

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

Day & Date	Semester	Subject Name	Time	Code	Marks
Wednesday 12/10/2022	I (Fresh/ Repeater)	Accountancy	11.00 AM To 02.10 PM	145107	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 your answer.
 - 5) Use of a simple calculator is allowed.

Q.1 Following is the trial balance of SAI Ltd as on 31st March 2019

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Debit	Amount	Credit	Amount
Opening stock	4,90,000	Sales	9,50,000
Return inwards	2,100	Capital	7,00,000
Printing and stationery	6,700	Creditors	28,600
Furniture	1,66,000	Bills payable	19,000
Machinery	3,14,900	Provision for doubtful debts	8,000
Buildings	2,50,000	Purchase returns	12,000
Drawings	25,000	Discount received	1,800
Debtors	85,900		
Salaries	20,400		
Miscellaneous expenses	16,900		
Bank balance	1,05,000		
Cash	4,100		
Purchase of raw material	1,85,000		
Insurance and taxes	4,100		
Factory Insurance	3,800		
Advertisement	3,300		
Rent	10,800		
Bad debts	25,400		
	17,19,400		17,19,400

Additional information

- 1) Depreciate machinery at 20% and building at 2.5% p.a.
- 2) Prepaid advertisement expenses of Rs. 300
- 3) Unrecorded sales amounted to Rs. 2000
- 4) Additional bad debts of Rs. 4600 are to be written off and provide for new RDD at 10% on debtors
- 5) Closing stocks valued at Rs. 1,80,000

You are required to prepare a trading account, profit and loss account, and balance sheet as on that date.

- Q.2** Phuachan Brothers of Anand has a branch in Vapi. Head office sends goods to branch at 10% profit on the cost price. All cash collected by the branch is deposited in Head Office's Bank Account. From the following particulars prepare the Vapi Branch Account, Branch Debtors Account, and Branch Petty Cash Account in the books of Head Office as on 31st March, 2019. **10**

Particulars	Rs.
Opening Balances (1-4-2018):	
Stock (Invoice price)	45,000
Debtors	1,25,000
Petty Cash	4,000
Furniture	50,000
Goods sent to Branch (Invoice price)	12,50,000
Goods returned by branch (Invoice price)	78,000
Discount to Debtors	5,000
Bad Debts are written off	7,500
Returns from Debtors	3,750
Collection from Debtors	2,75,000
Cash sales	10,40,500
Credit sales	5,67,800
Cheques received from Head office, for Expenses:	
Petty cash	12,000
Salaries	48,000
Rent & Rates	16,000
Advertisement	20,000
Actual petty expenses incurred by the Branch	14,000
Closing Stock (31-3-2019)	1,25,000
Debtors	?
Petty Cash	?
Allow depreciation on Furniture at 25% on the WDV method	

- Q.3** From the following trial balance of Mr. Jalpa prepare a manufacturing account, trading account, profit and loss account as on 31st December 2019 and balance sheet as on that date. **10**

Debit	Amount	Credit	Amount
Drawings	7200	Discount received	700
Factory expenses	2400	Purchase returns	1300
Factory rent	3000	Sales	64800
Office expenses	1600	Provision for doubtful debts	1010
Discount	1010	Capital	90000
Printing and stationery	1500	Creditors	25000
Bad debts	900	Bank loan	15000
Salary to manager	3200		
Purchase of raw material	30000		

Opening stock			
Raw material	7000		
Work in progress	12000		
Finished goods	18000		
Carriage inwards	2000		
Wages and salaries	15000		
Machinery	40000		
Goodwill	8000		
Bank balance	7400		
Buildings	24000		
Debtors	11800		
Patents	1800		
	197810		197810

Additional information:

- 1) Depreciate machinery by 10% and Write off patent @25%
- 2) Interest on bank loan unpaid Rs. 2400
- 3) Prepaid factory rent Rs. 4000
- 4) Outstanding printing and stationery Rs. 3000
- 5) Additional bad debts of Rs. 2400 are to be written off and provide for new RDD at 5% on debtors
- 6) **Closing stocks are:** Raw material Rs. 11000, Work in progress Rs. 15000, Finished goods Rs. 19000

- Q.4** ABC Ltd. is having Head Office at Mumbai which supplies goods to Pune Branch at 20% profit on Invoice Price. All cash collected by the branch is deposited in Head Office's Bank Account. From the following particulars prepare the Mumbai Branch Account, Branch Debtors Account, and Branch Petty Cash Account in the books of Head Office as on 31st Dec, 2019. **10**

Particulars	Rs.
Branch Stock (1.1.2019) at Invoice Price	1,60,000
Branch Debtors (1.1.2019)	80,000
Petty Cash (1.1.2019)	6,000
Computers (1.1.2019)	50,000
Cash sales	2,82,000
Discount to Debtors	10,000
Bad Debts are written off	2,000
Returns from Debtors	9,000
Collection from Debtors	5,40,000
Goods from Head office (Invoice Price)	9,20,000
Good Return to Head office (Invoice price)	72,000
Credit Sales	7,50,000
Closing Stock (31.12.19) Invoice Price	2,64,000
Cheques received from Head office, for Expenses:	
Petty cash	12,000
Salaries	48,000

Rent & Rates	16,000
Advertisement	20,000
Actual petty expenses incurred by the Branch	14,000
Allow depreciation on computers at 25% on WDV method	

Q.5 From the following information of Mrs. Anita, a proprietor having three departments X, Y, and Z, prepare departmental trading and profit and loss account for the year ended 31st December 2019 and the balance sheet as on that date.

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Particulars	Debit. Rs.	Credit. Rs.
Mrs. Anita's capital		8,00,000
Stock:		
X	20,000	
Y	15,000	
Z	10,000	
Purchases:		
X	90,000	
Y	70,000	
Z	50,000	
Sales:		
X		2,00,000
Y		1,75,000
Z		1,50,000
Salaries	25,000	
Rent and rates	5,000	
Selling and distribution expenses	9,000	
Land and building	4,25,000	
Furniture and fixtures	4,10,000	
Cash in hand	5,000	
Cash at bank	1,10,000	
Sundry debtors	1,25,000	
Sundry creditors		44,000
	13,69,000	13,69,000

Other information:

- 1) Stock in the trade as on 31st December 2019 was: X - Rs. 35000, Y - Rs. 25000, Z - Rs. 20000.
- 2) Salaries are to be allocated in the ratio of 4:3:3 among all the departments.
- 3) The floor space occupied by each department is in the proportion of 4:4:3 respectively.
- 4) Selling and distribution expenses are to be allocated on the basis of sales of each department.

Q.6 From the following trial balance of RAATHI & Co, prepare the departmental trading account, profit and loss account as on 31st December 2019 and combined balance sheet as on that date.

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Particulars	Dept. A Rs.	Dept. B Rs.	Total
Opening stock	40,000		40,000
Purchases	4,40,000	20,000	4,60,000
Goods transferred from Dept. A		1,20,000	1,20,000
Wages	1,200	12,800	14,000
Salary	9,600	2,400	12,000
Sales	4,84,000	2,72,000	7,56,000
Printing and stationery	2,000	1,200	3,200
Furniture		24,000	24,000
Legal expenses			10,000
Patent			60,000
Advertisement expenses			20,000
Sundry expenses			36,000
Capital			6,00,000
Debtors			1,08,000
Carriage inward			4,600
Carriage outward			30,000
Bank loan			90,000
Travelling expenses			5,000
Bills receivable			90,000
Machinery			2,80,000
Creditors			16,000
Drawings			2,00,000
Discount received			10,000
Bank balance			94,800
Bills payable			34,600
Bad debts			15,000

Other information:

- 1) Stock in trade as on 31st December 2019 was: A - Rs. 72000, B - Rs. 24000
- 2) Provide depreciation on furniture and machinery @ 10% and allocate it to Dept. P & Q in ratio 3:2
- 3) Allocate sundry expenses to Dept. A & B in ratio 2:1
- 4) Allocate remaining expenses scientifically.
- 5) Outstanding wages of department A Rs. 800

Q.7 From the following trial balance of Mr. Karan, prepare the manufacturing account, trading account, profit and loss account as on 31st December 201,9 and balance sheet as on that date.

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Debit	Amount	Credit	Amount
Opening stock		Provision for doubtful debts	3,300
Raw material	46,000	The current account of Karan	19,400
Work in progress	20,000	Sales	4,00,000
Finished goods	31,000	Capital	2,00,000
Repairs to plant	2,400	Creditors	34,000

Purchase of raw material	2,00,000	Bills payable	17,000
Repairs to office furniture	1,200	Sale of scrap	3,000
Bank balance	24,000	Commission	700
Machinery	1,80,000		
Furniture	18,000		
Rent	10,000		
Lighting	2,600		
General expenses	3,200		
Carriage on purchase	3,000		
Bills receivable	36,000		
Wages	24,000		
Debtors	54,000		
Salaries	20,000		
Telephone charges	1000		
Postage	1000		
	6,77,400		6,77,400

Additional information:

- 1) Depreciate machinery at 15% and office furniture at 10% p.a.
- 2) Closing stocks are:
 - Raw material Rs. 31,600
 - Work in progress Rs. 36,400
 - Finished goods Rs. 14,000
- 3) Unpaid salaries Rs. 2000 and Unpaid wages Rs. 6000
- 4) Provide for new RDD at 5% on debtors.

Q.8 a) State whether the following statements are True or False **05**

- 1) Depreciation is recorded on _____ side of the Profit & loss account.
- 2) Rent is shown in the _____ account in while preparing final accounts.
- 3) Loss on sale of Machinery is debited to _____ account in departmental accounting.
- 4) AS 2 specifically lays down the rule that inventories should be valued at cost or net realizable value, whichever is _____.
- 5) A concern is normally viewed as a _____ concern, i.e. as continuing in operation in the future.

b) Match the following columns **05**

Column A

- 1) Dependent branch
- 2) Income received
- 3) Manufacturing account
- 4) Accounting Standards in India are issued by
- 5) AS-2

Column B

- 1) Accounting Standards Board of ICAI
- 2) Valuation of inventories
- 3) Profit & loss account credit side
- 4) Cost of production
- 5) A/c records kept by head office only

Q.9 Write Short notes (any five)

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- a) Specimen of General Profit and Loss Account in Departmental Accounting.
- b) Types of Branch in branch accounting.
- c) Items recorded in manufacturing account in Final Accounts.
- d) Petty cash account in branch.
- e) Benefits of Accounting Standards.
- f) Items excluded in 'Inventory' under AS 2.
- g) Main features of AS 9.