



Institute of Management
JK LakshmiPat University
Jaipur

END TERM EXAMINATION 2016



B.Com: IV
MM: 50 Marks

Course: Specialized Accounting
Time: 3 Hours
Subject code: BCH405

Instructions: Attempt any three questions from Section A. Section B is compulsory.

Section A

Q1. Goods are delivered by a manufacturing concern in drums which are valued in books at Rs.20 per item, but charged out to customers at Rs.40 each. Customers are, however, credited with Rs.30 for each drum if returned within two months in good condition.

* Otherwise drums are not returnable, for which they are treated as sold. From the following information, draw up containers stock account in the books of the manufacturing concern:

Opening stock as on 1.1.2014	5000 drums
Stock with customers as on 1.1.2014 (returnable)	10500 drums
Purchased @ Rs.25 each during the year	8200 drums
Sent to customers (new 5000)	16500 drums
Returned by customers	12630 drums
Destroyed in an accident	80 drums
Sold as scrap for Rs.1500	
Repairs charges Rs.100	

Out of the total number of drums lying with customers as on 31st Dec. 2014, 6000 were not returnable. (10 marks).

Q2. From the following information calculate the average cost per student in respect of students coming from a distance of:

- (a) Upto 4 kms from school.
- (b) Beyond 4 kms. From school.

Operating cost of a bus	Rs.4800
Seating capacity of each bus	60 students
Seating capacity occupied	83.3333333%

Students picked up and dropped within a range up to 4 kms of distance from the school are charged half fare and fifty percent of the students travelling in each trip are in this category. the bus makes two trips in the morning and makes two trips in the afternoon to drop the students. (10 marks).

Q3. The Mumbai head office sent goods to Chennai branch at 25% profit over cost. From the following details, prepare the branch account in the books of the head office and compute the net profit of the branch.

Opening stock at branch at invoice price	Rs.20000
Goods sent to branch at invoice price	Rs.90000
Loss of goods in transit at invoice price	Rs.6000
Pilferage at branch at cost	Rs.1200
Closing stock at branch at cost	Rs.16000
Sales at branch	Rs.105000
Salaries and wages at branch	Rs.6000
Other expenses at branch	Rs.3000

Chennai branch received Rs.4000 from the insurance company in settlement of the claim for the loss of goods in transit. (10 marks).

Q4. In preparing the final account of a company it is found that the amount of sundry debtors Rs.200000 includes Rs.40000 worth of goods sent out on approval and debited to customer's accounts, in respect of which the time for returning the goods has not yet expired. These goods have been invoiced at 33.33333% above the cost. Show the journal entries in respect of goods sent on approval basis. (10 marks).

- Q5. Write short notes on the following:
- (a) Receipt and Payment Account.
 - (b) Income and Expenditure Account

(10 marks).

Section B

Q6. The firm KK Industries has two departments – cloth and tailoring. Tailoring department gets all its requirements of cloth from the cloth department at the usual selling price. From the following details, prepare departmental trading and profit & loss account for the year ended 31st march 2014:

Particulars	Cloth department	Tailoring department
Opening stock	Rs.60000	Rs.8000
Purchases	Rs.340000	Rs.5000
Sales	Rs.400000	Rs.80000
Transfer of cloth to tailoring department	Rs.50000	-
Manufacturing expenses	-	Rs.12000
Selling expenses	Rs.5000	Rs.2000
Closing stock	Rs.100000	Rs.15000

The stock in Tailoring department may be assumed to consist 80% cloth and 20% other expenses. General expenses of the business for the year come to Rs.23000. In the previous year the cloth department earned a gross profit of 30% on sales.

(20 marks)