

- Note:** 1) Use of Simple Calculator is allowed.  
 2) All workings form the part of answer.  
 3) All questions are compulsory subject to internal choice.



**Q. 1) A) State whether following statement are true or false (Any Eight- 8 Marks)**

1. Under single entry, cash account is maintained with receipts and payments.
2. Invoice price is always higher than cost price.
3. Abnormal loss is credited to Branch Stock Account
4. Single entry system is followed by large sized organizations.
5. In case of del-credere commission, bad debts loss is borne by the consignee.
- 6) Average clause has no effect on calculation of claim.
- 7) Under Debtor system, normal loss appears in Branch A/c.
- 8) Sale of assets debited to Trading Account.
- 9) In consignment, consignee is principal and consignor is agent
- 10) Discount allowed to customer is not recorded in Branch Account

**B) Match the following (Any Seven- 7 Marks)**

Group A	Group B
Overriding Commission	Cash Book
Abnormal goods	Bills Receivable Account
Surplus Commission	Trading Account
Opening Stock	Bills Payable Account
Loss of stock	Statement of affairs
Closing Capital	Total Creditors Account
Bills receivable drawn	For extra efforts in selling
Cash Purchase	Surplus realized
Bills payable accepted	Slow moving goods
Credit purchase	Stock on the date of fire salvage

(15 M)

Q. 2) Mr. Gopal commenced business as a retail trader on 1<sup>st</sup> January 2017 has not kept proper records of his transactions for the year ended 31<sup>st</sup> December 2017. He however, has kept a cash diary from which he has extracted the following.

Receipts	Rs.	Payments	Rs.
Amount withdrawn from Bank on various dates	7,040	Postage Expenses	1,440
		Conveyance Expenses	4,800
		License fees	120
		Miscellaneous Expenses	440
		Balance c/d	240
	7,040		7,040

Analysis of his bank statement reveals the following deposits and withdrawals.

Particulars	Rs.
<b>Deposits:</b>	
Capital Introduced	1,00,000
Cash Sales	4,80,000

Collection from Debtors	40,000
<b>Withdrawals:</b>	
Cash withdrawals for petty expenses	7,040
Rent Paid	4,400
Electricity Bills paid	1,320
Payment to suppliers	3,60,000
Insurance	24,000
Salaries	7,200
Furniture & Fixture Purchased	48,000
Advance Income tax paid	24,000
Typewriter Purchased	4,000
Personal Drawings	72,000

- All fixed assets were purchased in early January. Furniture is to be depreciated at 10% and Typewriter at 15%.
- Rent and Electricity payable are in arrear for December, 2017
- At the end of the year, debtors were Rs. 10,000, Creditors Rs. 5,400 and Stock Rs. 78,000.

You are required to prepare

- Bank A/c and find closing balance
- Trading and Profit & Loss A/c for the year ended 31<sup>st</sup> December 2017.
- Balance sheet as on that date.

OR

(15 M)

Q. 2) Mr. Devanand carries on business as retail merchant. He does not maintain account books. From the cash sales effected by him he makes business and other payments, always retains cash of Rs. 2,000 in hand and deposits balance cash in bank account. The stock inventories for the year ended 31<sup>st</sup> December 2017 are lost. He informed that he has sold goods invariably at a price which yields him a profit of  $33\frac{1}{3}$  % on cost. From the following additional information supplied to you, prepare the necessary final accounts for the year ended 31<sup>st</sup> December 2017.

Assets & Liabilities	1.1.2017	31.12.2017
Cash in hand	2,000	2,000
Sundry Creditors	8,000	18,000
Cash at bank	?	16,000
Sundry Debtors	20,000	70,000
Stock of Goods	56,000	?

Analysis of the Bank Pass Book reveals the following position.

Particulars	Rs.
Payment to Creditors	1,40,000
Payment for Business Expenses	24,000
Receipts from Debtors	1,50,000
Loan from Mr. Asit taken on 1.1.2017 at 10% p.a. interest	20,000
Cash deposited in the Bank	20,000

In addition, he paid to the creditors for goods Rs. 4,000 in cash and salaries Rs. 8,000 in cash. He also withdrew Rs. 16,000 cash for his personal expenses.

(15 M)

Q. 3) Galaxy Ltd. has a head office and many retail branches which are supplied goods from the head office at 20% Profit on sales price. Accounts are kept at head office from where all expenses (except petty expenses) are paid. Such Petty expenses are paid by the branches which are allowed to maintain petty cash balance of Rs. 9,200 on Imprest System.

Prepare Branch Account from the following information.

Particulars	Rs.
<b>Balance on 1.1.2017:</b>	
Petty cash at Branch	9,200
Stock at Branch at Sales Price	2,00,000
Sundry Debtors at Branch	96,000
Sundry Creditors at Branch	44,800
Furniture at Branch	1,12,000
Rent prepaid (upto 31.3.2017)	5,200
<b>Transaction during the year ended 31.12.2017:</b>	
Goods sent to Branch less return	16,16,000
Cash sales at Branch	23,20,000
Credit sales at Branch	3,80,000
Allowance to Debtors	6,000
Cash from Debtors	3,20,000
Bad Debts written off	4,800
Cash purchase by the Branch	1,62,000
Credit Purchase	3,99,200
Creditors at the end	92,000
<b>Payment made by the Head Office:</b>	
Rent for one year (Paid on 1.4.2017)	11,200
Salaries	48,000
Insurance paid for the year ending 31.3.18	3,840
<b>Payment made by the Branch:</b>	
Petty Expenses	1,920
<b>Balance on 31.12.2017</b>	
Stock at Sales Price	1,50,000

Write off 10% Depreciation on furniture.

OR

(15 M)

Q. 3) Mr. Gupte of Malad consigned goods Mr. Mhatre of Satara of the value of Rs. 1,50,000 and invoiced the same @20% above cost. Mr. Gupte paid Rs. 3,600 freight and Rs. 2,400 for insurance. He also drew on Mhatre a bill for Rs. 60,000 which was discounted for Rs. 56,250. An Account Sales was received showing that 75% of the goods were sold for Rs. 1,57,500. The expenses of Mr Mhatre amounted to Rs. 5,250 on clearance of goods and his commission Rs. 9,000. A Bank draft was received from Mr. Mhatre for the balance due. Pass necessary journal entries in the books of Mr. Gupte and also prepare Gupte A/c in the books of Mr. Mhatre.

(15 M)

Q. 4) Super Ltd suffered loss of stock due to fire on 31<sup>st</sup> May 2017. From the following information, prepare a statement showing the claim to be lodged.

Particulars	Rs.
Stock on 1.1.2016	76,800
Purchased during 2016	3,20,000
Sales during 2016	4,05,200
Closing stock on 31.12.2016	63,600
Sales from 1.1.2017 to 31.5.2017	1,22,800
Purchases from 1.1.2017 to 31.5.2017	1,08,000

In valuing stock on 31.12.2016, Rs. 2,600 had been written off a particular line of goods which had originally purchased Rs. 6,000 and which were sold in May 2017 for Rs. 1,800. Except as regards this transaction, the gross profit had remained unchanged throughout. Salvage was Rs. 12,000. Calculate the amount of insurance claim to be lodged with the insurance claim.

OR

(15 M)

Q. 4) A fire occurred on 15<sup>th</sup> September 2017 in the premises of Amar Ltd. From the following figures calculate the amount of claim to be lodged with insurance company for loss of stock.

Particulars	Rs.
Stock at cost on 1.1.2016	80,000
Stock at cost on 31.12.2016	1,20,000
Purchases for the year 2016	1,60,000
Sales for the year 2016	1,60,000
Sales from 1.1.2017 to 15.9.2017	4,20,000
Purchases from 1.1.2017 to 15.9.2017	1,98,000
Wages from 1.1.2017 to 15.9.2017	20,000

During the current year, cost of purchase has been risen by 10% above the last year (2016). The selling price have been gone up by 5%. Salvage value of stock after fire was Rs. 10,000.

Q. 5) A) Distinguish between single entry and double entry system

(8M)

B) What are the different types of commission on consignee

(7M)

OR

Q. 5) Give Short Notes (Any Three\* 5 Marks each)

(15M)

- 1) Valuation of consignment stock
- 2) Stock and Debtor System
- 3) Memorandum Trading Account
- 4) Goods in Transit
- 5) Conversion Method- Double Entry System

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