

Note: All questions are compulsory.

Q. 1. Answer the following:

(a) Calculate Average Due Date from the following:

Base Date	1st April
Sum of Products	Rs. 7,02,000
Sum of Amount	Rs. 20,000

(2 Marks)

(b) Why 1 (one) day interest is calculated on the products?

(2 Marks)

(c) Whether the statement is TRUE or FALSE: If the amount is posted in the wrong account or it is written on the wrong side of an account, it is called error of commission.

(1 Marks)

(d) Whether the statement is TRUE or FALSE: Wrong casting of subsidiary books does not affect the agreement of Trial Balance

(1 Marks)

(e) State with reasons, whether the following statement is True or False: Finished goods are normally valued at cost or market price whichever is higher.

(2 Marks)

(f) State with reasons, whether the following statement is True or False: If delcreders commission is paid to consignee, the loss of bad debts is to be borne by the consignor.

(2 Marks)

Q. 2. Answer the following:

(a) Mr. Bhide sends goods to his customers on Sale or Return. The following transactions took place during the month of December 2020.

December 2	Sent goods to customers on sale or return basis at cost plus 25%	Rs. 1,60,000
December 10	Goods returned by customers	Rs. 70,000
December 17	Received letters from customers for approval	Rs. 70,000
December 23	Goods with customers awaiting approval	Rs. 30,000

Mr. Bhide records sale or return transactions as ordinary sales.

You are required to pass the necessary Journal Entries in the books of Mr. Bhide assuming that the accounting year closes on 31st Dec. 2020.

(5 Marks)

(b) Mr. Axis was unable to agree the Trial Balance last year and wrote to the difference to the profit and Loss Account of that year. Next Year, he appointed a Chartered Accountant who examined the old books and found the following mistakes:

1. Purchase of a scooter was debited to conveyance account ₹3,000.
2. Purchase account was over-cast by ₹10,000.
3. A credit purchase of goods from Mr. P for ₹2,000 entered as a sale.
4. Receipt of cash from Mr. A was posted to the account of Mr. B ₹1,000.
5. Receipt of cash from Mr. C was posted to the debit of his account, ₹500.
6. ₹500 due by Mr. Q was omitted to be taken to the trial balance.

7. Sale of goods to Mr. R for ₹2,000 was omitted to be recorded.
 8. Amount of ₹2,395 of purchase was wrongly posted as Rs.2,593.
- Mr. Axis used 10% depreciation on vehicles. Suggest the necessary rectification entries.

(5 Marks)

Q. 3. Answer the following:

(a) X Ltd. Furnishing the following store transaction for July, 2018:

1	Opening Balance	200 Units value ₹2,000
4	Receipts from B & Co. GRN No. 11	300 Units @ ₹12 per unit
7	Issues Req. No. 101	400 Units
10	Receipts from M & Co. Gm No. 12	400 Units @ ₹14 per unit
19	Issues Req. No. 102	300 Units
22	Receipts from N Co. Gm No. 13	200 Units @ ₹16 per unit
28	Issues Req. No. 103	300 Units.
30	Shortage in stock taking	20 Units

Required: Prepare the Stores Ledger using FIFO method

(5 Marks)

(b) From the following, prepare an account current as sent by Adam to Avi on 30th June, 2018, charging interest on debits @ 6% p.a. and on credits @ 4% p.a.:

2018	Particulars	₹
Jan. 1	Balance due from Avi	600
Jan. 10	Sold goods to Avi	520
Jan. 17	Avi returned goods	125
Feb. 10	Avi paid by cheque	400
Feb. 14	Avi accepted Adam's draft for one month	300
Apr. 29	Goods sold to Avi	615
May 15	Received cash from Avi	700
June 5	Avi accepted Adam's bill for 3 months	500

(5 Marks)

Q. 4. Answer the following:

(a) Determine the value of stock to be taken to the Balance Sheet of Aadhi Ltd. as at March 31, from the following information:

The stock was physically verified on 7th April and was valued at ₹4,00,000. After 31st March the following transaction had taken place till the date of stock-taking:

1. Purchases ₹2,00,000 out of which 20% goods were returned.
2. Sales of good units ₹2,00,000 out of which 20% goods were returned by the customers.
3. Sales of defective limits ₹1,80,000 at 10% less than the normal selling price.
4. On 1st April, goods of the sale value of ₹2,00,000 were sent a sale or return basis to a customer, the period of approval being two weeks. He returned 20% of the goods and approved 80% of the remaining on 6th April.
5. On 2nd April, goods of the sale value of ₹2,00,000 were sent on consignment basis. 80% of these goods had been sold by 6th April.
6. On 3rd April, goods costing ₹2,00,000 were received for sale on consignment basis. 80% of these goods had been sold by 6th April.

Notes:

Goods are sold by the trader at a profit of 25% on Cost.

The sales referred to in (d), (e) & (f) are not included in (b) above.

(5 Marks)

(b) From the following particulars, you are required to ascertain the Average Due Date:

Due Date	18th May	24th June	30th July	18th Aug.	20th Oct.	24th Nov
Amount the Bill	1,100	625	1,800	1,750	1,000	500

(5 Marks)

Q. 5. The Account Sales of 1,200 Transistor sets received from and sold on account of and at the risk of Sri M. Chopra, Cacutta.

Particular	₹	₹	₹
1,200 Transistor Sets @ ₹1,200			14,40,000
Less Expenses			
Unloading expenses	3,000		
Selling expenses	4,000		
Transport charges up to godown	6,100		
Godown rent	6,000		
Advertisements	2,000	21,100	
Less Commission:			
5% Ordinary Commission	72,000		
1% Del credere Commission	14,400	86,400	1,07,500
			13,32,500
Less: Advance sent on 10.1.2018			2,50,000
Balance Draft enclosed herewith			10,82,500
Stock in hand (31.3.2018)-100 Sets			
Dated, Madras			E&O.E
the 26th April, 2018			S. Raman

On further information received you come to know that:

1. Bad debts amounted to ₹2,400 against 2 Sets.
2. 20% above the invoice price is the sale price which is equal to cost plus 50%.
3. Chopra incurred forwarding expenses @ ₹10 per Set.
4. During transit 10 Sets became fully damaged and Chopra recovered from insurance the full amount of original cost.

Required: Prepare the Consignment Account, Goods sent on Consignment Account and Loss in Transit Account in the books of Mr. Chopra.

(10 Marks)