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B.COM SEM - 6
SUB: ACCOUNTING -6

PRELIMS PAPER - 2023
MARKS – 70

Deep-Darshan Traders of Ahmedabad has a branch at Surendranagar. The head office sends goods to the branch at an invoice price, which is arrived at after adding 25% profit on cost price. The branch makes both cash as well as credit sales and remits all cash received each day. All through bank draft on the same expenses of the branch are paid by the head office. But for petty disbursement head office sends petty cash to the branch. [20]

Following is Surendranagar Branch Account prepared in the books of head office for the year ended on 31-3-2010.

Surendranagar Branch Account

Dr.		Particulars	Cr.
Particulars	Rs.	Particulars	Rs.
To Balance b/d :		By Balance b/d Stock of goods	
Stock of goods		[Opening stock difference]	
[invoice price]	25,000		5,000
Furniture	10,000		
Debtors	20,000		
Petty cash	1,000		
To Goods sent to Branch		By Bank A/c :	
A/c		Cash Sales	27,000
[invoice price]	1,00,000	Cash received from debtors	75,000
To Bank A/c [expenses]		By Bad debt recovery	2,000
Rent and taxes	2,000		
Salaries	6,000		
Wages	1,000		
To Bank A/c (Petty cash)	3,000	By Goods sent to branch (difference)	20,000
To Goods returned by	1,000	By Goods returned by Branch a/c	5,000
branch (difference)		(Invoice price)	
To Balance c/d (Closing	6,000	By Balance c/d	
Stock difference)		Stock of goods (Invoice price)	30,000
		Furniture	9,000
		Debtors	40,000
		Petty cash	2,000

To General Profit & Loss 40,000
A/c (Profit)

2,15,000

2,15,000

Other Information :

- (1) The branch debtors had returned goods worth Rs. 5,000 to the branch during the year.
- (2) The branch had written off Rs. 1,000 as bad debts and had allowed Rs. 500 as discount to the debtors during the year.
- (3) Rs. 1,500 had been charged as interest to the debtors account during the year.

From the above particulars, prepare following accounts in the books of head office :

- (1) Branch Trading Account
- (2) Branch Profit & Loss Account
- (3) Branch Debtors Account
- (4) Branch Petty Cash Account.

OR

Q.1 Navrang stores Ltd. Invoices goods to their various branches at cost and the branches sell on credit as well as for cash. From the following details relate relating to the Ahmedabad Branch show the Branch Debtors and Trading and Profit & Loss Accounts in the books of Head Office: [20]

Particulars	Amount
Debtors on 1 st January, 2009	2,620
Debtors on 31 st December, 2010	3,310
Stock on 1 st January, 2009	1,500
Goods received from Head Office	5,080
Goods return to Head office	70
Total sales	9,350
Allowances to debtors	32
Return from debtors	58
Discount allowed to Debtors	240
Bad debts	60
Cash received from debtors	4,920
Rent, Rates etc.	180
Wages	600
General Trade charges	130
Stock on 31 st December, 2010	1,390

Q. 2 From the books of Ram Electricity Company Ltd. the following balances were drawn on 21st March, 2021: [20]

Particulars	Amount	Particulars	Amount
Land & Building	15,00,000	6% Bank Loan	6,00,000
Machinery	7,50,000	Stock of Stores etc.	74,040
Meters	1,50,000	Trade Debtors	87,810
Mains	6,33,600	Trade Creditors	1,36,710
Transformers	63,000	Furniture	40,200

Share Capital: Equity shares of Rs.10 each	18,00,000	Credit balance of P & L A/c (1-4-2020)	94,740
Reserve for Repairs and Renewal (1-4-2020)	94,200	Bank balance	59,010
		Interest on Bank loan	18,000
		Depreciation Fund (1-4- 2020)	3,04,800

From the following additional informations, prepare Balance Sheet with relative notes according to the Indian Companies Act, 2013 :

1. Calculate depreciation on opening balance of fixed assets at 5%.

2. Company has done the following expenditures during the year :

- | | |
|---------------|--------------|
| (1) Building | Rs. 1,47,000 |
| (2) Machinery | Rs. 93,600 |
| (3) Mains | Rs. 2,15,400 |
| (4) Meters | Rs. 36,000 |

3. On every year a fixed amount Rs. 60,000 is appropriated to Reserve for Repairing and Renewal A/c. Sundry expenses included Rs. 30,750 which were spent for repairing and renovation during the year.

4. Net profit for the current year (31-3-2021) as per profit & Loss Account is Rs. 1,47,720.

5. 6% bank loan is for 8 years on secured basis.

OR

Q. 2 The following Balances of Sun Electric Company Limited are given as on 31-3-2018:

[20]

Particulars	Rs.
6000 equity shares of Rs.100	600000
5% debentures	500000
machinery	350000
land and building	500000
Transformers	15000
metres	50000
mains	210000
power production expenses	21000
power distribution expenses	13500
administrative expenses	36500
stock of store	24000
actual expenses of repairs and renovates	7500
sale of of electricity by meters	254000

sale by contracts	26000
metre rent	10000
repairs and renovates reserve	30000
debtors	28000
creditors	60000
other expenses	45000
dividend paid	24000
P & L Account (Credit) (01-04-2017)	110000
interest paid on debentures upto 30th Sep 2017	12500
furniture	20000
bank balance	18000
wire poles	215000

Other Information :

(1) Provide for depreciation at 5% on the opening balance of all assets.
(2) Company has made following Capital expenditures during the year:

- Machinery 30,000
- Land and Building 50,000
- Meters 10,000
- Mains 70,000

(3) Rs. 23,000 is transferred to repairs and renovates reserve account every year.

(4) Provide Rs. 50,000 for liabilities of taxation of the current year.

Prepare Final Accounts as per the Companies Act, 2013.

Q. 3 From the following Trial Balance of the Adarsh Education Society as at 31st March, 2010, prepare an Income and Expenditure Account and Balance Sheet :

Particulars	Debit (Rs.)	Credit (Rs.)
Furniture	12,500	-
Additions to furniture during the year	3,200	-
Library books	17,500	-
Additions to Library books during the year	4,300	-
Building	2,75,000	-
Investments	1,50,000	-
Investment reserve fund	-	15,000
Debtors and creditors	5,000	14,500
Entrance fees	-	15,200
Subscription received	-	22,900

Hire of society hall	-	6,500
Interest realised on investment	-	5,500
Sundry receipts	-	600
Salaries	10,100	-
Printing and Stationery	1,000	-
Insurance and taxes	900	-
Sundry expenses	2,175	-
Prize trust fund	-	16,000
Prize trust investment	15,800	-
Prize trust income	-	650
Prize Awarded	450	-
Prize fund bank balance	275	-
Donations	-	18,000
Capital Fund	-	3,89,150
Cash at bank	5,500	-
Cash on hand	300	-
	5,04,000	5,04,000

The following is further information :

1. Subscriptions to be received Rs. 4,500.
2. Subscriptions received in advance Rs. 500.
3. Total interest on Investment was Rs. 5,950.
4. Salary outstanding Rs. 1,800.
5. Insurance and taxes paid in advance for three months as Rs. 75 per month.
6. Provide depreciation at the following rates (Including additions):
Library Books 15% p.a., Furniture 5% p.a., Building 1% p.a.

OR

Q. 3 'Divine' Club provides following information :

Receipts and Payment Account for the year ending on 31-12-'09

Dr.			Cr.
Receipts	Rs.	Payments	Rs.
To Balance b/d	10,500	By Salary	19,500
To Subscription		By Rent and taxes	2,700
2008 270		By Stationery	1,350
2009 26,100		By Sports equipments (1-7-	
2010 <u>180</u>	26,550	2009)	9,000
To income from		By Sundry expenses	3,000
entertainment program	6,000	By 12% Bank deposit (1-	
To Annual interest on 12%		10-2009)	7,500
Investments	1,800	By Entertainment program	
To Donation	3,000	exp.	3,000
		By Balance c/d	1,800
	47,850		47,850

Additional Information :

- (a) There are 450 members of the club and they pay Rs. 60 as subscription per year.
- (b) Outstanding salary on 31-12-2008 was Rs. Rs. 1,500 and on 31-12-2009 it was 2,250.
- (c) Stationery stock as on 31-12-2008 was Rs. 150 and on 31-12-2009 it was Rs. 225.
- (d) On 31-12-2008 sports equipments were of Rs. 15,000 and on 31-12-2009 they were of Rs. 21,000.
- (e) The opening capital fund is Rs. 39,420.

Prepare:

- (a) Income and expenditure Account for the year ending on 31-12-2009.
- (b) Balance sheet as on 31-12-2009.
- (c) Balance sheet as on 1-1-2009.

Q. 4 The following is the information of a business unit:

Year	Sales Rs.	Profit Rs.
2020	1,00,000	10,000
2021	1,20,000	14,000

From the above mentioned information calculate:

- (1) P/V Ratio
- (2) Profit when sales are Rs. 90,000 and Rs. 40,000.
- (3) Sales to earn profit of Rs. 20,000.
- (4) Fixed Expenses.
- (5) Break-even Point

OR

Q. 4 The following information related to Smeet Company Ltd.

Year	Sales Rs.	Total Cost Rs.
2020	2,00,000	2,15,000
2021	3,00,000	2,75,000

From the above mentioned information calculate:

- (1) P/V Ratio
- (2) Fixed Cost
- (3) Variable Cost in the year 2021
- (4) Break even point (in rupees)
- (5) Probable sales when the loss is 5,000
- (6) Margin of safety when sales is Rs. 3,00,000.