

**Bachelor of Commerce Examination: October - 2022  
(Distance Education) (New Course)**

Day & Date	Semester	Subject Name	Time	Code	Marks
Wednesday 13/10/2022	II (Fresh/ Repeater)	Accountancy	11.00 AM to 02.10 PM	245207	75

- Instructions:**
- 1) Question no. 8 & 9 are compulsory.
  - 2) Answer any 4 questions from the rest.
  - 3) Figures to the right in brackets indicate marks.
  - 4) Working note should form part of the answer.
  - 5) Use of a simple calculator is allowed.

- Q.1** On 1st June, 2018 M/s Patel store of Patna consigned 350 LCD sets to M/s Bapat of Balapur costing Rs. 45,000 each. The Performa invoice was made out at Rs. 55,000 each. The consignor paid Rs.100 per set for Fright and Insurance. The consignee accepted a bill of Rs. 5,50,000. On 31st March, 2019 an Account Sales was received giving the following particulars: **10**

Sales:	250 sets of LCD at Rs 65,500 each.
Expenses:	Octroi Duty and clearing charges Rs. 150 per set consignee paid
	Advertising & Promotion charges paid by consignee Rs. 100 per set.
Commission	10.50% on sale proceeds.

M/s Bapat cleared his dues through the Demand draft on 31st March, 2019. Prepare consignment Account, Goods sent on consignment Account and Consignee Account in the books of Consignor and Consignor account in the books of consignee.

- Q.2** Mr. Dhruv who maintains his books under the single-entry system gives you the following information for the year 2019. **10**

Receipts	Rs.	Payments	Rs.
To Balance b/d	9,500	By Insurance	1,500
To Commission received	1,700	By Carriage	3,000
To Cash sales	10,000	By Office expenses	3,800
To Loan received	25,000	By Drawings	20,000
To Sundry debtors	43,000	By Creditors	35,000
To Bills receivable	13,000	By Bills payable	12,000
To Balance c/f	14,100	By Wages	15,000
		By Salaries	18,000
		By Rent and taxes	8,000
	<b>1,16,300</b>		<b>1,16,300</b>

Particulars of other assets and liabilities are:

Particulars	As on 1.1.19	As on 31.12.19
Furniture	8,000	8,000
Building	10,000	10,000
Stock in hand	25,000	30,000
Debtors	23,000	21,000
Creditors	13,000	12,000
Bills receivable	15,000	13,500
Bills payable	10,000	11,200
Prepaid insurance	1,000	500
Outstanding salaries	1,500	2,000

A reserve for bad and doubtful debts is to be maintained at Rs. 2,000 depreciation to be provided on building and furniture is at 10%, Rs. 2,500 are outstanding for wages and prepaid taxes Rs. 230, Prepare final accounts.

**Q.3** Anil purchased the following plant and machinery on various dates: **10**

Dates	Amount
1/1/2017	Rs. 50,000
1/7/2017	Rs. 20,000
1/10/2018	Rs. 40,000
1/4/2018	Rs. 60,000
31/7/2019	Rs. 1,00,000

On 1/7/2018 he sold the machine bought on 1/1/2017 for Rs. 30,000 He charges depreciation on a fixed installment system which he has estimated to be 10% per annum on 31 December every year. Prepare Machinery Account and Depreciation Account in the books of Anil for the years 2017, 2018, and 2019.

**Q.4** State with reason whether the following transactions are revenue, capital or deferred revenue receipts or expenditure. **(Any 5)** **10**

1. Purchase of land Rs. 100000.
2. Heavy advertisement expenses for the launch of new product Rs. 100000.
3. Salary paid to staff Rs. 5000.
4. Debentures issued worth Rs. 500000.
5. Purchase of old computers for cash Rs. 100000.
6. White washing of factory building Rs. 20000.

**Q.5** Prepare Machinery A/c & Depreciation A/c for the years 2017, 2018 & 2019. **10**

On January 1<sup>st</sup> 2017, M/s Sarvottam Polymers Ltd. purchased a plant costing Rs. 90,000 and spent Rs. 10,000 for its transportation and installation. On 1<sup>st</sup> July 2017, machinery costing Rs. 1,20,000 was purchased. On 1<sup>st</sup> October 2018, machinery purchased on 1/1/2017 was sold for Rs. 78,000. On the same day, the addition was made to the machinery worth Rs. 85,000.

The company has adopted the reducing balance method of depreciation. The rate of depreciation charged is 20% per annum on 31 December every year.

- Q.6** Mrs. Rekha keeps her books on the Single-Entry System. The following information is available from her records: **10**

<b>Assets &amp; Liabilities</b>	<b>1.04.2018</b>	<b>31.03.2019</b>
Stock	28,000	30,000
Bills Receivable	8,000	6,000
Debtors	14,000	18,000
Bills Payable	4,000	5,000
Creditors	12,000	9,000
Cash at Bank	3,000	5,000

Summary of Cash Transactions:

<b>Receipts</b>	<b>Rs.</b>	<b>Payments</b>	<b>Rs.</b>
Opening Balance	3,000	Payment to Creditors	30,000
Received from Debtors	45,000	Payment against Bills payable	25,000
Received against Bills Receivable	25,000	Office expenses	4,000
Sundry Income	2,000	Domestic Expenses	5,000
		Investments	6,000
		Closing Balance	5,000
<b>Total</b>	<b>75,000</b>	<b>Total</b>	<b>75,000</b>

Investments consisted of 4% Government Bonds of a face value of Rs. 10,000 and were purchased on 1-10-2018.

Prepare Trading and Profit & Loss Account and Balance Sheet from the above details.

- Q.7** State with reason whether the following transactions are revenue, capital or deferred revenue receipts or expenditure. (Any 5) **10**
- 1) Amount spent on renewal of factory license Rs. 50000
  - 2) Audit fees paid Rs. 10500.
  - 3) Interest paid on bank loan Rs. 12000.
  - 4) Patent purchased Rs. 50000.
  - 5) Raw material purchased Rs. 250000.
  - 6) Received Rs. 150000 on the sale of furniture.

- Q.8 a)** **State whether the following statements are True or False** **05**
- 1) Insurance premium paid is revenue expenditure.
  - 2) Land is a depreciable asset.
  - 3) An account sale is submitted by the consignee to the consignor.
  - 4) Single entry system is an incomplete and unscientific method of accounting.
  - 5) Capital expenditure is non-recurring in nature.

**b) Fill in the blanks**

**05**

- 1) \_\_\_\_\_ expenditure is incurred in connection with the acquisition or purchase of fixed assets.
- 2) Depreciation is debited to \_\_\_\_\_ account.
- 3) Del-credere commission is calculated on \_\_\_\_\_ sales.
- 4) Statement of affairs is similar to \_\_\_\_\_.
- 5) Revenue expenditure is shown in \_\_\_\_\_ account.

**Q.9 Write Short notes (any five)**

**25**

- a) Methods of depreciation.
- b) Limitations of the single-entry system.
- c) Recurring expenses and non-recurring expenses in consignment sales.
- d) Del credere commission.
- e) Capital expenditure.
- f) Differentiate between the statement of affairs and the balance sheet.
- g) Deferred revenue expenditure.