

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

| Day & Date | Semester | Subject Name | Time | Code | Marks |
|-------------------------|----------------------------|--------------|----------------------------|--------|-------|
| Wednesday 13/10/2022 | II (Fresh/ Repeater) | Accountancy | 11.00 AM to 02.10 PM | 245207 | 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 the answer.
5) Use of a simple calculator is allowed.

- Q.1** On 1st June, 2018 M/s Patel store of Patna consigned 350 LCD sets to M/s Bapat of Balapur costing Rs. 45,000 each. The Performa invoice was made out at Rs. 55,000 each. The consignor paid Rs.100 per set for Fright and Insurance. The consignee accepted a bill of Rs. 5,50,000. On 31st March, 2019 an Account Sales was received giving the following particulars: **10**

| | |
|------------|---|
| Sales: | 250 sets of LCD at Rs 65,500 each. |
| Expenses: | Octroi Duty and clearing charges Rs. 150 per set consignee paid |
| | Advertising & Promotion charges paid by consignee Rs. 100 per set. |
| Commission | 10.50% on sale proceeds. |

M/s Bapat cleared his dues through the Demand draft on 31st March, 2019. Prepare consignment Account, Goods sent on consignment Account and Consignee Account in the books of Consignor and Consignor account in the books of consignee.

- Q.2** Mr. Dhruv who maintains his books under the single-entry system gives you the following information for the year 2019. **10**

| Receipts | Rs. | Payments | Rs. |
|------------------------|-----------------|--------------------|-----------------|
| To Balance b/d | 9,500 | By Insurance | 1,500 |
| To Commission received | 1,700 | By Carriage | 3,000 |
| To Cash sales | 10,000 | By Office expenses | 3,800 |
| To Loan received | 25,000 | By Drawings | 20,000 |
| To Sundry debtors | 43,000 | By Creditors | 35,000 |
| To Bills receivable | 13,000 | By Bills payable | 12,000 |
| To Balance c/f | 14,100 | By Wages | 15,000 |
| | | By Salaries | 18,000 |
| | | By Rent and taxes | 8,000 |
| | 1,16,300 | | 1,16,300 |

Particulars of other assets and liabilities are:

| Particulars | As on 1.1.19 | As on 31.12.19 |
|----------------------|--------------|----------------|
| Furniture | 8,000 | 8,000 |
| Building | 10,000 | 10,000 |
| Stock in hand | 25,000 | 30,000 |
| Debtors | 23,000 | 21,000 |
| Creditors | 13,000 | 12,000 |
| Bills receivable | 15,000 | 13,500 |
| Bills payable | 10,000 | 11,200 |
| Prepaid insurance | 1,000 | 500 |
| Outstanding salaries | 1,500 | 2,000 |

A reserve for bad and doubtful debts is to be maintained at Rs. 2,000 depreciation to be provided on building and furniture is at 10%, Rs. 2,500 are outstanding for wages and prepaid taxes Rs. 230, Prepare final accounts.

Q.3 Anil purchased the following plant and machinery on various dates:

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| Dates | Amount |
|-----------|--------------|
| 1/1/2017 | Rs. 50,000 |
| 1/7/2017 | Rs. 20,000 |
| 1/10/2018 | Rs. 40,000 |
| 1/4/2018 | Rs. 60,000 |
| 31/7/2019 | Rs. 1,00,000 |

On 1/7/2018 he sold the machine bought on 1/1/2017 for Rs. 30,000 He charges depreciation on a fixed installment system which he has estimated to be 10% per annum on 31 December every year. Prepare Machinery Account and Depreciation Account in the books of Anil for the years 2017, 2018, and 2019.

Q.4 State with reason whether the following transactions are revenue, capital or deferred revenue receipts or expenditure. **(Any 5)**

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1. Purchase of land Rs. 100000.
2. Heavy advertisement expenses for the launch of new product Rs. 100000.
3. Salary paid to staff Rs. 5000.
4. Debentures issued worth Rs. 500000.
5. Purchase of old computers for cash Rs. 100000.
6. White washing of factory building Rs. 20000.

Q.5 Prepare Machinery A/c & Depreciation A/c for the years 2017, 2018 & 2019.

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On January 1st 2017, M/s Sarvottam Polymers Ltd. purchased a plant costing Rs. 90,000 and spent Rs. 10,000 for its transportation and installation. On 1st July 2017, machinery costing Rs. 1,20,000 was purchased. On 1st October 2018, machinery purchased on 1/1/2017 was sold for Rs. 78,000. On the same day, the addition was made to the machinery worth Rs. 85,000.

The company has adopted the reducing balance method of depreciation. The rate of depreciation charged is 20% per annum on 31 December every year.

- Q.6** Mrs. Rekha keeps her books on the Single-Entry System. The following information is available from her records: **10**

| Assets & Liabilities | 1.04.2018 | 31.03.2019 |
|---------------------------------|------------------|-------------------|
| Stock | 28,000 | 30,000 |
| Bills Receivable | 8,000 | 6,000 |
| Debtors | 14,000 | 18,000 |
| Bills Payable | 4,000 | 5,000 |
| Creditors | 12,000 | 9,000 |
| Cash at Bank | 3,000 | 5,000 |

Summary of Cash Transactions:

| Receipts | Rs. | Payments | Rs. |
|-----------------------------------|---------------|-------------------------------|---------------|
| Opening Balance | 3,000 | Payment to Creditors | 30,000 |
| Received from Debtors | 45,000 | Payment against Bills payable | 25,000 |
| Received against Bills Receivable | 25,000 | Office expenses | 4,000 |
| Sundry Income | 2,000 | Domestic Expenses | 5,000 |
| | | Investments | 6,000 |
| | | Closing Balance | 5,000 |
| Total | 75,000 | Total | 75,000 |

Investments consisted of 4% Government Bonds of a face value of Rs. 10,000 and were purchased on 1-10-2018.

Prepare Trading and Profit & Loss Account and Balance Sheet from the above details.

- Q.7** State with reason whether the following transactions are revenue, capital or deferred revenue receipts or expenditure. (Any 5) **10**
- 1) Amount spent on renewal of factory license Rs. 50000
 - 2) Audit fees paid Rs. 10500.
 - 3) Interest paid on bank loan Rs. 12000.
 - 4) Patent purchased Rs. 50000.
 - 5) Raw material purchased Rs. 250000.
 - 6) Received Rs. 150000 on the sale of furniture.

- Q.8 a) State whether the following statements are True or False** **05**
- 1) Insurance premium paid is revenue expenditure.
 - 2) Land is a depreciable asset.
 - 3) An account sale is submitted by the consignee to the consignor.
 - 4) Single entry system is an incomplete and unscientific method of accounting.
 - 5) Capital expenditure is non-recurring in nature.

b) Fill in the blanks

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- 1) _____ expenditure is incurred in connection with the acquisition or purchase of fixed assets.
- 2) Depreciation is debited to _____ account.
- 3) Del-credere commission is calculated on _____ sales.
- 4) Statement of affairs is similar to _____.
- 5) Revenue expenditure is shown in _____ account.

Q.9 Write Short notes (any five)

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- a) Methods of depreciation.
- b) Limitations of the single-entry system.
- c) Recurring expenses and non-recurring expenses in consignment sales.
- d) Del credere commission.
- e) Capital expenditure.
- f) Differentiate between the statement of affairs and the balance sheet.
- g) Deferred revenue expenditure.