

Paper 2- Fundamentals of Accounting

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Full Marks :100

Time allowed: 3 hours

Section A

I. Choose the correct answer from the given four alternatives: [6 × 1 = 6]

1. : (a)
2. : (b)
3. : (b)
4. : (b)
5. : (d)
6. : (b)

II. State whether the following statements are True (or) False. [6 × 1 = 6]

1. : False
2. : True
3. : True
4. : True
5. : False
6. : True

III. Journalise the following transactions: [3 × 2 = 6]

Journal Entries

Date	Particulars	L.F.	Debit (₹)	Credit (₹)
1.	Cash A/c Dr. To X's Capital A/c [Being Capital brought into business]		20,000	20,000
2.	Wages A/c Dr. To Cash A/c [Being wages paid]		5,000	5,000
3.	Cash A/c Dr. To Rent A/c [Being rent received]		5,000	5,000

IV. Fill in the blanks: [6 × 2 = 12]

1. Trade mark is an **Intangible Asset**.
2. Error of principle will have **no** effect on trial balance.
3. Income received in advance is a **Liability** A/c.
4. The withdrawal of money by the owner from business is called **Drawings**.
5. **Del-Credere** commission is given to consignee for bearing the bad debts at his end.
6. The person on whom bill is drawn is called **Drawee**.

V. Match the following [6 × 1 = 6]

1. — D
2. — F
3. — E
4. — A
5. — C
6. — B

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VI. Answer any three questions. Each question carries 8 marks.

[3 × 8 = 24]

1.

Three Columnar Cash Book

Date	Particulars	L.F.	D.A.	Cash	Bank	Date	Particulars	L.F.	D.R.	Cash	Bank
1.12.12	To Balance b/d			12,000	24,000	14.12.12	By Hari A/c		400		9,600
3.12.12	To Sales A/c			6,000		20.12.12	By Commission A/c			500	
8.12.12	To Madhu A/c		200	5,800		25.12.12	By Bank A/c	'C'		3,500	
23.12.12	To Govind A/c		500	3,500		26.12.12	By Furniture A/c			2,000	
25.12.12	To Cash A/c	'C'			3,500	28.12.12	By Cash A/c	'C'			5,000
28.12.12	To Bank A/c	'C'		5,000		30.12.12	By Salaries				1,000
						31.12.12	By Balance c/d			26,300	11,900
			700	32,300	27,500				400	32,300	27,500
01.01.13	To Balance b/d			26,300	11,900						

2.

Consignment Account

Dr.		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)
To Goods Sent on Consignment A/c	20,000	By Goods sent on Consignment	5,000
To Cash (Expenses)	800	By Sanjoy (Sales)	17,600
To Sanjoy A/c (Expenses)	900	By Stock on Consignment	4,180
To Sanjoy A/c (Commission)	880		
To Stock Reserve	1,000		
To Profit & Loss A/c	3,200		
	26,780		26,780

3.

Bank Reconciliation Statement

	Particulars	Amount (₹)	Amount (₹)
	Balance as per Cash Book		58,000
Add:	Cheques issued but not presented	25,000	
	Interest Credited in Pass Book only	1,500	26,500
			84,500
Less:	Dishonoured Cheque not recorded in Cash Book	20,000	
	Bank Charges debited in Pass Book only	120	20,120
	Balance as per Pass Book		64,380

4.

Ledger Accounts in the books of Radha Joint Venture Account

Particulars	Amount (₹)	Particulars	Amount (₹)
To Cash A/c (Supplied Goods)	7,500	By Krishna (Sales)	18,000
To Cash (Expenses)	500		
To Krishna (Supply Goods)	6,000		
To Krishna (Expenses)	400		
To Krishna (Commission)	900		
To Profit & Loss A/c	1,620		
To Krishna	1,080		
	18,000		18,000

Krishna Account

Dr.		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)
To Joint Venture A/c	18,000	By Joint Venture A/c	6,000
		By Joint Venture A/c	400
		By Joint Venture A/c	900

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		By Joint Venture A/c	1,080
		By Bank A/c	9,620
	18,000		18,000

Section B

I. Choose the correct answer from the given four alternatives: [6 × 1 = 6]

1. : (b)
2. : (a)
3. : (b)
4. : (a)
5. : (c)
6. : (d)

II. Fill in the blanks: [6 × 1 = 6]

1. B.E.P stands for **Break Even Point**.
2. Minimum level formula = **Reorder Level – [Normal consumption × Normal Reorder Period]**.
3. Variable cost is also known as **Marginal Cost**.
4. The total of direct costs is called as **Prime Cost**.
5. Formula for P/V ratio = **Contribution / Sales (C/S)**.
6. Bin card is maintained by **Store Keeper** department.

III. Match the following [6 × 1 = 6]

1. — D
2. — E
3. — F
4. — A
5. — C
6. — B

IV. State whether the following statements are True (or) False. [6 × 1 = 6]

1. : False
2. : False
3. : False
4. : False
5. : True
6. : False

V. Answer any two questions. Each question carries 8 marks. [2 × 8 = 16]

1.

Cost Sheet

Particulars		Amount (₹)	Amount (₹)
	Direct Consumed Material [60,000 + 9,00,000 – 50,000]	9,10,000	
	Direct Wages	5,00,000	
	Prime Cost		14,10,000
Add	Factory Overheads	2,00,000	
	(+) Work-in-Progress Opening	24,000	
		2,24,000	
	(-) Work in Progress Closing	30,000	
	Factory Cost		1,94,000
Add	Administration Expenses		50,000
			16,54,000

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	(+) Finished Goods Opening		1,20,000
			17,74,000
	(-) Work in Progress Closing		1,10,000
	Cost of Goods Sold		16,64,000
Add	Selling & Distribution Expenses		30,000
	Total Cost		16,94,000
	Profit		3,06,000
	Sales		20,00,000

2.

Re-ordering Level = Maximum Consumption × Maximum Re-order Period
 = 150 units × 15 days
 = 2250 units

Minimum Stock Level =

Re-ordering Level – [Normal Consumption × Normal Re-ordering Period]
 2250 – [120 × 12] = 810 units

Maximum Stock Level

= Re-ordering Level + Re-ordering Quantity - [Minimum Consumption + Minimum Re-ordering Period]
 = 2250 + 1500 – (100 × 10) = 2750 units

Average Stock Level

= Minimum Stock Level + ½ Re-ordering Quantity
 = 810 units + ½ × 1500 units = 1560 units.

3.

	A	B
Straight Piece Rate System	$\frac{54}{8} \times 0.40 = 2.70$	$\frac{75}{8} \times 0.40 = 3.75$
Taylor Differential Piece Rate	9 × 8 = 72 units Actual production 54 units – Below Standard	9 × 8 = 72 units Actual production 75 units – Above Standard
	$\frac{80}{100} \times 0.40 \times \frac{54}{8} = 2.16$ ₹ 2.16	$\frac{120}{100} \times 0.40 \times \frac{75}{8} = 4.50$ ₹ 4.50