

[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 <sup>st</sup> April 2018 (Rs)	31 <sup>st</sup> 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 31<sup>st</sup> March 2019 and Balance Sheet as on that date.

OR

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

D) Assets and Liabilities as on 1<sup>st</sup> April, 2017 and 31<sup>st</sup> 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 31<sup>st</sup> March, 2018.
- 2) Balance sheet as on 31<sup>st</sup> 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 <sup>st</sup> January 2018 (at Invoice Price)	6,25,000
Debtors on 1 <sup>st</sup> 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 <sup>st</sup> December 2018 (at Invoice Price)	7,50,000
Debtors as on 31 <sup>st</sup> 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)
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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
<b>Expenses paid at Branch:</b>	
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:

- 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 1<sup>st</sup> November, 2018 whereby substantial stock was severely destroyed. The records available with the company yield the following information. (15)

- a) For the year ended 31<sup>st</sup> 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

- b) For half year ended 30<sup>th</sup> September, 2018

Purchases Rs. 7,50,000

Sales Rs. 13,50,000

- For the period from 1<sup>st</sup> October, 2018 to date of fire, purchases and sales were at the same monthly rate as for the period 1<sup>st</sup> April, 2018 to 30<sup>th</sup> September 2018.
- The wages and Direct Expenses during the period 1<sup>st</sup> 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.

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