RB-3556
First Year B. B. A. (Sem. II) Examination
March / April - 2017
Financial Accounting - II
(With Elements of Costing) (Old Course)

Time : Hours] [Total Marks : 50

Instructions : (1)

(2) Right side figures indicate the full marks of the questions.
(3) Show the necessary calculations.

1 Answer the following :
   (1) Tangible Assets 2
   (2) Cost driver 2
   (3) Give the proper cost units of the following industries : 3
       Paper Mill, Chemical industry, Electricity industry, Hotel, Bricks works, Mining industry.
   (4) State with reasons whether the following statements are true or false :
       (a) Balance Sheet shows the financial position of the concern for a particular period.
       (b) Finished goods are normally valued at cost or replacement price whichever is lower.
       (c) Sale of stock in trade is capital receipt.

2 From the following trial balance and information, prepare 14
   Trading, P and L Account of Mr. Rishabh for the year ended 31st March, 2017 and a Balance Sheet as on that date :

RB-3556] 1 [Contd...
<table>
<thead>
<tr>
<th>Particulars</th>
<th>Dr. Rs.</th>
<th>Cr. Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>-</td>
<td>1,00,000</td>
</tr>
<tr>
<td>Drawings</td>
<td>12,000</td>
<td>-</td>
</tr>
<tr>
<td>Land and Building</td>
<td>90,000</td>
<td>-</td>
</tr>
<tr>
<td>Plant and Machinery</td>
<td>20,000</td>
<td>-</td>
</tr>
<tr>
<td>Furniture</td>
<td>5,000</td>
<td>-</td>
</tr>
<tr>
<td>Sales</td>
<td>-</td>
<td>1,40,000</td>
</tr>
<tr>
<td>Returns outward</td>
<td>-</td>
<td>4,000</td>
</tr>
<tr>
<td>Debtors</td>
<td>18,400</td>
<td>-</td>
</tr>
<tr>
<td>6% Loan frm Gajanand on 1.7.16</td>
<td>-</td>
<td>30,000</td>
</tr>
<tr>
<td>Purchase</td>
<td>80,000</td>
<td>-</td>
</tr>
<tr>
<td>Return inward</td>
<td>5,000</td>
<td>-</td>
</tr>
<tr>
<td>Carriage</td>
<td>10,000</td>
<td>-</td>
</tr>
<tr>
<td>Sundry expenses</td>
<td>600</td>
<td>-</td>
</tr>
<tr>
<td>Stationery</td>
<td>500</td>
<td>-</td>
</tr>
<tr>
<td>Insurance premium</td>
<td>1,000</td>
<td>-</td>
</tr>
<tr>
<td>Provision for doubtful debts</td>
<td>-</td>
<td>1,000</td>
</tr>
<tr>
<td>Provision for discount on debtors</td>
<td>-</td>
<td>380</td>
</tr>
<tr>
<td>Bad debts</td>
<td>400</td>
<td>-</td>
</tr>
<tr>
<td>Profit of textile dept.</td>
<td>-</td>
<td>10,000</td>
</tr>
<tr>
<td>Stock of General goods on 1.4.16</td>
<td>21,300</td>
<td>-</td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>18,500</td>
<td>-</td>
</tr>
<tr>
<td>Creditors</td>
<td>-</td>
<td>12,000</td>
</tr>
<tr>
<td>Trade expense</td>
<td>800</td>
<td>-</td>
</tr>
<tr>
<td>Stock of textile goods on 3.3.17</td>
<td>8,000</td>
<td>-</td>
</tr>
<tr>
<td>Cash at Bank</td>
<td>4,600</td>
<td>-</td>
</tr>
<tr>
<td>Cash in hand</td>
<td>1,280</td>
<td>-</td>
</tr>
</tbody>
</table>

\[2,97,380 \quad 2,97,380\]

**Information:**

(1) Stock of general goods on 31.3.17 at Rs. 27,300.

(2) Fire occurred on 23.3.17 and Rs. 10,000 worth of general goods were destroyed. The insurance company accepted claim for Rs. 6,000 only and paid the claim money on 10th April, 2017.

(3) Bad debts amounting to Rs. 400 are to be written off. Provision for bad and doubtful debts is to be made at 5% and for discount at 2% on debtors. Make a provision of 2% on creditors for discount.

(4) Received Rs. 6,000 worth of goods on 27.3.17 but the invoice of purchase was not recorded in purchase book.
(5) Rishabh took away goods worth Rs. 2,000 for personal use but no record was made thereof.
(6) Charge depreciation of 2% on land and building 20% on plant, and 5% on furniture.
(7) Insurance prepaid amounts to Rs. 200.

From the following balances of Axat Limited, calculate:
1. Shareholder's funds
2. Fixed assets
3. Capital Employed
4. Net working capital
5. Fictitious assets.
   - Equity share capital 2,00,000, Investments 55,000, discount on debentures 5,000, 12% debenture 3,00,000, Creditors 85,000, Stock 1,50,000, Cash 42,000, Underwriting Commission 10,000, Calls in arrears 5,000, Liability to subsidiary company 25,000, Securities Premium 15,000, Provision for tax 60,000, Machineries 3,85,000, Dividend equalization fund 20,000, Patent 58,000, 12% preference share 1,00,000, Capital Reserve 5,000, Debtors 95,000, Goodwill 60,000, Bills payable 40,000, Loan of Industrial Development Bank 1,50,000, General Reserve 45,000, Debenture redemption fund 65,000, Expenses outstanding 5,000, Land and Building 2,50,000, Bills receivable 35,000, Loose tools 10,000, Furniture 50,000, PF 50,000, Depreciation fund 45,000.

OR

From the following information of a company construct a vertical Balance Sheet as on 31.3.17:
   - Closing stock 65,200, Provision for tax 4,191, Unpaid expense 11,000, Bad debts reserve 3,500, Outstanding Interest on loan 2,500, Loan from GSFC 50,000, Depreciation 7,817, P and L Account 16,692, Bills receivable 1,200, Bank balance 13,100, Cash 2,200, Debtors 35,000, Loose tools 12,000, Investments 1,45,000, B.O.D. 1,000, Furniture 22,000, Advertisement Suspense Account 6,000, Machinery 83,000, Building 1,35,000, Land 95,000, Equipments 50,000, Public Deposits 21,000, Unsecured Loan 12,000, Bank Loan 28,000, Creditors 35,000, Provident fund 22,000, General Reserve 85,000, Capital Reserve 50,000, Workmen Compensation Fund 15,000, Riya's Capital 1,50,000, Sweta's Capital 1,50,000.
From the following information of Khushbu manufacturing company for the year ended 31st March 2017, prepare a cost sheet:

**Stock as on 1.4.16:**
- Raw materials .................................................. 70,000
- Work in progress .............................................. 80,000
- Finished goods ................................................ 90,000
- Carriage inward ............................................... 5,000
- Raw material purchased ................................. 3,70,000
- Productive wages ............................................. 1,50,000
- Repairs of machinery ........................................ 19,000
- Maintenance of delivery van ............................ 10,000

**Rent, Rates and Insurance:**
- Factory .......................................................... 17,000
- Office ............................................................ 8,000
- Selling ........................................................... 15,000

**Depreciation:**
- Machinery .................................................... 13,000
- Office furniture ............................................... 6,000
- Delivery van ................................................... 5,000
- Sales of finished goods ................................. 8,00,000
- Travelling expenses of Salesmen ...................... 4,000
- Manager's salary (3/4 factor, 1/4 office) ............ 20,000

**Other expense:**
- Factory .......................................................... 20,000
- Office ............................................................ 20,000
- Selling ........................................................... 10,000
- Warehouse ....................................................... 6,000

**Stock as on 31.3.17:**
- Raw materials ................................................ 45,000
- Work in progress .............................................. 75,000
- Finished goods ................................................ 80,000

Note: Work in progress is valued at prime cost.

**OR**

Write short notes: (any **three**)
(1) Relevant costs and Differential cost
(2) Advantages of cost accounting
(3) Advantages of computerising accounting
(4) Vertical balance sheet
(5) Elements of cost.