**5 Sets 2074**

**Principles of Accounting**

**Grade: XII (Management)** F.M.: 100

**Time:** 3 hrs P.M.: 40

**SET – I**

1. Write any three features of a Company? 3

2. Write the differences between preference share and equity share ? 2

3. Write three objectives of financial statement analysis. 3

4. What are the limitations of Ratio analysis? 3

5. Give the meaning of Cost Accounting. 2

6. Write about Controllable Cost with suitable example. 3

7. What do you mean by Purchase Requisition form? 2

8. With the suitable example, write the meaning of allocation of Overhead. 2

9. ABC Company Ltd. Forfeited 1000 shares of Rs.100 each at premium of Rs.20 of Mr. Thapa on which he has paid Rs.40 on application. He failed to Pay Rs.50 (including premium) on allotment and Rs.30 on first and final call. His shares were forfeited and re-issued at Rs.90 per share as fully paid.

Required: Entries for forfeiture, re-issue and transfer.

10. A company Ltd. Invited application for 1000 shares of Rs.100 each at a premium of Rs.20 per share payable as under:

On application Rs.30

On allotement (including premium) Rs.50

On first and final call Rs.40

The public applied for 1500 shares. Application for 300 shares were rejected and allotment of excess shares were made among the remaining applicants on pro-rata basis. It was decided to utilize excess application money towards allotment n further calls. One shareholder holding 20 shares failed to the due money on allotment and the call. His shares were forfeited.

Required: Journal entries for:

* 1. Share Allotmet b. Share first and final call c. Share forfeiture 6

11. A Co. Ltd took over the following assets and liabilities of B Co. Ltd at an agreed price of Rs. 6,30,000:

Building Rs. 5,00,000 Machinery Rs. 2,00,000

Creditors Rs. 80,000 Debtors Rs. 80,000 Outstanding expenses Rs. 20,000

The Company issued fully paid equity shares of Rs.100 each at 10% for the payment of purchase consideration.

Required: Journal entries for Puchase of Business & Opening Balance Sheet. 3

12. X Co. Ltd issued 2000, 10% debentures of Rs.100 each at discount of 10% and redeemable at the end of 5 years at a premium of 5%. These debentures were redeemed by converting them into equity shares of Rs. 10 each at 5% premium.

Required: Journal entries for issue and conversion of debentures. 3

13. The Trial Balance of a Company as on chaitra 31st is given.

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Amount(Dr)** | **Particulars** | **Amounts(Cr)** |
| Purchase | 50000 | Share Capital | 1,00,000 |
| Machinery | 1,20,000 | Debenture | 50,000 |
| Cash & Bank | 1,12,000 | Sales | 2,00,000 |
| Prepaid Insurance | 5,000 | Creditors | 25,000 |
| Office Expenses | 22,000 | Miscellaneous Income | 2000 |
| Interest on Debenture | 5,000 |  |  |
| Debtors | 35,000 |  |  |
| Selling & Distribution expenses | 28,000 |  |  |
| Total | 3,77,000 | Total | 3,77,000 |

Adjustments

* 1. Pre-paid Insurance expired Rs.3000.
  2. Proposed dividend @ 10%.
  3. Provision made for income tax Rs.7000.
  4. Charge depreciation on machinery by 10%.

Required: i. Adjustment entries 2

ii. Worksheet 6

14. The Trial Balance of a company as on 31st chaitra is given below: 12

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Amount(Dr)** | **Particulars** | **Amounts(Cr)** |
| Opening Stock | 30,000 | Sales | 6,50,000 |
| Purchase | 3,50,000 | Share Capital | 4,00,000 |
| Rent | 20,000 | 10% Debenture | 1,00,000 |
| Wages | 50,000 | Creditors | 30,000 |
| Calls in arrears | 10,000 | Provision for bad debts | 6,000 |
| Carriage | 20,000 | P/L Appropriation A/c | 34,000 |
| Salaries | 60,000 |  |  |
| Interest on Debenture | 5,000 |  |  |
| Bookdebt | 90,000 |  |  |
| Machinery | 1,50,000 |  |  |
| Land & Building | 3,00,000 |  |  |
| General expenses | 35,000 |  |  |
| Baddebts | 5,000 |  |  |
| Goodwill | 50,000 |  |  |
| Cash | 45,000 |  |  |
| Total | 12,20,000 | Total | 12,20,000 |

Additional information:

* 1. Closing Stock valued at Rs.50.000
  2. Provision for bad debts to be maintained at 5%.
  3. Pre-paid rent Rs.2,000.
  4. Wages due Rs.10,000.
  5. Transfer to general reserve Rs.20,000.
  6. Proposed Dividend @ 10% on paid up capital.

Required: i. Trading A/c ii. P/L A/c iii. P/L Appropriation A/c

iv. Balance Sheet.

1. Following information are given: 5

Inventory Rs.20,000 Creditors Rs.30,000 Debtors Rs.30,000 Gross Profit Rs.25,000 Cash balance Rs.10,000 Bills Receivable Rs.10,000 Fixed Assets Rs.60,000 Debtor turnover 4 times Required: i. Current ratio ii. Quick ratio iii. Sales Amount

iv. Gross Profit margin v. Inventory turnover ratio

1. Following information are given to: 5

|  |  |  |
| --- | --- | --- |
| Particulars | Last Year(Rs) | Current Year(Rs) |
| Share Capital | 5,00,000 | 6,00,000 |
| 10% Debenture | 2,50,000 | 1,00,000 |
| Goodwill | 40,000 | 30,000 |
| Preliminary Expenses | 20,000 | 150,000 |

Additional Information:

* Net profit for the year Rs.90,000
* Depreciation charged on Fixed Assets Rs.30,000
* Dividend paid Rs.25,000
* Sale of investment Rs.1,30,000

Required: a. Funds from Operation b. Funds Flow Statement

1. The Balance Sheet of a company as on Ashad31st are as follows: 10

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Liabilities | 2064(Rs) | 2064(Rs) | Assets | 2064(Rs) | 2064(Rs) |
| Share Capital | 10,00,000 | 12,00,000 | Machinery | 12,00,000 | 16,00,000 |
| Share Premium | 1,00,000 | 1,20,000 | Inventories | 1,00,000 | 2,00,000 |
| 10%Debenture | 2,00,000 | 1,00,000 | Debtors | 3,00,000 | 2,00,000 |
| Bills Payable | 1,00,000 | 80,000 | Cash | 2,00,000 | 1,00,000 |
| Creditors | 2,00,000 | 3,00,000 |  |  |  |
| Reatained Earning | 2,00,000 | 2,00,000 |  |  |  |
| Total | 18,00,000 | 21,00,000 | Total | 18,00,000 | 21,00,000 |

Additional Information:

1. Sales for the year 2065 Rs.16,00,000
2. Cost of goods sold Rs. 11,00,000
3. Operating expenses Rs.2,50,000 which includes depreciation on plant Rs.50,000 and interest on debenture Rs.20,000.
4. A machinery costing Rs.40,000 was sold for Rs. 60,000 and another machinery Rs.6,00,000 was purchased.
5. Dividend Paid Rs.60,000

Required: Cash Flow Statement

1. Following Stores transactions of a company are given: 5

Ashad1: Opening balance 1000 units @Rs.4 each Ashad5: Purchase 500 units @Rs.5 each

Ashad8: Issued 1,300 units

Ashad18: Purchase 800 units @Rs.7 each

Ashad20: Returned to Creditors 100 units of Ashad 18 purchased. Ashad25: Issued 700 units

Ashad30: Return from work order 100 units Required: Store Ledger under LIFO method

1. The following information are given: 3

Total annual requirement 10000 units Cost of material per unit Rs 15

Rent of store, insurance, taxes and store keeping expenses per year Rs. 4 per unit Economic order quantity 2000 units Required: a) Ordering cost b) Cost of EOQ

1. The following information are given: 2

Standard time to produce one unit:15 minutes Wages per hour:Rs.60

Output per month: 4,000 units

Required: Total wage payable under piece rate system

1. A Production unit showed the following details of its production cost for 2000 units of the previous year:

Direct materials Rs.50,000 Direct wages Rs.30,000

Factory overhead Rs.10,000 Administrative overhead Rs.16,000

Selling overhead Rs.3,000 Profit 20% on selling price

The Department wants to estimate the total cost and selling price for 1000 units. It is estimated that:

Cost of raw material will be increased by 20% Wages cost will be increased by 30%

Other overheads are allocated as under

Factory overhead on the basis of direct wages, office overhead and selling overhead on the basis of factory cost.

Required: i. Cost Sheet 5

ii. Tender Sheet 5

1. The profit as per financial A/c is Rs57, 850. The following facts were pointed out on comparison between cost and financial A/c 5

|  |  |
| --- | --- |
| Dividend & interest received | Rs. 1,600 |
| Overhead incurred in financial A/c | Rs.20,300 |
| Overhead recovered in cost A/c | Rs.18,200 |
| Goodwill & Preliminary expenses written off | Rs.5,500 |
| Loss on sale of investment | Rs.1,400 |
| Value of closing stock in financial A/c | Rs.17,000 |
| Value of closing stock in Cost A/c | Rs.16,000 |

Required: Cost Reconciliation Statement

**SET - II**

1. Who is a company Promoter? Explain. [3]
2. Give any three points to differentiate the Equity Shares and Debenture. [2]
3. Explain in brief any three Limitations of Financial Statement Analysis. [3]
4. Write any three Functions of Ratio Analysis. [2]
5. Write any three differences between Cost and Financial Accounting. [3]
6. What do you know about Bin Cards? [2]
7. Explain the Fixed and Variable Cost.
8. Write the Meaning of funds from Operation. [2]
9. Bishow Co. Ltd issued 10,000 shares of Rs. 10 each at discount of Rs. 1 per share payable as follows:

|  |  |
| --- | --- |
| Rs. 2 ......................................... | on application |
| Rs. 4 ......................................... | on allotment |
| Balance ..................................... | on first and final call |

Required: Journal entries for application, allotment and first and final call. [3]

1. ABC Limited Company issued 10,000 equity shares of Rs. 100 each. Amount were payable as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| On application ......................... | Rs. 20 | On allotment ........................ | Rs. 40 |
| On first call .............................. | Rs. 30 | On final call .......................... | Rs. 10 |

Application were received for 25,000 shares. The directors decided to make pro-rata allotment for 20,000 applications and remaining application were rejected. Excess money was utilized towards sum due on allotment.

Required: Journal entries for:

(i) Application (ii) Allotment (iii) First call (iv) Final call [6]

1. A Co. Ltd. forfeited 100 shares of Rs. 100 each, issued at 10% discount, for non-payment of allotment Rs. 25 (including discount) and first and final call of Rs. 35 per share. Out of these 60 shares were re-issued at Rs. 70 per share as fully paid up.

Required: Journal Entries for forfeature, re-issue and transfer. [3]

1. A company forfeited 50 shares of Rs. 100 each for non-payment of final call money of Rs. 20 per share. These shares were re-issued @ Rs. 70 per share as fully paid up.

Required: Journal entries for (a) Forfeiture (b) Re-issue (c) Transfer [3]

1. A company shows the following account balance as on 31 Dec.

|  |  |  |  |
| --- | --- | --- | --- |
| Cash ............................... | Rs. 8,000 | Supplies......................... | Rs. 1,000 |
| Prepaid insurance ........... | 1,800 | Equipment ..................... | 21,000 |
| Account payable ............. | 8,000 | Capital .......................... | 20,000 |
| Service revenue .............. | 69,000 | Salaries ......................... | 50,000 |

Adjustments:

1. Salaries unpaid Rs. 1,000
2. Insurance expired Rs. 1,200 iii. Depreciation on equipment Rs. 1,000 Required: Ten-column work sheet. [8]
3. The following is the Trial Balance drawn up on 31st Chaitra.

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Rs.** | **Particulars** | **Rs.** |
| Opening stock ..................... | 1,50,000 | Sales ................................... | 6,79,000 |
| Purchases ........................... | 4,90,000 | Discount .............................. | 6,000 |
| Furniture ............................. | 34,000 | P/L account .......................... | 30,000 |
| Rent .................................... | 8,000 | Share capital ........................ | 2,00,000 |
| Plant .................................... | 58,000 | General reserve ................... | 31,000 |
| Debtors ............................... | 65,000 | Creditors ............................. | 59,000 |
| Wages ................................. | 62,000 | Purchase return .................. | 10,000 |
| Salaries ............................... | 15,000 |  |  |
| Sundry expenses ............... | 12,000 |  |  |
| Calls-in-arrears ................... | 20,000 |  |  |
| Cash ................................... | 51,000 |  |  |
| Trade mark ......................... | 50,000 |  |  |
|  | **10,15,000** |  | **10,15,000** |

Additional information:

1. Closing stock was valued at Rs. 1,18,000
2. Make a provision for tax @ 50%
3. Depreciate plant and furniture by 10% each
4. Outstanding rent Rs. 2,500
5. The directors proposed a dividend @ 10% and transfer to general reserve Rs. 3,000.

Required:

a. Trading account b. Profit and loss account

c. Profit and loss appropriation account d. Balance sheet [2+4+2+4]

1. B. Ltd. provides the following details are provided:

|  |  |  |  |
| --- | --- | --- | --- |
| Closing stock ................... | Rs. 50,000 | Sales ......................... | Rs. 3,00,000 |
| Creditors ......................... | 34,000 | Fixed assets .............. | 60,000 |
| Cash ............................... | 10,000 | Bank .......................... | 21,000 |
| Bills receivable ................ | 15,000 | Overdraft ................... | 17,000 |
| Bills payable .................... | 9,000 |  |  |

Required:

a. Current ratio b. Quick ratio

1. Inventory turnover ratio d. Fixed assets turnover ratio [2+1+1+1]
2. The following details are provided:

|  |  |  |  |
| --- | --- | --- | --- |
| Profit for the year ........ | Rs. 46,000 | Depreciation on fixed assets.... | Rs. 14,000 |
| Dividend paid .............. | 28,000 | Issued of shares ...................... | 40,000 |
| Goodwill written off ..... | 40,000 | Purchased of plant ................... | 80,000 |
| Sales of furniture ........ | 28,000 |  |  |

Required: (a) Funds from operation (b) Funds flow statement [2+3]

1. The company's Balance Sheet for two years have been given below:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Liabilities** | **Year I** | **Year II** | **Assets** | **Year I** | **Year II** |
| Share capital ........... | 10,00,000 | 12,00,000 | Fixed assets ............. | 12,00,000 | 16,00,000 |
| Share premium ........ | 1,00,000 | 1,20,000 | Stock ........................ | 1,00,000 | 2,00,000 |
| Debentures .............. | 2,00,000 | 1,00,000 | Account receivable ... | 3,00,000 | 2,00,000 |
| Bills payable............. | 1,00,000 | 80,000 | Cash ........................ | 2,00,000 | 1,00,000 |
| Account payable ...... | 2,00,000 | 3,00,000 |  |  |  |
| Retained earning...... | 2,00,000 | 3,00,000 |  |  |  |
|  | **18,00,000** | **21,00,000** |  | **18,00,000** | **21,00,000** |

Additional information

1. Sales for the year Rs. 12,00,000
2. Cost of goods sold Rs. 7,00,000
3. Operating expenses Rs. 2,00,000
4. Fixed assets purchased Rs. 6,00,000 and fixed assets costing Rs. 40,000 have been sold for Rs. 60,000.
5. Dividend paid for the year Rs. 40,000.
6. Premium on redemption of debenture was Rs. 20,000

Required: Cash flow statement by applying Direct Method. [10]

1. the following are store transactions of a certain materials during the month of Magh:

Magh 1: Opening stock 400 units @ Rs. 10 per unit

Magh 5: Receipts from vendor 600 units @ Rs. 10.50 per unit.

Magh 12: Issued 800 units

Magh 18: Return from factory 50 units

Magh 22: Receipts from vendor 1,000 units @ Rs. 11 per unit.

Magh 28: Return to vendor 20 units (purchased on 5th Magh)

Required: Store ledger under FIFO method. [5]

1. Following are the information relating to a firm:

Annual requirement ........ 36,000 units Cost per unit................... Rs. 300

iii. Profit 20% on selling price

Required: (a) Cost sheet (b) Tender sheet [3+7]

1. From the following figures prepare a reconciliation statement and find out profit as per cost account. [5]

|  |  |
| --- | --- |
| Net profit as per financial account .......................................... | Rs. 1,00,000 |
| Work overhead under recovered in cost account .................. | 4,000 |
| Depreciation overcharged in financial account ...................... | 10,000 |
| Interest received but not included in costing record .............. | 8,000 |
| Income tax provided in financial account .............................. | 20,000 |
| Bank interest credited in financial account ............................ | 1,000 |

1. Lov-Kush Co. Ltd. invited application for 10,000 shares of Rs. 10 each payable as follows:

|  |  |
| --- | --- |
| Rs. 2 ............................................ | on application |
| Rs. 5 ............................................ | on allotment |
| Balance ....................................... | on first and final call |

All money was duly received but Mr. Bohora who has got 50 shares did not pay first and final call money and another shareholder Mr. Karki who has got 100 shares paid entire amount along with allotment money.

Required: Journal entries. [4]

# SET – III

1. What do you mean by articles of association (AOA)? List out main contents of AOA 3
2. Mention any three objectives of Funds flow Analysis. 3
3. Name and define two types of Costing. 2
4. What is meant by Pro-Rata allotment of share? 2
5. Differentiate between Bin card and Store ledger 3
6. Write the meaning of centralized and decentralized purchase. 2
7. Enumerate the parties interested in financial statement analysis. 2
8. Differentiate between private company and public company. 3
9. Binayak Co. Ltd. invited applications for 6000 equity shares of Rs 100 each at 10% premium payable as under:

On application Rs 40

On allotment Rs 30 (including premium)

On first and final call Rs 40.

Applications were received for 12,000 shares

The allotment was made as follows:

To the applicant of 4,000 shares - Nil

To the applicant of 4000 shares – Full

To the remaining applicants- Remaining shares

It was decided to utilize excess application money in part payment of allotment and calls. All monies were duly received.

Required: (a) Share Application 2

(b) Share Allotment 2

(c) Share first and final call 2

1. A Company forfeited 300 shares of Rs. 100 each issued at 10% discount for non-payment of final call of Rs. 20 per share. These shares were reissued at Rs 60 per share as fully paid.

Required: Journal entries for: (i) Forfeiture (ii) Re- issue & (iii) Transfer entry 3

1. XYZ Company received net worth Rs 350,000 while purchasing the business of Arun Ltd.

At purchase consideration of Rs 360,000. Net worth includes total assets Rs 5, 00,000. The purchase consideration was discharged as follows, 20% through cash, 40% through preference shares of Rs 100 each, 40% through equity shares of Rs 100 each.

Required: Journal entries.

1. XYZ Trading House purchased following assets and liabilities of ABC Company by issuing shares of Rs. 100 each at 10% premium:

Land and Building Rs.100000

Machinery Rs.150000

Stock Rs.220000

Creditors Rs.30000

The company also issued 1000 shares at 10% discount for cash.

Required: Journal entries 3

1. On 1st Jan 1995 Yak Ltd. issued 800, 5% debentures of Rs 100 each at par, debentures holders were given an option to convert their holding into equity share of Rs 100 each at a premium of Rs 25. All debenture holders notified their intention to convert his debentures into equity shares.

Required: Journal entries for conversion of debentures into equity shares. 4

1. Trail balance of Dillibazar Trading Company as on December 31, 2016 provides you the following information:

Dr. Cr.

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Amount** | **Particulars** | **Amount** |
| Opening stock | 2,00,000 | Sales | 13,00,000 |
| Purchase | 6,00,000 | Purchase return | 10,000 |
| Sales return | 5,000 | Share Capital | 3,00,000 |
| Preliminary expenses | 10,000 | 10% preference share | 2,00,000 |
| Land and building | 5,00,000 | Profit & loss app. Account | 90,000 |
| 10% Investment in bond | 1,00,000 | Interest on investment | 5,000 |
| Carriage | 48,000 | Provision for taxation | 35,000 |
| Debtors | 52000 | Pension fund | 60,000 |
| Bills receivable | 2,00,000 | 8% debentures | 2,00,000 |
| Cash and bank | 4,00,000 |  |  |
| Insurance | 5000 |  |  |
| Wages | 40,000 |  |  |
| Interim dividend | 10,000 |  |  |
| Interest on debenture | 20,000 |  |  |
| Calls in arrear | 10,000 |  |  |
|  | 22,00,000 |  | 22,00,000 |

Additional Information:

Closing stock was Rs. 140000 at the end of the year.

Provision for bad debt was 5% of the debtors after writing off bad debt of Rs 2000.

Write off 20% of preliminary expenses

BOD proposed 10% dividend on paid up capital Appreciate land and building by 10%

Required: a) Trading account b) Profit & loss account c) Profit & loss appropriation account and d) Balance sheet

1. Following is the trial balance of a company as on 31st Chaitra, last year.

|  |  |  |
| --- | --- | --- |
| Particulars | Debit(Rs) | Credit(Rs) |
| Share capital |  | 50000 |
| Sales revenue |  | 40000 |
| Bank loan |  | 30000 |
| Creditors |  | 30000 |
| Cash in hand | 18000 |  |
| Debtors | 40000 |  |
| Fixed assets | 60000 |  |
| Selling expenses | 12000 |  |
| Bad debts | 5000 |  |
| Salaries | 10000 |  |
| Prepaid expenses | 5000 |  |
|  | 150000 | 150000 |

Additional information:

* 1. Outstanding salaries Rs 5000
  2. Prepaid expenses was expired to the extent of Rs 2000
  3. Depreciate fixed assets by 10%

Required: (a) Adjustment entries (b) worksheet

1. The balance sheet of XYZ Company as on 31st December 2006 is given below:

|  |  |  |  |
| --- | --- | --- | --- |
| Liabilities | Amount | Assets | Amount |
| Share Capital | 200000 | Fixed assets | 200000 |
| Retained earning | 100000 | Bills receivable | 20000 |
| 10% debentures | 50000 | Sundry debtors | 80000 |
| Sundry Creditors | 50000 | Inventory | 100000 |
| General reserve | 100000 | Preliminary expenses | 20000 |
|  |  | Other fixed assets | 80000 |
| Total | 500000 |  | 500000 |

Additional Information:

1. Fixed assets turnover 2 times
2. Net profit Rs 40000

Required: a. Sales amount b. Return on assets c. Debtors turnover ratio

d. Debt - Capital Ratio e. Net profit margin 5

1. The following details are provided:

Profit for the year Rs 22000

Depreciation on fixed assets Rs 6000

Purchase of fixed assets Rs 24000

Dividend paid Rs 10000

Issue of share capital Rs. 20000

Goodwill written off Rs 10000

Additional Information:

A part of fixed assets having book value Rs 20000 was sold for Rs 22000

Required: i. Funds from operation 3

ii. Funds flow statement 2

1. Following were the comparative balance sheet of a company

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Liabilities | 2007 | 2008 | Assets | 2007 | 2008 |
| Share capital | 5,00,000 | 7,00,000 | Fixed assets | 7,00,000 | 9,00,000 |
| Share premium | 1,00,000 | 1,20,000 | Stock | 1,50,000 | 50,000 |
| Profit and loss account | 1,00,000 | 1,20,000 | Bank | 100,000 | 1,50,000 |
| 10%, Debenture | 150,000 | 1,00,000 | Debtors | 50,000 | 1,00,000 |
| Outstanding expenses | 50,000 | 40,000 |  |  |  |
| Creditors | 1,00,000 | 1,20,000 |  |  |  |
|  | 10,00,000 | 12,00,000 |  | 10,00,000 | 12,00,000 |

Additional Information:

1. Sales for the year Rs 6, 00,000.
2. Cost of goods sold Rs 4, 00,000
3. Operating expenses Rs 90,000
4. Debentures were redeemed at 10 % premium.
5. Plant costing Rs 20,000 (accumulated depreciation Rs 8000) was sold for Rs 15,000
6. Purchase of machinery Rs 212,000
7. Dividend distributed was Rs 8000

Required: Cash flow statement using direct method 10

1. Following information are given to you by a manufacturing company:

January 1 Opening inventory 400 units @ Rs. 10 each

January 3 Purchased 800 units @ Rs. 11 each

January 4 Issued 600 units

January 10 Purchased 300 units @ Rs. 13 each

January 12 Issued 650 units

January 18 Returned to vender 150 units

January 25 Refund of surplus from work order 15 units

January 29 Purchased 200 units @ 14 each

Required: Store ledger under FIFO method 5

1. The following information is extracted from the books of a manufacturing company:

Daily working hours : 6 hours

No. of days worked : 30 days

Wage rate per hour : Rs. 20

Required: Total wages earned by the worker. [2]

1. Following particulars are extracted company.

|  |  |  |  |
| --- | --- | --- | --- |
| from the record  40,000 | of | a | manufacturing  24,000 |
| 18,000 |  |  | 15,000 |
| 14,000 |  |  | 16,000 |

Stock of raw materials Stock of work in progress Stock of finished goods

Manufacturing wages Rs. 96,000

Raw materials purchased Rs. 1,60,000

Carriage on purchased Rs. 2,400

Direct expenses Rs. 2,000

Administrative overheads Rs. 36,000

Factory overheads Rs. 44,500

Selling and distribution overheads Rs. 20,500

Carriage on sales Rs. 1,200

Required: A statement of cost showing

a. Cost of materials used b. Prime cost

c. Cost of production d. Total cost

e. Profit 25% on sale [10]

1. Following information are given:

Weekly working hours 40 hors Total working weeks 10 weeks Hourly output 8 units Wage rate per unit of output Rs. 2

Required: Total wages payable under Piece Wage System. [2]

1. The account of a factory shows the following information:

|  |  |  |  |
| --- | --- | --- | --- |
| Materials ...................... | Rs. 3,00,000 | Wages .......................... | Rs. 2,50,000 |
| Factory overhead ........ | 50,000 | Office overhead ............ | 30,000 |

The company received a tender for 100 units. It is estimated that:

* 1. Materials and wages are required Rs. 200 and Rs. 100 per unit respectively.
  2. Office overhead increase by 10%

# SET – IV

1. What do you understand by Equity share and preference share? [2]
2. Write the meaning of fixed assets and current assets. [3]
3. Write about current ratio and quick ratio. [2]
4. Define balance sheet and write any two importance of it. [3]
5. What do you understand by debenture? State any two features of it.
6. Write about the controllable and uncontrollable cost with suitable example. [2]
7. Write any two advantages of piece rate system of wage payment. [2]
8. What do you understand by fixed overhead? State any two features of it. [3]
9. N Cell Co. Ltd. issued 10,000 shares of Rs. 10 each at a premium of Rs. 2 per share payable as follows:

Rs. 2 on application

Rs. 5 on allotment, and the balance on first and final call.

Required: Journal entries for application, allotment and first and final call. [3]

1. A company forfeited 500 shares of Rs. 100 each of non-payment of first and final call money of Rs. 30 per share. Out of these forfeited shares, 200 shares were re-issued at Rs. 70 per share as fully paid up.

Required: Journal entries for: (a) Forfeiture (b) Re-issue (c) Transfer. [3]

1. Narayani Company limited issued 10,000 shares of Rs. 100 each at a premium of Rs. 20 per share payable as follows:

|  |  |  |
| --- | --- | --- |
| On application ............................................. | Rs. 30 |  |
| On allotment .............................................. | 50 | (including premium) |
| On first call ................................................. | 20 | and |
| On second and final call ............................. | 20 |  |

All the shares were subscribed and allotted. One shareholder, who held 400 shares paid the entire amount along with allotment money. However, another shareholder holding 300 shares failed to pay the second and final call.

Required: Journal entries for

(a) Share allotment (b) Share first call (c) Share final call [2+2+2]

1. T Ltd. forfeited 600 shares of Rs. 10 each issued at discount of Rs. 1 each for non-payment of Rs. 4 on first and final call. These shares were reissued at Rs. 8 per share as fully paid. [3]

Required: Journal entries for (a) Forfeiture (b) Re-issue (c) Transfer

1. The trial balance of Ananda Company Ltd. as on 31st December, is given below:

|  |  |  |  |
| --- | --- | --- | --- |
| **Debit** | **Rs.** | **Credit** | **Rs.** |
| Cash balance ..................... | 24,000 | Advance commission............ | 12,000 |
| Closing stock ..................... | 28,800 | Creditors ............................... | 64,800 |
| Debtors ............................. | 49,200 | Profit and loss account ......... | 48,000 |
| House rent ......................... | 50,400 | Purchase returns .................. | 2,400 |
| Insurance ........................... | 8,400 | Reserve fund ........................ | 1,17,600 |
| Land and building ............... | 5,10,000 | Sales revenue ....................... | 9,24,000 |
| Machinery .......................... | 4,20,000 | Share capital ......................... | 6,00,000 |
| Opening stock .................... | 36,000 |  |  |
| Purchases .......................... | 4,20,000 |  |  |
| Salaries ............................... | 1,14,000 |  |  |
| Wages ................................ | 1,08,000 |  |  |
| **Total** | **17,68,800** | **Total** | **17,68,800** |

Additional information:

1. Depreciate machinery by 15%
2. Written off Rs. 200 as bad debts and make a provision for bad debts at 10% on debtors.
3. Provision for tax is to be made at Rs. 20,000.
4. Dividend proposed at 10% on share capital.

Required:

a. Trading account b. Profit and loss account

c. Profit and loss appropriation account d. Balance sheet as on that date [12]

1. The trial balance of Kali Gandaki Company Ltd. as on Chaitra 31, is given below:

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Debit (Rs.)** | **Credit (Rs.)** |
| Machinery .................................................. | 1,48,000 | - |
| Sundry debtors ........................................... | 48,000 | - |
| Investment ................................................. | 58,000 | - |
| Share capital .............................................. | - | 1,72,000 |
| Sales revenue ............................................ | - | 1,16,000 |
| Salaries ...................................................... | 38,000 | - |
| Advertisement ............................................ | 8,000 | - |
| Creditors .................................................... | - | 12,500 |
| Interim dividend .......................................... | 5,000 | - |
| Profit and loss appropriation account .......... | - | 10,000 |
| Prepaid insurance ...................................... | 4,000 | - |
| Advance rent .............................................. | - | 4,000 |
| Depreciation ............................................... | 5,500 | - |
| **Total** | **3,14,500** | **3,14,500** |

Additional information:

1. Prepaid insurance expired Rs. 1,000.
2. The entire amount of advance rent received is earned.

Required: (a) Journal entries for adjustment (b) Twelve column worksheet [8]

1. Following information are given in respect of a material:

|  |  |
| --- | --- |
| Annual requirement ............................. | 5,000 kgs |
| Cost per kg .......................................... | Rs. 40 |
| Cost per order ...................................... | Rs. 25 |
| Carrying cost ....................................... | 10% of material cost |

Required: (a) Economic order quantity (b) No. of orders per year. [2]

1. The following figures are extracted from the two years balance sheets of a company:

Additional information:

Decrease in working capital Rs. 27,500 Cash dividend paid for the year Rs. 25,000

Furniture purchased during the year Rs. 60,000 Depreciation charged on furniture Rs. 15,000

Required: (a) Funds from operation (b) Funds flow statement. [2+3]

1. The balance sheets of a company as on Ashadh 31, are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Liabilities** | **2063 Rs.** | **2064 Rs.** | **Assets** | **2063 Rs.** | **2064 Rs.** |
| Share capital ........ | 562,500 | 675,000 | Plant & Machinery .. | 600,000 | 855,000 |
| Share premium ...... | 56,250 | 67,500 | Investment ............. | 75,000 | 45,000 |
| Retained earnings .. | 112,500 | 168,750 | Inventories............... | 56,250 | 112,500 |
| 8% Debentures ...... | 112,500 | 56,250 | Debtors.................... | 165,750 | 111,000 |
| Creditors ................ | 157,500 | 204,750 | Prepaid expenses.... | 3,000 | 1,500 |
| Outstanding expenses | 11,250 | 9,000 | Cash and Bank....... | 112,500 | 56,250 |
| **Total** | **1,012,500** | **1,181,250** | **Total** | **1,012,500** | **1,181,250** |

Additional information:

1. Sales for the year 2063 Rs. 675,000
2. Cost of goods sold Rs. 390,000
3. Administrative expenses Rs. 94,500
4. Selling and distribution expenses Rs. 18,000
5. Investment costing of Rs. 30,000 was sold at a profit of Rs. 11,250
6. Purchased plant and machinery of Rs. 348,750
7. Dividend distributed Rs. 33,750

Required: Cash flow statement using direct method [5+2+2+1]

1. Following are the transactions of material of a company for the month of Bhadra:

Bhadra 1: Opening stock 900 units @ Rs. 11 per unit

Bhadra 6: Purchased 1,100 units @ Rs. 12 per unit

Bhadra 14: Issued 1,400 units

Bhadra 21: Returned to vendor 100 units

Bhadra 24: Purchased 1,700 units @ Rs. 13 per unit

Bhadra 26: Issued 400 units

Bhadra 28: Shortage on stock under LIFO method. [2+2+1]

1. The standard output per hour is 10 units. The piece rate is Rs. 3 per unit and worker worked 300 hours in a month.

Required: Amount of wages of the worker. [2]

1. Given below is the balance sheet of X Co. Ltd as on Ashadh 31.

|  |  |  |  |
| --- | --- | --- | --- |
| **Liabilities** | **Rs.** | **Assets** | **Rs.** |
| Equity capital of Rs. 100 each .. | 3,02,000 | Sunder debtors ................... | 1,20,000 |
| Bills payable ............................ | 1,50,000 | Cash balance ..................... | 35,000 |
| Interest payable ...................... | 20,000 | Short-term loan.................... | 25,000 |
|  |  |  |  |

Additional information: Debtors turnover ratio: 5 times Net profit margin: 15%

|  |  |  |  |
| --- | --- | --- | --- |
| 12% Debentures ..................... | 1,48,000 | Inventories ................................ | 50,000 |
| Reserve and surplus ............... | 58,000 | Machinery ................................. | 1,15,000 |
|  |  | Land and building ..................... | 3,30,000 |
|  |  | Preliminary expenses ............... | 33,000 |
| **Total** | **6,78,000** | **Total** | **6,78,000** |

Required: (a) Sales amount (b) Liquid ratio (c) Debt equity ratio

(b) Average collection period (e) Earning per share [5]

1. The details of manufacturing and other cost are:

|  |  |  |  |
| --- | --- | --- | --- |
| Openings stock of raw materials | Rs. 1,00,000 | Opening stock of finished goods | 4,000 units |
| Closing stock of raw materials ...... | Rs. 30,000 | Closing stock of finished goods ........ | 3,000 units |
| Purchases of raw materials ........... | Rs. 3,50,000 | Custom duty ..................................... | Rs. 10,000 |
| Direct labour .................................. | Rs. 4,00,000 | Works overheads ............................. | Rs. 80,000 |
| Sale of scrap.................................. | Rs. 10,000 | Administrative overhead …. 10% of direct labour | |
| Selling and distribution overhead .. | Rs. 5 per unit | Unit produced ................................... | 10,000 units |
| Profit ………………………….… 12.5% of sales | |  |  |

Required: Cost sheet showing:

a. Cost of materials consumed b. Prime cost c. Factory cost

d. Cost of production e. Cost of goods sold

f. Total cost g. profit h. Sales [2+6×1+2=10]

1. The net profit as shown by the cost account of a company is Rs. 36,000. On the reconciliation following facts were disclosed:
2. Factory overhead over recovered in cost account by Rs. 5,000
3. Office expenses under recovered in cost account by Rs. 3,000
4. Bank interest credited in financial account by Rs. 9,000
5. Depreciation under charged in cost account Rs. 4,000

Required: Reconciliation statement of cost and financial account. [5]

1. Suraj ltd. issued 30,000 shares of Rs. 10 each at a discount of Re. 1 payable as follows:

|  |  |
| --- | --- |
| Rs. 3 ............................................ | on application |
| Rs. 4 ............................................ | on allotment |
| Rs. 2 ............................................ | on first and final call |

All money was duly received except allotment and call money from a shareholder to whom 500 shares were allotted to pay allotment and calls money and another shareholder to whom 200 shares were allotted paid entire money due along with allotment money.

Required: Journal entries. [4]

# SET – V

1. Define briefly redeemable preference share and cumulative preference share capital. 3
2. What do you mean by ratio analysis 2
3. What do you mean by cost accounting? How it differs from financial accounting? 3
4. Define briefly redeemable and non redeemable debenture. 3
5. Define direct material and indirect material with suitable examples. 2
6. What do you mean by controllable and uncontrollable cost? Explain. 2
7. Write the meaning of current assets with suitable example. 2
8. Who is a storekeeper? And functions of storekeeper. 3
9. Yak & Yati Ltd. forfeited 10 shares of Rs 10 and fully called, issued at a discount of 10% to Ram on which he had paid Rs 4 per share. Out of these, 5 shares were issued to Shyam as fully paid at Rs 8 per share.

Required: Entries for share forfeiture, share re-issue and transfer entry. 3

1. ABC Ltd forfeited 200 shares of Rs. 100 each issued at 10% premium due to non-payment of allotment of Rs. 20 per share. Calls of Rs. 40 were not made yet. Out of these shares, 150 shares were re-issued at Rs. 50 per share as Rs. 60 paid up.

Required: Entries for share forfeiture, share re-issue and transfer entry. 3

1. Khusbu Trading House purchased following assets and liabilities of XYZ Company by issuing 5000 shares of Rs. 100 each at 10% discount:

Land and Building Rs.110000

Machinery Rs.100000

Debtors Rs.30000

Stock Rs.200000

Creditors Rs.30000

The company also issued 3000 shares at 10% premium for cash.

Required: a) Journal entries 3

1. B Ltd issued 5000, 10% debenture of Rs. 100 each at 10% discount. The debentures will be redeemed at 5% premium after 10 years.

Required: Journal entries at the time of issue and on redeemption of debentures. 4

1. Trail balance of D Company as on December 31, 2016 provides you the following information:

Dr. Cr.

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Amount | Particulars | Amount |
| Purchase | 1,20,000 | General reserve | 20,000 |
| Investment | 1,00,000 | Provident fund | 40,000 |
| Plant & Machinery | 1,30,000 | Profit & loss app. account | 1,20,000 |
| Discount on issue of shares | 13,000 | Creditors | 40,000 |
| Coal & water | 7,000 | Outstanding wages | 12,000 |
| Salaries | 27,000 | Sales | 3,00,000 |
| Wages | 33,000 | Return outward | 4,000 |
| Debtors | 50,000 | Unearned commission | 6,000 |
| Cash at bank | 60,000 | Provision for taxation | 7,000 |
| Goodwill | 1,00,000 | Debenture | 1,20,000 |
| Tax paid for last year | 5,000 |  |  |
| Patent right | 27,000 |  |  |
|  | 6,69,000 |  | 6,69,000 |

Additional Information:

Provide depreciation on plant & machinery by 10% Closing stock was Rs. 200000 at the end of the year Write off 1/3 rd of patent right

Unearned commission was earned to the extent of Rs 2000 Provision for taxation was Rs. 4000 during the year

Create general reserve of Rs 4000

Required: a) Trading account b) Profit & loss account c) Profit & loss appropriation account and d) Balance sheet (2+4+2+4 =12)

1. Following is the trial balance of a company as on 31st Chaitra, last year.

|  |  |  |
| --- | --- | --- |
| Particulars | Debit(Rs) | Credit(Rs) |
| Share Capital |  | 1,00,000 |
| Sales revenue |  | 2,50,000 |
| Purchase | 1,30,000 |  |
| Creditors |  | 50,000 |
| Debtors | 40,000 |  |
| Cash at bank | 20,000 |  |
| Machinery | 1,20,000 |  |
| Sundry expenses | 5,000 |  |
| Wages | 10,000 |  |
| Interim dividend | 4,000 |  |
| Salaries | 16,000 |  |
| P/L appropriation account |  | 60,000 |
| Insurance | 12,000 |  |
| Advance rent |  | 5,000 |
| Building | 1,43,000 |  |
| General reserve |  | 35,000 |
| Total | 5,00,000 | 5,00,000 |

Additional information:

* 1. Depreciate building & machinery by 10%
  2. Accrued salaries Rs 1000
  3. Provision for taxation Rs 4000
  4. Proposed dividend is 10% of the paid up capital
  5. Closing inventory Rs 20000 Required: Twelve-column work sheet.

1. Following is the balance sheet of a company

|  |  |  |  |
| --- | --- | --- | --- |
| Liabilities | Amount | Assets | Amount |
| Share Capital | 20000 | Inventory | 20000 |
| Debenture | 40000 | Debtors | 30000 |
| General Reserve | 30000 | Cash in hand | 5000 |
| Profit & loss app. Account | 10000 | Fixed assets | 50000 |
| Creditors | 20000 | Account receivable | 25000 |
| Bills payable | 20000 | Preliminary expenses | 10000 |
|  | 140000 |  | 140000 |

Additional Information:

1. Debtors turnover ratio was 5 times
2. Gross profit was Rs. 25000

Required:

a) Current ratio

b) Quick ratio

c) Debt-equity ratio

d) Amount of sales

e) Gross profit margin

1. The following details are provided:

Profit for the year Rs 64000

Depreciation on fixed assets Rs 48000

Purchase of fixed assets Rs 204000

Dividend paid Rs 10000

Issue of share capital Rs. 94000

Additional Information:

* 1. Tax paid during the year Rs 20000.
  2. A part of fixed assets having Cost Rs 20000(accumulated depreciation Rs 12000) was sold at a profit of Rs 2000
  3. Value of goodwill decreases from Rs 20000 to Rs 10000

Required: i. Funds from operation 3

ii. Funds flow statement 2

1. Following were the comparative balance sheet of PQR Company

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Liabilities** | **2014** | **2015** | **Assets** | **2014** | **2015** |
| Share capital | 10,00,000 | 15,00,000 | Plant & machinery | 7,70,000 | 15,40,000 |
| Share Premium | 1,00,000 | 1,50,000 | Investment | 3,00,000 | 200,000 |
| Debenture | 100,000 | 200,000 | Inventory | 150,000 | 200,000 |
| Account payable | 1,00,000 | 80,000 | Cash at bank | 50,000 | 100,000 |
| Accrued wages | 10,000 | 20,000 | Account receivable | 2,00,000 | 150,000 |
| Provision for taxation | 80,000 | 60,000 | Prepaid expenses | 30,000 | 10,000 |
| Profit & loss account | 1,10,000 | 1,90,000 |  |  |  |
|  | 15,00,000 | 22,00,000 |  | 15,00,000 | 22,00,000 |

Additional Information:

1. Sales for the year Rs 10, 00,000.
2. Cost of goods sold Rs 6, 00,000
3. Operating expenses Rs 1, 00,000
4. Loss on sale of plant (Book value Rs 60,000) Rs 10000
5. Tax Paid Rs100, 000
6. Purchase of machinery Rs 930,000
7. Profit on sale of investment Rs 70,000

Required: Cash flow statement using direct method 10

1. Following information relates to the receipts and issues of a particular component during the month of April:

April1 Opening inventory 400 units @ Rs. 8 each

April 3 Purchased 400 units @ Rs. 9 each

April 8 Issued 300 units

April 10 Purchased 200 units @ Rs. 10 each

April 12 Issued 1100 units

April 17 Returned to store 1150 units

April 19 Sent material from on1e job to another job 15 units

Required: Store ledger under FIFO1method 5

1. The following information is available

Maximum stock level 9600 units

Budgeted consumption:

Maximum 2500 units per day

Minimum 1500 units per day

Re-order period 2 to 4 days

Required: a) Re-order level

b) Re-order quantity [1+2]

1. The time allowed for one unit of output is 20 minutes. The hourly wages rate is Rs. 180 per hour. A worker produced 10 units

Required: Total earning by the worker. [2]

1. The details of manufacturing and other costs are:

Direct material: Rs. 6,00,000

Direct labour: Rs. 5,00,000

Works overhead: Rs. 1,00,000

Office overhead: Rs. 60,000

The following estimation of direct cost and allocation of overhead were made for submitting a tender.

Direct material Rs. 4,00,000

Direct labour Rs. 2,00,000

Workers overhead – on the basis of direct labour cost, office overhead – on the basis of factory cost, profit – 25% of sale.

Required: a) Cost sheet

b) Tender sheet [4+4]

++++++++++++++

|  |  |  |
| --- | --- | --- |
|  | **Previous year** | **Current year** |
| Share capital .............................................. | 3,10,000 | 3,60,000 |
| 6% Preference share .................................. | 1,45,000 | 75,000 |
| Profit and loss account ............................... | 50,000 | 75,000 |
| Preliminary expenses ................................. | 12,500 | 10,000 |