

FYBAF ACCOOUNTS 2

Duration: 2 ½ Hrs.

Marks: 75

- (1) All questions are compulsory and subjected to internal choice.
- (2) Each question carry 15 marks.



Q 1) (A) Select the appropriate option and rewrite the sentences (Any 8): (8)

- (1) Capital at the beginning of the year is ascertained by preparing ____
(a) Cash Book (b) Debtors account
(c) Receipts and Payment account (d) Opening Statement of Affairs.
- (2) A bill receivable endorsed in favour of a creditor and subsequently dishonored
(a) is credited to Creditors account (b) is credited to Debtors account
(c) is debited to Debtors account (d) None of the above.
- (3) Following business man/ organization can maintain books under single entry system
(a) a Co-operative Society (b) a Sole proprietor (c) a Limited Company (d) a Bank.
- (4) A bill payable endorsed
(a) is debited to Debtors account (b) is credited to Debtors account
(c) is debited to Creditors account (d) is credited to Creditors account
- (5) Single Entry System of maintain account cannot be followed by
(a) Sole proprietor (b) Professional (c) Limited Company (d) Partnership Firm
- (6) Gross Profit Ratio 25% means
(a) Gross Profit is 25% on sales (b) Gross Profit is 25% on purchases
(c) Gross Profit is 25% on Capital (d) Gross Profit is 25% on cost.
- (7) Branch account under debtor system is
(a) Real account (b) Personal Account (c) Nominal Account (d) Impersonal Account.
- (8) Depreciation on Branch Fixed Assets under stock debtors system is
(a) Not shown separately in Branch account (b) Shown in Branch account
(c) Not Accounted (d) Shown in Profit & Loss a/c of Head Office
- (9) Closing Stock with the consignee is shown in the Balance Sheet of
(a) Consignor (b) Consignee (c) In the books of Consignor as well as consignee
(d) Neither In the books of Consignor as well as consignee.
- (10) Closing Stock with consignee is valued at
(a) Cost price only (b) Cost price plus consignor's expenses only
(c) Cost price plus consignor's expenses and consignee's direct expenses on goods only
(d) Cost price plus consignor's expenses and all the expenses incurred by the consignee.

Q 1) (B) State whether the following statement are TRUE/FALSE (Any 7):

- (1) Single entry system of accounting is a complete system of accounting.
- (2) Creditors account gives total purchases made during the year.
- (3) Bills Receivable dishonored should be debited to creditors account.
- (4) Single entry system of accounting is a scientific system of accounting.
- (5) Under single entry system it is not possible to ascertain the Gross Profit earned by the business.
- (6) Single entry system does not follow the basic accounting principles of accruals.
- (7) Under single entry system all types of accounts are not kept.
- (8) Bank overdraft shows credit balance.
- (9) Bills Payable Account gives total purchases made during the year.
- (10) Nominal account are maintained under single entry system.

Q 2) Mr.H dose not maintain proper books of accounts from the following information, prepare Trading and Profit & Loss ac/ for the year ended 31st March 2021 and Balance Sheet as on that date: (15)

Particulars	31/3/21	31/3/2020
Debtors	43,750	31,500
Stock	23,100	17,150
Cash at Bank	?	8,750
Creditors	7,875	10,500
Furniture	3,500	3,000
Plant & Machinery	55,000	55,000
Land & Building	1,40,000	1,40,000



Analysis of the other transactions are:

Particulars	Rs.
Cash collected from Debtors	1,07,000
Cash paid to Creditors	77,000
Salaries	21,000
Rent	2,700
Office Expenses	3,150
Drawings	5,000
Fresh Capital Introduced	3,500
Cash Sales	3,000
Cash Purchases	8,800
Discount Received	1,225
Discount Allowed	525
Return Inwards	1,750
Return Outward	1,400
Bad Debts	350

Further information:

- (1) Depreciate Plant & Machinery by 2% and Land & Building by 5% and Furniture by 10%.
 (2) Office Expenses were prepaid Rs.150 on 31st March 2021.

OR

Q 2) From following information Prepare Final Accounts for the year ended 2021. (15)

Particulars	1/1/21 (Rs.)	31/12/21 (Rs.)
Cash	1,000	?
Debtors	4,000	?
Bills Receivable	3,900	?
Stock	8,000	6,000
Fixed assets	11,000	11,000
Creditors	4,000	?
Bills Payable	2,000	?
Cash Transactions during the year 2021:		
Received from Debtors	28,000	
Bills Receivables encashed during the year	10,000	
Cash Sales	4,000	
Payment to Creditors	15,000	
Bills Payable paid	12,000	
Drawings	1,000	
Wages and Salaries	10,000	
Sundry Expenses	500	
Non-Cash transactions during the year 2021:		



Credit Sales	41,000	
Credit Purchases	30,000	
Discount Allowed	1,000	
Discount Received	1,500	
Bills Receivable drawn	11,000	
Bills Payable accepted	14,000	

Adjustments to be made for preparation of Final accounts:

- (a) 5% provision for doubtful debts.
- (b) 10% Depreciation on Fixed Assets.
- (c) Prepaid Insurance Rs.100.
- (d) Wages Outstanding Rs.1,000.

Q 3) On 30-9-2013, the stock of Fred Perry was lost in a fire accident. From the available records the following information is made available to you to prepare a statement of claim on the insurer: **(15)**

Particulars	Rs.
Stock at cost on 1-4-2012	37,500
Stock at cost on 31-3-2013	52,000
Purchases less returns for the year ended 31-3-2013	2,53,750
Sales less returns for the year ended 31-3-2013	3,15,000
Purchases less returns up-to 30-9-2013	1,45,000
Sales less returns up-to 30-9-2013	1,84,050

In valuing the stock on 31-3-2013, due to obsolescence 50% of the value of the Stock which originally cost Rs.6,000 had been written off. In May 2013 three-fourth of this stock had been sold at 90% of original cost and it is now expected that the balance of obsolete stock would also realised the same price. Subject to the above, Gross Profit has remained uniform throughout.

Stock of the value of Rs.7,200 was salvaged.

OR

Q 3) BPO Company has a Branch at Pune. Goods are invoiced to Branch at 20% profit on invoiced price. Branch has been instructed to send daily cash to the Head Office. All expenses of the branch are [paid by the Head Office except Petty expenses which are met by the Branch Manager. From the following particulars prepare Branch Account and Memorandum Branch Debtors Account in the books of Head Office. The details of transactions for the year ended 31st December 2013 were as under:

Particulars	Rs.
Stock on 1 st January 2013 (invoice Price)	84,000
Sundry Debtors on 1 st January 2013	36,000
Cash in Hand on 1 st January 2013	1,600
Furniture on 1 st January 2013	8,000
Goods Invoiced to Branch (Invoice Price)	3,20,000
Goods Returned By Branch (Invoice Price)	4,800
Goods returned by Debtors	2,000
Cash Received from Debtors	1,24,000
Cash sales	2,00,000
Credit Sales	1,28,000
Discount Allowed to Debtors	2,400
Expenses paid by Head Office:	
Rent	4,800
Salary	9,600



Stationery	<u>16,000</u>	30,400
Petty expenses paid by Branch Manager		1,200

Depreciation is to be provided on Furniture @ 10% p.a. Stock on 31st December 2013 at Invoice Price Rs.60,000.

Q 4) Delhi Head Office supplied goods to Branch at Kanpur at Invoice price (15) which is cost plus 50%. All cash received by branch is remitted to Delhi and all branch expenses are paid by the head office. From the following particulars related to Kanpur Branch for the year 2013, Prepare Kanpur Branch Account.

Particulars	Rs.
Stock with Branch on 1-1-2013 (at invoice price)	60,000
Branch Debtors on 1-1-2013	12,000
Petty Cash Balance on 1-1-2013	100
Goods received from Head office (at Invoice Price)	1,86,000
Goods returned to Head Office	3,000
Credit Sales less Returns	84,000
Cash received from debtors	90,000
Discount Allowed to debtors	2,400
<u>Expenses (Cash Paid by Head Office):</u>	
Rent	2,400
Salaries	24,000
Petty Cash	<u>1,000</u>
Cash Sales	1,04,000
Stock with Branch on 31-12-2013 (at Invoice Price)	54,000
Petty Cash Balance on 31-12-2013	100

OR

Q 4) Karanath sold goods on behalf of Vijay Sales on consignment basis. On 1st January 2008, he had with him a stock of Rs.20,000 on consignment.

Karanath had instructed to sell the goods the goods at cost plus 25% and was entitled to a commission of 4% on sales, in addition to 1% Del-credere commission on total sales for guaranteeing collection of all the sales proceeds.

During the year ended 31st December 2008 cash sales were Rs.1,20,000 credit sales Rs.1,05,000 and Karanath's Expenses relating to the consignment Rs.3,000 being salaries and insurance. Bad debts were Rs.3,000 and goods sent on consignment Rs.2,00,000.

From the above Prepare Consignment A/c. in the Books of Vijay Sales and important Ledger account in the books of Karanath.

Q 5) Write short notes (Any 3):

(5 Marks)

- (1) Stock reserve account
- (2) Stock gain
- (3) Pro-forma Invoice
- (4) Memorandum Trading account.
- (5) Defects of Single entry system