

DEPARTMENT OF ACCOUNTANCY – FYBCOM- ACCOUNTANCY & FINAN. MANT I

Question Bank:

Q. State if the following expenditure are capital or revenue with reasons

1. Machine costing Rs 200,000 was sold for Rs 215,000
2. Premium of Rs 50,000 received on issue of Preference Shares
3. Spend Rs 30,000 for white wash of the building
4. Legal expenses paid Rs 8,000 to defend a suit for breach of supply of goods
5. Installation charges paid for the installation of plant and machinery
6. Goods costing Rs 10,000 distributed as free samples
7. A furniture maker acquired wood for Rs 300,000 and made furniture of the same at total cost of Rs 400,000 and sold to a customer Rs 500,000
8. Transport charges paid to bring machinery to factory Rs 50,000
9. Legal fees paid to advocate to prepare the purchase of land agreement
10. Plant worth Rs 500,000 is bought by the trader for manufacturing
11. Adding a new wing to the existing building
12. Converting single screen cinema theatre to multi screen theatre
13. Annual maintenance charges paid for the upkeep of glass walled building
14. Cost incurred in replacing an old engine of the aircraft with a new one
15. Carriage paid on goods purchased
16. Solve the following

Sr No.	Transation	Nature (Capital/ Revenue)	Reason
1.	Buying a van		
2.	Paying for Van's registration		
2.	Petrol for the van		
3.	Annual repairs of the van		
4.	Replacing the worn out tyres		
5.	Adding extra headlights		

Q. M/s. D a trader of plastic toys had 12000 toys valued at Rs.3 per toy. His purchases and sales during first six months ending 31st December 2019 were as under:

On 22 nd July 2019	Sales	5000 Toys @ Rs.20 each
On 22 nd July 2019	Purchased (carriage inward Rs. 1000)	10000 Toys @ Rs.15 each
On 25 th Oct 2019	Sales	8000 Toys @ Rs.24 each
On 26 th Oct 2019	Purchased (carriage inward Rs. 1200)	12000 Toys @ Rs.18 each

On 31st Dec 2019 Sales

13000 Toys @ Rs.29 each

You are required to ascertain: Cost of stock on 31st Dec 2019 under FIFO and Weighted Average Method

Q. V's accounting year ends on 30th June 2019 but actual stock was not taken till 8th July 2019 on which date it is valued at Rs.29700. The following information is available:

- 1) Sales are entered in the sales books on the date of dispatch.
- 2) Purchases entered in the purchase books on the day invoices are received
- 3) Sales from 1 July 2019 to 8 July 2019 are Rs. 34000
- 4) Purchase from 1 July 2019 to 8 July 2019 are Rs. 2400
- 5) Purchase invoice upto 30 June 2019, though goods were not received upto 8 July 2019 Rs.600
- 6) Rate of G.P. 33.33% on cost

Find out the value of stock on 30th June 2019

Q. On 1st January 2014 M Ltd purchased a truck from HMT Ltd. on Hire purchase basis. The cash price of truck was Rs. 5,96,000. Down payment made Rs. 1,60,000. Three equal installment paid for Rs 1,60,000 with interest @ 5% p.a. on 31st Dec every year. Depreciation was to be provided @ 10% on WDV Method. Prepare Vendor A/c, Truck A/c and Interest A/c in the books of M Ltd.

Q. The Trail balance of Mr.Sagar as on 31st March 2019 is given below

Prepare Manufacturing A/c, Trading A/c Profit & loss A/c and Balance Sheet from the same after considering the given adjustments Particulars

Particular	Dr. amount	Cr. Amount
	Rs.	Rs.
Opening stock:-		
-Raw material	15,000	
-Work in process	9,000	
-Finished goods	14,500	
Debtors	33,000	
Carriage inwards	1,000	
Bills receivable	23,500	
Wages	22,000	
Salaries	11,000	
Factory Rent	1000	
Repair to plant	1,200	

Repair to Office furniture	600		
Purchases	2,00,000		
Cash	11,000		
Machinery	1,10,000		
Office furniture	28,000		
Office Rent	5,000		
Lighting	1,300		
General expenses	1,600		
Creditors			16,000
Bills payable			9,500
Sale of scrap			1,500
Commission received			1700
Capital account			1,10,000
Sales			3,50,000
Total	4,88,700		4,88,700

Additional information:-

- 1) Closing stocks are

-Raw materials	16,000
-Finished Goods	15,000
-Work in process	7,000

2) Unpaid Salaries were Rs.1, 000

3) Machinery should be depreciated @ 15% p.a. & Office furniture @ 10% p.a. on reducing balance method

4) Make Provision for doubtful debts @ 10% on debtors.

5) Lighting should be divided as Factory area Rs.1, 000 & office area Rs.300