

H. O.: Shop No. 5, Hill Crest Society, 16<sup>th</sup> Road, Bandra (W), Mum: 50. Ph: 26051635 / 9820422953

**Branch:** Avon Arcade, Shop No. A/121, 1<sup>st</sup> Fl., Vile Parle (W),

Mumbai: 56. Ph: 9820418533

F.Y.Bcom Sem - I

## Financial Accounts Test

*Marks:- 100 Time:- 2 ½ hrs.* 

Note: (1) All question are compulsory. (2) Figures to the right indicate full marks allotted to the question.

## Q. 1 a) State whether the following statements are True or False (Any Ten): (10)

- 1. Change in the Method of Depreciation on Fixed Assets needs to be disclosed as per AS-1.
- 2. Valuation of stock of goods in trade is done at cost only.
- 3. Interest on asset purchased on hire purchase basis is charged by the vendor.
- 4. Revenue expenditure includes cost of improving the storage capacity of a computer by charging the hard disk.
- 5. Trading expenses are debited to Profit and Loss A/c.
- 6. Balance Sheet shows the profitability of the organisation.
- 7. Departmental accounting helps to determine profit or loss of each department.
- 8. When Department A transfers goods to Department B, Department A A/c is debited and Department B A/c is credited.
- 9. Lighting is allocated on the basis of horse power of equipments installed by each department.
- 10. Under hire purchase system, depreciation is charged on the hire purchase price of the asset.
- 11. The disclosure of significant accounting policies is mandatory as per AS-1.
- 12. Dividend received on shares is a Capital Receipts.

## Q. 1 b) Match the Column A with most appropriate answers in Column B (Any Ten): (10)

1 b) Match the Column A with most appropriate answers in Column B (Any Ten): (10)				
Column A	Column B			
1. Method of Stock Valuation	(a) Allocated on the basis of sales			
2. Accounting Standard – 9	(b) FIFO Method			
3. Drawing by Proprietor	(c) Added to purchases in manufacturing			
4. Capital Expenditure	account			
5. Basic Rule for Valuation of Stock	(d) Evaluation of performance of each			
6. Weighted Average Method	department			
7. Accounting Standard – 1	(e) Fundamental Accounting Assumptions			
8. Import duty on purchase of Raw Material	(f) Purchase of Fixed Assets			
9. Selling Expenses	(g) Financing Activities			
10. Down Payment	(h) Initial Payment at the time of hire purchase			
11. Departmental Accounting	agreement			
12. Capital Receipt	(i) Lower of cost or Net Realisable Value			
	(j) Revenue Recognition			
	(k) Debited to Capital Account			
	(l) Total Cost of Inventory / Total Units of			
	Inventory			

**P.T.O.** 

Q. 2 From the following Trial Balance of Mr. Shivprasad, prepare Manufacturing Account, Trading Account and Profit and Loss Account for the year ended 31st March, 2018 and Balance Sheet as on that date:

(10)

Trial Balance of Mr. Shivprasad as on 31st March, 2018

Particulars	Dr. (₹)	Cr. (₹)
Sales		25,00,000
Debtors	1,86,000	
Opening Stock – Raw Material	59,000	
Opening Stock – Work in Progress	70,000	
Opening Stock – Finished Goods	1,00,000	
Purchase of Raw Materials	16,00,000	
Carriage Inward on Raw Material	89,000	
Direct Wages	1,48,000	
Rent (75% for Factory)	80,000	
Drawings	18,000	
Creditors		2,00,000
Cash at Bank	75,000	
Salaries	1,58,000	
Discount Allowed	17,000	
Capital Account		11,00,000
Machinery	12,00,000	
Total	38,00,000	38,00,000

## Following further information is provided:

- Closing Stock as on 31<sup>st</sup> March, 2018:
   Raw Material ₹ 60,000, Work-in-Progress ₹ 70,000, Finished Goods ₹ 1,05,000.
- 2. Depreciate Machinery @ 5% p.a.
- 3. During the year goods costing ₹ 30,000 were distributed as free samples which remained unrecorded.
- 4. On 3<sup>rd</sup> September 2017, there was a fire in the godown of Mr. Shivprasad, destroying goods worth ₹ 10,000 which includes ₹ 4,000 raw material and ₹ 6,000 finished goods, insurance company admitted the claim for ₹ 8,000. This transaction was not recorded in the books.
- 5. Provide reserve for doubtful debts @ 5% on Sundry Debtors.

## OR

Q. 2 From the following Trial Balance of Mr. Girija, prepare Manufacturing Account, Trading Account and Profit and Loss Account for the year ended 31st March 2018 and Balance Sheet as on that date: (15)

**P.T.O.** 

Trial Balance of Mr. Girija as on 31st March, 2018

Particulars	Dr. (₹)	Cr. (₹)
Goodwill	4,42,000	
Purchase of Raw Material	11,24,000	
Capital		16,80,000
Carriage Inward	31,000	
Bills Receivable / Bills Payable	1,00,000	1,10,000
Opening Stock – Raw Material	50,000	
Opening Stock – Work in Progress	56,000	
Opening Stock – Finished Goods	1,19,000	
Sales		18,32,000
Direct Wages	3,42,000	
Factory Power and Fuel	53,000	
Machinery	9,60,000	
Office Salaries	99,000	
Cash at Bank	1,60,000	
Selling and Distribution Expenses	29,000	
Creditors		86,000
Sale of Scrap		7,000
Sundry Debtors	1,50,000	
	37,15,000	37,15,000

## Following further information is provided to you:

- Closing Stock as on 31<sup>st</sup> March, 2018 is:
   Raw material ₹ 85,000; work-in-Progress ₹ 58,000 & Finished Goods ₹ 90,000.
- 2. On 28<sup>th</sup> March, 2018, Finished Goods costing ₹ 10,000 were sent on sale or approval basis @ 20% on cost. These goods were not approved till 31<sup>st</sup> March, 2018. The effect for the same needs to be given as the time for approval has not expired.
- 3. Depreciate Machinery @ 5% p.a.
- 4. Included in Debtors Account an amount of ₹ 12,000 receivable from one customer Mr. Harshad. He is also our supplier for ₹ 10,000 which was included in Creditors Account. It was decided to adjust Mr. Harshad's Accounts against each other.
- Q. 3 M/s. Spandan Transport purchased a bus on hire purchase basis from M/s. Volvo Ltd. on 1<sup>st</sup> January, 2015. The cash price of the bus was ₹ 30,00,000. An initial payment of ₹ 12,00,000 was made on the date of purchase. The balance was paid in 3 annual installments excluding interest as follows: (15)

31-12-2015 ₹ 6,50,000 31-12-2016 ₹ 6,00,000 31-12-2017 ₹ 5,50,000

M/s. Volvo Ltd. charged interest @ 10% p.a. and M/s. Spandan Transport charged Depreciation @ 15% p.a. on Written Down Value Method. You are required to prepare Bus Account and M/s. Volvo Ltd. A/c in the books of M/s. Spandan Transport for 3 years ending 31-12-2015, 31-12-2016 and 31-12-2017.

OR P.T.O.

**Q. 3** From the following information prepare Departmental Trading and Profit and Loss Account for the year ending 31st March, 2018 in the books of Ganesh Super Market:

(15)

**Particulars** Dept. A (₹) Dept. B (₹) Total (₹) **Opening Stock** 2,50,000 4,00,000 6,50,000 **Purchases** 10,00,000 8,00,000 18,00,000 Sales 22,50,000 15,00,000 37,50,000 Wages 1,50,000 1,00,000 2,50,000 Office Salaries 12,00,000 Discount Allowed 2,20,000 Discount Received 72,000 Rent Paid 16,000

## **Additional Information:**

- 1. Stock in hand as on 31st March, 2018 Department A ₹ 8,50,000; Department B ₹ 7,00,000.
- 2. Office staff appointed by Department A 10 persons and Department B 5 persons.
- 3. Area occupied by Dept. A 1000 Sq. Ft. and Dept. B 600 Sq. ft.
- 4. Depreciation on furniture was ₹ 13,000 which was allocated in Dept. A and B equally.
- 5. Goods transferred from Dept. A to Dept. B was ₹ 4,00,000.
- **Q. 4** Following is the information related to purchases and sales of goods made by Jai Enterprise in the month of March, 2018. Find out from the given information. **(15)** 
  - a) The value of Closing Stock as on 31st March, 2018 using Weighted Average Price Method.
  - b) Cost of Goods Sold for the month of March, 2018.
  - c) Sales and Gross Profit for the month of March, 2018.

Date	Particulars	Units	Rate
03-03-2018	Sales	1,500	600
06-03-2018	Purchases	3,500	500
13-03-2018	Sales	4,000	700
18-03-2018	Purchase Returns from Purchase of 6th March	500	
20-03-2018	Purchases	5,000	470
22-03-2018	Sales Return out of Sale of 3 <sup>rd</sup> March	1,500	
25-03-2018	Sales	6,000	750
27-03-2018	Purchases	5,000	530
30-03-2018	Sales	4,000	700
31-03-2018	Purchases	3,000	550

Stock on 1st March, 2018 was 3,000 units @ ₹ 400 per unit.

OR P.T.O.

Q. 4 From the following particulars of Chaitanya Garments prepare Trading and Profit and Loss Account of two departments' i.e. Garment & Cosmetics for the year ended 31st March, 2018:

Particulars	Garment Dept. (₹)	Cosmetic Dept.(₹)	Total (₹)
Opening Stock	65,000	50,000	1,15,000
Purchases	2,40,000	1,60,000	4,00,000
Sales	3,20,000	2,80,000	6,00,000
Salaries	12,000	10,000	22,000
General Expenses			15,000
Rent & Rates			30,000
Carriage Inward			6,000
Carriage Outward			12,000
Discount Allowed			9,000
Discount Received			4,500
Travelling Expenses			15,000
Insurance Charges			5,000

## **Additional Information:**

- 1. General Expenses and Insurance are to be allocated equally.
- 2. Area occupied by Garment & Cosmetics department are in the ratio of 4 : 1.
- 3. Closing Stock of Garment Dept. is ₹ 1,20,000 and that of Cosmetic Dept. is ₹ 60,000. Other expenses and Income to be allocated between two departments on suitable basis.
- Q. 5 State whether the following expenditures and receipts are Capital or Revenue and give reason for your answer: (15)
  - 1. Carriage paid for bringing new machinery ₹ 25,000.
  - 2. Sold old business car for ₹ 2,50,000.
  - 3. Insurance premium paid for ₹ 25,000 to General Insurance Company for insurance of Plant.
  - 4. Loan repaid ₹ 1,25,000 which was taken State Bank of India.
  - 5. Paid tax consultancy fees ₹ 40,000 to CA Deshpande for the year ended 31st March, 2018.
  - 6. Cost of improving seating capacity of cinema hall  $\stackrel{?}{\underset{?}{$\sim$}}$  7,00,000.
  - 7. A manufacturer purchased raw material of ₹ 1,50,000 and produced goods worth ₹ 3,00,000 and sold 50% of the same for ₹ 2,00,000 to M/s. Raj Traders.

## OR

Q. 5 Find out the value of closing stock of M/s. Max Ltd. using FIFO and Weighted Average Methods from the following data: (15)

P.T.O.

Date	Particulars	Units	@₹
08-03-2018	Sales	500	750
20-03-2018	Sales	1,000	800
31-03-2018	Sales	1,500	850
12-03-2018	Purchases	1,200	550
15-03-2018	Purchases	1,000	600
23-03-2018	Purchases	1,500	700

Opening Stock on 1st March, 2018 was 800 units @ 500 per unit.

## Q. 6 Answer the following:

(a) Explain Accounting Standards and State the advantages of Accounting Standards.

(10)

(b) Explain features of Hire Purchase Agreement.

(10)

## OR

## Q. 6 Write short notes on any four of the following:

(20)

- (a) Limitations and Advantages of Weighted Average Method of Stock Valuation.
- (b) Revenue Expenditure
- (c) Adjustment Entries in Final Accounts
- (d) Trading Account and Profit & Loss Account
- (e) Main features of AS-9 Revenue Recognition
- (f) Fundamental Accounting Assumptions as per AS-1.

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# Financial Accounts Pre Final Exam (Solution)

Marks:- 100 Time:- 2 ½ hrs.

#### Solution 1 (a):

- Change in the Method of Depreciation on Fixed Assets needs to be disclosed as per AS-1. *True*
- 2. Valuation of stock of goods in trade is done at cost only. False
- 3. Interest on asset purchased on hire purchase basis is charged by the vendor. True
- Revenue expenditure includes cost of improving the storage capacity of a computer by changing the hard disk. - False
- 5. Trading expenses are debited to Profit and Loss A/c. False
- 6. Balance Sheet shows the profitability of the organisation. False
- 7. Departmental accounting helps to determine profit or loss of each department. True
- 8. When Department A transfers goods to Department B, Department A a/c is debited and Department B a/c is credited. False
- Lighting is allocated on the basis of horse power of equipments installed by each department. True
- Under hire purchase system, depreciation is charged on the hire purchase price of the asset. -False
- 11. The disclosure of significant accounting policies is mandatory as per AS-1. True
- 12. Dividend received on shares is a Capital Receipt. False

## Solution 1 (b):

sed!	Column A	Column B		
1.	Method of Stock Valuation	(a) FIFO method		
2.	Accounting Standard - 9	(b) Revenue Recognition		
3.	Drawing by Proprietor	(c) Debited to Capital Account		
4.	Capital Expenditure	(d) Purchase of Fixed Assets		
5.	Basic Rule for Valuation of Stock	(e) Lower of Cost or Net Realisable Value		
6.	Weighted Average Method	(f) Total Cost of Inventory/Total Units of Inventory		
7.	Accounting Standard - 1	(g) Fundamental Accounting Assumptions		
8.	Import duty on purchase of Raw Material	(h) Added to purchases in manufacturing account		
9.	Selling Expenses	(i) Allocated on the basis of sales		
10.	Down Payment	(j) Initial payment at the time of hire purchase agreement		
11.	Departmental Accounting	(k) Evaluation of performance of each department		
12.	Capital Receipt	(I) Financing Activities		

### Solution 2:

## In the Books of Mr. Shivprasad

Dr. Manufacturing Account for the year ended 31st March 2018

Cr.

Particulars ₹ Particulars		Particulars	a releative s aby 🐔 🕏	
To Raw Material Opening Stock 59 Add: Purchase of	,000	By Closing Stock - Work-in-Progress By Raw Materials Destroyed	70,000	
Raw Material 16,00	0,000	by Fire By Trading Account	4,000	
- Less : Closing Stock	0,000 15,99,000	(Cost of Production	niabnu 1 (	

Raw Material To Direct Wages To Factory Rent To Depreciation on Machinery	89,000 1,48,000 60,000 60,000 20,26,000	85,000	Less : O sing Stock of Raw (atend) of Opening Stock work-in progress 20,26,000
		11,24,000 11,74,000	Raw Material

Or. Trading Account for the year ended 31st March 2018			of the West Cr.	
Particulars	7	Particulars	7	
To Opening Stock - Finished Goods	1,00,000	By Sales By Finished Goods destroyed	25,00,000	
To Manufacturing Account (Cost of Production tfd.)	19,52,000	by fire By Goods distributed as Free	6,000	
To Profit and Loss A/c	5,89,000	Samples	30,000	
(Gross Profit tfd.)	By Sales	By Closing Stock - Finished Goods	1,05,000	
15V01Q0	26,41,000	Goods 1,19,000	26.41.000	

Front and Loss Account for the year ended 31st March 2018			
Particulars	on 2019 <b>7</b> 3 3	Particulars	#
To Office Rent To Salaries To Discount Allowed To Reserve for Doubtful Debts	20,000 1,58,000 17,000 9,300	- ) · · · · · · · · · · · · · · · · · ·	5,89,000
To Loss by Fire To Advertisement To Net Profit transferred to	2,000 30,000	Profit and Loss Account for th	on in the
Capital A/c	3 52 700	non no	

## Balance Sheet as at 31-3-2018

5,89,000

5,89,000

Liabilities	7	₹	Assets	7	7
Capital Account	11,00,000	entrol transcription of the	Machinery	12,00,000	
Add : Net Profit	3,52,700	E-TE 16 B	Less : Depr. @ 5%		11,40,000
	14,52,700		Sundry Debtors	1,86,000	
Less : Drawings	18,000	14,34,700	Less : RDD @ 5%	9,300	1,76,700
Creditors	5.00	2,00,000	Raw Materials -	0,000	1,,,0,,,00
		Machiner	Closing Stock	60,000	a distribution between
	4°8 @ .c	Loss Da	Work-in-Progress -	00,000	datas por
	arolds	Sumaiv D	Closing Stock	70,000	STORINGS.
	callivi inemiau	DATE SEST	Finished Goods -	Classific transts	
	810	Credit	Closing Stock	1,05,000	2,35,000
	no inne abo	of sanu	Cash at Bank	-1001000	75.000
	- 191	oneA	Insurance Claim		70,000
		11. VES-118	Receivable		8,000
(A10.12) 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	0 4.5	16,34,700		The Res	16,34,700

OR

## Solution 2:

## In the Books of Mr. Girija

Dr	Manufacturing Account for the year ended 31st March 2018	Cr.
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Particulars   ₹
By Closing Stock - Work-in-Progress 58,00

- Add : Purchase of		By Sale of Scrap	7,000
Raw Material 11,24,000		By Trading Account	15,54,000
11,74,000	Marie Marie	(Cost of Production	TENCH SEED THE OF
<ul> <li>Less : Closing Stock</li> </ul>		transferred)	famolesk wish
of Raw Material 85,000	10,89,000	000,84,1	To Direct Wages
To Opening Stock -	office on Ed	LOOO, OB	Los Fredorit Rent
Work-in-Progress	56,000	Macanagry 60,000	To Daprecetion or
To Carriage Inward on	to the Parish of	000 0000 000000000000000000000000000000	
Raw Material	31,000	Total acceptable and the	
To Direct Wages	3,42,000	Tracing Account for the year	.10
To Factory Power and Fuel	53,000	in the content date site. And the	II/India de santa ponto
To Depreciation on Machinery	48,000		
2000,00,32	16,19,000		16,19,000

Particulars	7	Particulars	7
To Opening Stock - Finished Goods	1,19,000	By Sales 18,32,00 Less : Sale on Approval	0 200)1
To Manufacturing Account (Cost of Production tfd.)	15,54,000		0 18,20,000
To Profit and Loss A/c (Gross Profit tfd.)	2,47,000	Finished Goods 90,00 Add : Closing stock with	0
600,68,8 total	By Fracting Acc.	Customer on Approval basis at cost 10,00	0 1,00,000
AND KILL TO SEE STATE OF THE SECOND S	19,20,000	17,000 Tillowed	19,20,000

#### Dr. Profit and Loss Account for the year ended 31st March 2018

Cr.

Particulars	7	Particulars	7
To Salaries	99,000	By Trading Account	Gapital Au
To Selling and Distribution Expenses			2,47,000
To Reserve for Doubtful Debts	6,400		
To Net Profit transferred to	PETTO IS SI	Jestile condition Con or real cases	THE VEHICLE
Capital A/c	1,12,600	d (6) Touch cost of legentary note	
AFT AM PERSON	2,47,000		2,47,000

## Balance Sheet as at 31-3-2018

Liabilities	₹	7	Assets	7	7
Capital Account	16,80,000	Raw Mate	Goodwill	CHEST SHOP OF	4,42,000
Add : Net Profit	1,12,600	17,92,600	Machinery	9,60,000	
Bills Payables	- 8391001	1,10,000	Less : Dep. @ 5%	48,000	9,12,000
Creditors	86,000	Clean	Sundry Debtors	1,50,000	
Less : Adjustment with	- abook	i bertashirid	Less : Adjustment with	B	
Debtors for Harshad	10,000	76,000	Creditors	10,000	
	NAME OF THE PARTY	d to rive Se	Less : Goods sent on		
	Ciain.	acmartien)	Approval	12,000	
500 (Bn 9)		as viboon B		1,28,000	
notice at	No.	The second second	Less : RDD @ 5%	6,400	1,21,600
Similar Village Comment	- /		Bills Receivables		1,00,000
	sturing hos	Button on the	Closing Stock -	But ?	- 0
			Raw Material	-	85,000
		5.00	Closing Stock -	1	
		WE HAT TO	Work-in-Progress		58,000
	L. Salenni		Closing Stock -		
	TOWNERS OF THE	one met	Finished Goods	unan	1,00,000
			Cash at Bank	VIII NOT A TOTAL OF THE PARTY O	1,60,000
		19,78,600			19,78,600

Vorking Norking North	t and Inst	tallments			₹	7	
	f Interest -				1 500	600	and the state of
	rice - 30,0					100	
1-1-20		Cash Price		J	30,00,000	2 3 100	of the state of the
		Down Paym	ent for moo		12,00,000	e propress feet	
					18,00,000		- F
31-12-2	2015	Add : Interes	st		1,80,000		
		Payable			19,80,000	P	, r'
31-12-2		Less : I Insta	DESCRIPTION OF THE RESERVE OF THE RE	Tieno no d	8,30,000	6,50,000	1,80,00
000,000		Balance Pay			11,50,000	-	
31-12-2		Add : Interes	st	I WOU DUN	1,15,000	(A)_nc	Depreda
31-12-2		Payable  II Instalment	religia Loss A	138.019/10	12,65,000	P	Hogel and the
31-12-2		n instalment Payable		-	7,15,000 5,50,000	6,00,000	1,15,00
31-12-2		Add : Interes		-CO.	55,000		12 12 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
100,58		Payable	E manner of	1000.00	6,05,000	P	Land Ma
31-12-2		Less : III Ins	talment		6,05,000	5,50,000	55,00
		Payable		TOWN TOWN	0	0,00,000	(1) 1
. Deprec	iation by	WDV Metho	d (Rate - 15%)	THE COLUMN	200 00 20	Ma area	and a second
Cash P		L	H <del>400   3-27-</del> 036	man sele			30,00,00
Less : I	Depreciatio	on for 2015		1			4,50,00
WDV			500 7 50	By Charles			25,50,0
Less . I	\i-4!-						
	Depreciatio	on for 2016				enot8	3,82,50
WDV			The L	W. freiges	Arteoba Le	aroze r	
WDV Less : [		on for 2016 on for 2017	and solder	Waffeloon	A Teplo Le	W.	3,82,50 21,67,50 3,25,12
WDV		on for 2017		Waffelded Section 1	0.19969   6 		3,82,50 21,67,50
WDV Less: I WDV		on for 2017	he Books of S	pandan Tra	ansport		3,82,50 21,67,50 3,25,12
WDV Less : I WDV	Depreciatio	on for 2017 In t		pandan Tra	ansport		3,82,50 21,67,50 3,25,12
WDV Less: I WDV	Depreciation Particula	on for 2017 In t		MOAT I	ansport Particular		3.82,50 21,67,50 3.25,12 18,42,37
WDV Less: I WDV r. Date	Depreciation Particula	on for 2017 In t		Date 31-12-15	Particular By Depre	ciation	3,82,50 21,67,50 3,25,12 18,42,37
WDV Less : [ WDV r.	Depreciation Particula	on for 2017 In t	80,00,000	ccount Date	Particular By Depre	ciation	3,82,50 21,67,50 3,25,12 18,42,37 C 4,50,000 25,50,000
WDV Less: I WDV r. Date	Particula To Volvo	in to lin	Bus A ₹ 30,00,000 30,00,000	Date 31-12-15 31-12-15	Particular By Depre By Balance	ciation ce c/d	3,82,50 21,67,50 3,25,12 18,42,37 2,50,000 25,50,000 30,00,000
WDV Less: I WDV r. Date	Particula To Volvo	in to lin	80,00,000	Date 31-12-15 31-12-16	Particular By Depree By Balance By Depree	ciation ce c/d ciation	3,82,50 21,67,50 3,25,12 18,42,37 4,50,000 25,50,000 30,00,000 3,82,500
WDV Less: I WDV r. Date	Particula To Volvo	in to lin	30,00,000 30,00,000 25,50,000	Date 31-12-15 31-12-15	Particular By Depre By Balance	ciation ce c/d ciation	3,82,50 21,67,50 3,25,12 18,42,37 <b>C</b> 4,50,000 25,50,000 30,00,000 3,82,500 21,67,500
WDV Less: I WDV r. Date 1-1-15	Particula To Volvo To Balan	in to the second of the second	Bus A 30,00,000 30,00,000 25,50,000 25,50,000	Date 31-12-15 31-12-16 31-12-16	By Depres By Balance By Depres By Balance	ciation ce c/d ciation ce c/d	3,82,50 21,67,50 3,25,12 18,42,37 4,50,000 25,50,000 30,00,000 3,82,500 21,67,500 25,50,000
WDV Less: I WDV r. Date	Particula To Volvo	in to the second of the second	30,00,000 30,00,000 25,50,000	200unt  Date 31-12-15 31-12-16 31-12-16 31-12-16	By Depree By Balance By Depree By Balance	ciation ce c/d ciation ce c/d	3,82,50 21,67,50 3,25,12 18,42,37 2,50,000 30,00,000 3,82,500 21,67,500 25,50,000 3,25,128
WDV Less: I WDV r. Date 1-1-15	Particula To Volvo To Balan	in to the second of the second	30,00,000 30,00,000 25,50,000 25,50,000 21,67,500	Date 31-12-15 31-12-16 31-12-16	By Depres By Balance By Depres By Balance	ciation ce c/d ciation ce c/d	3,82,50 21,67,50 3,25,12 18,42,37 4,50,00 25,50,000 30,00,000 3,82,500 21,67,500 25,50,000 3,25,128 18,42,378
WDV Less: I WDV r. Date 1-1-15	Particula To Volvo To Balan	in to the second of the second	30,00,000 30,00,000 25,50,000 21,67,500 21,67,500	21-12-15 31-12-15 31-12-16 31-12-16 31-12-16 31-12-16	By Deprei By Balance By Balance By Deprei By Balance By Balance	ciation ce c/d ciation ce c/d	3,82,50 21,67,50 3,25,12 18,42,37 2,50,000 30,00,000 3,82,500 21,67,500 25,50,000 3,25,128
WDV Less: I WDV r. Date 1-1-15	Particula To Volvo To Baland	in to	30,00,000 30,00,000 25,50,000 25,50,000 21,67,500	21-12-15 31-12-15 31-12-16 31-12-16 31-12-16 31-12-16	By Depree By Balance By Depree By Balance By Depree By Balance	ciation ce c/d ciation ce c/d	3,82,50 21,67,50 3,25,12 18,42,37 4,50,00 25,50,000 30,00,000 3,82,500 21,67,500 25,50,000 3,25,128 18,42,378
WDV Less: I WDV r. Date 1-1-15	Particula To Volvo To Balan	in to	30,00,000 30,00,000 25,50,000 21,67,500 21,67,500	Date 31-12-15 31-12-16 31-12-16 31-12-16 31-12-16 31-12-16	By Depree By Balance By Depree By Balance By Depree By Balance	ciation ce c/d ciation ce c/d ciation ce c/d	3,82,50 21,67,50 3,25,12 18,42,37 4,50,000 25,50,000 30,00,000 3,82,500 21,67,500 25,50,000 3,25,128 18,42,378 21,67,500
WDV Less: I WDV r. Date 1-1-15	Particula To Baland To Baland To Cash/	In to	30,00,000 30,00,000 25,50,000 21,67,500 21,67,500	200unt  Date 31-12-15 31-12-16 31-12-16 31-12-16 31-12-16 31-12-16  td. Accour	By Depree By Balance By Depree By Balance By Balance By Balance By Balance By Balance By Balance	ciation ce c/d ciation ce c/d ciation ce c/d	3,82,50 21,67,50 3,25,12 18,42,37 4,50,000 25,50,000 30,00,000 3,82,500 21,67,500 25,50,000 3,25,128 18,42,378 21,67,500
WDV Less: I WDV r. Date 1-1-15	Particula To Baland To Baland To Cash/ (Down Pa	In to	30,00,000 30,00,000 25,50,000 25,50,000 21,67,500 M/s Volvo L	Date 31-12-15 31-12-16 31-12-16 31-12-16 31-12-16 31-12-16	By Depree By Balance By Depree By Balance By Depree By Balance By Balance	ciation ce c/d ciation ce c/d ciation ce c/d	3,82,50 21,67,50 3,25,12 18,42,37 4,50,000 25,50,000 30,00,000 3,82,500 21,67,500 25,50,000 3,25,128 18,42,378 21,67,500
WDV Less: I WDV r. Date 1-1-15 1-1-17 r. Date 1-1-15	Particula To Baland To Baland To Cash/ (Down Particula) To Cash/	in to the form of	30,00,000 30,00,000 25,50,000 25,50,000 21,67,500 21,67,500 M/s Volvo L 12,00,000 8,30,000	200unt  Date 31-12-15 31-12-16 31-12-16 31-12-16 31-12-16 31-12-16  td. Accour	By Depree By Balance By Depree By Balance By Balance By Balance By Balance By Balance By Balance	ciation ce c/d ciation ce c/d ciation ce c/d	3,82,50 21,67,50 3,25,12 18,42,37 4,50,000 25,50,000 30,00,000 3,82,500 21,67,500 25,50,000 3,25,128 18,42,378 21,67,500
WDV Less: I WDV r. Date 1-1-15	Particula To Baland To Baland To Cash/ (Down Pa	in to the form of	30,00,000 30,00,000 25,50,000 21,67,500 21,67,500 M/s Volvo L 12,00,000 8,30,000 11,50,000	200unt  Date 31-12-15 31-12-16 31-12-16 31-12-16 31-12-16 31-12-16  td. Accour	By Depree By Balance By Depree By Balance By Balance By Balance By Balance By Balance By Balance	ciation ce c/d ciation ce c/d ciation ce c/d	3,82,50 21,67,50 3,25,12 18,42,37 4,50,000 25,50,000 30,00,000 3,82,500 21,67,500 25,50,000 3,25,128 18,42,378 21,67,500 C1
WDV Less: I WDV r. Date 1-1-15 1-1-17 r. Date 1-1-17 31-12-15 31-12-18	Particula To Volvo To Baland To Cash/(Down Particula) To Cash/To Baland	In to the second of the second	30,00,000 30,00,000 25,50,000 25,50,000 21,67,500 21,67,500 M/s Volvo L 12,00,000 8,30,000 11,50,000 31,80,000	31-12-15 31-12-15 31-12-16 31-12-16 31-12-16 31-12-16 31-12-16 31-12-16	By Depree By Balance By Depree By Balance By Depree By Balance By Balance By Balance By Balance By Bus A/By Interes	ciation ce c/d	3,82,50 21,67,50 3,25,12 18,42,37 4,50,000 25,50,000 30,00,000 3,82,500 21,67,500 25,50,000 3,25,128 18,42,378 21,67,500 Ci
WDV Less: I WDV r. Date 1-1-15 1-1-17 r. Date 1-1-15 31-12-15 31-12-16	Particula To Volvo To Baland To Cash/(Down Particula) To Cash/To Baland To Cash/To Cas	In to the second of the second	30,00,000 30,00,000 25,50,000 25,50,000 21,67,500 21,67,500 M/s Volvo L 12,00,000 11,50,000 31,80,000 7,15,000	31-12-15 31-12-15 31-12-16 31-12-16 31-12-16 31-12-16 1-1-15 31-12-15	By Depree By Balance By Depree By Balance By Balance By Balance By Balance By Bus A/By Interes	ciation ce c/d	3,82,500 21,67,500 3,25,12 18,42,37 4,50,000 25,50,000 30,00,000 25,50,000 3,25,125 18,42,375 21,67,500 Ci
WDV Less: I WDV r. Date 1-1-15 1-1-17 r. Date 1-1-17 31-12-15 31-12-18	Particula To Volvo To Baland To Cash/(Down Particula) To Cash/To Baland	In to the second of the second	30,00,000 30,00,000 25,50,000 25,50,000 21,67,500 21,67,500 M/s Volvo L 12,00,000 8,30,000 11,50,000 31,80,000	31-12-15 31-12-15 31-12-16 31-12-16 31-12-16 31-12-16 31-12-16 31-12-16	By Depree By Balance By Depree By Balance By Depree By Balance By Balance By Balance By Balance By Bus A/By Interes	ciation ce c/d	3,82,50 21,67,50 3,25,12 18,42,37 4,50,000 25,50,000 30,00,000 3,82,500 21,67,500 25,50,000 3,25,128 18,42,378 21,67,500 Ci

31-12-17 To Cash / Bank	6,05,000	1-1-17 31-12-17	By Balance b/d By Interest	5,50,000 55,000
William Table	6,05,000	, Kosai	ains cillate et	6,05,000

OR

Solution 3:

Departmental Trading and Profit & Loss Account For the Year Ended 31st March, 2018

Particulars	Dept. A	Dept. B ₹	Particulars	Dept. A	Dept. B
To Opening Stock To Purchases To Wages To Depreciation (A) To Gross Profit c/d	2,50,000 10,00,000 1,50,000 - 21,00,000	8,00,000	By Sales By Transfer (B) By Closing Stock	22,50,000 40,000 85,000	The second secon
300 304 - 200,000 2020 Nove Note	35,00,000	22,00,000	Lavisace V stray	35,00,000	22,00,000
To Salaries (2 : 1) To Discount Allowed (SR) To Depreciation To Rent To Net Profit	8,00,000 1,32,000 6,500 10,000 11,91,500	4,00,000 88,000 6,500 6,000 31,500	By Gross Profit By Discount Received (P/R)	21,00,000 40,000	5,00,000 32,000
ODUTORVIE	21,40,000	5,32,000	6/7876 shall) bornels VO	21,40,000	5,32,000

## Solution 4:

## Stores Ledger Account (Weighted Average Method)

Date	F	Purchas	es		Issues			Balance		
大学の変化を	Qty.	Rate	Total	Qty.	Rate	Total	Qty.	Rate	Total	
1-3-2018	HE TO E TOWN	USAN T	A POST CIS F				3,000	THE RESIDENCE OF THE PARTY OF T	THE RESERVE AND PERSONS ASSESSMENT	
3-3-2018	Cartes into	en la '		1,500	400	6,00,000	1,500			
6-3-2018	3,500	500	17,50,000		200		1,500	400		
000,08,4	n n	rediatio	ged ya.jar	SI-12	000,00	Gleona 3	5,000	470	23,50,000	
13-3-2018	-	no equi	BE YE C	4,000	470	18,80,000	1,000	470	4,70,000	
18-3-2018	-	-		500	470	2,35,000	500	470	2,35,000	
20-3-18	5,000	470	23,50,000	S1-18 S12(8)	.000 (88)		500 5,000	470 470	2,35,000 23,50,000	
000,00,03		9	1 Aspeni		000,00,	S. Samona	5,500	470	25,85,000	
22-3-18	1,500	400	6,00,000	131-12 131-12	67,500	Shicome I of ore out	5,500 1,500	470 400	25,85,000 6,00,000	
Jud, Ye, ISI					908,78,	g voos ser	7,000	455	31,85,000	
25-3-18	-	-	\$1100	6,000	455	27,30,000	1,000	455	4,55,000	
27-3-18	5,000	530	26,50,000				1,000 5,000	455 530	4,55,000 26,50,000	
IOG OR I		EA LEGIS	tal va lat	2 78	UNU SIDE	U DITION OF	6,000	517.50	31,05,000	
30-3-18	13 -	1 -		4,000	517.50	20,70,000	2,000		10,35,000	
31-3-18	3,000	550	16,50,000		000,089 000,089	R Hock A	2,000 3,000	517.50 550.00	10,35,000 16,50,000	
100,00,111	100	d nome	nd ye ler	Er l	000.21.3		5,000		26,85,000	
Total	18,000	12808	73,50,000	16,000	uuu,oe.c	75,15,000	DKG SQN	10 3016	or starts	

Closing Stock on 31st March, 2018 was 5,000 units of ₹ 26,85,000.

## Calculation for Sales

Date	Qty.	Rate	Amount
3-3-2018 13-3-2018	 1,500 4,000 6,000	600 700 750	9,00,000 28,00,000 45,00,000
25-3-2018 31-3-2018	 4,000	700	28,00,000
Total Sales Less : Returns Less : COGS	15,500 1,500	600	<b>1,10,00,000</b> 9,00,000 75,15,000
Gross Profit			25,85,000

OR

Solution 4 :

Departmental Trading and Profit & Loss Account For the Year Ended 31st March, 2018

Particulars	Dept. Garments ₹	Dept. Cosmetics ₹	Particulars	Dept. Garments ₹	Dept. Cosmetics ₹
To Opening Stock To Purchases To Carriage Inward (PR) To Gross Profit	65,000 2,40,000 3,600 1,31,400	50,000 1,60,000 2,400 1,27,600	By Sales By Closing Stock	3,20,000 1,20,000	2,80,000
To General Expenses To Insurance To Rent To Carriage Outward (8:7)	7,500 2,500 25,000 6,400	5,600	By Gross Profit By Discount Received (PR 3 : 2)	4,40,000 1,31,400 2,700	3,40,000 1,27,600 1,800
To Discount Allowed (8:7) To Travelling Expenses To Salaries To Net Profit	4,800 8,000 12,000 67,900 1,34,100	4,200 7,000 10,000 87,600 1,29,400		1,34,100	1,29,400

## Solution 5:

- 1. Capital Expenditure: It increases the cost of machinery it is capitalised as per AS 10.
- 2. Capital Receipt: Money received on sale of asset.
- 3. Revenue Expenditure: It is incurred in the normal course of operation.
- 4. Capital Expenditure : Non-recurring in nature.
- 5. Revenue Expenditure: Payment of such expenses is for operating business activity.
- 6. Capital Expenditure: Non-recurring in nature and result in increasing in earning capacity.
- Revenue Expenditure: Purchased of raw material is expenses incurred for operating business activity.

Revenue Receipt / Income : Money received from sale of goods is operating business activity.

OF

Solution 5:

## Stores Ledger Account (FIFO Method)

Date	Purchases			Issues			Balance		
	Qty.	Rate	Amount	Qty.	Rate	Amount	Qty.	Rate	Amount
01-03-2018	-	-	-	-	-	-	800	500	4,00,000
08-03-2018	-	-	-	500	500	2,50,000	300	500	1,50,000
12-03-2018	1,200	550	6,60,000	-	-	-	300 1,200	500 550	1,50,000 6,60,000

Total	3,700		23,10,000	3,000		16,60,000			DV1 REDIR
31-03-2018				500 1,000	550 600	2,75,000 6,00,000	1,500	700	10,50,000
23-03-2018	1,500	700	10,50,000	ne Acces		na You	500 1,000 1,500	550 600 700	2,75,000 6,00,000 10,50,000
20-03-2018	000 -	10	0,0 0,8	300 700	500 550	1,50,000 3,85,000	500 1,000	550 600	
15-03-2018	1,000	600	6,00,000	•	Service .	•	300 1,200 1,000	500 550 600	6,60,000

Closing Stock on 31st March, 2018 was 1,500 units of ₹ 10,50,000.

Stores Ledger Account (Weighted Average Method)

Date	Purchases			Issues			Balance		
	Qty.	Rate	Amount	Qty.	Rate	Amount	Qty.	Rate	Amount
01-03-2018	y yat		A MARKET	-			800	500	A CONTRACTOR OF THE PARTY OF TH
08-03-2018	-	-	-	500	500	2,50,000	300	500	
12-03-2018	1,200	550	6,60,000	10 ye 1	100 68 100 08, 1 104 9 1 108 10 1	85,000 1 (2,40,000 1 3,600 1	300 1,200	500 550	
							1,500	540	8,10,000
15-03-2018 1,00	1,000	000 600	6,00,000		00.0±,±	000 08 A 003 Y 1003 Y	1,500 1,000	540 600	8,10,000 6,00,000
	-c 1 da						2,500	564	14,10,000
20-03-2018	-	-	1850-	1,000	564	5,64,000	1,500	564	8,46,000
23-03-2018	1,500	700	700 10,50,000		90 Miles 90 Miles	0012	1,500 1,500	564 700	8,46,000 10,50,000
					Britania	ensame	3,000	632	18,96,000
31-03-2018		-	-	1,500	632	9,48,000	1,500	632	9,48,000
Total	3,700		23,10,000	3,000	75. 9g s	17,62,000	1,306	MARC.	Mallan Sale

Closing Stock on 31st March, 2018 was 1,500 units of ₹ 9,48,000.

## Solution 6:

- (a) ACCOUNTING STANDARDS AND THE ADVANTAGES OF ACCOUNTING STANDARDS : Refer Chapter 1, Para 1.
- (b) FEATURES OF HIRE PURCHASE AGREEMENT : Refer Chapter 8, Para 1.2.

OR

#### Solution 6:

- (a) LIMITATIONS AND ADVANTAGES OF WEIGHTED AVERAGE METHOD OF STOCK VALUATION: Refer Chapter 4, Para 6.
- (b) REVENUE EXPENDITURE : Refer Chapter 5, Para 3.
- (c) ADJUSTMENT ENTRIES IN FINAL ACCOUNTS: Refer Chapter 6, Para 2.
- (d) TRADING ACCOUNT AND PROFIT & LOSS ACCOUNT : Refer Chapter 6, Para 5-7.
- (e) MAIN FEATURES OF AS-9 REVENUE RECOGNITION: Refer Chapter 3, Para 1 (15).
- (f) FUNDAMENTAL ACCOUNTING ASSUMPTIONS AS PER AS-1: Refer Chapter 1, Para 3 (5).

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