

GANPAT UNIVERSITY**B.Com. Examination November 2013****B.Com. (General), Semester I (CBCS)****Time: 3 Hours****IA01AC1:Accountancy-1****Total Marks:70****Instructions:**

- (1) Use separate answer books for Section I and Section II.
- (2) Q1 in Section I and Q4 in Section II are compulsory.
- (3) Figures to the right indicate marks of each question.
- (4) All the necessary calculations will be considered as part of answer.
- (5) Simple calculator will be allowed to use.

SECTION - I

1. Asha Traders of Ahmedabad has a branch in Mehsana. Head office sends goods to branch at 25% Profit on cost at invoice price. Branch sells for cash and on credit and sends all cash received to Ahmedabad Head Office. All the expenses of branch are paid by Head office. From the following information of Branch, prepare Mehsana Branch Account, Branch Trading and Profit and Loss Account in the books of Head Office. (11)

Particulars	1 st April 2012 Rs.	31 st March 2013 Rs.
Stock (invoice price)	36,000	62,500
Debtors	1,60,000	(?)
Furniture	10,000	(?)
Prepaid insurance	800	600
Outstanding Salary	5,400	3,200

Transactions for the year:

Cash Sales	1,22,500	Discount allowed to customers	4,000
(which is 25% of Credit sales)		Interest debited to customers	3,600
Cash received from debtors	4,29,600	Goods sent to branch (invoice price)	4,80,000
Bad debts	3,000	Goods returned by branch	72,000
Sales Returns	7,000	(invoice price)	

Expenditure paid by Head Office:

Salary	70,000	Wages	14,000
Insurance	7,600	Furniture sent to branch	24,000
		(on 1-1-2013)	

Depreciation is calculated at 12% per annum on furniture.

2. Gokul Oil Mill Siddhpur consigned 10,000 litres of cotton seed oil to Mr. Bakul of Baroda at (12)
Rs.160 per litre. He paid Rs.20,000 for expenses. The consignee accepted a bill of Rs.4,80,000
drawn by the consignor for three months which the later discounted at Rs.8,000 discount.
500 litres oil was destroyed in transit for which the insurance co. paid a claim of Rs.75,000 Mr.
Bakul paid Rs.24,000 as sales expenses.

From the account sales received from the consignee, It was seen that 8,000 litres oil were sold at
Rs.200 and there was a shortage of 250 litre due to natural causes. The consignee was entitled to
a commission of 5% and a del credere commission of 2%. The consignee sent a bank draft for the
balance along with the account sales. A customer to whom the consignee has sold goods for
Rs.20,000 on credit was declared insolvent and only 50 paise in a rupee could be recovered from
his estate.

Prepare:

1. Consignment Account and Bakul 's Account in the books of Gokul Oil Mill
2. Gokul Oil Mill Account in the books of Bakul

OR

2. On 1st January 2012 Jyoti Pumps consigned 500 Water Pumps costing Rs.200 each to Prakash of (12)
Patan. Jyoti pumps incurred freight Rs.1,000 and insurance Rs.1,500 for this.

Prakash is entitled to get 10% Commission on total sale and 5% del credere commission on credit
sales.

Jyoti pumps wrote a bill on Prakash for Rs.50,000, and that bill was discounted for Rs.49,500.

Prakash sent following information:

- 300 water pumps sold for cash each of Rs.300
- 100 water pumps sold on credit each of Rs.350
- 40 water pumps sold to Pramod (on recommendation of Jyoti Pumps) each of Rs.300
- 10 water pumps (in transits) were totally damaged and insurance company accepted the
claim for 50% amount.
- Prakash paid following expenses:
Clearing charges Rs.1,000, wages Rs.2,000 and Packing selling expenses Rs.900.
- Prakash sent bank draft for the payment due.

Prepare:

1. Consignment Account and Prakash Account in the book of Jyoti Pumps.
2. Jyoti Pumps Account in the books of Prakash

3.A Write distinction between Dependent and Independent Branch (6)

3.B M of Mumbai sent 3,000 litre of chemicals costing Rs.27,000 to B or Bikaner to be sold on consignment. 500 litre were split in transit. The chemical received by the consignee is heated as a result of which 10% of it evaporated. The consignee sold 2,000 litre of chemical at Rs.15 per litre. Calculate the value of closing stock. (6)

If the event of splitting liquid has happened after the heating process performed on chemical, what would be difference in your answer?

OR

3.A Give the Journal entries for the following transactions in the books of head office: (6)

1. Goods worth Rs.10,000 sent by the head office on 27th December to its branch, received by the branch in the beginning of the next year.
2. Ahmedabad branch paid Rs.6,000 for machine purchased by the head office for the head office.
3. Provide depreciation at 10% on the furniture worth Rs.50,000 when Ahemdabad branch furniture account is maintained in the head office.

3.B Explain the following terms in brief (6)

1. Normal loss and Abnormal loss
2. Del credere Commission
3. Account Sale

SECTION - II

4. Mr. Nikunj Patel provides you the following particulars: (11)

(1) Particulars of Assets and Liabilities as on 1-4-2012:

Land and Building	1,40,000	Bills Receivable	50,000
Cash Balance	1,400	Debtors	78,000
Bank Overdraft	10,000	Stock	1,50,600
Creditors	72,000	Plant and Machinery	94,000
Bills Payable(B/R)	32,000		

(2) Cash Transactions:

Amount Received from Debtors	5,80,000	Paid to Créditors	2,94,000
Amount Received from B/R	2,00,000	General Expenses	16,000
Salaies	24,000	Drawings	90,000
Wages	31,600	Paid for Bills Payable	2,86,000

(3) Other Information:

Cash -Bank Balance(31-3-13)	29,800	Total Sales (Credit)	8,14,000
Stock (31-3-2013)	1,06,000	Total Purchase (Credit)	6,00,000
Discount allowed to Debtors	4,000	Discount Received from Creditors	2,000
Bills Payable accepted	3,00,000	Bills Receivable (31-3-2013)	Nil

(4) Adjustments:

(i) Provide for Bad debt reserve at 5% on Debtors

(ii) Charge depreciation at 5% on Plant and Machinery and 2.5% on Land and Building.

Prepare Trading account, Profit and Loss account for the year ending on 31-3-2013 and Balance Sheet as on that date of Mr. Nikunj Patel

5. Mr. Yogesh took out a policy of Rs.90,000 for loss of profit, period of indemnity being three months. Turnover for the year ending 31-12-2012 was Rs. 7,00,000 and the net profit was Rs.70,000 after charging 3,500 for the fixed charges. (12)

Fire took place on 1-4-2013 and as a result some of the activities came to stand still. Sales of Mr. Yougesh during 1-4-2012 to 30-6-2012 were Rs.2,03,000 and the same three months of 2013 they were Rs.70,000. Sale for the year ending 31-3-2013 were Rs.7,50,000. As and from 1-1-2013 as a result of improved method of production, profit of 2.5% more would be realised on sales. Prepare a statement of claim.

OR

5. The following is the Trading and Profit and Loss Account of the Usha Trading Co. Ltd. for the year ending 30th June, 2013, from which you are required to compute the amount of insurance policy. (Assume that all standing charges are to be fully insured.) It is anticipated that turnover will increase by 10% for the current financial year, and that all standing charges will remain unchanged. (12)

Trading Account
For the year ending 30th June 2013

Particulars	Rs.	Particulars	Rs.
To Opening Stock	2,00,000	By Sales	9,00,000
To Purchase	5,00,000	By Closing Stock	2,30,000
To Wages: Skilled 35,000			
Unskilled 35,000	70,000		
Gross Profit c/d	3,60,000		
	<u>11,30,000</u>		<u>11,30,000</u>
To Salaries (20% Variable)	80,000	By Gross Profit b/d	3,60,000
To Interest on debentures	5,000	By Interest on Investment	10,000
To Rate and Taxes	7,000		
To Light and Power	2,400		
To Insurance	4,000		
To Legal expenses (pertaining to sales)	1,600		
To Advertising	3,000		
To Discount allowed	10,000		
To Rent	12,000		
To General expenses (50% Variable)	10,000		
To Subscription	700		

To Depreciation on Building	18,000	
To Audit Fees	1,000	
To Directors' Fees	20,000	
To Net Profit	1,95,300	
	<u>3,70,000</u>	<u>3,70,000</u>

6.A From the following details prepare statement of profits and losses for the year ending 31-3-2013 (7)

Particulars	31-3-2012	31-3-2013
	Rs.	Rs.
Cash on hand	5,000	10,000
Bank Balance/(Overdraft)	11,000	(4,000)
Debtors	70,000	80,000
Stock	35,000	40,000
Creditors	45,000	40,000
Machinery	15,000	15,000
Furniture	3,000	3,000
Bad debts reserve	3,000	-

The proprietor drew at the rate of Rs.750 per month. He introduced Rs.3,000 during the year as fresh capital. Provide 10% Depreciation on Machinery and furniture. Provide 5% on sundry debtors for bad and doubtful debts.

6.B Explain: Average Clause in fire claim accounts. (5)

OR

6.A Fire broke out in the building M/s Shah Bors. On 17th June, 2013 and most of the stock was destroyed. The value of stock salvaged is Rs.11,200. In addition, some of the goods salvaged was in damaged condition and its value is determined at Rs.10,400. (7)

The following information is available from books of account:

- (i) Closing stock on 31st December, 20012 was 83,500.
- (ii) Purchases during 1-1-2013 to 17-6-2013 was Rs.1,12,000 and sales during the same period, was Rs.1,54,000.
- (iii) It is ascertained from the accounts of the last three years that average rate of gross profit earned on sales was 25%.
- (iv) Stock was insured for Rs. 60,000

Calculate the amount of claim.

6.B Explain in brief "Comparison of Capital Method" of ascertaining Profit or Loss in single entry system. (5)

"END OF PAPER"