



Second Term Exam-2070

Grade: XII
Time: 3:00 hrs.

Subject: Accountancy

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

Set A

1. Write the meaning of cost accounting and mention its any two functions. [2+1=3]
2. Classify the cost according to functions. [3]
3. Write in brief any three objectives of financial statement. [3]
4. Describe in short any two limitations of ratio analysis. [2]
5. What do you understand by classification and codification of materials? [3]
6. Draw the specimen of bin card. [3]
7. Give the meaning of piece rate system of wages and mention its any two disadvantages. [2+1= 3]

8. The Trail Balance of a company as on 31st Chaitra, 2069 is given below:

Particulars	Debit (Rs.)	Credit (Rs.)
Plant	1,80,000	
Purchases	4,33,000	
Cash at bank	40,000	
Book debt	14,000	
Insurance	6,000	
Wages	17,000	
Salaries	50,000	
Sundry expenses	10,000	
General reserve		4,000
Sales		5,34,000
Loan		70,000
P/L account		50,000
Creditors		12,000
Share capital		80,000
Total	7,50,000	7,50,000

Additional Information:

- (i) Salary due Rs.5,000
- (ii) Pre Paid insurance was Rs.2,000
- (iii) Depreciation on machinery @ 10%
- (iv) Proposed dividend @ 10%

Required: Adjustment entries & work sheet.

[2+8=10]

9. The trial balance of Jiri Trading Co. Ltd. on Chaitra 30 is as follows :

Particulars	Amount	Particulars	Amount
Purchase	5,00,000	Share Capital	3,00,000
Salaries & Wages	45,000	Share Forfeiture	1,000
Stores Consumed	2,000	Sales	7,50,000
Printing and Stationery	6,000	Return Outwards	5,000
Rent	13,000	Provision for Bad debts	2,500
Goodwill	50,000	Discount Received	1,500
Plant and Machinery	1,80,000	10% Debenture	40,000
5% Government Securities	20,000	Fixed Deposits	5,000
Loose Tools	4,000	Bills Payables	2,000
General Expenses	6,000	Pension Fund	5,000
Factory Rent	10,000	Debenture Premium	1,000
Import Duty	1,000	Sinking Fund	4,000
Opening Stock	1,65,000	Capital Reserve	8,000
Travelling Expenses	5,000	Profit and Loss Account	25,000
Bad debts	1,000		
Insurance	2,000		
Preliminary Expenses	2,000		
Brokerage	500		
Book Debt	50,000		
Cash in hand & Bank	85,500		
Calls in Arrears	2,000		
	<u>11,50,000</u>		<u>11,50,000</u>

Additional Information:

- Value of ending inventory at Rs. 1,10,000.
- Office salaries to be paid Rs. 5,000.
- Write off 1/4 of preliminary expenses.
- Depreciate plant and machinery by 10%.
- Provision for tax is made at 20% of profit.
- Write off Bad debts Rs. 2,000 and create provision for bad debts @ 5%.
- The directors have decided:
 - 10% dividend on paid up capital.
 - Transfer of Rs. 5,000 to the general reserve account.

Required:

- Trading Account
- Profit and Loss Account
- Profit and Loss Appropriation A/C
- Balance Sheet [4+4+2+5= 15]

10. Given below is the balance sheet of D. Co. Ltd. as on Chaitra 31,2069

Liabilities	Rs.	Assets	Rs.
Equity shares of Rs. 100 each	4,00,000	Machinery	2,00,000
10% Debentures	1,50,000	Land & Building	3,50,000
Reserve & Surplus	60,000	Pre-paid Insurance	15,000
Bills Payable	90,000	Inventories	40,000
Bank overdraft	20,000	Sundry Debtors	60,000
		Cash Balance	50,000
		Preliminary Expenses	5,000
Total	<u>7,20,000</u>	Total	<u>7,20,000</u>

Additional Information :

Debtors turnover ratio : 15 times

Net Profit Margin : 20%

- Required:** (i) Sales amount (ii) Liquid ratio (iii) Debt equity ratio
(iv) Fixed assets turnover ratio (v) Earning per share [5]

11. The following figures are extracted from the two years balance sheets of a company :

	2068	2069
Share Capital	4,50,000	5,50,000
10% Loan	2,00,000	1,50,000
Profit & Loss Account	80,000	1,80,000
Preliminary Expenses	25,000	20,000
Goodwill	20,000	15,000

Additional Information :

Dividend paid for the year Rs. 55,000.

Depreciation charged on machinery Rs. 30,000.

Machinery purchased during the year Rs. 1,20,000.

Tax paid Rs. 5,000

- Required:** (i) Funds from operation
(ii) Funds flow statement [3+2=5]

12. The Income Statement of X Co. Ltd. for the year ended 31st. December is presented below :

Net Sales		30,00,000
Cost of Goods Sold		20,00,000
Gross Profit		10,00,000
Less : Operating & other Expenses:		
Office Expenses	40,000	
Depreciation	50,000	
Selling Expenses	20,000	
Interest	10,000	
Loss on sales of plant	5,000	1,25,000
Net Profit before other income		8,75,000
Add: Interest on investment		15,000
Net profit		8,90,000

Opening and Closing Balances :

Particulars	1st Jan. (Rs.)	31 st Dec. (Rs.)
Inventories	2,20,000	2,50,000
Sundry Debtors	1,00,000	1,50,000
Bills Receivable	40,000	30,000
Sundry Creditors	1,00,000	1,20,000
Bills Payable	40,000	60,000
Outstanding Expenses	5,000	10,000
Prepaid Expenses	10,000	12,000

Required: Cash from operating activities by using indirect method. [4]

13. The balance sheet of P Ltd. For the year ended 31 December two years are as follows :

Liabilities	2008	2009	Assets	2008	2009
Share capital	5,00,000	7,50,000	Fixed assets	4,25,000	5,98,500
10% debentures	1,00,000	50,000	Accounts rec.	1,09,000	1,76,500
Accounts payable	1,40,000	1,90,000	Inventory	1,00,000	1,60,000
Retained earning	40,000	1,00,000	Cash balance	1,00,000	1,20,000
Provision for bad debts	4,000	5,000	Goodwill	50,000	40,000
	<u>7,84,000</u>	<u>10,95,000</u>		<u>7,84,000</u>	<u>10,95,000</u>

Additional information:

- Sales for the year Rs. 7,12,000.
- Cost of goods sold Rs. 3,46,000.
- Operating expenses (including depreciation on fixed assets Rs. 42,500 and interest on debenture Rs. 10,000) Rs. 2,50,000.
- Gain on sale of fixed assets (book value of Rs. 40,000) Rs. 4,000.
- Purchase of fixed assets Rs. 2,56,000.
- Dividend paid Rs. 50,000.

Required: Cash flow statement using direct method. [10]

14. The following particulars are given:

Normal usage of material = 500 units per day

Minimum usage material = 400 units per day

Re order quantity = 3,500 units

Lead time = 2-4 days

Required: Calculate maximum stock level [2]

15. The details information relating to materials purchase of a firm are:

Annual requirement = 8,000 units

Cost per order = Rs.400

Cost per unit = Rs.200

Inventory carrying cost = 20% of inventory value.

Required: (i) Economic order quantity (ii) No. of orders. [2]

16. Following particulars relating to stores are given:
 Jestha 1: Opening balance 500 units of Rs. 5 per unit
 Jestha 5: Received 600 units of Rs. 6 per unit
 Jestha 10: Issued 900 units
 Jestha 13: Returned 20 units from departments
 Jestha 15: Received 700 units @ Rs. 7 per unit
 Jestha 20: Issued 600 units
 Jestha 22: Stock verification found surplus of 10 units
 Jestha 26: Received 400 units @ Rs.10 per unit
 Jestha 30: Return to vendor 50 units
Required: Store ledger under FIFO method. [5]

17. The following particulars are given:
 Wage rate per unit = Rs. 200
 Normal time per unit = 45 minutes
 Ram worked for 6 hrs.
Required: Wages of Ram under piece rate system [2]

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

	Beginning	Ending
Raw material	Rs. 10,000	Rs. 20,000
Work-in-progress	Rs. 5,000	Rs. 7,000
Finished goods	200 units	100 units

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

Direct materials purchased	Rs. 2,00,000
Direct labour	Rs. 80,000
Factory expenses	Rs. 40,000
Selling and distribution overhead	Rs. 2/unit sold.
Office overheads	Rs. 25,000
Production units	5,000 units
Profit 10% on cost	

Required: Cost Sheet. [5]

19. Following figures have been extracted from the cost records of a manufacturer for the production and sale of 5,000 units
 Cost of Raw Materials Rs. 50,000
 Labour Cost 40,000
 Factory Overhead 20,000
 Office Overhead 30,000
 Selling Expenses 10,000
 Rate of Profit – 25% on selling price.
 The manufacturer decides to produce and sell 1,000 units in coming year. It is estimated that the cost of raw material will increase by 20% and labour cost by 10%, 20 % office overhead is variable, Selling expenses per unit will be reduced by 50%. The rate of profit will remain the same.

Required: (i) Cost sheet (ii) Tender sheet [3+7=10]

20. Following information are given:
 (a) Net profit as per financial accounting Rs. 2,50,000.
 (b) Factory overhead under charged in cost accounting Rs.30,000.
 (c) Income tax paid Rs.45,000.
 (d) Loss in stock shown only in financial accounting Rs.15,000.
 (e) Interest on investment Rs. 10,000.
 (f) Opening stock charge in cost accounting Rs.30,000 but in financial accounting Rs. 3,000 only.

Required: Reconciliation Statement. [5]





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

Set B

1. Write in brief any three objectives of cost accounting. [3]
2. Classify the cost according to cost behaviours. [3]
3. Write in brief any three limitations of financial statement. [3]
4. Draw the specimen of purchase requisition form. [3]
5. What do you mean by centralized and decentralized purchase system? [2]
6. What do you mean by allocation and apportionment of overhead? [3]
7. Give the meaning of time rate system of wages payment and mention its any two advantages.

[2+1= 3]

8. The following trail balance is given:

Debit	Rs.	Credit	Rs.
Opening stock	40,000	Capital	2,00,000
Purchase	3,00,000	P/L account	50,000
Plant	1,30,000	Sales	4,00,000
Wages	30,000	Commission	14,000
Debtors	1,00,000	Bills payable	46,000
Cash	20,000		
Bills receivable	45,000		
Insurance	15,000		
Salaries	30,000		
	7,10,000		7,10,000

Additional information:

- (i) Depreciation on plant @ 10%.
- (ii) Write off bad debts 5,000
- (iii) Prepaid insurance Rs. 2,000
- (iv) Proposed dividend @10%

Required: Adjustment entries & Work sheet

[2+8=10]

(iii) Profit and Loss Appropriation Account
(iv) Balance Sheet.

[4+4+2+5= 15]

9. The trial balance of Jiri Trading Co. Ltd. on Chaitra 31,2069 is as follows :

Particulars	Amount	Particulars	Amount
Purchase	6,00,000	Sales	8,50,000
Opening Stock	1,65,000	Return Outward	5,000
Carriage	2,000	Provision for Bad debts	3,500
Printing and Stationery	6,000	Rent	1,500
Salaries & Wages	45,000	10% Loan	40,000
Travelling Expenses	5,000	Fixed Deposits	5,000
Bad debts	1,000	Bills Payables	2,000
Insurance	2,000	Pension Fund	5,000
Preliminary Expenses	2,500	Dividend received	4,000
Calls in Arrears	2,000	Capital Reserve	8,000
Book Debt	57,000	Profit and Loss Account	26,000
Cash & Bank	85,500	Share Capital	3,00,000
Rent	13,000	Sinking Fund	10,000
Patent	50,000	Share Premium	5,000
Plant and Machinery	1,80,000	Share Forfeiture	2,000
10% Investment	30,000		
Loose Tools	4,000		
General Expenses	6,000		
Wages and salary	10,000		
Import Duty	1,000		
	<u>12,67,000</u>		<u>12,67,000</u>

Additional Information:

- Closing stock was Rs. 1,60,000.
- Carriage to be paid Rs. 500.
- Goods lost by fire Rs.4,000
- Depreciate plant and machinery by 10%.
- Provision for tax is made at 40% of profit.
- Write off Bad debts Rs. 5,000 and create provision for bad debts @ 5%.
- The directors have decided :
 - 10% dividend on paid up capital.
 - Transfer of Rs. 3,000 to the general reserve account.

Required: (i) Trading Account (ii) Profit and Loss Account.

10. Given below is the balance Sheet of MN. Co. Ltd. as on Chaitra 31,2069

Liabilities	Rs.	Assets	Rs.
Equity shares of Rs. 100 each	5,00,000	Machinery	2,70,000
10% Loan	2,00,000	Land & Building	3,85,000
Reserve & Surplus	50,000	Pre-paid Insurance	10,000
Bills Payable	1,00,000	Stock	80,000
Provision for tax	20,000	Sundry Debtors	70,000
		Cash Balance	50,000
		Brokerage	5,000
Total	<u>8,70,000</u>	Total	<u>8,70,000</u>

Additional Information:

Stock turnover ratio : 10 times

Net Profit Margin : 10%

Required:

- Sales amount
- Liquid ratio
- Debt to total capital ratio
- Capital Employed turnover ratio.
- Earnings per share

[5]

11. The opening and closing balances of different accounts are as under:

Particulars	Year I (Rs)	Year II (Rs)
Bills Receivable	1,10,000	1,30,000
Stock	2,50,000	3,00,000
Cash at bank	40,000	50,000
Sundry creditors	90,000	1,10,000
Expenses due	5,000	2,000
Plan	3,40,000	4,00,000
Loan	75,000	50,000
Share capital	1,00,000	2,00,000
Proposed dividend	40,000	50,000

Required:

- Schedule of changes in working capital
- Funds Flow Statement

[3+2=5]

12. The company's Balance Sheet for two years have been given below:

Liabilities	I	II	Assets	I	II
Share capital	10,00,000	12,00,000	Fixed assets	12,00,000	16,00,000
Share premium	1,00,000	1,20,000	Stock	1,00,000	2,00,000
Debentures	2,00,000	1,00,000	Debtors	3,00,000	2,00,000
Bills payable	1,00,000	80,000	Cash	2,00,000	1,00,000
Account payable	2,00,000	3,00,000			
Retained earning	2,00,000	3,00,000			
	18,00,000	21,00,000		18,00,000	21,00,000

Additional information:

- Sales for the year Rs.10,00,000
- Cost of goods sold Rs.5,00,000
- Operating expenses Rs.2,50,000 (including depreciation Rs.50,000)
- Fixed assets purchased Rs.6,00,000 and book value of fixed assets Rs.40,000 have been sold for Rs.60,000 with profit for Rs. 20,000.
- Dividend paid for the year Rs.40,000
- Premium on redemption of debenture was Rs.20,000

Required: Cash Flow Statement by applying direct method. [10]

13. The Income Statement of X Co. Ltd. for the year ended 31st. December is presented below :

Net Sales		15,00,000
Less Cost of Goods Sold		10,00,000
Gross Profit		5,00,000
Less : Operating & other Expenses:		
Salary	60,000	
Depreciation	50,000	
Selling Expenses	20,000	
Interest	20,000	
Provision for tax	10,000	1,60,000
		3,40,000
Add: Rent received		15,000
Net profit		3,55,000

Opening and Closing Balances :

Particulars	Opening (Rs.)	Closing (Rs.)
Inventories	2,20,000	2,50,000
Sundry Debtors	1,00,000	1,50,000
Bills Receivable	40,000	30,000
Sundry Creditors	1,00,000	1,20,000
Bills Payable	40,000	60,000
Salary due	5,000	10,000
Prepaid Insurance	10,000	12,000

Required: Cash from operating activities by using indirect method.[4]

14. The following are the store transactions of a certain materials during the month of July.

Pouch 1	Opening balance	400 kgs @ Rs. 5 per kg
3	Purchases	500 kgs @ Rs. 6 per kg
7	Issued	800 kgs
11	Return to store	40 kgs
15	Purchases	300 kgs @ Rs. 7 per kg
19	Return to vendor	50 kgs
20	Issued	200 kgs
21	Stock verification found	10 kgs shortage
24	Purchased	400 kgs @ Rs.5.50 per kg

Required: Store ledger under FIFO method [5]

15. 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]

16. Minimum consumption 400 units.
Normal consumption 600 units
Lead time 6-8 days
Required: Minimum stock level. [2]

17. Following information are given:
Weekly working hours = 40 hrs.
Total working weeks = 10 weeks
Hourly output = 8 units
Wage rate per unit of output = Rs. 2
Required: Total wage payable under piece wage system. [2]

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

	Beginning	Ending
Raw material	-	Rs. 10,000
Work-in-progress	Rs.20,000	Rs. 25,000
Finished goods	500 units	600 units

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

Materials purchased	Rs. 85,000
Carriage inward	Rs. 5,000
Direct wages	Rs. 40,000
Factory expenses	Rs. 30,000
Selling and distribution overhead	Rs. 10,000
Office Overheads	Rs. 25,000
Production units	2,000 units

- Profit 10% on cost
Required: Cost Sheet. [5]

19. Following was the details of cost and profit for 500 units with produced and sold during 2069:

Raw material	Rs. 75,000
Wages	Rs. 55,000
Factory overheads	Rs. 30,000
Office overheads	Rs. 38,000
Selling expenses	Rs. 10,000

Profit 25% on selling price

The manufacturer decided to produce 100 units during 2070. It is estimated that-

- The cost of raw material will be increased by 10%.
- Wages cost will be increased by 25%.
- Selling overhead per unit will be reduced by 50%.
- The rate of profit will remain the same.

Required: (a) Cost sheet (b) Tender sheet. [3+7=10]

20. The net profit of a company for the year was Rs. 90,000 as shown by the financial accounting.

- Office overhead is not recorded in cost accounting Rs. 2,000
- Selling overhead under recorded in financial Account Rs. 2,000
- Depreciation charged in financial accounting Rs. 10,000 and in Cost Account Rs. 1,000.
- Interest on investment Rs. 5,000.
- Income tax paid Rs. 20,000 .

Required: Reconciliation statement between financial and cost accounting. [5]

