



Second Term Exam-2071

Grade: XII  
Time: 3:00 hrs.

Subject: Accountancy

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

Set A

1. Differentiate between private and public company. [3]
2. What is cost accounting? Explain briefly its any two objectives. [2+1=3]
3. What are the different types of cost according to functions? [3]
4. Explain the term 'Classification and Codification of materials. [3]
5. Explain in brief any two limitations of financial statement analysis. [3]
6. Show any two differences between allocation and apportionment of overhead. [2]
7. What is piece rate system of wages payment? Mention its any two disadvantages. [2+1= 3]
8. **Trail Balance of Falguni Company Ltd. as on 31<sup>st</sup> December, 2014 is given below:**

Particulars	Dr. (Rs.)	Cr. (Rs.)
Opening stock	10,000	
Plant & machinery	1,80,000	
Net purchases	4,33,000	
Cash balance	40,000	
Book debt	14,000	
Salaries	10,000	
Capital reserve		10,000
Interim dividend	15,000	
Insurance	50,000	
Debenture		50,000
Net sales		4,00,000
Share capital		1,70,000
P/L Appropriation A/C		50,000
Tax paid for 2013	54,000	

Unearned commission		12,000
Sundry creditors		34,000
Provision for tax for 2013		80,000
<b>Total</b>	<b>8,06,000</b>	<b>8,06,000</b>

**Additional Information:**

- (i) Salary expenses for the year Rs.12,000
- (ii) Unearned commission was earned to the extent of Rs.10,000
- (iii) Depreciation on machinery @ 10%
- (iv) Proposed dividend @ 10%

**Required:** Adjustment Entries & Work Sheet [2+8=10]

9. **Trial balance of Super Sony Trading Co. Ltd. on Chaitra 31, 2070 is as follows:**

Particulars	Amount	Particulars	Amount
Salaries & wages	30,000	Sales	6,00,000
Stock (1-1-2070)	40,000	Equity share capital	3,00,000
Sundry expenses	15,000	Provision for bad debts	8,000
Rent	20,000	Rent received	10,000
Preliminary expenses	20,000	Debenture	60,000
Plant and machinery	1,50,000	Interest on investment	5,000
12% Investment	50,000	Provision for tax for 2069	15,000
Furniture	25,000	Account payables	35,000
Insurance	10,000	Sinking fund	20,000
Motive power	5,000	General reserve	9,000
Purchase	4,00,000	P/L App. A/C	38,000
Salesman commission	10,000		
Bad debts	5,000		
Interim dividend	10,000		
Land and building	2,00,000		
Book debt	40,000		
Calls in arrears	10,000		
Bank balance	50,000		
Tax paid for 2069	10,000		
<b>Total</b>	<b>11,00,000</b>	<b>Total</b>	<b>11,00,000</b>

**Additional Information:**

- (a) Cost and market price of ending inventory Rs. 1,50,000 and Rs. 160,000 respectively.
- (b) Salaries & wages paid for 15 months.

- (c) Write off 20% preliminary expenses.  
 (d) Depreciate plant and machinery by 10%  
 (e) Provision for tax is made at 30% of profit.  
 (f) Create provision for bad debts @ 5% after writing off bad debts Rs. 2,000.  
 (g) The directors have decided:  
 (i) 10% dividend on paid up capital.  
 (ii) Transfer of Rs. 5,000 to the general reserve.

**Required:**

- (i) Trading Account (ii) Profit and Loss Account  
 (iii) Profit and Loss Appropriation A/C (iv) Balance Sheet

[4+4+2+5= 15]

**10. Given below is the balance sheet of D. Co. Ltd. as on Chaitra 31, 2070**

Liabilities & Capital	Rs.	Assets	Rs.
Equity shares of Rs. 100 each	4,00,000	Plant & machinery	2,00,000
5% preference share capital	1,50,000	Other fixed assets	3,50,000
10% Bank loan	50,000	Inventories	50,000
Reserve & surplus	90,000	Sundry Debtors	50,000
Sundry creditors	20,000	Cash Balance	60,000
Bank overdraft	10,000	Preliminary Expenses	10,000
<b>Total</b>	<b>7,20,000</b>	<b>Total</b>	<b>7,20,000</b>

**Additional Information:**

- Inventory turnover ratio : 10 times  
 Net Profit after tax : 20% on sales

**Required:**

- (i) Amount of sales (ii) Current ratio  
 (iii) Total shareholders' equity (v) Earnings per share  
 (iv) Fixed assets turnover ratio

[5]

**11. Following figures are extracted from the two years' comparative balance sheets of Hridddhi Company Ltd:**

	2069	2070
Equity share capital	3,50,000	5.50.000
10% Preference share capital	2,00,000	1,50,000
8% Debenture	50,000	1,50,000
Preliminary Expenses	50,000	45,000
Patent	30,000	25,000

**Additional information:**

- a. Net profit for the year Rs. 75,000.  
 b. Dividend paid for the year Rs. 25,000.  
 c. Depreciation charged on machinery Rs. 30,000.  
 d. Machinery purchased during the year Rs. 60,000.  
 e. A plant costing Rs. 40,000 with accumulated depreciation Rs. 10,000 was sold for Rs. 35,000.

**Required:** (i) Funds from operation

- (ii) Funds flow statement

[3+2=5]

**12. Comparative balance sheets of Swyambhu Ltd. for the year 2013 and 2014 are given below:**

Liabilities/Capital	2013	2014	Assets	2013	2014
Equity share capital	4,00,000	5,00,000	Land & building	2,00,000	3,00,000
8% preference S. capital	50,000	-	Plant & machine	1,00,000	2,50,000
P/L App. A/C	1,00,000	2,30,000	Investment	1,10,000	60,000
10% debentures	40,000	1,00,000	Sundry debtors	50,000	60,000
Sundry creditors	20,000	25,000	Inventory	30,000	40,000
Outstanding rent	5,000	12,000	Cash	35,000	50,000
Accumulated depreciation	10,000	40,000	Bank	100,000	147,000
<b>Total</b>	<b>6,25,000</b>	<b>9,07,000</b>	<b>Total</b>	<b>6,25,000</b>	<b>9,07,000</b>

**Additional information:**

- a) Sales for the year 2014 Rs. 10,00,000.  
 b) Cost of goods sold Rs. 6,00,000.  
 c) Operating expenses (including depreciation Rs. 30,000 and interest on debenture Rs. 4,000) Rs. 2,25,000.  
 d) A part of plant costing Rs. 70,000 with accumulated depreciation Rs. 20,000 was sold at a gain of Rs. 10,000.  
 e) Purchase of plant for Rs. 2,20,000.  
 f) Dividend paid Rs. 30,000.  
 g) Preference shares were redeemed at 10% premium.

**Required:** Cash flow statement under direct method [10]

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

Annual consumption = 20,000 units  
 Ordering cost = Rs.150 per order  
 Unit cost = Rs.10  
 Carrying cost = 20% of inventory value.

**Required:** (i) Economic Order Quantity (ii) No. of orders [2 + 1=3]

**14. The following particulars relating to materials are given:**

Usage : 900-1200 units per day  
 Re - order quantity : 3,000 units  
 Lead time : 5-9 days

**Required:** Minimum Stock Level [2]

**15. Following stores relating are given to you:**

May 1: Opening balance of materials 700 kg @ Rs. 7 per kg  
 May 5: Received 500 kg @ Rs. 8 per kg from vendor  
 May 8: Return to vendor 50 kg  
 May 12: Issued 800 kg  
 May 14: Received 700 kg @ Rs. 9 per kg  
 May 18: Issued 600 kg  
 May 24: Returned 20 kg from job place  
 May 28: Received 400 kg @ Rs.10 per kg  
 May 30: Stock verification found shortage of 5 kg

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

**16. Following information relating to wage payment are given:**

Wage rate per hour : Rs. 20  
 Standard time required : 5 hours per piece  
 Production : 400 pieces

**Required:** Wages payable under time rate system [2]

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

	<b>Beginning</b>	<b>Ending</b>
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:

Purchase of raw materials 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:** a. Cost Sheet [7]  
 b. Profit per unit [1]

**18. Following figures have been extracted from the cost records of a manufacturer for the production and sale of 2,000 units**

Cost of raw materials Rs. 80,000  
 Direct wages 40,000  
 Factory overhead 30,000 (based on direct wages)  
 Office overhead 20,000  
 Selling expenses 10,000  
 Rate of profit 20% on selling price.

The manufacturer decides to produce and sell 4,000 units in coming year. It is estimated that the cost of raw material and labour cost will increase by 20% and 10% respectively, 30 % 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 [2+8=10]

**19. Net profit of a company is Rs. 50,000 shown by cost accounting which is different with financial accounting. Causes of differences are:**

- (a) Selling overhead under charged in financial accounting by Rs.8,000.
- (b) Bank interest credited in financial accounting Rs. 4,000 only.
- (c) Preliminary expenses written off recorded only in financial accounting Rs. 5,000.
- (d) Income tax paid Rs.20,000
- (e) Closing stock recorded Rs.150,000 in cost accounting and in financial accounting Rs. 140,000.

**Required:** Cost Reconciliation Statement

[5]

**Good Luck**



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

Set B

1. What is company? Explain in brief its any two features. [3]
2. What is financial accounting? Explain briefly its any two limitations. [2+1=3]
3. Explain the different types of cost according to variability. [3]
4. Explain the term 'allocation and apportionment of overhead. [3]
5. Explain in brief any two objectives of ratio analysis. [2]
6. What is decentralized store? What are its advantages? [1+2=3]
7. What is time rate system of wages payment? Mention its any two disadvantages. [2+1= 3]

8. Following is trail balance of Sushmita Company Ltd. For the year ended 31 December, 2014

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Stock (1-1-2014)	30,000	Equity share capital	2,50,000
Net purchase	2,50,000	P/L Appropriation A/C	45,000
Salary and wages	35,000	Sundry creditors	40,000
Land and building	2,00,000	Net sales	4,50,000
Other fixed assets	2,00,000	Provision for tax for 2013	15,000
Cash and bank	35,000	Bank loan	40,000
Trade debtors	80,000	Rent received	45,000
Prepaid Rent	30,000		
Tax paid for 2013	10,000		
Interim dividend	15,000		
<b>Total</b>	<b><u>8,85,000</u></b>	<b>Total</b>	<b><u>8,85,000</u></b>

Additional information:

- (i) Appreciate land by 10%.
- (ii) Bad debts written off 5,000

(iii) Prepaid rent expired Rs. 20,000 (iv) Proposed dividend @10%  
Required: Adjustment Entries & Work Sheet [2+8=10]

9. The trial balance of Jiri Trading Co. Ltd. on Chaitra 31, 2070 is as follows:

Particulars	Amount	Particulars	Amount
Beginning inventory	65,000	Net sales	8,00,000
Net purchase	5,00,000	Interest on investment	10,000
Carriage inward	5,000	Rent	12,000
Printing and stationery	10,000	10% Bank loan	80,000
Salaries	40,000	Bank overdraft	25,000
Bad debts	5,000	Bills payables	25,000
Wages	15,000	Share capital	3,00,000
Prepaid insurance	6,000	Share premium	35,000
Land & building	2,00,000	Capital reserve	10,000
Discount on issue of share	15,000	Provision for bad debts	3,000
Calls in Arrears	10,000	P/L App. A/C	56,000
Trade debtors	40,000		
Cash at bank	60,000		
Rent	20,000		
Patent	30,000		
Plant and machinery	2,00,000		
10% investment	1,00,000		
Interim dividend	25,000		
Miscellaneous expenses	10,000		
<b>Total</b>	<b><u>13,56,000</u></b>	<b>Total</b>	<b><u>13,56,000</u></b>

Additional Information:

- (a) Closing stock was Rs. 2,00,000.
- (b) Rent paid for 10 months only.
- (c) Prepaid insurance expired to the extent of Rs. 2,000
- (d) Depreciate plant and machinery by 10%.
- (e) Provision for tax is made at 40% of profit.
- (f) Write off Bad debts Rs. 5,000 and create provision for bad debts @ 5%.
- (g) BODs have decided to:
  - (i) Propose dividend 10% on paid up capital.
  - (ii) Transfer of Rs. 5,000 to the general reserve account.

Required: (i) Trading Account

(ii) Profit and Loss Account.

- (iii) Profit and Loss Appropriation Account  
 (iv) Balance Sheet. [4+4+2+5= 15]

**10. Following is the balance sheet of Jumana. Co. Ltd. as on Chaitra 31, 2070**

Liabilities & Capital	Rs.	Assets	Rs.
Equity shares of Rs. 100 each	2,00,000	Plant & machinery	1,00,000
6% Preference share capital	1,00,000	Land & building	2,55,000
Reserve & surplus	60,000	Investment	50,000
P & L appropriation A/C	50,000	Inventory	35,000
10% Debenture	1,00,000	Bills receivable	70,000
Creditors	50,000	Cash balance	50,000
Provision for tax	10,000	Preliminary expenses	10,000
<b>Total</b>	<b>5,70,000</b>	<b>Total</b>	<b>5,70,000</b>

**Additional Information:**

- Gross profit : Rs. 90,000  
 Gross profit margin : 30%  
 Dividend declared to equity : Rs. 10,000  
 Operating expenses (including interest): Rs. 40,000

**Required:**

- a. Sales amount  
 b. Net profit ratio  
 c. Quick ratio  
 d. Dividend per share  
 e. Capital employed turnover ratio. [5]

**11. Following particulars are extracted from the comparative balance sheet of a company for 2013 and 2014:**

Particulars	2014 (Rs)	2013 (Rs)
Marketable securities	1,00,000	1,40,000
Cash at bank	2,00,000	1,20,000
Inventory	60,000	30,000
Sundry creditors	50,000	40,000
Rent due	30,000	20,000
Reserve	15,000	10,000
Goodwill	30,000	40,000
Share capital	2,00,000	1,00,000
Proposed dividend	40,000	30,000
Provision for depreciation	50,000	30,000

**Additional information:**

- Net profit for the year Rs. 100,000
- A plant costing Rs. 40,000 with accumulated depreciation of Rs. 10,000 was sold at a gain of Rs. 5,000.
- Depreciation for the year Rs. 30,000.

**Required:** a. Schedule of changes in working capital

b. Funds from operation [3+2=5]

**12. Comparative balance sheets of Swechha Ltd. for the year 2069 and 2070 are given below:**

Liab/Capital	2069	2070	Assets	2069	2070
Equity share capital	5,00,000	7,00,000	Plant & machine	5,00,000	6,00,000
8% Pref. share capital	2,00,000	1,20,000	Bills receivable	60,000	1,00,000
Share premium	50,000	70,000	Inventory	40,000	1,00,000
5% Debentures	1,00,000	40,000	Prepaid rent	30,000	10,000
Bills payable	50,000	30,000	Investment	3,00,000	2,00,000
Creditors	1,50,000	2,00,000	Cash	50,000	1,00,000
P/L App. A/C	80,000	1,50,000	Bank	1,50,000	2,00,000
<b>Total</b>	<b>11,30,000</b>	<b>13,10,000</b>	<b>Total</b>	<b>11,30,000</b>	<b>13,10,000</b>

**Additional information:**

- Sales for the year Rs.12,40,000
- Cost of goods sold Rs.7,00,000
- Operating expenses Rs.3,00,000 (including depreciation Rs. 26,000)
- A new plant was purchased Rs.3,00,000
- A part of plant whose book value of Rs.50,000 have been sold at a loss of Rs.5,000.
- Dividend paid for the year Rs. 35,000
- Debentures were redeemed at premium of Rs. Rs. 6,000

**Required:** Cash Flow Statement under direct method [10]

13. The following are the store transactions of materials during the month of July.

Poush 1	Stock at beginning	600 units@ Rs. 10 per unit
3	Purchases	900 units@ Rs. 12 per unit
7	Issued	1,000 units
11	Return to store	40 units
15	Purchases	300 units@ Rs. 7 per unit
19	Return to vendor	50 units
20	Issued	200 units
21	Stock verification found	10 units shortage
24	Purchased	400 units@ Rs.5.50 per unit

**Required:** Store ledger under FIFO method [5]

14. Following materials related information are given to you:

Annual requirement	: 50,000 kg
Cost per unit	: Rs.150
Ordering cost per order	: Rs.50
Insurance per unit	: Rs.10
Carrying cost per unit	: 10% of average inventory (excluding insurance)

**Required:** a. Economic Order Quantity (EOQ) [2]  
b. Total Cost of EOQ

15. Following stock related information are given to you:

Consumption	: 1,000 units – 1,500 units.
Lead time	: 5-7 days
Reorder Quantity	: 8,000 units

**Required:** Maximum Level [3]

16. Following information are given to you:

Output per hour	: 5 units
Total time worked (spent)	: 400 hours
Wage rate per unit of output	: Rs. 2

**Required:** Total wage paid to workers under piece wage system. [2]

17. Following stock information of Sushma Manufacturing Company for the month of January are given to you:

	January 1	January 31
Raw material	Rs. 50,000	Rs. 40,000
Work-in-progress	Rs. 18,000	Rs. 13,000
Finished goods	1,000 units	2,000 units

**Production : 7,000 units**

**Other cost information are given from the records of cost department for the month ended:**

Materials purchased	Rs. 40,000
Carriage inward	Rs. 3,000
Direct wages	Rs. 30,000
Factory expenses	Rs. 20,000
Office Overheads	Rs. 15,000
Profit	10% on cost

Selling, advertising and other distribution cost per unit: Rs.1.5

**Required:** a. Cost Sheet [7]  
b. Selling price per unit [1]

18. Following information relating to cost of manufacturing and profit for the output of 1,000 units are given to you:

Raw material	Rs. 1,00,000
Wages	Rs. 60,000
Factory overheads	Rs. 40,000 (based on prime cost)
Office overheads	Rs. 30,000
Selling expenses	Rs. 10,000
Profit	20% on cost

**The company decided to produce 1,500 units and estimated that:**

- (a) Raw material cost will increase by 10%.  
(b) Wages cost will be increased by 20%.  
(c) Office overhead will not be affected due to the rise in output  
(d) Selling overhead per unit will be reduced by 20%.  
(e) The rate of profit will remain constant.

**Required:** a. Cost Sheet b. Tender Sheet [2+8=10]

**19. The net loss of a company for the year is Rs. 20,000 shown by financial accounting.**

- (i) Goodwill written off not recorded in cost accounting Rs. 2,000
- (ii) Salary under absorbed by financial accounting Rs. 2,000
- (iii) Selling overhead recorded in financial accounting Rs. 10,000 and in cost accounting Rs. 1,000.
- (iv) Interest on loan Rs. 10,000 not recorded by cost accounting.
- (v) Loss on materials due to obsolescence Rs. 20,000 in financial accounting.

**Required:** Cost Reconciliation Statement

[5]

**Good Luck**