

Duration: 3 Hrs.

Maximum Marks: 100

Please check whether you have got the right Question Paper

N. B:

1. Figures in brackets to the right indicate full marks allotted to the question.
2. Working notes should form part of your answers.
3. All questions are compulsory, although, there are internal options.
4. Use of simple calculator is allowed.



Q.1 (A) Fill in the blanks choosing the correct alternative (Any Ten) (10)

1. Goods sent to consignee for sale is called as _____.
(Goods sent on approval/Consignment sale/Commission basis sale)
2. Consignor-consignee relationship is _____.
(Employer-employee relationship/ Principal-Agent relationship/ Master-servant relationship)
3. Credit Purchases can be ascertained by preparing _____ Account.
(Debtors / Creditors / Bills Receivable)
4. Closing Stock Reserve is _____ to Branch Account in Branch Debtors Method.
(Added/Debited/Credited)
5. In single entry to find out credit sale _____ is prepared.
(Debtors Account/ Cash and Bank Account/Creditors Account)
6. Closing stock lying with consignee is property and risk of _____.
(Customer/ Consignor/Consignee)
7. _____ is required to find out closing stock lying in the godown on the date of fire. (Net profit ratio/Gross profit ratio/Expenses ratio)
8. Proforma invoice is prepared by _____.
(Consignor/Consignee/ Accountant)
9. Goods costing ₹2,10,000 were sent to branch at 25% margin on selling price. Its value to be charged to the Branch Account is at _____.
(₹ 2,80,000/ ₹2,62,500/ ₹2,10,000)
10. Memorandum Trading Account is prepared to find _____.
(Closing stock on the date of fire/Gross profit on the date of fire/Salvage on the date of fire)
11. If Del-credere commission is not paid to consignee, bad debts loss is assumed by _____.
(Consignee/Consignor/Customer)
12. Goods saved from fire are called as _____. (Abnormal goods/Salvage/Claim)

Q.1 (B) State whether following statements are true or false. (Any Ten) (10)

1. Opening balance payable to creditors is shown to the debit side of creditors Account
2. Sales Return is debited to debtors Account.
3. Consignee prepares consignment Account.
4. Consignee pays commission to consignor on the bases sales made by him.
5. To find closing balance of Debtors Account, Head office needs to prepare Creditors Account.
6. Bills dishonored are credited to Bills Receivable Accounts.

7. Collection from Debtors can be ascertained from Cash/Bank Account
8. Average clause has no effect on calculation of insurance claim.
9. Profit on consignment belongs to consignor.
10. Account Sale is sent by the consignor to the consignee.
11. In single entry Final Accounts are prepared with the help of Trial Balance.
12. Insurer gets compensation equal to the amount of policy, in case of full insurance.

Q.2 Rajaram keeps his books on Single Entry System. From the following information provided by him, **prepare a Trading and Profit & Loss Account for the year ended 31st March, 2018 and Balance Sheet as on that date.** (15)

| Particulars | 31.03.2017 | 31.03.2018 |
|------------------|------------|------------|
| Furniture | 10,000 | ? |
| Stock-in-Trade | 6,000 | 2,000 |
| Sundry Debtors | 12,000 | 14,000 |
| Sundry Creditors | 4,000 | ? |
| Cash | 2,200 | 600 |

Receipts and Payments during the year were as follows:

| Particulars | ₹ |
|-----------------------|--------|
| Received from Debtors | 42,000 |
| Paid to Creditors | 20,000 |
| Carriage Outward paid | 4,000 |
| Drawings | 12,000 |
| Sundry Expenses paid | 14,000 |
| Furniture Purchased | 2,000 |

Other Information:

There were considerable amount of cash sales. Credit purchases during the year amounted to ₹ 23,000. Provide a provision for doubtful debts to the extent of 10% on debtors.

OR

Q.2 Mr. Rajendra keeps his books by single entry. **He requests you to prepare a Trading and Profit & Loss Account for the year ended 31.12.2017 and a Balance Sheet as on that date.** (15)

From the analysis of the cash book the following transactions have been revealed.

| Particulars | ₹ |
|-----------------------------|----------|
| Received from trade debtors | 1,50,000 |
| Received from cash sales | 90,000 |
| Bank charges debited | 450 |
| Personal drawings | 12,000 |
| Wages paid | 6,000 |
| Salaries to staff paid | 45,000 |
| General expenses paid | 47,550 |
| Paid to trade creditors | 90,000 |

The following were the balances:

| Particulars | 01.01.2017 | 31.12.2017 |
|-------------------|------------|-------------|
| Capital | 2,11,000 | ? |
| Stock | 54,000 | 61,320 |
| Debtors | 1,32,000 | 1,80,000 |
| Furniture | 6,000 | 6,000 |
| Business Premises | 90,000 | 90,000 |
| Creditors | 48,000 | 33,000 |
| Bank Balance | (Cr)24,000 | (Dr) 14,550 |
| Cash | 1,000 | 1,450 |

Adjustments :-

- Depreciate Furniture @ 5% p.a.
- Provide for Bad debts ₹ 6,000.
- Charge interest on Capital @ 5% p.a.

Q 3. M/s Dinesh Traders of Mumbai consigned goods to Bhavesh & Co. of Nagpur (15)
1,000 bags of Cement costing ₹250 per bag. M/s Dinesh Traders paid ₹1,500 for insurance, ₹ 3,500 for carriage and ₹5,000 for miscellaneous expenses.

On receiving the consignment M/s. Bhavesh & Co. accepted a bill for half the amount of cost price. Bhavesh & Co. sent an account sale which is as follows:-

- Cash sales of 600 bags @ ₹ 350 each
- Credit sales of 300 bags @ ₹ 400 each
- Bhavesh & Co. took 50 bags for his own use @ ₹ 320 per bag.
- Expenses paid by Bhavesh & Co. were godown rent ₹3,000 and selling expenses ₹5,000.
- Bhavesh & Co. remitted balance due by a draft after deducting his expenses and commission @ 10% on sales and del-credere commission @ 2% on credit sales of 300 bags only.

Show Consignment Account and Bhavesh & Co.'s Account in the books of M/s Dinesh Traders alongwith necessary working notes.

OR

Q.3 Shakti Stores Ltd. operates a retail branch at Mumbai. All purchases are (15)
made by the Head Office in Pune. Goods are sent to Mumbai branch at Invoice price which is cost plus 50%. All cash received by the branch is remitted to Pune. Branch expenses are paid by the Head Office, Branch keeps sales ledger and subsidiary books but otherwise all branch transactions are recorded in the books of the Pune Office.

On April 1, 2017, the branch shows following Balances:

| Particulars | ₹ |
|-----------------------------------|----------|
| Stock in Trade (at Invoice Price) | 3,75,000 |
| Sundry Debtors | 74,500 |
| Office Furniture | 36,000 |
| Computer | 12,000 |
| Cash- in -hand | 9,000 |



During 2017-18 the following transactions took place at the branch.

| Particulars | ₹ | Particulars | ₹ |
|---|----------|--|----------|
| Goods invoiced to Branch (at Invoice price) | 4,50,000 | Returns from Debtors | 12,000 |
| Total Sales | 5,50,000 | <u>Expenses paid by Branch on behalf of head office:</u> | |
| Cash Sales | 4,00,000 | Salaries | 20,000 |
| Discount to Debtors | 8,000 | Rent | 10,000 |
| Bad Debts | 5,000 | Travelling | 5,000 |
| Cheque sent by H.O for Expenses | 35,000 | <u>Balances as on 31st March 2018</u> | |
| Goods Returned to Head office (at Invoice Price) | 15,000 | Stock in Trade (at Invoice Price) | 1,20,000 |
| Amount Remitted by Debtors to Branch | 1,40,000 | Sundry Debtors | ? |
| Amount Remitted by Debtors directly to Pune Head Office | 20,000 | Office Furniture | ? |
| | | Computer | ? |
| | | Cash-in-hand | 6,000 |

Head office charges depreciation at 10% p.a on Office Furniture and 5% p.a on Computer. From the above details given by the branch, **prepare Mumbai Branch Account and Branch Debtors Account in the books of Pune Head Office using Debtors Method.**

Q.4 M/s Sultan Traders, Delhi has a branch at Agra. Although the goods are sent to (15) Branch from Delhi, the branch is authorised to make local purchases on credit. Collection made by branch is remitted to head Office through a bank account in State Bank of India. All Expenses of the Branch are met by the head office directly by Cheques.

The following details of Agra Branch are given for the year 2017-2018.

| Balances on | 1.4.2017 | 31.3.2018 |
|-----------------------------|----------|-----------|
| Stock of Goods | 70,000 | 90,000 |
| Debtors | 30,000 | ? |
| Creditors | 20,000 | ? |
| State Bank of India account | 75,000 | 50,000 |

| Particulars | Rs. |
|---|----------|
| <u>Transactions during the year</u> | |
| Goods sent to Branch | 1,20,000 |
| Goods returned by customers to Branch | 6,000 |
| Total Sales | 1,50,000 |
| Cash Sales | 90,000 |
| Goods returned to Head office by Branch | 10,000 |
| <u>Cheques received from HO for:</u> | |
| Salary | 20,000 |
| Advertising | 5,000 |
| Rent Rates and Taxes | 10,000 |

| | |
|--------------------------------------|--------|
| Salesmen's salary | 2,000 |
| Cheques received from Customers | 50,000 |
| Discount and commission to customers | 2,000 |
| Bad debts | 900 |
| Cheques Paid to Suppliers | 10,000 |
| Discount Received | 800 |
| Goods returned to suppliers | 2,000 |
| Locally Purchased goods | 20,000 |



Ascertain the profit made by Agra Branch using Stock and Debtors Method by preparing the following Accounts:

(a) Branch Stock Account

(b) Branch Debtors Account

(c) Branch Creditors Account

(d) Branch Bank Account and

(e) Branch Profit & Loss Account.

OR

Q.4 The premises of Ms Firewood and Company caught fire on 30th June 2017. (15)

The stock of goods was totally destroyed by fire with an exception of ₹ 25000, the books of accounts, however, being saved. The following is the further information:

| Particulars | 1.4.2016 to 31.3.2017 (₹) | 1.4.2017 to 30.6.2017 (₹) |
|--|---------------------------------|---------------------------------|
| Opening Stock (valued at 5% above cost) | 1,20,120 | 1,30,200 |
| Purchases | 4,50,000 | 1,20,000 |
| Sales | 5,40,000 | 2,25,000 |
| Wages | 80,000 | 36,000 |
| Purchase Returns | 50,000 | 20,000 |
| Sales Returns | 40,000 | 25,000 |
| Goods withdrawn for personal use | 10,000 | - |

Prepare a statement for submission to the insurance company against your policy of ₹50000.

Q.5 Ashish of Akola consigned goods to Brijesh of Mumbai for sale. (15)

Brijesh is entitled to a commission of 5 percent on sales. Goods consigned by Ashish to Brijesh during the year ended 31st March, 2016, costing at ₹20,900. Ashish paid ₹1,045 as freight and received ₹15,000 as advance from Brijesh. 80 percent of the goods were sold by Brijesh for ₹26,000. Brijesh remitted the balance of proceeds after deducting his commission.

Prepare Consignment Account & Mr. Brijesh Account in the books of Mr. Ashish .

OR

Q.5 A fire occurred in the business premises of Mr Purohit on 1st May, 2017. All the (15) stock was destroyed however stock amounting to ₹ 35,000 and the books of accounts were saved. Mr Purohit had taken a policy of ₹ 16,00,000. You are required to ascertain the claim to be filed with the insurance company.



The following information was available from the books :

1. The stock on 31st March, 2017 was valued at ₹ 4,10,000. (overvalued by 25%)
2. The purchases, sales and factory wages from 1st April, 2017 to 1st May, 2017 were ascertained at ₹20,30,000 ; ₹ 29,00,000 and ₹12,00,000 respectively,
3. Sales returns amounted to ₹ 2,00,000, whereas, Purchase returns were ₹30,000
4. Carriage Inward was ₹3,00,000 .
5. Goods given out as free samples were ₹3,65,000.
6. The Normal rate of Gross Profit was 50% on cost.

Q. 6 (A) Explain Accounting procedure of stock and Debtors method in maintaining Branch Accounts. (10)

(B) Give stepwise details of calculation of Fire Insurance claims. (10)

OR

Q. 6 Write short notes on the following: (Any FOUR) (20)

1. Consignment Sale.
2. Total sales and total purchases.
3. Proforma Invoice and Account Sale
4. Average Gross Profit Ratio
5. Average clause in Fire Insurance Claims.
6. Stock Reserve.
