



First Term Exam – 2071

Grade: XII
Time: 3 hrs.

Subject: Accountancy

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

Set 'A'

1. What are the limitations of financial accounting? Explain any three. [3]
2. What are the types of cost according to variability? Explain briefly with examples. [3]
3. What is centralized store? Write down any two its merits and demerits [3]
4. What is piece rate system of wages payment? Write any four merits of this system. [3]
5. Explain the term classification and codification of materials with examples. [3]
6. Differentiate between allocation and apportionment of overhead. [3]
7. Write down any four duties and responsibilities of storekeeper. [2]
8. The following store transactions are given for the month of April.

April 1	Stock in hand	500 kg @ Rs. 10/kg
8	Purchased from suppliers	1,000 kg @ Rs. 12/kg
10	Issued	700 kg
16	Received from vendors	1,000 kg @ Rs. 13/kg
21	Issued	800 kg
24	Returned to vendor	20 kg (from the purchase of April 16)
27	Purchased	150 kg @ Rs.15/kg
30	Stock verifier found shortage	10 kg

Required: Store ledger under LIFO method [5]
9. The following details of of materials during Asoj ar given:

Asoj 1:	Opening balance of stock 800 units @ Rs.22 each
Asoj 5:	Purchased materials from vendor 1,100 units @ Rs 23 each
Asoj 8:	Issued 1,400 units
Asoj 15:	Returned from department 50 units
Asoj 19:	Purchased 1,700 units @ Rs.24 each
Asoj 22:	Returned 100 units to vendors
Asoj 26:	Issued 1,000 units
Asoj 30:	Stock verification found material damage of 50 units

Required: Store ledger under FIFO method. [5]

10. A manufacturing company provides you the following elements of cost:

	<u>31-12-2009</u>	<u>31-12-2010</u>
Stock of finished goods	500 units	1,500 units
Stock of finished goods	Rs. 13,000	-
Stock of work in progress	Rs. 16,500	Rs. 13,500
Stock of raw material	Rs. 37,500	Rs. 22,500

The information available from cost records for the year ended were as follows:

Manufacturing wages	Rs.90,000
Direct material purchase	Rs.130,000
Carriage on purchase	Rs.5,000
Salaries	Rs.20,000
Custom duty	Rs.8,000
Rent and rates	Rs.12,000
Work expenses	Rs.13,000
Primary packing charges	Rs. 8,000
Advertisement	Rs. 26,000
Other selling expenses	Rs. 2 per unit sold
Production units	5,000 units
Profit on sales	25%

Required:

- a. Cost sheet [9]
- b. Cost per unit. [1]

11. The following information are related to a company for 100 pieces of computer:

Cost of raw materials used	2,00,000
Labour cost	120,000
Direct expenses	80,000
Selling and distribution overhead	30,000
Work overhead	40,000
Office & administrative overhead	45,000
Net profit	25% on the selling price.

Prepare the cost sheet and determine the price that the company should quote to produce 200 pieces of computer considering: [3+7=10]

Other information:

- i. Wages will be increased by 10%
- ii. The company estimates factory overhead on prime cost
- iii. The amount of office overhead remains unchanged
- iv. Selling and distribution overhead per unit will go down by Rs.50
- v. The rate of profit will remain same.

12. Pokhara Grocery Traders supplies the following information:
 Cost per unit: Rs.100.
 Annual requirements: 40,000 pieces.
 Ordering cost per order: Rs.200
 Carrying cost per unit per year: 5% (including rent, interest, insurance Rs. 2)
Required:
 a) Economic Order Quantity.
 b) Number of orders
 c) Total cost at EOQ [2+1+2= 5]

13. The following two components, A and B, are used as follows:
 Consumption: 1,000 kg-1,500 kg/ per day
 Re-order quantity: 2,000 kg
 Lead time: 4 to 6 days
Required:
 a) Minimum stock level
 b) Maximum stock level [3+2=5]

14. The following particulars are given:
 Wages rate per hour = Rs. 24
 Normal output per hour = 3 pieces
 Output of workers:
 Mohan = 1000 pieces
 Gopal = 2000 pieces
Required: Earnings of Mohan and Gopal by under Piece Rate System. [3]

15. Following information are given:
 Wage rate per unit = Rs. 20
 Standard time required per unit = 2 hours
 Time worked by Ramesh = 1,000 hrs.
Required: Total wages earned by Ramesh under Time Rate System [2]

16. Following information are given:
 a) Net loss as per cost accounting Rs.5,000
 b) Factory overhead under recorded in cost accounting Rs. 6,000
 c) Income tax not charged in cost accounting Rs. 12,000
 d) Loss due to obsolescence recorded in financial accounting only Rs.5,000
 e) Preliminary expenses written off Rs. 6,000
 f) Closing stock undervaluation in financial accounting by Rs. 1,000.
Required: Reconciliation Statement [5]

17. The following balances were extracted from the book of a company as on 31st Chaitra, 2070:

Particulars	Dr. Amount	Cr. Amount
Gross profit	-	186,000
Cash at bank	80,000	-
Sundry debtors and creditors	25,000	33,000
Bills receivable and payable	90,000	33,500
Salaries	37,000	-
Investment	90,000	-
Land and building	480,000	-
Furniture	60,000	-
9% debentures	-	400,000
General reserve	-	125,000
Plant and machinery	220,000	-
Calls in arrears	20,000	-
Profit and loss account	-	30,000
Interest on debenture	36,000	-
General expenses	23,000	-
Interim dividend	9,500	-
Reserve for bad debts	-	2,000
Closing stock	76,000	-
Share capital	-	417,000
Total	12,46,500	12,46,500

Additional Information:

- (a) Salaries paid for ten months.
 (b) Provision for tax Rs. 4,000
 (c) The directors have decided 10% dividend on paid up capital.

- Required:**
 a) Profit and loss account
 b) Profit and loss appropriation account
 c) Balance sheet [2+2+4=8]

18. The trial balance of Swarnim Company Limited as on 31st Ashadh, 2071 is as follows:

Particulars	Debit Rs.	Particulars	Credit Rs.
Land and building	11,00,000		
Rent	5,000		
Plant and machinery	4,30,000	Share capital	10,00,000
Wages	30,000		
Preliminary expenses	1,20,000	Sundry creditors	2,00,000
Calls in arrears	40,000	Reserve fund	50,000
Cash in hand	20,000	Sales	15,00,000
Investment	40,000	10% Debentures	5,00,000
Bills receivables	30,000	P/L appropriation a/c	20,000
Goodwill	31,000	Provision for taxation	30,000
Income tax for last year	9,000	Transfer fee	10,000
Debtors	80,000	Discount	5,000
Interim dividend	40,000		
Repairs	10,000		
Purchases	10,00,000		
Sales return	20,000		
Advertisement	20,000		
Audit fees	5,000		
Salary	1,00,000		
Prepaid insurance	25,000		
Stock at beginning	1,00,000		
General expenses	30,000		
Debenture interest	30,000		
Total	33,15,000	Total	33,15,000

Other information:

- Value of closing stock Rs. 3,00,000.
- Provision for tax is made at 30% of profit.
- Directors decided to propose a dividend of 10% on paid up capital and transfer to general reserve of Rs.10,000.
- Provide depreciation on plant at 10%
- Create a reserve for bad debt at 5%.
- Prepaid insurance expired Rs.20,000.

Required:

- Trading account
- Profit and loss account
- Profit and loss appropriation account
- Balance sheet

[3+3+2+4=12]

19. Following is the trial balance provided to you.

Particulars	Debit Rs.	Credit Rs.
Salaries and wages	40,000	-
Book debt	80,000	-
Land and building	6,00,000	-
Share capital	-	2,50,000
Mortgage loan	-	2,00,000
Q & L Appropriation	-	1,00,000
Interim dividend	10,000	-
Sales revenue	-	8,50,000
Purchase	7,00,000	-
Tax paid	50,000	-
Insurance	20,000	-
Provision for tax		1,00,000
Total	15,00,000	15,00,000

Additional information:

- Outstanding salary and wages Rs. 10,000.
- Provision for tax Rs. 15,000
- Prepaid insurance Rs. 8,000
- BOD decided to propose dividend @ 10%.

Required:

- Journal entries for adjustment
- Worksheet

[2]

[8]



First Term Exam – 2071

Grade: XII
Time: 3 hrs.

Subject: Accountancy

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

Set 'B'

1. Differentiate between cost accounting and financial accounting. [3]
2. What is cost accounting? Write any two functions of cost accounting. [3]
3. What are the different types of cost according to element? Explain briefly with examples. [3]
4. What do you mean by allocation and apportionment of overhead? [2]
5. What is centralized purchasing system? Write down its merits and demerits. [3]
6. What is time rate system of wages payment? Write any four merits of time rate system. [3]
7. What is material control? What are the objectives of material control? [3]
8. The following are the details of receipt and issues of materials during March:
 March 1: Beginning inventory 300 tons @ Rs.10 per ton
 March 3: Received from suppliers 500 tons @ Rs 12 per ton
 March 5: Issued to work place 400 tons
 March 10: Returned 50 tons to stores
 March 15: Purchased 1,000 tons @ Rs. 14 per ton
 March 20: Returned to vendor 25 tons
 March 25: Stock verifier found material damage of 10 tons
Required: Store ledger under FIFO method. [5]
9. The following are the store transactions of a certain materials during the month of June.
 June 1 Stock on hand 200 units @ Rs. 2 per unit
 4 Purchased materials 500 units @ Rs. 3 per unit
 10 Issued 600 units
 15 Return to store 50 units
 20 Received from vendor 500 units @ Rs. 4 per unit
 25 Issued 300 units
 28 Stock verifier found 10 units surplus
 30 Purchased material 300 units @ Rs.5

Required: Store ledger under LIFO method [5]

10. Following particulars are extracted from the book of a manufacturing company:

Stock	Beginning	Ending
Raw material	Rs.40,000	Rs.30,000
Work-in-progress	Rs.25,000	Rs.20,000
Finished goods	1000 units	

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

Raw materials purchased	Rs.3,70,000
Salaries	Rs. 54,000
Productive wages	Rs.50,000
Consumable stores	Rs.40,000
Rent and rates	Rs.36,000
Sale of Scrap	Rs. 5,000
Import duty	Rs.10,000
Selling expenses	Rs 32,500
Power and fuel	Rs. 30,000
Freight	Rs.10,000
Selling and distribution overhead	Rs.2 per unit
Director's salary	Rs. 8,000 (20% is related to factory)
Production units	20,000 units
Profit	25% on sales
Sales units	18,000 units

Required:

- a. Cost sheet [9]
- b. Profit per unit [1]

11. The following information are related to a company for 500 units of a DVD:

Raw material cost	Rs. 60,000
Work overhead	Rs. 20,000
Wages	Rs. 40,000
Selling & distribution overhead	Rs. 10,000
Office & Administrative overheads	Rs. 30,000
Profit	20% of cost.

The company plans to produce 1,000 units of DVD in next year. It is estimated that:

- i) Material cost will be decreased by 10%.
- ii) 60% factory overhead is variable.
- iii) Office overheads are unaffected by rise in output.

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

12. Butawal Suppliers supplies the following information:
 Purchase price: Rs.50 per kg.
 Annual usage: 40,000 kg.
 Ordering cost per order: Rs.150
 Insurance & storage cost: Rs.2 per unit
 Carrying cost per unit per year excluding insurance & storage cost: 2%
Required:
 a) Economic order quantity.
 b) Number of orders
 c) Total cost at EOQ [2+1+2= 5]
13. The following information is available:
 Daily needs: 800 kg - 1,000 kg
 Re-order period: 2 – 4 days
 Re-order quantity: 1,500 kg
Required:
 a) Minimum level
 b) Maximum level [3+2=5]
14. The following particulars are given:
 Standard wages rate per hour: = Rs.20
 Standard time required for 2 units: = 1 hour
 Output of workers:
 Prasin 500 units
 Prasiddhi 400 units
Required: Total wages paid to workers under Time Rate System. [3]
15. Following information are given:
 Time spent: 200 hrs
 Output per hour: 8 units
 Standard wage rate : Rs.2 per unit
Required: Total wages payable under Piece Rate System. [2]
16. Following information are given:
 a. Net profit as per financial accounting Rs.50,000
 b. Salary expenses recorded in financial accounting Rs.10,000 and in cost accounting Rs. 8,000.
 c. Goodwill written off Rs. 5,000
 d. Loss on sale of furniture not recorded in cost accounting Rs.4,000
 e. Directors fees recorded in financial accounting Rs. 15,000 and Rs. 10,000 in cost accounting
 f. Opening stock overvaluation in cost accounting by Rs. 5,000.
Required: Reconciliation Statement [5]

17. The Trial Balance of Standard Company as on 31 Chaitra, 2070 is given below :

Particulars	Debit Rs.	Particular	Credit Rs.
Closing stock	60,000	Gross profit	2,44,000
Sundry debtors	1,00,000	Equity shares capital	5,00,000
Salary and wages	50,000	Provision for taxation	5,000
Plant and machinery	4,50,000	Dividend received	4,000
Goodwill	29,000	Sundry creditors	78,000
Land and building	1,80,000	General reserve	1,00,000
Interim Dividend	5,000	Provision for taxation	42,000
Rent	22,500	Share premium	20,000
Selling expenses	17,500	Capital reserve	80,000
Prepaid expenses	1,00,000		
Bank balance	35,000		
Investment	24,000		
Total	10,73,000	Total	10,73,000

Additional Information:

- Depreciate on machinery by 10% p.a.
- Prepaid rent Rs.2,500.
- Proposed dividend @ 10% on share capital

Required:

- Profit & Loss Account
- Profit & Loss Appropriation Account
- Balance Sheet

[2+2+4=8]

18. Following is the trial balance extracted on 31st Ashadh 2071.

Particulars	Rs.	Particulars	Rs.
Opening stock	1,85,000	Sales	11,70,000
Purchases	520,000	Return	10,000
Return	12,000	10% loan	50,000
Manufacturing wages	1,10,000	Share capital	4,00,000
Carriage inwards	14,000	P/L Appropriation	25,000
Interest on loan	4,000	Creditors	62,000
Office salaries	18,000		
Directors' fees	24,000		
Preliminary expenses	6,000		
Furniture	15,000		
Land and building	3,64,000		
Plant and machinery	1,40,000		
Debtors	1,05,000		
Cash	1,16,000		
Income tax paid last year	84,000		
Total	17,17,000	Total	17,17,000

Additional information

- i. Market value of closing stock is at Rs.1,10,000 and its cost price is Rs. 124,000
- ii. Depreciate plant and furniture by 10% each.
- iii. Make a provision for tax @ 40%.
 - i. Provision for bad debt is to be created by 10%
- iv. Outstanding wage Rs.2,500.
- v. The directors proposed a dividend @ 10% and transfer to general reserve Rs.3,000.

Required:

- a) Trading account
- b) Profit and loss account
- c) Profit and loss appropriation account
- d) Balance sheet

[3+3+2+4=12]

19. A company supplies the following account balance as on 31 December, 2013.

Particulars	Debit Rs.	Particulars	Credit Rs.
General expenses	50,000	Share capital	2,50,000
Opening stock	50,000	P/L appropriation	25,000
Land and building	3,78,000	Sales revenue	3,60,000
Interim dividend	4,000	Provision for tax	15,000
Purchase	1,80,000	Accounts payable	50,000
Insurance premium	30,000		
Tax paid	8,000		
	7,00,000		7,00,000

Additional information:

- i. Provision for tax Rs.60,000.
- ii. General expenses due Rs.4,000
- iii. Unexpired insurance Rs. 10,000
- iv. BOD decided to propose dividend @ 10%

Required:

- a) Journal entries for adjustment [2]
- b) Worksheet [8]