

14. Fire occurred in the premises of Alpha & Beta Co. on 1st Sept. 2012 and stock of the value of Rs.1,01,000 was salvaged and business books and records were saved.

The following information was obtained.

| | Rs. |
|--|------------|
| Purchases for the year ended 31.3.2012 | 7,00,000 |
| Sales for the year ended 31.3.2012 | 11,00,000 |
| Purchases from 1.4.2012 to 1.09.2012 | 2,40,000 |
| Sales from 1.4.2012 to 1.09.2012 | 3,60,000 |
| Stock on 1.4.2011 | 3,00,000 |
| Stock on 31.3.2012 | 3,40,000 |

It is also given that the stock on 31.3.2012 was overvalued by Rs.20,000.

Calculate the amount of the claim to be processed to the Insurance Company irrespective of losses. Rate of Gross profit is to be based on the year ended 31.3.2012.

15. A second hand machine was purchased on 1-1-2010 for Rs.30,000 and repair charges amounted to Rs. 6,000. It was installed at a cost of Rs.4,000. On 1st July 2011, another machine was purchased for Rs.26,000. On 1st July 2012 the first machine was sold for Rs.30,000. On the same day, one more machine was bought for Rs.25,000. On 31-12-2012, the machine bought on 1st July 2011 was sold for Rs.23,000. Accounts are closed every year on 31st December. Depreciation is written off at 15% p.a. Prepare the machinery A/c for 3 years ending 31-12-2012.

16. From the following particulars relating to Hyderabad branch for the year ended 31.12.2010, prepare Branch A/c in the books of head office under debtors system.

| | Rs. | Rs. |
|--------------------------------------|-----------------|------------|
| Stock at the branch on 1.1.2010 | | 15,000 |
| Debtors at the branch on 1.1.2010 | | 30,000 |
| Petty cash at the branch on 1.1.2010 | | 300 |
| Goods sent to branch during 2010 | | 2,52,000 |
| Remittance from branch during 2010: | | |
| Cash sales | 60,000 | |
| Received from debtors | <u>2,10,000</u> | 2,70,000 |
| Credit sales during 2010 | | 2,28,000 |
| Cheques sent to branch during 2010 | | |
| Salary | 9,000 | |
| Rent | 1,500 | |
| Petty cash | <u>1,100</u> | 11,600 |
| Stock at the branch 31.12.2010 | | 25,000 |
| Petty cash 31.12.2010 | | 200 |
| Goods returned by the branch | | 2,000 |
| Debtors at the branch 31.12.2010 | | 48,000 |

17. A firm had two departments, cloth and readymade garments. The garments were made by the firm itself out of cloth supplied by the cloth department at its usual selling price. From the following figures, prepare Departmental trading and profit and loss account for the year ended 31-3-2004.

| Cloth dept. | Readymade dept. | |
|--------------------------------------|------------------------|----------|
| Rs. | Rs. | |
| Opening stock on 1-4-2003 | 3,00,000 | 50,000 |
| Purchases | 20,00,000 | 15,000 |
| Sales | 22,00,000 | 4,50,000 |
| Transfer to readymade garments dept. | 3,00,000 | - |
| Expenses: - manufacturing | - | 60,000 |
| - selling | 20,000 | 6,000 |
| Stock 31-3-2004 | 2,00,000 | 60,000 |

The stock in the readymade garments department may be considered as consisting of 75% cloth and 25% other expenses. The cloth department earned gross profit @ 15% in 2002-03. General expenses of the business as a whole came to Rs.1,10,000.

PART – C

Answer any TWO questions:

(2*20=40)

18. The following trial balance is extracted from the books of Kamalnath. Prepare Trading and Profit & Loss A/c and Balance Sheet for the year ended 31/12/2016.

| Liabilities | Rs. | Assets | Rs. |
|--------------------------|-----------------|------------------------|-----------------|
| Cash at bank | 2,610 | Creditors | 4,700 |
| Book debts | 11,070 | Discounts | 150 |
| Salaries | 4,950 | Creditors for expenses | 400 |
| Carriage inwards | 1,450 | Returns outwards | 2,520 |
| Carriage outwards | 1,590 | Sales | 80,410 |
| Bad debts | 1,310 | Capital | 40,000 |
| Office expenses | 5,100 | | |
| Purchases | 67,350 | | |
| Return inwards | 1,590 | | |
| Furniture & Fixtures | 1,500 | | |
| Stock | 14,360 | | |
| Insurance | 3,300 | | |
| Depreciation on Property | 1,200 | | |
| Freehold Property | 10,800 | | |
| | 1,28,180 | | 1,28,180 |

Adjustments:

- Make provision for doubtful debts at 5%.
- Calculate discount on creditors at 2%.
- Office expenses include stationery purchased Rs.800.
- Carriage inwards includes carriage paid on purchase of furniture Rs.50.
- Outstanding salaries Rs.150.
- Prepaid insurance Rs.300.
- Stock in hand Rs.10,700 (including stationery stock Rs.200).

19. Mr. Joel commenced business on 1.1.2009 with a capital of Rs.25,000. He immediately bought furniture for Rs.4,000. During the year, he borrowed Rs.5,000 from his wife and introduced a further capital of Rs.3,000. He has withdrawn Rs.600 at the end of each month for family expenses. From the following particulars obtained from his books, you are required to prepare Trading and P & L A/c and Balance Sheet as on 31.12.2009.

Rs.

| | |
|--|----------|
| Sales (including cash sales of Rs.30,000) | 1,00,000 |
| Purchase (including cash purchases of Rs.10,000) | 75,000 |
| Carriage | 700 |
| Wages | 300 |
| Discount allowed to debtors | 800 |
| Salaries | 6,200 |
| Bad debts written off | 1,500 |
| Trade Expenses | 1,200 |
| Advertisement | 2,200 |

Joel has used goods worth Rs.1,300 for private purposes and paid Rs.500 to his son which is not recorded anywhere. On 31.12.2009, his debtors, were worth Rs.21,000, Creditors Rs.15,000 and stock in trade Rs.10,000, Furniture to be depreciated at 10% p.a.

20. Knight purchased a truck for Rs.1,60,000 from S. Waugh on 1.1.2013 payment to be made Rs.40,000 down and Rs.46,000 at the end of first year, Rs.44,000 at the end of second year and Rs.42,000 at the end of third year. Interest was charged at 5%. Knight depreciates the truck at 10% per annum on written down value method. Knight, after having paid down payment and first instalment at the end of the first year, could not pay second instalment. The seller took possession of the truck, and after spending Rs.4,000 on repairs of the asset, sold it away for Rs.91,500. Prepare the necessary ledger accounts in the books of both the parties.

21. Explain the objects of preparing departmental accounts and how are the expenses allocated while preparing the Departmental Accounts?

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