

Sub Code: 224

HISSAN KASKI–Grade XII

Pre-Board Examination 2071

Principles of Accountancy II

Program: Management

Time: 3 hour

Candidates are required to give their answers in their own words as far as practicable. The figures in the margin indicate full marks.

F.M.:100

P.M.:35

Shift : Day

Attempt ALL questions

(सबै प्रश्नहरू अनिवार्य छन् ।)

1. Write any three types of company on the basis of liability. (3)
(दायित्वका आधारमा कम्पनीका कुनै तीनवटा किसिमहरू लेख्नुहोस् ।)
2. Give any two points to differentiate the Equity Shares and Preference Shares. (2)
(साधारण शेयर र पूर्वाधिकार शेयरबीच कुनै दुई भिन्नताहरू लेख्नुहोस् ।)
3. Mention any three objectives of Financial Statement Analysis. (3)
(वित्तीय विवरण विश्लेषणका कुनै तीनवटा उद्देश्यहरू लेख्नुहोस् ।)
4. Write any two importance of Ratio Analysis. (2)
(अनुपात विश्लेषणका कुनै दुईवटा फाईदाहरू लेख्नुहोस् ।)
5. List any three differences between Cost and Financial Accounting. (3)
(लागत लेखा र वित्तीय लेखाबीच कुनै तीनवटा फरकहरू लेख्नुहोस् ।)
6. Write the meaning of bin Cards. (2)
(बिन कार्डको अर्थ लेख्नुहोस् ।)
7. Differentiate between Fixed and Variable Cost. (2)
(स्थिर लागत र परिवर्तनशील लागतबीच भिन्नता देखाउनुहोस् ।)
8. Write the meaning of the apportionment of overheads. (3)
(अप्रतक्ष्य खर्चहरूको वाडफाड भनेको के हो लेख्नुहोस् ।)

9. Miracle Company Limited issued 25,000 equity shares of Rs 100 each. Due amount payable is as follows:

On application Rs 20

On allotment Rs 40

On first call Rs 30

On final call Rs 10

Applications were received for 35,000 shares. The directors decided to make pro-rata allotment to utilize the excess amount.

Required: Journal entries for: (i) Application (ii) Allotment (iii) First call (iv) Final call (2+2+2=6)

10. A & B co. Ltd. forfeited 500 shares of Rs 100 each, issued at 10% discount, for non-payment of allotment Rs 25 (including discount) and first and final call of Rs 35 per share. Out of them, only 200 shares were re-issued at Rs 70 per share as fully paid up.

Required: Journal entries for i) Forfeiture, and

ii) Re-issue. (2+2=4)

11. Miteri Company Ltd issued 25,000 shares of Rs 10 each and cash Rs 50,000 to Nishan Co. Ltd to purchase the following assets and liabilities:

Plant and Machinery Rs 2,00,000 Furniture Rs 90,000

Account Payable Rs 30,000

Required: Journal entries. (3)

12. A company redeemed 7,000, 10% debentures of Rs 100 each at a discount of 10% by converting them into equity shares of Rs 100 each issued at par.

Required: Journal entries. (3)

13. A company shows the following account balance as on 31st Dec.

Cash Rs 10,000 Supplies Rs 6,000

Prepaid insurance Rs 1,800 Equipment Rs 50,000

Account payable Rs 8,000 Capital Rs 20,000

Service revenue Rs 72,000 Salaries Rs 21,000

Sundry expenses Rs 11,200

Additional Adjustments:

(a) Salaries unpaid Rs 4,000

(b) Supplies on hand Rs 500

(c) Insurance expired Rs 1,300

(d) Depreciation on equipment is to be charged @ 10% per annum.

Required: Ten column work sheet.

(2+6=8)

14. The following is the Trial Balance drawn up on 31st Chaitra

Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening stock	1,50,000	Sales	7,30,000
Purchases	4,90,000	Discount	6,000
Furniture	100,000	P/L account	30,000
Rent	8,000	Share capital	2,20,000
Plant	58,000	General reserve	30,000
Debtors	65,000	Creditors	55,000
Wages	62,000	Purchase return	10,000
Salaries	15,000		
Sundry expenses	12,000		
Calls-in arrears	20,000		
Cash	51,000		
Trade mark	50,000		
	10,81,000		10,81,000

Additional information:

- Closing stock was valued Rs 500,000
- Make a provision for tax @ 50% and transfer Rs 10,000 to general reserve
- Depreciate plant and furniture by 10% each
- Outstanding rent Rs 400,000
- The directors proposed a dividend @ 10%

Required: a) Trading account b) Profit and loss account c) Profit and loss appropriation account d) Balance sheet (2+4+2+4=12)

15. A company provides the following information for analysis:

Closing stock Rs 50,000	Sales Rs 3,00,000
Creditors Rs 34,000	Fixed assets Rs 60,000
Cash Rs. 10,000	Bank Rs 21,000
Bills receivable Rs 15,000	Overdraft Rs 17,000
Bills Payable Rs 9,000	

Required: a) Current ratio b) Quick ratio c) Inventory turnover ratio d) Fixed assets turnover ratio (2+1+1+1=5)

16. The following details are provided:

Profit for the year	Rs 46,000
Depreciation on fixed assets	Rs 14,000
Dividend paid	Rs 28,000
Issued of shares	Rs 40,000
Goodwill written off	Rs 40,000
Purchased of plant	Rs 68,000
Sales of furniture	Rs 28,000

Required: a) Funds from operation b) Funds flow statement (2+3=5)

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

Liabilities	Year I	Year II	Assets	Year I	Year II
Share capital	10,00,000	12,00,000	Fixed assets		
Share premium			Stock	12,00,000	16,00,000
Debentures	1,00,000	1,20,000		1,00,000	2,00,000
Bills payable	2,00,000	1,00,000	Account receivable		
Account payable	1,00,000	80,000		3,00,000	2,00,000
Retained earning	2,00,000	3,00,000	Cash	2,00,000	1,00,000
	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. 12,00,000
- Cost of goods sold Rs. 7,00,000
- Operating expenses Rs. 2,00,000
- Fixed assets purchased 6,00,000 and fixed assets costing Rs 40,000 have been sold for Rs 60,000
- Dividend paid for the year Rs 40,000
- Premium on redemption of debenture Rs 20,000

Required: Cash flow statement by applying Direct Method
(5+2+2+1=10)

18. The following are the store transactions of a certain materials during the month of Magh:

- Magh 1: Opening stock 400 units @ Rs 10 per unit
- Magh 5: Receipts from vendor 600 units @ Rs 10.50 per unit
- Magh 12: Issued 800 units
- Magh 18: Return from factory 50 units
- Magh 22: Receipts from vendor 1,000 units @ Rs 11 per unit.
- Magh 28: Return to vendor 20 units (Purchased on 5th Magh)

Required: Store ledger under FIFO method. (5)

19. 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)

20. Following information are given:

- Weekly working hours 40 hrs Total working weeks 10 weeks
- Hourly output 8 units Wage tare per unit of output Rs 2

Required: Total wages payable under Piece Wage System. (2)

21. The account of a factory shows the following information.

- Materials Rs 3,00,000
- Wages Rs 2,50,000
- Factory overhead Rs 50,000
- Office overhead Rs 30,000

The company received a tender for 100 units. It is estimated that;

- a. The expenses for materials and wages are Rs 200 and Rs 100 per unit respectively.
- b. Office overhead is to be increased by 10%

c. Profit is 20% on selling price

Required:

- a) Cost sheet (3)
- b) Tender sheet (7)

22. From the following figures, prepare a reconciliation statement and find

out profit as per the cost account.	(5)
Net profit as per financial account	Rs 1,00,000
Work overhead under-recovered in cost account	Rs 4,000
Depreciation overcharged in financial account	Rs 10,000
Interest received but not included in costing	Rs 8,000
Income tax provided in financial account	Rs 20,000
Bank interest credited in financial account	Rs 1,000