

INTERMEDIATE EXAMINATION

June 2015

P-5(FAC)
Syllabus 2012

Financial Accounting

Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

This paper contains seven questions. All questions are compulsory, subject to instruction provided against each question.

All workings must form a part of your answer.

Assumptions, if any, should be clearly stated.

Please (1) Answer all bits of a question at one place,

(2) Open a new page for answer to a new question.

1. Answer all the questions:

2×10=20

- (a) MENZ LTD. purchased goods at the cost of ₹ 20 Lakh in Oct 2014. Till March 31,2015, 75% of the Stocks were sold. The company wants to disclose stock at ₹ 5 Lakh. The expected Sales Value is ₹ 5.5 Lakh and a Commission at 10% on sale is payable to the agent.

What is the correct Closing Stock to be disclosed as at 31.03.2015 as per AS-2?

- (b) PARASH LTD. purchased a machine costing ₹ 72 Lakh on 01.04.2014 and the same was fully financed by foreign currency loan (US Dollars) payable in two annual equal instalments. Exchange rates were 1 US Dollar = ₹ 57.60 and ₹ 60.00 as on 01.04.2014 and 31.03.2015 respectively. First instalment was paid on 31.03.2015. What is the amount of difference to be charged to Profit and Loss Accounts for the year 2014-15 as per AS 11.
- (c) GOPI purchased a plant on hire purchase system from GOPAL on 01.04.2015. The hire purchase rate was settled at ₹ 72,000, payable at ₹ 22,000 on 01.04.2015 and ₹ 25,000 at the end of two successive years. Interest was charged @ 5% P.A. [Given PVI FA (at 5%, 2 years) = 1.8594]

Ascertain the cash price of the plant.

- (d) Compute the income from subscription for the year 2014 from the following particulars relating to TARUN CLUB:

	01.01.2014	31.12.2014
	₹	₹
Outstanding subscription	9,500	7,000
Advanced subscription	2,800	5,200
Subscription received during the year 2014		₹ 1,45,000

- (e) X, Y and Z are partners in the ratio of 3:2:1. W is admitted with 1/6th share in future profits. Z would retain his original shares. Find out the new profit sharing ratios of the partners.

Please Turn Over

- (f) ANKIT LTD. provided the following particulars:
Debtor's ledger includes ₹ 5,000 due from Kumar & Co.
Creditor's ledger includes ₹ 3,000 due to Kumar & Co.
Give Journal Entry to record the above under Self-Balancing System.
- (g) From the information of AMBA LTD. received from its branch -AB, **calculate** the invoice price of goods sent to branch and Profit included thereon.

Goods received from H.O.(AMBA LTD)	—	₹ 1,00,000
Goods in transit from H.O.	—	₹ 50,000

Goods are invoiced to branch at cost plus 25%.

- (h) NUPUR CONSTRUCTION LTD. obtained a contract for construction of a Fly-Over. Following information is available for the year ended March 31, 2015:

	₹ in Lakh
Total Contract Price	500
Work certified	300
Work not certified	50
Estimated further cost to completion	190
Progress payment received	200

What will be the foreseeable loss to be shown in the accounts of 2014-15 as per AS-7.

- (i) GRIZA LIFE INSURANCE CO.LTD. furnishes the following information:

Life Insurance fund as on 31.03.2014	₹ 26,56,000
Net Liability on 31.3.2014 as per actuarial valuation	₹ 10,34,000
Interim Bonas paid to Policy holders during intervaluation period	₹ 1,23,800
Amount proposed to carry forward amount of	₹ 2,55,000

What is the amount of share of Shareholders?

- (j) CHANDU purchased 2500,12% Debenture of MENZ LTD on May 1, 2015 at ₹ 108 cum-interest (full value of debentures ₹ 100). Interest is paid on 30th June and 31st December in every year. **Ascertain** the amount of interest and cost of debentures.

2. Answer *any two* questions (Carrying 4 marks each):

- (a) Journalise the following transactions in the books of SHIVA.

01.05.2015	—	Started business with ₹ 5,00,000 of which 50% amount was borrowed from SBI and 20 % amount was borrowed from his sister Patta.
05.05.2015	—	Purchased goods from Chinu Mart worth ₹ 1,60,000 at 25% trade discount and 40% amount paid in cash.
08.05.2015	—	Sold goods to Satish ₹ 60,000 at 20% trade discount and received $\frac{1}{4}$ amount in cash.
15.05.2015	—	Paid to Chinu Mart ₹ 69,500 in full settlement of A/c.