

XY9DAE

Instructions to Candidates:-

Accountancy & F.M - Sem II Mar, 2020

1. PLEASE CHECK WHETHER YOU HAVE GOT THE CORRECT & COMPLETE QUESTION PAPER with all pages printed. INFORM THE SUPERVISOR IMMEDIATELY IF THERE IS ANY ERROR.
 2. ALL Questions are Compulsory carrying 20 marks each.
 3. In all FIVE Questions are to be attempted i.e. Q 1 to Q 5 carrying 20 marks each.
 4. Use of simple 10 or 12 digits non-programmable calculator is allowed.
 5. Possession or use of Mobile phones during the Examination is strictly prohibited and will amount to copying.
-

Q 1A (10 marks) Fill in the blanks with the most appropriate word or words:-

(Reasons are not required) (Do Not Re-write the questions, Write sub-question nos. in same order 123456789101112, but Answer any 10 out of the following 12 sub-questions):-

1. Consignor's Account is prepared in the books of _____.
a. Head Office b. Consignee c. Consignor
2. Any stock remaining unsold with consignee belongs to _____.
a. Consignee b. Consignor c. sub-agent
3. If profit on cost is 20 % then profit on sales will be _____.
a. 1/4 b. 1/5 c. 1/3
4. Single entry system cannot be followed by _____.
a. Sole proprietor b. Partnership c. Limited Company
5. The branch manager is _____ of the branch.
a. employee b. owner c. agent
6. In single entry system, Credit Purchases can be found out by preparing _____.
a. Total Debtors A/c b. Total Creditors A/c c. Cash A/c
7. Goods are sent to the branch at 20 % margin on the cost. Branch stock at Invoice price is Rs.1,20,000/- , the amount of stock reserve to be created is _____.
a. Rs.20,000 b. Rs.25,000 c. Rs.24,000 d. Rs.30,000
8. Stock for the purpose of claim should be _____.
a. At cost b. At market price c. At invoice price
9. Salvage means _____.
a. Stock saved from fire b. Stock destroyed by fire c. Stock moving fast
10. In Consignment Accounting for valuation of Consignment Stock, proportionate _____ expenses are to be considered.
a. Recurring b. Non-recurring c. Capital
11. _____ is prepared to find out bills accepted during the year.

a. Bills Payable A/c b. Bills Receivable A/c c. Total Debtors A/c

12. Cash remitted by Branch to Head Office is _____.

- a. Cash Sales by Branch + Credit Sales by Branch
- b. Cash Sales by Branch + Collection from Debtors by Branch
- c. None of the above.

AND

Q 1B (10 marks) State whether the following statements are true or false (Reasons are not required) (Do Not Re-write the questions, Write sub-question nos. in same order 123456789101112, but Answer any 10 out of the following 12 sub-questions):-

1. Godown rent is a Recurring expenses.
2. Creditors Account is prepared to find out Credit Sales.
3. Closing stock represents sold stock.
4. Opening stock of current year is closing stock of last year.
5. Balance in Goods sent on Consignment account is transferred to Trading account.
6. Balancing figure in credit side of branch account indicate Loss at branch.
7. Consignee is entitled to get Commission from Consignor for his services.
8. Cash sent to Branch by Head Office for expenses is debited to Branch Account.
9. Del Credere Commission is calculated at certain percentage on Credit Purchases.
10. Petty expenses paid by the branch are debited to the Branch A/c in the books of the Head Office.
11. If Del Credere Commission is paid, Bad Debt loss is borne by Consignor.
12. Account Sale Statement is prepared by the Consignor.

Q. 2 (20 marks) Marine Garments Co. of Mumbai consigned 1,000 Shirts costing Rs.1,000 each at Invoice Price of Rs.1,200 each to Rashid Enterprises of Nagpur to be sold on consignment basis. An advance of Rs.3,00,000/- was received from the consignee. The consignee is entitled only a Normal Commission @ 10 % on all sales.

Marine Garments Co. paid for freight and insurance Rs. 17,000/-. Rashid Enterprises duly received the consignment from the transporter. Rashid Enterprises also incurred godown rent Rs.3,000/- and selling expenses Rs.20,000/-.

Rashid Enterprises sold 400 Shirts at Rs.1,500/- per Shirt for cash, and 500 Shirts at Rs.1,600/- per Shirt on Credit. The consignee paid the balance due by bank draft to consignor.

You are required to

1. Pass Journal Entries in the books of Consignor and
2. Prepare: Consignment A/c & Consignee's A/c in the books of Consignor

Q. 2 (20 marks) Aaron of Ratnagiri consigned to Mahesh of Thane 2,000 dozens of mangoes at Rs.250/- per dozen. The consignor paid Rs.15,000/- for freight and Insurance. Consignee paid advance of Rs.1,50,000/- by cheque to Consignor.

Consignee incurred expenses on Stall rent Rs.4,000/- and Godown Rent Rs.3,000/- . Mahesh sold 700 dozens of mangoes at Rs.350/- per dozen for cash and 1,100 dozens of mangoes at Rs.400/- per dozen on credit. The consignee is entitled to a Normal Commission @ 10 % on sales. The consignee paid the balance due by bank draft to consignor.

You are required to

3. Pass Journal Entries in the books of Consignor and
4. Prepare: Consignment A/c & Consignee's A/c in the books of Consignor.

Q. 3 (20 marks) Mr. Laxman keeps books of accounts on single entry system. Balances as on 31/03/2018 and 31/03/2019 were as under:

Particulars	As on 31/03/2018 (Rs.)	As on 31/03/2019 (Rs.)
Fixed Assets	68,000	?
Stock	24,800	29,000
Debtors	51,200	48,000
Creditors	36,000	43,200
Cash & Bank	26,400	?

A summary of cash & bank transactions for the year ended 31/03/2019 is as under:

Paid to Creditors	2,48,000	Carriage outward paid	7,200
Advertisement Exp	16,800	Cash withdrawal for personal use	28,000
Rent paid	24,000	Cash received from Debtors	3,72,000
General Expenses Paid	17,200	Cash Purchases	25,000
Bank Interest received	1,280	Cash Sales	47,200
Salaries Paid	42,800	Dividend received	8,000

Additional Information:

1. Fixed Assets to be depreciated @ 15 % p.a.
2. Sales Return Rs.2,800/- and Purchase Return Rs.3,200/-
3. Discount allowed Rs.3,600/- and Discount received Rs.4,000/-

Prepare: Trading A/c, Profit & Loss A/c for the year ended 31/03/2019 and Balance sheet as on that date and also prepare Total Debtors A/c, Total Creditors A/c, Cash & Bank A/c and Opening Balance Sheet.

OR

Q. 3 (20 marks) Rajiv does not keep proper books of account for his business. However, he provides you with the following information for the year ended 31/03/2019:-

Particulars	31/03/2018 (Rs.)	31/03/2019 (Rs.)
Machinery	3,84,000	3,84,000
Furniture	43,200	43,200
Stock	96,000	1,20,000
Debtors	1,34,400	1,53,600
Cash	33,600	81,600
Creditors	1,15,200	1,24,800

Additional information for the year ended 31/03/2019:-

Particulars	Amt (Rs.)
Collection from Debtors	3,93,600
Payments to Creditors	3,60,000
Cash sales	2,88,000
Cash purchases	72,000
Business expenses paid	1,53,600
Drawings in cash	48,000
Depreciation on machinery to be provided	38,400
Depreciation on furniture to be provided	4,320
Outstanding business expenses as on 31/03/2019	6,720

Prepare:- Trading, Profit & Loss A/c for the year ended 31/03/2019 and Balance sheet as on that date together with all supporting working notes.

Q. 4 (20 marks) From the following particulars relating to Mumbai branch for the year ended 31st March, 2019, prepare Mumbai Branch A/c in the books of Head Office:-

Particulars	Amt (Rs.)
Stock at branch at cost on 01/04/2018	3,56,000
Branch Debtors on 01/04/2018	1,88,000
Petty cash at branch on 01/04/2018	800
Goods sent to branch at cost during the year	3,36,000
Cash sales during the year	2,32,000
Credit sales during the year	5,60,000
Cash remitted by Branch to H.O.	8,48,000
Cash sent to Branch:-	
- For Rent	80,000
- For Salaries	2,40,000
	40,000

Petty expenses paid at the branch	39,600
Goods returned by Branch at cost to H.O.	32,000
Stock at branch at cost on 31/03/2019	2,16,000
Petty cash at branch on 31/03/2019	1,200

All cash received from customers is remitted by the Branch to Head office the same day.

OR

Q. 4 (20 marks) Mr. Kumar prepares accounts on 31st March each year, but on 30th June, 2019 Fire destroyed the greater part of his stock. Following information was collected from his books.

Particulars	Amt (Rs.)
Stock on 31 st March, 2019	1,17,000
Purchases from 1 st April, 2019 to 30 th June, 2019	2,40,000
Wages from 1 st April, 2019 to 30 th June, 2019	91,000
Sales from 1 st April, 2019 to 30 th June, 2019	4,00,000

Additional information:-

1. Stock on 31/03/2019 was valued at 10 % below cost.
2. Purchases include purchase of plant of Rs.16,000/- and purchase of stationery Rs.4,000/-
3. Plant was installed in June 2019 by firm's own men who were paid wages amounting to Rs.1000/- which was included in wages.
4. Average percentage of gross profit to sales is 25 %.
5. Stock of the value of Rs.28,000/- at cost was salvaged.
6. Policy was for Rs.1,00,000/- claim subject to average clause.

You are required to calculate the claim for the loss of stock.

Q. 5A (10 marks) What are the defects and limitations of Single entry system of accounting?

Q. 5B (10 marks) What are the advantages and disadvantages of Fire Insurance Policies?

OR

Q. 5 (20 marks) Write short notes on (Any Four)

1. Average Clause
2. Valuation of Unsold Stock with consignee
3. Branch Adjustment A/c
4. Single Entry System
5. Del Credere Commission
6. Invoice Price

END