



Date: 02-05-2016

Dept. No.

Max. : 100 Marks

Time: 01:00-04:00

SECTION – A (10 x 2 = 20 marks)**Answer All Questions:-**

1. What do you mean by Human Resource Accounting?
2. List out the objectives of providing Depreciation.
3. What is Branch Accounting?
4. State the nature of expenditure .(Capital / Revenue)
 - a. Repairs to Furniture.
 - b. Heavy Expenditure incurred on advertising and new product.
5. A. Income Tax paid by a sole trader is shown:
 1. On the debit side of the trading account
 2. On the debit side of profit and loss account
 3. BY Way of deduction from the capital in the balance sheet.
 B. A diminishing balance method of providing for depreciation is one according to which:
 1. The Percentage of depreciation is written off goes on declining from year to year.
 2. The amount on which depreciation is provided is reduced from year to year.
 3. The Percentage of depreciation and also the amount are reduced from year to year.
6. Apportion the following expenses on the basis of cost of goods sold ratio among the four departments, A,B,C, & D :

Sales (R.s): A: 2,00,000 ; B 1,50,000 ; C: 1,00,000; D: 50,000
 G.P. Ratio: 20% on sales
 Expenses: Salaries Rs.6,000; Rent & Rates Rs.1,500; Insurance Rs.1,300;
7. Ascertain cost of goods sold from the following figures :

Opening Stock Rs.8,500
 Purchases 30,700
 Direct Expenses 4,800
 Indirect Expenses 5,200
 Closing Stock 9,000
8. Calculate loss on sale of Machinery under straight line method from the following information:

Original cost of Machinery on 1-1-90 : Rs.80,000
 Rate of Depreciation = 5%
 Date of sale of Machinery: 1-7-92.
 Sale Value of Machinery: Rs.50,000
9. Calculate debtors balance at the end:

Opening debtors	Rs.20,000	Bad debts	Rs.2,000
Total Sales	80,000	Returns Inward	500
Cash Sales	10,000	Bills Receivable From customers	9,000
Cash received from customers	30,000		

10. Write the Journal entry for the following under stock and Debtors system.

- (a) When Goods are sent to branch
- (b) For Cash Sales

SECTION-B (5 x 8 = 40 Marks)

Answer Any FIVE Questions:-

- 11. Difference between Hire Purchase and Instalment Purchase system.
- 12. Define Environmental Accounting? Explain its objectives
- 13. The position of a businessman who keeps his books on Single entry was as under on 31.12.90 and 31.12.91.

	1990 Rs.	1991 Rs.
Cash in Hand	400	480
Cash at Bank	6,000	2,500
Stock	6,500	5,000
Debtors	4,000	5,200
Furniture	300	350
Sundry Creditors	4,100	3,100

He withdraws Rs.7,500 from business on 2.1.91 out of which he spent Rs.5,200 for purchase of a motor truck for the business.

Adjustments:

- a) Depreciation on closing balance of furniture and truck at 10%.
- b) Write off Rs.220 as bad debts.
- c) 5% Provision for bad and doubtful debts is needed.

Find out the profit or loss for the year 1991.

- 14. On 1-1-94, a machinery was purchased for Rs.80,000. On 1-1-95 additions were made to the amount of Rs.40,000. On 31-3-96, Machinery purchased on 1-1-95 costing Rs.12,000 was sold for Rs.11,000 and on 30-6-96, Machinery purchased on 1-1-94 costing Rs.32,000 was sold for Rs.26,700. On 1-10-96 additions were made to the amount of Rs.20,000. Depreciation was provided at 10% p.a. on the diminishing balance method.

Show the machinery account for three years from 1994 to 1996. (Books closed on 31st December every year.)

- 15. The following purchase were made by a business house having three departments:

Deptt. A	1,000 units	}	= at a total cost of Rs.1,00,000
Deptt. B	2,000 units		
Deptt. C	2,400 units		

Stock on January 1, were

Deptt. A 120 units

Deptt.B 80 units

Deptt.C 152 units

The sales were

Deptt. A 1,020 units at Rs. 20 each

Deptt. B 1,920 units at Rs.22.50 each

Deptt. C 2,496 units at Rs.25 each.

The rate of gross profit is the same in each case. Prepare the Departmental Trading Accounts.

- 16. Ram purchased a van for Rs. 42,000. Payment is made as Rs.10,000 down and four installments of Rs.10,000 each at the end of each year. Interest is charged at 10% per annum. Buyer depreciates the van at 10% p.a. on written down value method.

Ram after having paid the down payment and first installment at the end of first year. Could not pay the second instalment and the hire vendor took possession of the van. The hire vendor after spending Rs.1,280 on repairs of the van sold it for Rs.31,000. Show the Ledger Accounts in the books of Ram.

17. From the following particulars, prepare Sales Ledger Adjustment Account and Bought Ledger Adjustment Account as they would appear in the General Ledger as on 31st January 2004:

		Rs.	
2004	Balance on Bought Ledger	870	(Dr.)
Jan 1	Balance on Bought Ledger	11,940	(Cr.)
	Balance on Sales Ledger	14,620	(Dr.)
	Balance on Sales Ledger	240	(Cr.)
2004	Purchases	66,180	
Dec 31	Purchase Returns	2,560	
	Sales	87,490	
	Sales Returns	1,170	
	Cash received from Customers	76,210	
	Discount Allowed	28,250	
	Cash paid to suppliers	58,430	
	Discount allowed thereon	1,660	
	Cash paid to customers	130	
	Bills Payable	4,120	
	Bills Receivable	2,250	
	Bills Receivable Dishonoured	250	
	Bought Ledger Balance (Dr.)	770	
	Sales Ledger Balance (Cr.)	420	

18. The following items have been given in the Balance Sheet as on 31st December 2003.

	Rs.	Rs.
Debtors	20,000	
Less: Reserve for Bad Debts	1,000	
	19,000	
Less : Reserve for Discount on Debtors	570	18,430

The Debtors were for Rs.36,000 on 31st December 2004. Bad debts incurred in 2004 were Rs.300 and discounts allowed Rs.200.

It is the practice to maintain provisions for bad debts and for discounts on debtors at 5% and 3%, respectively.

Prepare the Provision for Bad Debts Account and also Provision for Discounts on Debtors Account, showing how such items appear in the Profit and Loss Account and the Balance Sheet.

SECTION-C (2 x 20 = 40 marks)

Answer any TWO Questions:

19. From the following Trial Balance of Mr. Xavier as on 31-3-1993, Prepare Trading A/c. Profit & Loss A/c. for the year ended 31-3-1993 and a Balance Sheet as on that date after making necessary adjustments:

Trial Balance

Debit	Rs.	Credit	Rs.
Xavier's Drawings	12,000	Xavier's Capital	60,000
Furniture & Fixture	4,000	Returns Outward	2,000
Plant & Machinery	30,000	Sales	1,30,000
Opening Stock	20,000	Creditors	12,000
Purchases	80,000	Loan at 6% p.a. taken from P.Abdul on 1-1-93	10,000
Salaries & Wages	22,400	Discount	600
Debtors	20,400		
Returns Inward	5,000		

Postage & Telegrams	1,500		
Rent, Rates,taxes	3,600		
Bad debts written off	400		
Trade Expenses	200		
Interest on loan from P.Abdul	150		
Insurance	800		
Travelling Expenses	500		
Sundry Expenses	300		
Cash in hand	3,050		
Cash at Bank	10,300		
	2,14,600		2,14,600

Adjustments:

(i) Closing Stock : Cost Price - Rs.21,000
Market Price : Rs.25,000

(ii) Of the debtors, Rs.400 are bad and should be written off. Create a reserve for discount on debtors 2.5%.

(iii) Salaries Rs.800 for March 1993 were not paid.

(iv) Interest on Capital is to be calculated at 6% p.a. and on drawings Rs.330.

(v) Prepaid insurance amounted to Rs.100.

(vi) Depreciate furniture & fixtures by 5% and Plant and Machinery by 10% .'

(vii) Make a reserve for discount on creditors @ 2%.

20. A head office invoices goods to its branch at cost plus 50%. Branch remits all cash received to the head office and all expenses are met by the H.O. From the following particulars, prepare the necessary accounts on the stock & debtors system to show the profit or loss at the branch.

	Rs.		Rs.
Stock on 1.1.89 (Invoice price)	27,900	Goods returned by debtors	3,600
Debtors on 1.1.89	20,400	Goods returned to H.O. by branch	4,500
Goods invoiced to the branch (Invoice Price)	1,53,000	Shortage of stock	1,350
Cash Sales	75,000	Discount allowed	600
Credit Sales	93,000	Expenses at the branch	16,200
Cash Collected from debtors	91,200	Bad debts	600

21. Rama commenced business on 1.1.89 with a capital of Rs.25,000. He immediately bought furniture for Rs.4,000. During the year he borrowed Rs. 5,000 from his wife and introduced a further capital of Rs. 3,000. He has withdrawn Rs.600 at the end of each month for family expenses. From the following particulars obtained from his books, you are required to prepare Trading and P & L A/c and Balance Sheet as on 31.12.89.

	Rs.
Sales (Including cash sales of Rs.30,000)	1,00,000
Purchases (Including cash purchases of Rs.10,000)	75,000
Carriage	700
Wages	300
Discount allowed to debtors	800
Salaries	6,200
Bad debts written off	1,500
Trade expenses	1,200
Advertisement	2,200

Rama has used goods worth Rs.1,300 for private purposes and paid Rs.500 to his son which is not recorded anywhere. On 31.12.89, his debtors, were worth Rs.21,000 Creditors Rs.15,000 and stock in trade Rs.10,000. Furniture to be depreciated at 10% p.a.
