

# FYBAF sem I Reg & A.T.K.T. Exam Oct-2019.

FYBAF Sem -I

Sub : Financial accounting - I 01/10/19.

Marks : 75

Duration: 2 and half hour



Note : All questions are compulsory , subject to Internal choice.

: Figures to the right indicate full marks

: Working note will form a part of answer.

: Use of simple calculator is allowed.

Q-1 (a) Fill ups (any 8)

(8)

- 1) \_\_\_\_\_ means the total amount payable by the hirer, made up of the cash price of the article and interest.
- 2) Each HP installment amount is made up of part payment towards \_\_\_\_\_ plus interest.
- 3) Each installment consists partly of a \_\_\_\_\_ charge and partly of a cash price payment.
- 4) AS \_\_\_\_\_ deals with Revenue Recognition.
- 5) Administrative expenses are \_\_\_\_\_ ( included/excluded) while computing cost for stock valuation.
- 6) \_\_\_\_\_ method assumes that the latest items are in stock .
- 7) \_\_\_\_\_ expenditure means an expenditure carrying probable future benefits.
- 8) \_\_\_\_\_ expenditure is non-recurring in nature.
- 9) Expenses payable are shown on the \_\_\_\_\_ side of balance sheet.
- 10) Audit fees are debited to \_\_\_\_\_ ( Departmental/ general profit and loss account).

Q-1 (b) State True or False

(any 7)

- 1) Compliance of accounting standard is voluntary.
- 2) A concern should select an accounting policy which enables it to pay lower taxes.
- 3) Contribution to P.F is allocated on the basis of no. of workers of each department.
- 4) Inventories cover investments held as stock-in trade eg. Shares, debentures etc. held by a finance company.
- 5) Value of closing stock is equal to Opening stock + purchases-- sales.
- 6) Overhaul expenses of a second-hand machinery purchased are revenue expenditure.
- 7) All intangible assets are fictitious assets.
- 8) In Departmental accounting, each department is treated as a separate entity for the purpose of recording and reporting.
- 9) In a hire purchase transaction, hire vendor pays interest to hirer.
- 10) You can buy weekly groceries on Hire purchase.

Q-2 (a) The trial balance of Mrs. Deepali as on 31<sup>st</sup> December, 2013 was as follows : (15)

Debit balance	Rs.	Credit balance	Rs.
Raw material	23,000	Sundry creditors	17,000
Work –in-progress	10,000	Bills payable	8,500
Finished goods	15,500	Sales of Scrap	1,500
Sundry Debtors	27,000	Commission	400
Carriage inward	1,000	Provision for doubtful debts	1,600
Carriage outward	1,000	Deepali's capital a/c	1,00,000
Bills Receivable	16,000	Sales	2,00,000
Wages	12,000		
Salaries	10,000		
Repairs of Plant	1,200		
Repairs of Office furniture	600		
Purchase	1,00,000		
Cash at bank	2,300		
Plant and machinery	90,000		
Office furniture	9,000		
Rent	5,000		
Lighting expenses	1,800		
Factory insurance	2,000		
General expenses	1,600		
	3,29,000		3,29,000

Following additional information is provided to you:

- 1) Closing stock as on 31<sup>st</sup> December, 2013 was : Raw materials Rs.15,800 , Finished goods Rs. 18,200 , Semi- finished goods Rs. 7,000
- 2) Salaries Rs. 2,000 and wages for December ,2013 RS. 2,000 was paid in January, 2014.
- 3) Lighting expenses were outstanding Rs.600 whereas insurance was prepaid Rs. 500.
- 4) 25% of lighting expenses and rent is to be charged to office premises and the remaining amount is to be charged to factory.
- 5) Depreciation is to be written off on machinery at 10% p.a and on Furniture at 5% p.a.
- 6) Provision for doubtful debts is to be maintained at 10%.

You are required to prepare manufacturing account, trading account and profit and loss account for the year ended 31-12-2013. And Balance sheet as on that date.

OR

Q-2 (b) Determine the value of stock to be taken for Balance sheet as on 31-03-2014 from the following information: (7)

The stock was physically verified on 23-03-2014 and was valued at Rs.6,00,000 . Between 23-3-2014 and 31-3-2014 the following transactions has taken place.

- a) Purchases Rs.50,000.
- b) Out of goods sent on consignment goods worth Rs.30,000 (as cost) were unsold.

- c) Sales were Rs.1,70,000 . These included goods worth Rs.40,000 sent on approval.  
d) Goods are sold at cost + 25%



Q-2 (C) From the following particulars ,prepare stock records by Weighted Average method. (8)

Date	Transaction	Units	Rate
4-1-2014	Purchase	40	30
17-1-2014	Purchase	60	28
20-1-2014	Sale	50	35
22-1-2014	Purchase	80	29
25-1-2014	Sale	80	33
28-1-2014	Sale	20	34
30-1-2014	Purchase	100	26
31-1-2014	Sale	90	35

The stock on hand on 1<sup>st</sup> January, 2014 was 50 units @ Rs.25 each .

Q-3 (a) From the following particulars of Rajendra Hardware stores having two departments (15)

namely, Hardware and paints. Prepare trading and profit and loss account of the two departments in columnar form for the year ended 31<sup>st</sup> March, 2014.

Particulars	Hardware (Rs)	Paints (Rs)
Opening stock	86,400	1,01,300
Purchases	4,26,800	5,64,300
Carriage inwards	5,000	4,000
Wages	14,000	11,000
Sales	7,15,700	8,12,900
Return inwards	15,700	12,900
Return outwards	6,800	4,300

	Rs.
Discount received	7,200
Rent and rates	38,000
Travelling expenses	33,000
Carriage expenses	49,500
General expenses	18,000
Advertising	45,000
Discount allowed	3,900
Insurance	6,800
Selling and Distribution expenses	9,900

The further information is relevant:

- 1) General expenses and Insurance are to be allocated in ratio 2:3
- 2) The area occupied is Hardware 4/5 and Paint 1/5
- 3) The closing stock of the two department were Hardware Rs.1,24,800 , Paints Rs. 1,68,700.



- 4) Other expenses and incomes to be allocated between the two departments on a suitable basis.
- 5) During the year Hardware Department transferred goods costing Rs.15,000 to paints department.

OR

Q-3 (b) State whether the following expenditure or receipts are capital or revenue. Give reasons for your answers. (7)

- 1) Purchased a plot of land for RS 25,00,000 and and paid Rs. 1,00,000 fees for registration and allotment.
- 2) Received RS. 3,00,000 on issue of 15% debentures.
- 3) Interest of Rs. 8,000 paid on Bank overdraft.
- 4) Paid Rs.6,000 as Excise duty on goods manufactured.
- 5) A petrol engine of a passenger bus was replaced by a diesel engine , Rs. 70,000.
- 6) Paid Rs.1,00,000 as fees for renewal of license for factory.
- 7) Received Rs.2,000 as dividend on shares.

Q-3 (C) From the following information ascertain the value of stock as on 31<sup>st</sup> march, 2012 : (8)

	Rs.
Stock as on 1-4-2011	28,500
Purchases	1,52,500
Manufacturing expenses	30,000
Selling expense	12,100
Administration expenses	6,000
Financial expenses	4,300
Sales	2,49,000

At the time of valuing stock as on 31<sup>st</sup> March, 2011 a sum of RS. 3,500 was written off on a particular item, which was originally purchased for Rs. 10,000 and was sold during the year of RS.9,000 .Barring the transaction relating to this item, the gross profit earned during the year was 20% on sales.

Q-4 Jaysons purchased a printing machine from Samson Printers on Hire-purchase basis on 1<sup>st</sup> july, 2011. The terms of the Contract were as follows: (15)

- i) The cash price of the machine was Rs. 75,000
- ii) Rs.15,000 was paid on signing the contract on 1<sup>st</sup> july, 2011.
- iii) The balance was paid in instalment of RS .20,000 plus interest at 15% per annum.
- iv) The instalment were paid on 31<sup>st</sup> December every year commencing from 31<sup>st</sup> December , 2011. Jaysons charged depreciation at 20% p.a under S.L.M. They closed their books on 31<sup>st</sup> December . Show in books of Jaysons necessary accounts.

OR

Q-4 Samarat Enterprise is a Departmental store having three departments A,B and C . The information about three departments for the year ended 31<sup>st</sup> march, 2017 is given below; (15)

Particulars	Dept A Rs.	Dept B Rs.	Dept C Rs.
Opening stock	72,000	48,000	40,000
Purchases	2,64,000	1,76,000	88,000
Sales	3,60,000	2,70,000	1,80,000
Closing stock	90,000	35,000	42,000
Floor space occupied (Sq ft.)	3,000	2,500	2,000
No. of Employees	25	20	15

Balance of other revenue items and their basis of allocation is as follows:

Particulars	Rs.	Basis
Carriage inward	6,000	Purchases
Carriage outward	4,500	Sales
Salaries	81,000	No. of employees
Advertisement	5,400	Sales
Discount allowed	2,250	Sales
Discount received	1,800	Purchases
Rent, Rates and Taxes	7,500	Floor space occupied
Depreciation on Furniture	1,500	Equal

Prepare Departmental Trading and Profit and loss account for the year ended 31<sup>st</sup> march, 2017.

OR

Q-5 (a) Revenue expenditure and its characteristics. (8)

Q-5 (b) Main features or requirement of AS-2 (7)

Q-5 Write short notes on : (any 3) (15)

- 1) Fundamental accounting assumption
- 2) Advantages and Disadvantages of FIFO
- 3) Contingent Liabilities
- 4) Importance of Departmental accounting
- 5) Features of Hire purchase