

MARKS-75

DURATION-2hrs30min

NOTES-All the questions are compulsory carrying equal marks.

Q.1) a) Match the following (any 8)

(8M)

A	B
1. Carriage Inwards	1. Shows transaction relating debtors
2. Depreciation	2. Shows goods received, sold returned
3. Branch Stock	3. who sends goods on consignment
4. Branch	4. Purchases
5. Profit on Consignment	5. value of Assets
6. Account sale	6. Sales
7. Selling expenses	7. Located at different
8. Cash Price	8. Credit balance on consignment account
9. Consignor	9. Sent by consignee
10. Branch Debtors	10. Hire Purchase Price - Interest

b) State whether the following statements are true or false (any 7)

(7M)

- 1) Initial payment on signing the agreement is called down payment.
- 2) The person who sells goods on hire purchase is a hire buyer.
- 3) Consignment is sale.
- 4) Expenses of consignment are borne by consignor.
- 5) Discount allowed to customer is not recorded in the branch account.
- 6) Branch account is a personal account under Debtors System.
- 7) If profit on sales is 25% then it is 20% on cost.
- 8) Rent of premises is allocated on the basis of number of employees of each department.
- 9) All the expenses are allocated among departments on the basis of turnover.
- 10) Interest is always calculated on outstanding Cash Price.

Q.2) Prepare the Departmental Trading Profit and Loss Account in the books of Departmental Store with two departments L and T for year ended 31<sup>st</sup> Dec 2013.

Particulars	Department L	Department T	Total
Opening stock	30000	20000	50000
Purchases	180000	120000	300000
Carriage	---	---	4000
Salaries	16000	14000	30000
Sales	240000	160000	400000
Discount Received	-----	-----	3000
General salaries	-----	-----	20000
Rent and Rates	-----	-----	10000
Advertising	-----	-----	20000
Insurance	-----	-----	2000
Discount Allowed	-----	-----	3000



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Selling and Distribution Expenses	-----	-----	1000
Income Tax	-----	-----	15000
Income from Investments	-----	-----	5000

- 1) General expenses to be allocated equally.
- 2) Goods transferred from Department L to Department T Rs 30000.
- 3) Area occupied Dept L 3/5 and Dept T 2/5.
- 4) Insurance not be allocated to any department.
- 5) Closing Stocks Dept L Rs 200000 and Dept T Rs 150000. (15M)

OR

**Q.2)** Sujay Ltd Mumbai has a branch at Nagpur. All the goods required for sales are supplied from Mumbai at cost plus 25% and all cash received at branch is banked daily in the H.O Account. From the following particulars prepare Branch Account and Branch Debtors Account.

Stock (1/1/2011)	Rs 79000	
Debtors (1/1/2011)	Rs113000	
Petty Cash(1/1/2011)	Rs900	
Returns from customers	Rs4000	
Goods invoiced to branch	Rs250000	
Returned goods to H.O	Rs 10000	
Bad Debts	Rs1000	
Cash sales	Rs14000	
Branch Expenses paid by the H.O		
Rent	Rs14000	
Salary	Rs15000	
Sundries	Rs7000	
Allowances to debtors	Rs4500	
Petty Cash Expenses at branch	Rs2400	
Total Sales	Rs349000	
Remittances to branch for petty cash	Rs2800	
Stock (31/12/2011)	Rs84000	
Debtors(31/12/2011)	Rs195100	(15M)

**Q.3)** Suresh purchased trucks from Ashok at a cash price of Rs 320000 on 1/1 /2011. On the date of signing of the contract he made a down payment of Rs 100000. The balance to be paid in following instalments at the end of each year-

1<sup>st</sup> instalment Rs 80000, 2<sup>nd</sup> instalment Rs 80000, 3<sup>rd</sup> instalment Rs 82478

The interest was payable @ 5% at the end of each year. The depreciation is to be charged @ 20% on Reducing Balance Method.

You are required to pass journal entries in the books of Hire Purchaser. (15M)

OR



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**Q.3)** Ram of Mumbai consigned goods costing Rs 25000 to Krishna at Nasik. He incurred expenses like freight and insurance Rs 1500. Ram drew a bill of 90 days on Krishna for Rs 20000 as an advance. But he discounted the bill with bank for discount of Rs 200. Krishna sent account sale to Ram for Rs 35000 and he spent Rs 700 as his expenses of sales. He sent the balance to Ram through bank draft after deducting 2% commission on total sales.

You are required to prepare the Consignment Account, Krishna's Account and Goods Sent on Consignment Account in books of Ram and Ram's Account in the books of Krishna. (15M)

**Q.4)** Modern machines sent 100 machines on consignment costing Rs 300 to Innovation machinery at invoice price of Rs 375. Modern machines spent Rs 800 on carriage and freight

90 machines were sold @ Rs 500 each and commission due was @5% on sales. Innovation machinery incurred the expenses like Rent Rs 100, Advertising Rs 800. They sent an advance through bill of exchange of Rs 10000. The balance was sent through the bank draft.

Prepare the Consignment Account and Innovation Machinery account in the books of Modern Machines and Modern Machinery Account in the books of Innovation Machinery Account. (15M)

OR

**Q.4)** X Y and Co has two departments Department X and Department Y. All the goods purchased by Department Y from Department X are transferred at normal selling price. From the following information prepare Trading Profit and Loss Account of two departments for the year ended 31<sup>st</sup> Dec 2014 and Balance Sheet as on that date. (15M)

Particulars	Dept X (Rs)	Dept Y (Rs)	Total (Rs)
Opening Stock	10000	-----	10000
Purchases	110000	5000	115000
Goods from Dept X	-----	30000	30000
Wages	300	3200	3500
Salaries	2400	600	3000
Sales	121000	68000	189000
Printing and stationery	500	300	800
Advertisement	-----	-----	5000
General Expenses	-----	-----	9000
Capital	-----	-----	60000
Debtors	-----	-----	27000
Creditors	-----	-----	4000
Machinery	-----	6000	6000
Drawings	-----	-----	50000
Cash in hand	-----	-----	23700



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Depreciate machinery @ 10%. Closing stock of Department X Rs18000 and Department Rs 6000. The entire stock of Dept Y represents those issued from Dept X. The general expenses are to be apportioned in the ratio of 3:2 between department X and Y respectively.

**Q.5) a) What do you mean by department? What is the purpose of departmental accounts? (8M)**

**b) What is branch accounting? What are the objectives of branch accounting?(7M)**

**OR**

**Q.5) Write short notes on any 3 (15M)**

- 1) Interdepartmental Transfer
- 2) Debtors System of accounting for branch
- 3) Features of Hire Purchase
- 4) Valuation of consignment stock
- 5) Distinguish between branch and department

Particulars	Dept X (Rs)	Dept Y (Rs)	Total (Rs)
Cash in hand			2500
Debtors			3000
Stock			10000
Capital			10000
Profit			1000
General Expenses			1000
Dept X	600		600
Dept Y		400	400
Dept X	18000		18000
Dept Y		6000	6000
Total	18000	6000	24000