with missing figure is called as Balance Sheet.
- d) Profit/Loss on consignment belongs to the consignor.
- e) Consignor is a person who consigns goods.
- f) Invoice price is always higher than cost.
- g) Under Stock and Debtors method, Branch Debtors account is maintained.
- h) Credit sales are debited to Branch Debtors account under Stock and Debtors Method.
- i) Loading on opening stock is credited to Branch Account under Debtors Method.
- j) Fire Insurance covers death of human beings due to fire.
- k) RBI governs insurance business in India.
- l) Memorandum Trading Account is prepared to ascertain the amount of salvage.

B) Fill in the blanks choosing the correct alternatives. (Any Ten) (10)

- a) Bills Payable dishonored are debited to _____ Account.
 - i) Bill Receivable ii) Bills Payable iii) Sundry Debtors iv) Sundry Creditors
- b) With the available information a trader needs to convert the incomplete records into complete records, it is known as _____.
 - i) Complete records method ii) Statement of affairs method
 - iii) Conversion method iv) None of these
- c) If the rate of gross profit is 25% on sales and the cost of goods sold is Rs. 10,000/- the gross profit will be _____.
 - i) Rs. 2500 ii) Rs. 3333 iii) Rs.2800 iv) None of these
- d) The relationship between Consignor and Consignee is that of _____.
 - i) Principal and Agent ii) Debtor and Creditor
 - iii) Buyer and seller iv) Owner and Servant
- e) If the consignee gets _____, he will bear bad debts.
 - i) Commission ii) Del credere commission iii) Discount iv) None of these
- f) Consignment account is a _____ Account.
 - i) Personal ii) Real iii) Nominal iv) None of these
- g) Goods sent by head office to the branch but not received by the branch are termed as _____.
 - i) Branch Account ii) Goods in Transit iii) Neither (i) nor (ii) iv) Both (i) and (ii)
- h) Under _____ method, goods returned by Branch are credited to Branch Account.
 - i) Stock & Debtors ii) Debtors iii) Both (i) & (ii) iv) None of these
- i) The branch is said to be _____ when its accounts are maintained by Head office.
 - i) Independent ii) Dependent iii) Foreign iv) None of these

- j) Stock for the purpose of claim should be _____.
- i) At marginal cost ii) At market value iii) At cost iv) At realizable value
- k) The amount to be paid by insurance company in the event of loss is called as _____.
- i) Premium ii) Insurance iii) Sum assured iv) None of these
- l) If Gross profit is 20% on cost, then it is _____ on sales.
- i) 25% ii) 50% iii) $\frac{1}{6}$ th iv) $\frac{1}{5}$ th

Q. 2 M/s Kunal steel suppliers does not maintain double entry books of Accounts. They have furnished you with the following information. **15**

a)

| Particulars | 1 st April 2018 (Rs) | 31 st March 2019 (Rs) |
|-----------------------|---------------------------------|----------------------------------|
| Sundry Debtors | 2,50,500 | 2,75,800 |
| Sundry Creditors | 2,45,700 | 2,28,200 |
| Stock | 35,000 | 60,000 |
| Furniture | 1,30,000 | ? |
| Machinery | 5,00,000 | ? |
| Cash and Bank Balance | 75,000 | ? |

b) Summary of cash Transactions for the year 2018-19

| Particulars | (Rs) |
|---------------------------------------|----------|
| Cash Sales | 56,000 |
| Received from Debtors | 8,50,000 |
| Paid to creditors | 4,80,000 |
| Wages paid | 39,200 |
| Salaries Paid | 45,800 |
| Printing and stationary expenses paid | 24,500 |
| Drawings | 25,000 |
| Additional capital introduced | 80,000 |
| Commission Received | 59,000 |
| Cash Purchases | 69,000 |
| Sundry expenses paid | 36,600 |

c) Other Transactions:

Discount allowed Rs 3,800

Discount Received Rs. 2,550

Bad Debts written off Rs. 6,000

Salaries outstanding Rs 6,000

Depreciation is to be provided on furniture @10% p.a. and on machinery @ 20% p.a.

Prepare Trading, Profit and Loss Account of M/s Kunal steel suppliers for the year ended 31st March 2019 and Balance Sheet as on that date.

OR

Q. 2 Mr. Samsher does not maintain his books of account on Double Entry keeping system. He supplies you the following information: **(15)**

i) Assets and Liabilities as on 1st April, 2017 and 31st March, 2018.

| Particulars | 1/04/2017 (Rs) | 31/03/2018 (Rs) |
|------------------|----------------|-----------------|
| Plant | 72,000 | 72,000 |
| Motor Vehicle | 1,00,000 | ? |
| Sundry debtors | 67,000 | 49,000 |
| Sundry Creditors | 74,000 | 59,000 |

| | | |
|-----------------------|--------|----------|
| Stock | 76,000 | 1,00,000 |
| Cash and Bank balance | 3,000 | 24,000 |

II) Cash transactions during the year:

| Particulars | Rs. |
|--|----------|
| Purchase of Motor Vehicle (on 1/04/2017) | 30,000 |
| Capital Introduced | 30,000 |
| Cash Sales | ? |
| Paid for Rent | 20,000 |
| Paid for salaries | 23,000 |
| Received from Debtors | 2,00,000 |
| Payment made to Creditors | 1,00,000 |
| Paid for General expenses | 17,000 |
| Drawings | 36,000 |
| Carriage Inward | 49,000 |

- 1) Depreciation is to be provided on Plant @ 10% p.a and Motor Vehicle @ 20 % p.a.
- 2) Rent Outstanding is Rs. 2,000
- 3) Discount allowed was Rs. 3,000 and discount received Rs. 2,000

You are required to prepare:

- 1) Trading and Profit and Loss a/c for the year ended 31st March, 2018.
- 2) Balance sheet as on 31st March, 2018.

Q. 3 A Head office in Chennai has a branch in Delhi to which goods are invoiced by the Head office @ 20% Profit on sales price. **15**

All cash received by the branch is daily remitted to Head Office.

From the following particulars, show the Branch Account in the books of the Head office.

Also prepare necessary accounts required to find out the value of Branch credit sales.

| Particulars | Rs. |
|---|-----------|
| Stock on 1 st January 2018 (at Invoice Price) | 6,25,000 |
| Debtors on 1 st January 2018 | 6,00,000 |
| Goods supplied by Head office (at Invoice price) | 20,00,000 |
| Cash Sales | 8,00,000 |
| Cash Received from customers | 14,75,000 |
| Goods returned to Head office (at Invoice Price) | 1,20,000 |
| <u>Cheques received from Head Office</u> | |
| Wages & salaries | 5,50,000 |
| Rent, Rates & Taxes | 1,50,000 |
| Sundry Expenses | 25,500 |
| Stock as on 31 st December 2018 (at Invoice Price) | 7,50,000 |
| Debtors as on 31 st December 2018 | 11,25,000 |
| Liability for outstanding petty expenses as on 31/12/2018 | 5,500 |

OR

Q. 3 Ishani Enterprises of Mumbai has a branch at Shimla. Following information is obtained from the branch for the year 2018-19 **(15)**

| Particulars | 01/04/2018 (Rs) | 31/03/2019 (Rs) |
|-------------|-----------------|-----------------|
|-------------|-----------------|-----------------|

| | | |
|---------|--------|--------|
| Stock | 60,000 | 40,000 |
| Debtors | 50,000 | 60,000 |
| Cash | 1,500 | 1,000 |

Transactions during the year 2018-19

| Particulars | Rs |
|---------------------------------------|----------|
| Goods sent to Branch | 2,25,000 |
| Credit sales | ? |
| Cash Sales | 1,80,000 |
| Goods returned by customers to Branch | 8,000 |
| Goods returned to Head Office | 6,000 |
| Cash received from Debtors | 1,50,000 |
| Expenses paid at Branch: | |
| Salaries | 15,000 |
| Commission | 10,000 |
| Rent and Taxes | 16,500 |
| Discount allowed to customers | 2,500 |
| Bad debts | 1,000 |

Prepare following accounts for the branch under stock and Debtors method in Mumbai office:-

- Branch stock Account
- Branch Debtor Account
- Branch Expenses Account
- Branch Profit & Loss Account

Q. 4 Jai of Mumbai sent 400 cookers at Rs. 1000 each to Disha of Nagpur and paid for carriage Rs. 2000, Packing Rs. 2,500 and Insurance Rs. 3,000. Disha accepted a 3 months bill drawn upon by Jai for Rs. 80,000. The bill was discounted by Jai with his bankers on the same day for Rs. 77,600, and discount was charged to consignment account. Jai received an Account sales from Disha from which it appeared that: (15)

- 340 Cookers were sold at Rs.1,400 each for cash.
 - 40 Cookers were sold at Rs. 1,500 each for Credit.
- Disha paid for Rent and Taxes Rs. 3200 and advertisement Rs. 1800. Disha is entitled to a total commission of 10% on sales which includes a del-credere commission of 2%. The balance amount was remitted by bank draft. Prepared consignment a/c and consignees a/c in the books of Jai.

OR

Q. 4 M/s ABC & co of Mumbai consigned to Mr. D of Nashik 1200 sewing machines costing Rs. 2,600/- per sewing machine. They invoiced @ 20% above cost price. M/s ABC & Co paid Rs. 5,000/- for insurance, Rs. 8,000/- for carriage and Rs. 7000/- for miscellaneous expenses. On receiving the consignment Mr. D accepted a bill for half the amount of invoice price. M/s ABC & Co discounted the bill @ 1% of its value. The discount was charged to consignment account. Mr. D. sent an account sales which shows as follows:

- Cash sales of 600 sewing machines @ Rs. 4,000 each.
- Credit sales of 500 sewing machines @ Rs. 4,500 each
- Mr. D paid godown rent of Rs. 10,000/- and selling expenses Rs. 15,000/-
Mr. D. remitted the balance due by bank draft after deducting his expenses and commission (15)

@ 10% on sales and del credere commission @ 2% on sales.

Prepare Consignment Account and Consignee's Account in the books of Consignor.

- Q. 5** The business premises of Gala Timber Mart destroyed by fire on 16/07/2018. However all the books of accounts and stock amounting Rs. 18,000 were salvaged and the following information was available from the books. (15)

| Year ended | Gross Profit (Rs) | Sales (Rs) |
|------------|-------------------|------------|
| 31-03-2015 | 2,39,500 | 9,58,000 |
| 31-03-2016 | 2,25,000 | 9,00,000 |
| 31-03-2017 | 2,05,480 | 9,34,000 |
| 31-03-2018 | 2,00,640 | 9,12,000 |

Additional Information:

- Stock on 31-03-2018 Rs. 1,02,250
- Purchases from 01-04-2018 to 16-07-2018 Rs. 2,12,380
- Sales from 01-04-2018 to 16-07-2018 Rs. 3,50,000
- Wages from 01-04-2018 to 16-07-2018 Rs 25,000
- The amount of policy was Rs. 55,000

Claim was subject to Average clause.

You are required to prepare a statement of claim against insurance company.

OR

- Q. 5** The premises of Shlok Ltd. were engulfed by fire on 1st November, 2018 whereby substantial stock was severely destroyed. The records available with the company yield the following information. (15)

- a) For the year ended 31st March, 2018:

| Particulars | Rs. |
|-----------------|-----------|
| Opening Stock | 1,20,000 |
| Closing Stock | 1,95,000 |
| Purchases | 12,00,000 |
| Sales | 25,00,000 |
| Wages | 4,50,000 |
| Direct Expenses | 3,00,000 |

- For half year ended 30th September, 2018
Purchases Rs. 7,50,000
Sales Rs. 13,50,000
- For the period from 1st October, 2018 to date of fire, purchases and sales were at the same monthly rate as for the period 1st April, 2018 to 30th September 2018.
- The wages and Direct Expenses during the period 1st April, 2018 to date of fire were at the same rate per month as in last year.
- Salvage Value is Rs. 26,250
- The policy amount was Rs. 3,10,000. The claim was subject to Average clause.
Compute the amount of claim to be lodged with the Insurance Company.

- Q. 6** A) What is Single Entry System? Distinguish between Single Entry and Double Entry System of accounting? (10)
- B) What is a Branch? Describe various accounting methods of Branch Accounting. (10)

OR

Q. 6 Write short notes on (Any Four)

(20)

- a) Consignment Account
- b) Average Clause
- c) Memorandum Trading Account
- d) Del Credere Commission
- e) Dependent Branch
- f) Total Debtors Account.
