

B) A Co. Ltd issued 800, 6% debentures of Rs.1,000 each at 10% premium and redeemable after 10 years at 10% discount.

Required: Journal entries for issue and redemption of debenture

[1+2=3]

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

Particulars	Amt (Rs.)	Particulars	Amt (Rs.)
Sales revenue	8,00,000	Promotional expenses	25,000
Opening stock	50,000	Rent received	60,000
Purchases	3,30,000	Commission expenses	14,000
Wages	35,000	Bank charges	3,000
Office expenses	40,000	Commission income	18,000
Income from rendering service	1,00,000	Miscellaneous expenses	6,000
Interest on debenture	15,000	Bad debts	2,000
Carriage	10,000	Depreciation	20,000

Additional information:

- a) Closing stock Rs.30,000.
- b) Outstanding office expenses Rs.5,000
- c) Corporate tax 25%

Required : Multi-step income statement

[5]

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

Particulars	Debit (Rs.)	Credit (Rs.)
Share capital		1,60,000
Creditors		90,000
Retained earning		60,000
Sales		2,50,000
Fixed assets	2,00,000	
Cash at bank	80,000	
Administrative expenses	50,000	
Rent		40,000
General reserve		25,000
Purchase	1,60,000	
Total	4,90,000	4,90,000

Additional information:

- a) Depreciate fixed assets @ 10%.
- b) Transfer to general reserve Rs.10,000.

Required: Work sheet

[5]

16. Explain any three methods of costing.

[5]

17. A) Write the importance of material control.

[2]

B) The following are the store transactions for the month of June:

June 1 Opening stock 1,200 units @ Rs.2

June 14 Purchases 800 units @ Rs.3

June 30 Purchases 1,500 units @ Rs.4

Total sales during the month of June 2,750 units

Required: Cost of goods available, cost of ending inventory and cost of goods sold using LIFO method under periodic inventory system

[3]

18. A) The standard output hour is 5 units. The wage rate per unit is Rs.30 and total working hour in a month is 150 hours.

Required: Total wages for the month under piece rate system [2]

B) The following information are provided:

- i) Net profit shown by financial accounting Rs.45,000
- ii) Depreciation overcharged in cost accounting by Rs.10,000.
- iii) Undervaluation of opening stock in financial accounting Rs.8,000.
- iv) Interest on investment credited in financial accounting Rs.11,000.

Required: Cost reconciliation statement [3]

19. Explain the elements of computerized accounting system [5]

OR

Write the advantages of accounting software [5]

Section "C"

(Long answer questions)

Attempt all questions: [3x8=24]

20. The trial balance of ABC Co. Ltd. is given below:

ABC Co. Ltd.
Trial Balance
as on 31st Chaitra 2077

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Plant (1 st Kartik 2077)	1,80,000	Share capital	1,50,000
Rent and rates	20,000	12% bank loan	50,000
Salary	35,000	Creditors	55,000
Prepaid insurance	38,000	P/L App A/c	60,000
Cash balance	25,000	Rent income	25,000
Debtors	60,000	Gross profit	1,90,000
10% investment	1,50,000		
Advertisement	15,000		
Discount	1,000		
Interest on loan	6,000		
Total	5,30,000	Total	5,30,000

Additional information:

- a) Prepaid insurance expired to the extent of Rs.18,000.
- b) Depreciate plant @10%
- c) Create a provision for doubtful debts @ 5% after writing bad debts Rs.2,000.
- d) Proposed dividend 10%.

Required:

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

[4+1+3=8]

OR

XYZ Co. Ltd
Trial Balance
as on 30th Chaitra 2076

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Cash and bank	35,000	Share capital	1,15,000
Discount	2,000	10% Bank loan	50,000
Fixed assets	2,00,000	Accounts payable	90,000
Purchases	70,000	Sales	2,30,000
Accounts receivable	75,000	Purchase returns	4,000
Interest on loan	5,000	Interest received	5,000
Salary	20,000	Commission	6,000

Prepaid rent	15,000		
Investment	50,000		
Opening stock	18,000		
Advertisement	10,000		
Total	5,00,000	Total	5,00,000

Additional information:

- Closing stock Rs.55,000
- Outstanding salary Rs.6,000.
- Depreciate fixed assets by 10%.
- Commission earned but not received Rs.4,000
- Income tax @ 25%

Required:

- Profit and loss statement as per NFRS
- Statement of financial position as per NFRS

[4+4=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	3,00,000	5,00,000	Fixed assets	1,50,000	4,00,000
Retained earning	1,00,000	3,20,000	Goodwill	2,50,000	2,00,000
6% debentures	2,00,000	-	Inventory	70,000	1,00,000
Bank loan	60,000	80,000	Debtors	15,000	40,000
O/s expenses	30,000	20,000	Bank	1,80,000	1,90,000
Creditors	10,000	15,000	Prepaid exp.	35,000	5,000
	7,00,000	9,35,000		7,00,000	9,35,000

Additional information:

- Sales for the second year were Rs.6,55,000 and Cost of goods sold was Rs.2,95,000.
- Operating expenses Rs.1,25,000 (including interest of Rs.5,000)
- Fixed assets with book value of Rs.30,000 sold at a profit of Rs.10,000 and fixed assets purchased during the year were Rs.2,40,000.
- Dividend paid for the year was Rs.30,000 and tax paid during the year was Rs.20,000.
- Redemption of debentures @ 10% discount.

Required: Cash Flow Statement using direct method

[4+1+2+1]

22. Following cost information is provided to you:

Opening	Closing	
Raw materials	Rs.16,000	Rs.19,000
Finished goods	Rs.93,000	Rs.20,000
Purchase of raw materials-	Rs.1,42,000	
Freight on purchase-	Rs.11,000	
Direct wages-	Rs.50,000	
Carriage outwards-	Rs.14,500	
Indirect material-	Rs.15,000	
General expenses-	Rs.16,000	
Advertisement-	Rs.20,000	
Office salaries -	Rs.36,000	
Fuel & power-	Rs.28,000	
Other factory overhead-	Rs.62,000	
Sales -	25,000 units @ Rs.24	

Required: Statement of cost

[8]

****The End****