Q. NO. 2 From the following Trial Balance of Deep Enterprises, prepare Manufacturing Account, Trading and Profit & Loss Account for the year ended 31st December, 2003 and the Balance Sheet as on that date. 15 marks

Particulars	Rs.	*Particulars*	Rs.
Drawings	30,000	Capital	5,00,000
Manager's Salary	6,000	Sundry Creditors	1 ,00,000
Cash in Hand	2,000	Loan	80,000
Cash at Bank	35,000	Reserve for Bad Debts	6,000
Sundry Debtors	95,000	Purchases Returns	7,000
Patents	4,000	Sales	2,64,000
Plant and Machinery	1 ,00,000		
Land and Buildings	2,00,000		
Extension to Buildings	25,000		
Purchases of Raw Materials	1,00,000		
Raw Materials (1-1 -2003)	40,000		
Work-in-Progress (1-1-2003)	75,000		
Finished Goods (1-1-2003)	95,000		
Carriage Inward	8,000		
Wages and Salaries	90,000		
Factory Expenses	8,000		
Factory Rent and Rates	10,000		
Office Expenses	5,000		
Printing and Stationery	10,000		
Discount	6,000		
Advertisement	5,000		
Bad Debts	4,000		
Goodwill	4,000		
	9,57,000		9,57,000

Adjustments :

(a) On 31-12-2003 stocks were valued as : Raw material Rs. 50,000; Work-in-Progress Rs. 80,000; and Finished Goods Rs.60,000.
(b) Outstanding Expenses - Advertisement Rs. 500 and Printing Rs. 300.
(c) Stock of Stationery in hand Rs. 1,000 on 31 -12-2003.
(d) Depreciate : Plant and Machinery at 10% and Patents at 20%.
(e) Increase Reserve for bad debts by Rs. 3,000.
(f) Interest on Loan of Rs. 1,000 is still unpaid.

Q. NO. 2 The Trial balance of Mrs. Deepali as on 31st December, 2005 was as follows :

Debit Balance	Rs.	*Credit Balance*	Rs.
Raw Material	23,000	Sundry Creditors	17,000
Work in Progress	10,000	Bills Payable	8,500
Finished Goods	15,500	Sales of Scrap	1,500
Sundry Debtors	27,000	Commission	400
Carriage Inward	1,000	Provision for Doubtful Debts	1,600
Carriage Outward	1,000	Deepali's Capital A/c	1,00,000
Bills Receivable	16,000	Sales	2,00,000
Wages	12,000		
Salaries	10,000		
Repairs of Plant	1,200		

Repairs of Office Furniture	600		
Purchase	1,00,000		
Cash at Bank	2,300		
Plant and Machinery	90,000		
Office Furniture	9,000		
Rent	5,000		
Lighting Expenses	1,800		
Factory Insurance	2,000		
General Expenses	1,600		
	3,29,000		3,29,000

Following additional information is provided to you :

(1) Closing Stock as on 31st December, 2005 was: Raw Materials Rs.15,800, Finished Goods Rs. 18,200, Semi Finished Goods Rs. 7,000.
(2) Salaries Rs. 2,000 and Wages for December, 2005 Rs. 2,000
(3) Lighting expenses were outstanding Rs. 600 whereas insurance was prepaid Rs. 500.
(4) 25% of the lighting expenses and rent is to be charged to office premises and the remaining amount is to be charged to factory.
(5) Depreciation is b be written off on Machinery at 10% p.a. and on Furniture at 5% p.a.
(6) Provision for doubtful debts is to be maintained at 10%.

You are required to prepare manufacturing account, trading account and profit and loss account for the year ended 31-12-2005 and Balance Sheet as on that date. 15 Marks

Q. NO. 2 The Trial Balance of Ketan on 31st December, 2002 is as follows : 15 Marks

Particulars	*Dr. Rs*	*Particulars*	*Cr. Rs.*
Opening Stock :	23,000	Sunday Creditors	17,000
- Raw Materials	10,000	Bills Payable	8,500
- Work in Progress	15,500	Sale of Scrap	1,500
- Finished Goods	27,000	Commission	350
Sundry Debtors	1,500	Provision for Doubtful Debts	1,650
.Carriage on Purchases	18,000	Capital A/c	100,000
Bills Receivable	12,000	Sales	200,000
Wages	10,000	Current Account of Ketan	9,700
Salaries	500		
Telephone Charges	500		
Postage	1,200		
Repairs to Plant	600		
Purchases	100,000		
Cash at Bank	12,000		
Plant and Machinery	90,000		
Office Furniture	9,000		
Rent	5,000		
Lighting	1,300		
General Expenses	1,600		
	338,700		338,700

The following additional information is provided to you :

(1) Closing Stock :
Raw Materials . Rs 15,800
Finished Goods Rs 18,200
Semi-finished Goods Rs. 7,000
(2) Salaries unpaid for December, 2002 Rs. 1,000.
(3) Wages unpaid for December, 2002 Rs. 3,000.
(4) Machinery to be depreciated by 10%.
(5) Office furniture is to be depreciated by 5%.
(6) Provision for Doubtful Debts is to be maintained at 10%.
(7) Lighting is to be divided between office premises and factory. Lighting is to be charged to office premises for Rs. 300 and remaining Rs.1,000 are to be charged to factory.
(8) Factory Premises occupy 1/4 of the total area.

You are requested to prepare the Manufacturing Account, Trading Account, Profit and Loss Account and the Balance Sheet relating to 2002.

Q. NO. 2. From the given Trial Balance of Mohan, prepare Manufacturing, Trading and Profit and Loss Account for the year ended 31st December, 2011 and Balance Sheet as at that date.

15 Marks

Particulars	Debit	Credit
Opening Stock : Raw materials	12,000	
- WIP	7,000	.
Finished Goods	20,000	.
Purchase of Raw Materials	97,000	
Octroi on Raw Materials	11,000	
Direct wages	57,000	
Factory Rent	7,000	.
Other Direct Expenses	12,000	
Indirect Wages	8,000	
Machinery	60,000	
Cash at Bank	12,000	
Sales		3,10,000
Administrative Expenses	31 ,000	
Selling Expenses	13,000	.
Creditors		25,000
Interest	7,000	
Discount Allowed	4,000	.
Bad Debts	1,000	.
Provision for Bad Debts		3,000
Sundry Debtors	50,000	
Drawings	21 ,000	
Capital		85,000
Bills Payable		7,000

	4,30,000	4,30,000

Adjustments :

1 . Closing Stock was Raw Materials Rs. 8,000; Finished Goods Rs. 10,000 and WIP Rs. 4,000.
2. Outstanding Direct Wages at the end were Rs.3,000.
3. Other Direct Expenses were prepaid to the extent of Rs. 1,000.
4. Depreciate machinery @ 10% p.a.
5. Maintain provision for bad debts @ 5% of sundry debtors.

Q. NO. 2 Prepare the Manufacturing, Trading and Profit and Loss Account for the year ended on 31-12-2015 and a Balance Sheet as at that date from the following extracted balances from the books of Mr. Gopal Wasan. . 15 marks

Trial Balance

Particulars	*Dr.*	*Cr.*	*Particulars*	*Dr.*	*Cr.*
Plant (1-1-2015)	50,000		General Expenses :		
Plant Bought (1-7-2015)	5,000		- Office	1,000	
Purchases	65,000		- Factory	400	
Packing and Transport	2,000		Insurance	1,800	
Rent, Rates and Taxes	3,000		Light and Heat	900	
Repairs to Plant	1,500		Sales		1,62,200
Salaries - Office	7,500		Stock on 1-1-2015		
Advertising	1,700		(a) Raw Materials	10,000	
Bad Debts	1,200		(b) Finished Goods	14,000	
Provision of Bad Debts		2,000	(c) Work-in-progress	3,000	
Bank Charges	200		Factory Wages	40,000	
Capital Account		78,000	Debtors	20,000	
Drawings	10,000		Creditors		12,000
Discount		800	Cash in hand	500	
Factory Power	7,000		Cash at Bank	7,500	
Furniture	1,800				
				2,55,000	2,55,000

(1) Stock at 31-12-2015 Rs.
Raw Materials 7,000
Work-in-progress 3,500
Finished Goods 20,000
Packing Materials 250
(2) Factory Liabilities Rs.
Rent and Rates 1,000
Light and Heat 600
General Expenses (Factory) 300
General Expenses (Office) 50
(3) Insurance prepaid Rs. 100.
(4) Provide depreciation on Plant @ 10% per annum and furniture @ 5% per annum. Increase bad debts provision by 1,000.
(5) 5/6th of the rent bind rates, light and heat and insurance are to be allocated by factory and 1/6 to office.

Q. NO. 2. The Trial balance of Mr. Arvind as on 31st December, 2015 was as follows :

Debit Balance	Rs.	*Credit Balance*	Rs.

Raw Material	23,000	Sundry Creditors	17,000
Work in Progress	10,000	Bills Payable	8,500
Finished Goods	15,500	Sales of Scrap	1,500
Sundry Debtors	27,000	Commission	400
Carriage Inward	1,000	Provision for Doubtful Debts	1,600
Carriage Outward	1,000	Capital A/c	1,00,000
Bills Receivable	16,000	Sales	2,00,000
Wages	12,000		
Salaries	10,000		
Repairs of Plant	1,200		
Repairs of Office Furniture	600		
Purchase	1,00,000		
Cash at Bank	2,300		
Plant and Machinery	90,000		
Office Furniture	9,000		
Rent	5,000		
Lighting Expenses	1,800		
Factory Insurance	2,000		
General Expenses	1,600		
	3,29,000		3,29,000

Following additional information is provided to you :

Closing Stock as on 31st December, 2015 was: Raw Materials Rs.15,800, Finished Goods Rs. 18,200, Semi Finished Goods Rs. 7,000.

Salaries Rs. 2,000 and Wages for December, 2015 Rs. 2,000

Lighting expenses were outstanding Rs. 600 whereas insurance was prepaid Rs. 500.

25% of the lighting expenses and rent is to be charged to office premises and the remaining amount is to be charged to factory.

Depreciation is b be written off on Machinery at 10% p.a. and on Furniture at 5% p.a.

Provision for doubtful debts is to be maintained at 10%.

You are required to prepare manufacturing account, trading account and profit and loss account for the year ended 31-12-2015 and Balance Sheet as on that date. 15 marks

Q.3 From the following information of Mr. Ramesh a proprietor having three departments A, B, and C, prepare Departmental Tradiitig.and Profit & Loss A/c for the year ended 31st December 2013 and Balance Sheet on that date. 15 MARKS

Trial Balance as on 31st December, 2013

Particulars	*Debit*	*Credit*
Mr. Ramesh's Capital		100000
Stock : A	20000	
B	15000	
C	1000	

Purchases : A	90000	
B	70000	
C	50000	
Sales : A		100000
B		75000
C		50000
Salaries	25000	
Rent& Rates	5000	
Selling & Distribution Expenses	9000	
Land & Building	25000	
Furniture & Fixtures	10000	
Cash in Hand	5000	
Cash at Bank	19000	
Sundry Debtors	25000	
Sundry Creditors		44000
	369000	369000

Other Information :

(1) Stock in Trade as on 31st December, 2013 was A - 35,000, B - 25,000 and C - 20,000.

(2) Salaries are to be allocated in the ratio of 4: 3: 3 amongst all the departments.

(3) The-Floor Space occupied by each department is in the proportion of 4: 3: 3.

(4) Selling and distribution expenses are to be allocated on the basis of sales of each department.

OR

Q. NO. 3 From the following balances prepare Departmental Trading and Profit and Loss Account for the year ended 31-12-2003. 15 Marks

Particulars	*Dept. X Rs.*	*Dept. Y Rs.*	*Total Rs.*
Opening Stock	15,000	14,000	29,000
Purchases	35,000	30,000	65,000
Sales	60,000	50,000	1,10,000
Wages	6,000	4,000	10,000
Salaries			9,390
Lighting and Heating			3,100
Discount allowed			650
Discount received			2,200
Advertising			3,680
Carriage Inwards			2,340
Furniture & Fittings			5,000
Rent, Rates, Taxes & Insurance			2,100

The following information is also provided :

(1) Internal Transfer of goods from Department X to Department Y Rs. 2,000.

(2) The items Rent, Rates and Insurance; Lighting & Heating; Salaries and Carriage Inward to be apportioned 2/3 to Department X and 1/3 to Department Y.

(3) Advertising to be apportioned equally.

(4) Discount allowed and discount received are apportioned on the basis of departmental sales & purchases.
(5) Depreciation at 10% p.a. on Furniture & Fittings to be charged 3/4 to Department X and 1/4 to Department Y.
(6) Stock as at 31ST December 2003 :
Department X Rs. 17,000, Department Y Rs. 15,000.

Q. NO. 3. From the following information prepare Departmental Trading and Profit and Loss Account for the year ending 31st December 2003 :

15 Marks

Particulars	*Dept. A Rs*	*Dept. B Rs.*	*Total Rs*
Opening Stock	16,000	20,000	36,000
Purchases	1,40,000	1,60,000	3,00,000
Sales	1 ,80,000	2,40,000	4,20,000
Salaries	8,000	11,800	19,800
General Salaries			24,400
Rent & Rates			12,000
Carriage Inward			30,000
Carriage Outward			5,600
Discount allowed			2,800
Discount earned			3,000
Advertisement			8,400
Audit Fees			1,200
Insurance of Goods			1 .200

Additional Information :

(1) General Salaries are to be allocated equally.
(2) The area occupied is in the ratio of 2 : 1 between Departments A & B respectively.
(3) Goods transferred from Department B to Department A Rs. 30,000 were not recorded.
(4) Closing Stock : Department A Rs. 40,000, Department B Rs. 50,000.
(5) Audit fees and insurance are to be apportioned in the ratio of 2:1

OR

Q. NO. 3 From the following Trial Balance prepare Departmental Trading, Profits Loss Account for the year ended on 31st March, 2004

15 marks

Trial Balance

Particulars	*Dr. Rs.*	*Cr. Rs.*	*Particulars*	*Dr. Rs.*	*Cr. Rs.*
Stock- 1-4-2003 Dept.. X	1,500		Discount allowed	220	
Dept.. Y	1,200		Discount received		130
Purchases Dept.. X	2,800		Advertising	360	

Dept.. Y	2,400		Carriage Inwards	210	
Sales Dept.. X		6,000	Furniture & Fittings	400	
Dept.. Y		5,000	Machinery	2,000	
Wages Dept.. X	750		Sundry Debtors	600	
Dept.. Y	250		Sundry Creditors		1,600
Rent, Rates & Taxes	900		Ajay's Capital Account		3,190
Sundry Expenses	300		Ajay's Drawings	400	
Salaries	300		Cash at Bank	1,000	
Lighting and Heating	180		Cash in Hand	150	
				15,920	15,920

The following Information Is available :

(1) Dept. X transferred goods costing 7 40 to Dept. Y.
(2) Rent, Taxes, Sundry Expenses, Lighting, Salaries and Carriage Inward to be apportioned 2/3 to Dept. X and 1/3 to Dept. Y.
(3) Advertising to be apportioned equally.
(4) Discount allowed and Discount received are apportioned on the basis of departmental sales and purchases (Excluding transfer).
(5) Depreciation at 10% p.a. on Furniture and Plant and Machinery is to be charged 3/4 to Dept. X and 1/4 to Dept; Y
(6) Stock as on 31 -3-2004 : Dept. X - Rs. 1,650; Dept. Y - Rs. 1,200.

Q. NO. 3. The following balances have been extracted from the books of M/S. Patange and Co. for the year ended 31st December, 2014 having three departments L, M and N. Partners X, Y and Z share profit and loss of the business in the ratio of 5:3:2.

Particulars	Amt. Rs.	Particulars	Amt. Rs.
Purchases :		Salaries	36,000
(Excluding Inter-		Carriage Inward	6,000
depart Transfers)		Rent	9,000
L		Discount Received	1,200
M	60,000	Discount Allowed	2,700
N	40,000	Advertising	4,500
Sales :	20,000	Sundry Expenses	6,000
(Excluding Inter-		Depreciation on Furniture and	
depart Transfers)		Fixture	900
L	90,000	Interest from Investments	10,000
M	67,500	Donations made	5,000
N	45,000	Interest on Loans paid	1,000
Opening Stocks :			
L	19,000		
M	12,000		
N	10,000		
Closing Stocks :			
L	22,900		
M	8,600		
N	11,000		

Prepare Departmental Trading and Profit & Loss Account for the year ended 31st December, 2014 after taking into account the following :

1. Allocate the expenses in the following proportion :
   i) Rent – Dept. L : 4, Dept. M : 4, Dept. N :1
ii) Salaries and Discount allowed : On the basis of outside sales.
iii) Sundry Expenses : Equally amongst all the three departments.
iv) Discount received : on the basis of purchases.
2. During the year, goods having cost price of Rs. 10,200 and Rs. 800 were transferred from Departments L and M respectively to Department N. 15 marks

Q. NO. 3 On 1st Jan., 2016, Mohan purchased from M/s Shree Enterprises machinery on installments payment system. The cash price of machinery was Rs. 1,00,000. Mohan paid Rs. 30,000 at the time of contract and agreed to pay the balance in 4 equal installments of 20,000 each, on 31st December every year with interest at 5% p.a. Mohan charged depreciation @ 10% p.a. on Fixed Installment method.
Show the Machinery account and Vendor Account in the books of the buyer 15 marks

Q. NO. 3 On 1st Jan., 2014, Mr. A purchased from HONDA five taxies on installments payment system. The cash price of each taxi was Rs. 20,000. MR. A paid 40,000 at the time of contract and agreed to pay the balance in 4 equal installments of Rs. 15,000 each, on 31st December every year with interest at 6% p.a. Mr. A charged depreciation @ 15% p.a. on diminishing balance method.
Show the necessary accounts in the books of the buyer and seller. 15 marks

Q. NO. 3 On 1st April, 2012, Mr. Ketan purchased from PTC ltd. Motor car on installments payment system. The cash price of Motor car was Rs. Rs. 2,00,000. Mr. Ketan paid Rs. 40,000 at the time of contract and agreed to pay the balance in 3 equal installments of Rs. 60,000 each, on 31st March every year with interest at 5% p.a. Mr Ketan charged depreciation @ 20 % p.a. on Original cost.
Show the necessary accounts in the books of the Mr. Ketan. 15 marks

Q. No. 4 The-following transactions took place during the month of January, 2004 in DCM Limited.

Jan. 1	Opening Stock	500 units @ Rs.35
Jan. 5	Purchases	1,000 units @ Rs. 38
Jan. 7	Sales	300 units
Jan. 12	Sales	800 units
Jan. 15	Purchases	1,200 units @ Rs. 34
Jan. 18	Sales	1,000 units
Jan. 23	Purchases	900 units @ Rs. 30
Jan. 28	Sales	1,200 units

Calculate the value of closing stock based on FIFO method and Weighted average Method. 15 marks

Q. NO. 4 The following particulars are available in respect of an item of raw material of Slow and Steady Limited for the month of January 2004 15 marks

January 1	Opening balance	2,500 kg. @ Rs.18 per kg.
January 4	Purchases	3,000 kg. @ Rs.20 per kg.
January 6	Issues	5,000 kg.
January 18	Purchases	10,000 kg. @ Rs.21 per kg.
January 22	Issues	7,000 kg.
January 28	Purchases	2,000 kg. @ Rs.22 per kg.
January 31	Issues	4,500 kg.

Calculate the value of closing stock on the basis of FIFO method and weighted average method.

Q. NO. 4 (A)The following information is provided by X Ltd. for the month of April, 2004 :
Date . Particulars 8 marks

01	Opening Stock	100 units	@ Rs.7.5
05	Sold	250 units	
08	Purchased	500 units	@ Rs. 7.7
10	Sold	400 units	
12	Purchased	600 units	@ Rs.7.8
30	Sold	500 units	

Calculate using FIFO methods of pricing issues : (a) the cost of goods sold during April (b) value of closing stock on 30th April.

Q. No. 4 From the following details of stores receipts & issues of material in manufacturing unit, prepare Store Ledger using Weighted Average Method.

November	1	Opening Stock 2000 Units @ Rs. 5.00 each.
	3	Issued 1,500 Units to production.
	4	Received 4,500 Units @ Rs. 6.00each.
	8	Issued 1,600 Units to production.
	9	Returned to Stores 100 Units by Production Department (from the issues of November 3).
	16	Received 2,400 Units @ Rs. 6.50 each.
	19	Returned to supplier 200 units out of the quantity received on Nov. 4.
	20	Received 1,000 Units @ Rs. 7.00 each.
	24	Issued to production 2,100 Units.
	27	Received 1,200 Units @ Rs. 7.50 each.
	29	Issued to production 2,800 Units.

(use rates up to two decimal places)

Calculate the value of closing stock based Weighted average Method and the cost of goods sold during April 2014 15 marks

Q. NO. 4 : State with reasons whether the following expenditures are capital or revenue :
7 marks

(i) Interest on investment received from company.,
(ii) Traveling expenses of the directors for trips abroad for purchase of capital goods;
(iii) Amount spent on re-painting a factory.
(iv) Purchased a Machine from INC Dermott Co.,
(v) Amount spent on the installation of the new machine,
(vi)) Amount spent on heavy advertising for launching the product In the market,
(vii) Amount spent for removal of stock to a new site.

Q. NO 4 State with reasons whether the following are Capital or Revenue or Deferred revenue expenditure : 15 marks

1.Interest accrued during the year on term loan raised and utilised for the purchase and erection of plant; however, the production had not commenced till the last day of the accounting period
2.Amount paid as compensation to an employee on retrenchment
3.Amount spent on replacement of Rings and Pistons to get fuel efficiency
4.Amount paid to a lawyer to defend a suit claiming that the factory site belonged to the firm; the suit was not successful.
5.Amount spent to reduce working expenses
6.Amount spent on making a few more exits in Cinema Hall to comply with Government orders,
7.Amount paid to obtain a licence to run the factory.
8.Amount spent on heavy advertising to introduce a new product in the market
9.Travelling expenses of the directors for trips abroad for purchase of capital goods

10.Amount spent for the construction of temporary huts, which were necessary for the construction of the building and were demolished when the building was ready
11. Amount spent for removal of stock to a new site.
12. Addition of a new wing to the Library
13. Repairs to the Student's Common Room
14. Amount spent on advertising the product In the market,
15. White-washing the entire Building

Q. NO 4 State with reasons whether the following are Capital or Revenue or Deferred revenue expenditure : 15 marks
Explain with reasons whether the following expenses are capital or revenue or deferred revenue :
a) Wages paid for erection or machinery.
b) Cost of rain coats and umbrellas for employees who are given same every 2 years.
c) Renewal of factory license.
d) Repainting of building done every 3 years.
e) Wages paid for construction of building extension.
f) Expenditure incurred on account of trade fair.
g) Carriage inward for bringing furniture.
h) Purchase of second hand typewriter.

Q. No. 5. Short answers 15 marks
1. Explain procedure of issuing accounting standards.
2. What is necessity to allocate expenses on different basis in departmental accounts?
3. How will you allocate expenses on different basis in departmental accounts?
4. What is necessity of valuation of Stock?
5. Explain Meaning and scope of revenue recognition.

Q. NO. 5 write short notes (Any 3) 15 marks
1. Depreciation
2. Revenue Expenditure
3. Accounting Standard 9
4. Disclosure of Accounting Policies
5. Stock Valuation
6. Deferred revenue expenditure
7. Capital Expenditure
8. Accounting standard 2
9. Manufacturing Account
10. Accounting Standards
11. FIFO method of Stock Valuation