

14. The following financial transactions of a company are provided:

Particulars	Amt (Rs.)	Particulars	Amt (Rs.)
Sales revenue	8,00,000	Opening stock	25,000
Wages	30,000	Purchases	3,45,000
Investment income	50,000	Selling expenses	24,000
Salaries and benefits	85,000	Insurance	12,000
Income tax expenses	70,000	Commission income	8,000
Debenture interest	15,000	Purchase returns	13,000
Interest received	18,000	Depreciation on plant	20,000

Additional information:

- Closing stock Rs.30,000.
- Wages outstanding Rs.5,000
- Prepaid salary Rs.10,000.

Required: Profit and Loss statement as per NFRS

[5]

15. An unadjusted trial balance of a company is given below:

Particulars	Debit (Rs.)	Credit (Rs.)
Share capital		3,00,000
Accounts payable		90,000
P/L App account		1,10,000
Sales		2,80,000
Fixed assets	4,00,000	
Cash and Bank	1,00,000	
Salary	95,000	
Prepaid insurance	45,000	
Commission		25,000
Purchase	1,65,000	
Total	8,05,000	8,05,000

Additional information:

- Prepaid insurance expired to the extent of Rs.15,000.
- Proposed dividend 10% on share capital.

Required: Work sheet

[5]

16. Explain how cost is classified on the basis of function. [5]

17. a) Write the advantages of centralized purchase. [2]

b) The following are the store transactions for six months:

Jan. 1 Opening stock 900 units @ Rs.3

Mar.8 Purchases 1,400 units @ Rs.5

June.20 Purchases 1,300 units @ Rs.4

Total sales during six months were 2,850 units

Required: Cost of goods available, cost of ending inventory and cost of goods sold using FIFO method under periodic inventory system [1+1+1]

18. a) The standard working hours in a week is 40 hours and normal rate per hour is Rs.150. A worker worked with a total of 300 hours in 7 weeks. The overtime rate per hour is 120% of the normal rate.

Required: Total wages of the worker [2]

b) The following information are provided:

- Net profit shown by cost accounting Rs.15,000

- ii) Opening stock valued in cost account Rs.22,000 and in financial account Rs.28,000.
- iii) Works overhead over recovered in cost account Rs.4,000.
- iv) Profit on sale of fixed assets recorded in financial accounting Rs.5,000.

Required: Cost reconciliation statement [3]

19. Write the advantages of computerized accounting system [5]

OR

Explain the use of accounting software [5]

Section "C"

Long answer questions)

Attempt all questions:

[3x8=24]

20. The trial balance of Shrestha & Co. is given below:

Shrestha & Co.
Trial Balance
as on 31st Chaitra 2077

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Fixed assets	3,00,000	Share capital	2,00,000
Discount & commission	10,000	10% debentures	1,00,000
Salary and benefits	55,000	Creditors	1,25,000
Insurance	19,000	P/L App A/c	90,000
Cash and bank	75,000	Interest on investment	10,000
S. debtors	1,00,000	Gross profit	2,50,000
10% investment	2,00,000		
Legal fee	12,000		
Carriage outwards	6,000		
Total	7,77,000	Total	7,77,000

Additional information:

- a) Prepaid salary Rs.15,000.
- b) Depreciate fixed assets @ 10%.
- c) Create a provision for doubtful debts @ 5%.
- d) Transfer to general reserve Rs.15,000.

Required:

- i) Profit and loss account
- ii) Profit & loss appropriation account
- iii) Balance sheet

[4+1+3=8]

OR

Derby Co. Ltd
Trial Balance
as on 30th Chaitra 2077

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Opening stock	30,000	Share capital	4,00,000
Salary	90,000	12% Bank loan	2,00,000
Purchases	1,50,000	Accounts payable	1,89,000
Insurance	28,000	Sales	3,90,000
Bank balance	55,000	Purchase returns	15,000
Accounts receivable	80,000	Investment income	20,000
Investment	2,00,000	Discount	1,000
Land & building	5,00,000		
Interest on loan	12,000		
Wages	30,000		
Advertisement	40,000		
Total	12,15,000	Total	12,15,000

Additional information:

- a) Closing stock Rs.65,000
- b) Outstanding wages Rs.5,000.
- c) Appreciate land and building by 10%.
- d) Prepaid salary Rs.10,000
- e) Income tax @ 25%

Required:

- i) Multi step Income statement
- ii) Balance sheet

[5+3=8]

21. A Limited Company provides you the following comparative Balance Sheets:

Liabilities	1 st year	2 nd year	Assets	1 st year	2 nd year
Share capital	4,00,000	5,00,000	Fixed assets	4,00,000	4,80,000
Retained earning	1,80,000	3,25,000	Patent	2,00,000	1,90,000
Debentures	3,00,000	2,00,000	Debtors	60,000	1,00,000
Creditors	50,000	70,000	Prepaid exp.	90,000	80,000
O/s expenses	90,000	1,15,000	Inventory	60,000	1,00,000
			Cash and bank	2,10,000	2,60,000
	10,20,000	12,10,000		10,20,000	12,10,000

Additional information:

- a) Sales for the second year were Rs.5,85,000 and cost of goods sold was Rs.2,00,000.
- b) Operating expenses were Rs.1,38,000 (interest of Rs.18,000)
- c) Fixed assets with book value of Rs.1,00,000 was sold for Rs.80,000 and fixed assets purchased during the year were Rs.1,50,000.
- d) Dividend paid during the year Rs.40,000.
- e) Debentures redeemed at a premium of Rs.20,000.
- f) Tax paid during the year Rs.22,000.

Required: Cash flow statement using direct method

[4+1+2+1]

22. The following cost information were extracted from last month's record for the production of 100 units of a product:

Direct materials Rs.2,00,000

Direct wages Rs.1,00,000

Factory overhead Rs.60,000

Administrative overhead Rs.36,000

The following were considered for submitting a tender for production of 500 units:

- a) Material cost per unit remains the same.
- b) Labour cost per unit increases by 20%
- c) Factory overhead based on prime cost.
- d) The factory is expected to earn 20% profit on tender price

Required:

- a) Cost sheet
- b) Tender sheet

[2+6]

****The End****