

(3 Hours)

(Marks: 100)

- N.B.:
1. Strictly avoid resorting to any unfair means during the examination & abide by all the rules and relating thereto.
  2. Figures in bracket to the right indicate full marks allotted to the question.
  3. Working notes should form part of your answers.
  4. All six questions are compulsory, although, there are internal options in case of Questions 2 to 6.
  5. Use of simple calculator is allowed.

Q.1A Fill in the blanks with the appropriate given options and rewrite complete sentences. (Any 10) (10)

1. Accounting Standard 2 deals with \_\_\_\_\_.  
(Disclosure of Accounting Policies/Revenue Recognition/Inventory Valuation)
2. The initial amount payable at the time of signing the agreement in Hire Purchase transaction is \_\_\_\_\_. (Hire Purchase Price/Down Payment/Cash Price)
3. The Manufacturing Account is prepared to find out \_\_\_\_\_.  
(Gross Profit/Cost of Production/Net Profit)
4. In Departmental Accounts, Office Rent is allocated on the basis \_\_\_\_\_ of each department. (Sales Turnover/Area Occupied/Purchases)
5. In \_\_\_\_\_ Method of Stock Valuation, items received first are issued first, so that the latest purchased items are left in stock. (Weighted Average / FIFO /Simple Average)
6. Wages paid for installation of new machinery is a \_\_\_\_\_.  
(Capital Expenditure/ Capital Receipt/ Revenue Expenditure)
7. As per the rules, Stock is to be valued at Cost or Net Realizable Value whichever is \_\_\_\_\_. (Higher/Lower/Available)
8. For a Book Manufacturing Company, Book is a \_\_\_\_\_.  
(Raw Material/Work-in-Progress/Finished Goods)
9. The person who sells goods on Hire Purchase Basis, is called a \_\_\_\_\_. (Hire Purchaser/Hire Vendor/Consignor)
10. \_\_\_\_\_ shows the financial position of the company at the end of the year. (Trading Account/Profit & Loss Account/Balance Sheet)
11. In case of a manufacturer, Sale of Scrap appears on the credit side of \_\_\_\_\_ Account. (Trading /Profit & Loss / Manufacturing)
12. Under Credit Purchase Method of Hire Purchase System, Depreciation on Asset purchased is charged for the first year on \_\_\_\_\_. (Full Cash Price/Hire Purchase Price/Down Payment)

[TURN OVER]

**Q.1B State whether the following statements are TRUE or FALSE after rewriting the same. (Attempt any 10) (10)**

1. Inventories which are held for sale in the ordinary course of business are current assets.
2. AS-9 does not cover revenue arising from government grants and subsidies.
3. It is not necessary to disclose the change in accounting policy.
4. Revenue expenses are non-recurring expenses.
5. The Manufacturing Account always shows a debit balance.
6. Departmental Accounts are necessary for evaluating departmental efficiency.
7. Disclosures under AS-1 need not form a part of final accounts.
8. Income received in advance is shown on the asset side of the balance sheet.
9. Hire Purchase Price is the total of cash price and interest
10. Full Cash Price Method is also known as Credit Purchase Method.
11. Amount paid as carriage inward is included in cost of inventory.
12. Under Hire Purchase System the seller is the owner of goods until the payment of last installment.

**Q.2 From the following Trial Balance of Mr. Aditya, prepare Manufacturing Account, Trading Account, Profit and Loss Account for the year ended 31<sup>st</sup> March, 2016 and Balance Sheet as on that date. (15)**

**Trial Balance of Mr. Aditya as on 31st March 2016 :-**

Particulars	Dr. (Rs.)	Cr.(Rs.)
Opening Stock - Raw Materials	12,000	
Opening stock - Work in Progress	7,000	
Opening Stock - Finished Goods	20,000	
Purchase of Raw Materials	1,05,000	
Carriage Inward on Raw Materials	4,000	
Direct Wages	56,000	
Factory Rent	8,000	
Factory Power and Fuel	11,000	
Machinery	80,000	
Sales		3,25,000
Office Expenses	50,000	
Cash at Bank	11,000	
Creditors		21,000
Bad Debts	1,000	
Provisions for Bad Debts		2,000
Sundry Debtors	53,000	
Capital		82,000
Drawings	12,000	
<b>Total</b>	<b>4,30,000</b>	<b>4,30,000</b>

Following further information is provided to you :

1. Closing stock as on 31<sup>st</sup> March, 2016 is:  
Raw Material Rs 15,000, Work-in-progress Rs 8,000, Finished goods Rs 25,000.

[TURN OVER]

