



**First Term Exam - 2070**

Grade: XII  
Time: 3:00 hrs.

Subject: Accountancy

F.M.: 100  
P.M.: 40

**Set-A**

Attempt all questions:

1. Write the meaning of cost accounting and write in brief any two importance of cost accounting. [2+2=4]
2. What do you mean by classification of cost according to element? Explain in brief. [4]
3. Write about classification and codification of materials. [4]
4. Write the meaning of time wages system and briefly explain any two advantage of time wages system. [2+2=4]
5. Give the meaning of Financial Statement and write in brief any two objectives of it. [2+2=4]
6. The trial balance of a trader, at the end of Chaitra, was as under:

Debit	Rs.	Credit	Rs.
Opening stock	2,00,000	Capital	4,00,000
Purchases	7,00,000	Sales	10,00,000
Wages	60,000	Creditors	50,000
Machinery	2,00,000	Commission	10,000
Rent	40,000	P/L app. account	70,000
Debtors	1,00,000		
Interim dividend	10,000		
Insurance	20,000		
Salaries	50,000		
Cash in hand	1,50,000		
	<b>15,30,000</b>		<b>15,30,000</b>

Additional information:

- i) Provision for tax was Rs. 10,000
- ii) Write off bad debts 4,000
- iii) Prepaid insurance Rs. 5,000
- iv) Proposed dividend @ of 10%.

**Required:** Adjustments entries and work sheet.

[2+ 8=10]

7. Following balances have been extracted from the books of Co. Ltd. on 31st.Chaitra :

Particulars	Dr. (Rs.)	Particulars	Cr.(Rs.)
Opening Stock	2,00,000	Share Capital	2,00,000
Purchases	7,50,000	Sales	9,00,000
Wages	40,000	Sundry Receipts	35,000
Carriage	5,000	Profit and Loss Account	50,000
Salaries	25,000	General Reserve	15,000
10% Investment	10,000	10% Debentures	60,000
Furniture	50,000	Creditors	20,000
Rent	15,000		
Plant	80,000		
Goodwill	10,000		
Interim Dividend	5,000		
Debtors	50,000		
Cash at Bank	30,000		
Pre-paid insurance	10,000		
	<u>12,80,000</u>		<u>12,80,000</u>

Additional information:

- a) The closing stock was valued at Rs.2,50,000.
- b) Wages outstanding Rs.5,000 and pre-paid rent Rs.2,000 .
- c) Write off bad debts @ 5%.
- d) Depreciation on plant @10%.
- e) Provision for income tax made @50%
- f) Proposed dividend @ of 10% per annum.

**Required:**

- i) Trading Account
- ii) Profit and Loss Account
- iii) Profit and Loss Appropriation Account
- iv) Balance Sheet

[3+5+2+5=15]

8. From the following particulars are given:

- Magh 1: Opening balance 200 units of Rs.50 per unit  
 7: Purchased 500 units of Rs.60 per unit  
 11: Issued 600 units  
 15: Return from departments 10 units  
 20: Purchased 400 units @ Rs.55 per unit  
 25: Return to vendor 50 units  
 26: Issued 300 units  
 29: Stock verification found surplus 10 units

**Required:** Store ledger under FIFO method.

[5]

9. The following are the details of receipt and issues of materials:

- June 1: Opening stock 500 units @ Rs.10 each  
 4: Purchased 600 units @ Rs.11 each  
 9: Issued 900 units  
 10: Purchased 400 units @ Rs.12 each

- 14: Returned to vendors 50 units
- 16: Issued 500 units
- 25: Returned to store 20 units
- 28: Stock verification shortage 10 units

**Required:** Store ledger under LIFO method. [5]

10. The working hours of a worker for a week is as under:
- |           |          |          |          |
|-----------|----------|----------|----------|
| Monday    | 10 hours | Thursday | 11 hours |
| Tuesday   | 12 hours | Friday   | 9 hours  |
| Wednesday | 15 hours |          |          |

Additional information:  
 Normal working hour per day 10 hours  
 Normal wage rate Rs. 100 per hour  
 Overtime rate 110% of normal rate.

**Required:** Total wages for one week. [5]

11. The following information is given:
- Re-order quantity: 4,000 units
  - Maximum usage: 800 units
  - Normal usage: 700 units
  - Minimum reorder period: 4 days
  - Maximum reorder period: 6 days

**Required:** Maximum stock level [3]

12. Following are the information relating to a firm:  
 Annual requirement = 36,000 units  
 Cost per unit = Rs.300  
 Carrying Cost per unit = 10% of average inventory  
 Ordering cost per order = Rs.50  
 Insurance per unit = Rs.10

**Required:** Economic order quantity. [2]

13. The beginning and ending balances of a manufacturing company for a month are as under:

	Beginning	Ending
Raw material	Rs.10,000	Rs.15,000
Work-in-progress	Rs.14,000	Rs.16,000
Finished goods	1,000 units	

The information available from the cost records for the month ended was as follows:

Material purchased	70,000	Travelers' Salary	2,000
Rent	5,000	Carriage Inwards	5,000
General Charges	2,000	Salesman commission	1,000
Manager's Salary	5,000	Wages	40,000
Gas & Water Factory	1,000	Depreciation on Plants	3,000
Directors Fees	3,000	Depreciation on Furniture	1,000

Profit 20% on sales.  
 Units produced 10,000  
 Unit sold 9,000

**Required:** Statement of cost sheet and percentages of profit on cost. [8+2=10]

14. Following was the details of cost and profit for 500 units with produced and sold during 2068:

Raw material	Rs. 20,000
Wages	Rs. 15,000
Factory overheads	Rs. 7,500
Office overheads	Rs. 6,000
Selling overheads	Rs. 4,250

Profit 20% on selling price  
 The manufacturer decided to produce 1,000 units during 2069. It is estimated that-

- a) The cost of raw material will be increased by 10%.
- b) Office overheads are 50% is variable.
- c) The rate of profit will remain the same.

**Required:** (a) Cost sheet [3]  
 (b) Tender sheet [7]

15. The net profit of a company for the year was Rs.20,000 as shown by the Financial Account.
- i) Factory Overhead over charged in financial Account Rs.2,000.
  - ii) Interest received Rs. 1,000.
  - iii) Depreciation charged in Financial Account Rs. 15,000 but in Cost Account Rs. 19,000.
  - iv) Income Tax Paid Rs. 5,000.
  - v) Opening stocks over valuation in Financial Account Rs.3,000.

**Required:** Reconciliation statement. [5]

16. The net profit of a company for the year was Rs.20,000 as shown by the Cost Account.
- i) Office Overhead under charged in Financial Account Rs.1,000.
  - ii) Interest on investment Rs. 4,000.
  - iii) Depreciation charged in Financial Account Rs. 15,000 but in Cost Account Rs. 12,000.
  - iv) Goodwill written off Rs.500.
  - v) Closing stocks charged in Financial Account Rs.20,000 but in cost account Rs.18,000.

**Required:** Reconciliation statement. [5]

17. The Balance sheet of A Co. Ltd as on 31<sup>st</sup> Chaitra, 2069 is as under:

Liabilities	Rs.	Assets	Rs.
Share capital	3,00,000	Fixed Assets	2,30,000
Retained earning	50,000	Investment	2,20,000
10% debenture	2,00,000	Sundry Debtors	90,000
Sundry creditors	30,000	Inventory	60,000
Overdraft	20,000	Preliminary expenses	10,000
Outstanding expenses	10,000		
Total	6,10,000	Total	6,10,000

Additional information:

- a) Inventory turnover ratio 10
- b) Net profit Rs.50,000

**Required:** (i) Sales amount (ii) Current ratio (iii) Fixed Assets Turnover Ratio  
 (iv) Debt to Total Capital Ratio (v) Return on Shareholder's Equity

[5]



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Set-B

Attempt all questions:

1. Explain briefly any four limitation of financial account. [4]
2. Explain the types of cost according to variability. [4]
3. What is piece rate system of wage payment? And write in brief its any two advantages. [2+2=4]
4. What do you mean by allocation and apportionment of overhead? [4]
5. Name four parties and write why they are interested in financial statement analysis. [2+2=4]
6. The trial balance of Trading Co. Ltd. on Chaitra 31 is as follows :

Particulars	Dr. (Rs.)	Particulars	Cr. (Rs.)
Opening Stock	2,00,000	Sales	7,00,000
Purchases	5,00,000	Share Capital	3,00,000
Furniture	80,000	General Reserve	20,000
Rent	20,000	10% Loan	50,000
Plant	1,80,000	Return outward	10,000
Bills Receivable	20,000	Creditors	30,000
Wages	30,000	Discount	10,000
Carriage Inward	5,000	P/L appropriation Account	60,000
Salaries	25,000		
Sundry Expenses	10,000		
Dividend for last year	5,000		
10% Investment	50,000		
Pre-paid insurance	10,000		
Cash at Bank	45,000		
	<u>11,80,000</u>		<u>11,80,000</u>

Additional Information:

- a) The stock was valued at Rs. 3,00,000.
- b) Outstanding wages Rs. 2,000.
- c) Depreciation on plant @ 10%.
- d) Provision for tax @ 50%.
- e) Final dividend @ 10% and Rs.5,000 transfer to general reserve.
- f) Write off bad debts @10%
- g) Pre paid insurance expired Rs.6,000.

**Required:**

- i) Trading Account
- ii) Profit and Loss Account.
- iii) Profit and Loss Appropriation
- iv) Balance Sheet.

[3+5+2+5=15]

7. The following trail balance is given:

Debit	Rs.	Credit	Rs.
Opening stock	50,000	Sales	5,50,000
Purchases	3,00,000	Capital	2,00,000
Plant	2,50,000	P/L appropriation account	50,000
Salaries	50,000	Commission	5,000
Wages	30,000	Bills payable	15,000
Debtors	80,000		
Carriage	10,000		
Insurance	20,000		
Sundry expenses	30,000		
	<b>8,20,000</b>		<b>8,20,000</b>

Additional information:

- i) Depreciation on plant @ 5%.
- ii) Write off bad debts @4%
- iii) Prepaid insurance Rs. 5,000
- iv) Proposed dividend @10%

**Required:** Adjustment entries & work sheet

[2+8=10]

8. From the following particulars are given:

- July 1: Opening balance 500 units of Rs.2 per unit  
 July5: Received 1,800 units of Rs.3 per unit  
 July11: Issued 2,000 units  
 July15: Returned from departments 100 units  
 July18: Received 2,000 units @ Rs.2 per unit  
 July20: Returned to vendor 200 units  
 July24: Issued 1,500 units  
 July28: Stock verification found surplus of 100 units

**Required:** Store ledger under LIFO method.

[5]

9. The following are the details of receipt and issues of materials:

- Magh 1 Opening stock 500 units @ Rs.5 each  
 Magh 4 Purchased 400 units @ Rs.6 each  
 Magh 9 Issued 700 units  
 Magh 10 Purchased 300 units @ Rs.7 each  
 Magh 14 Returned to vendors 50 units  
 Magh17 Issued 400 units  
 Magh22 Returned to store 20 units  
 Magh28 Stock verification shortage 10 units

**Required:** Store ledger under FIFO method.

[5]

10. Following are the information relating to a firm:

- Annual requirement = 36,000 units  
 Cost per unit = Rs. 1  
 Carrying cost per unit = 10% of per unit cost (excluding insurance)  
 Ordering cost per order = Rs. 25  
 Insurance charges per unit = Rs. 0.10

- Required:** Economic order quantity [2]
11. Following information are given:
- |                     |                   |
|---------------------|-------------------|
| Re-order quantity   | 4,500 units       |
| Re-order period     | 6 to 8 days       |
| Maximum consumption | 600 units per day |
| Normal consumption  | 500 units per day |

**Required:** (a) Maximum stock level (b) Minimum stock level  
(c) Average stock level [2+2+1=5]

12. The normal working hours per day is 8 hours and working day per week is 6 days. In a particular week a worker worked 58 hours. The standard wage rate is Rs.150 per hour and overtime rate wage is 80% of the standard wage rate.

**Required:** Total wages earned by the worker. [3]

13. Following was the details of cost and profit for 1,000 units with produced and sold during 2068:

Raw material	Rs. 1,00,000
Wages	Rs. 80,000
Factory overheads	Rs. 40,000
Office overheads	Rs. 22,000
Selling and distribution expenses	Rs. 18,000
Profit	20% on selling price

The manufacturer decided to produce 400 units during 2069. It is estimated that-

- The cost of wages will be increased by 10%.
- Selling overheads are 50% is variable.
- The rate of profit will remain the same.

**Required:** (a) Cost sheet [3]  
(b) Tender sheet [7]

14. The beginning and ending balances of a manufacturing company for a month are as under:

	Beginning	Ending
Raw material	Rs.20,000	Rs.30,000
Work-in-progress	Rs.24,000	Rs.26,000
Finished goods	2,000 units	

The information available from the cost records for the month ended was as follows:

Material purchased	1,40,000	Wages	80,000
Gas & Water factory	5,000	Indirect wages	3,000
Directors fees	10,000	Depreciation on furniture	6,000
Manager's salary	15,000	Travelers' salary	15,000
Rent	12,000	Carriage inwards	5,000
General charges	4,000	Salesman commission	7,000

Profit 20% on sales.

Units produced 20,000

Unit sold 21,000

**Required:** Statement of cost sheet and percentages of profit on cost. [8+2=10]

15. The net profit of a company for the year was Rs. 30,000 as shown by the financial account.
- Office overhead is not recorded in Cost Account Rs. 5,000
  - Factory overhead under recorded in financial Account Rs. 4,000
  - Depreciation charged in Financial A/c Rs. 8000 and in Cost Account Rs. 5,000.
  - Interest on investment not included in Cost Account Rs. 2,000.
  - Opening stock shown only in Financial Account Rs. 5,000.

**Required:** Reconciliation statement between financial and cost account [5]

16. From the following figures prepare a reconciliation statement. [5]

- Net loss as per Cost Account Rs.20,000
- Selling overhead under recovered in Cost Account Rs.1,000
- Depreciation charged in Financial Account Rs.15,000 but in Cost Account Rs.20,000.
- Interest received Rs.2,000
- Income tax paid Rs.5,000
- Under valuation of opening stock in Cost Account Rs.4,000.

17. The Balance sheet of A Co. Ltd as on 31<sup>st</sup> Chaitra, 2069 is as under:

Liabilities	Rs.	Assets	Rs.
Share capital	2,00,000	Fixed Assets	2,00,000
Retained earning	1,51,000	Investment	1,14,000
10% debenture	69,000	Sundry Debtors	60,000
Bills payable	30,000	Inventory	90,000
Overdraft	20,000	Pre-paid insurance	10,000
Tax payable	10,000	Brokerage	6,000
<b>Total</b>	<b>4,80,000</b>		<b>4,80,000</b>

Additional information:

- Fixed Assets turnover ratio is 3 times
  - Gross profit is Rs.60,000
- Required:** (i) Sales Amount (ii) Quick Ratio (iii) Gross Profit Ratio  
(iv) Debt-Equity Ratio (v) Capital Employed Turnover Ratio [5]