Note:
1. Figures in the parentheses in content column indicate the teaching hours.
2. Figures in the parentheses in other columns indicate the full marks of their respective questions.
3. VSAQ=Very Short Answer Question, SAQ= Short Answer Question and LAQ = Long Answer Question.
4. Each VSAQ, SAQ, and LAQ carries 1, 5 and 8 marks respectively.
5. There could be two optional (OR) questions for any two SAQs and one optional question for any one of the LAQs.
6. SAQ can be structured with two or more sub question.
7. Questions should cover all units and sub units to adequately represent the course objectives.

CHAPTER BASED QUESTIONS

1. COMPANY FORMATION

THEORETICAL QUESTIONS

VERY SHORT ANSWER QUESTIONS

1. 2081 Set B/C Q.No. 1 What is statutory company?
   वैधानिक कम्पनी भन्नाले के बुझ्नुहुन्छ ?
2. 2081 Set B/C Q.No. 2 State any two types of preference share.
   पूर्वाधिकार सेयरका कुनै दुईओटा प्रकारहरू उल्लेख गर्नुहोस् ।
3. 2081 Set D Q.No. 1 2079 GIE Set B Q.No. 1 Define company.
   कम्पनीको परिभाषा दिनुहोस् ।
4. 2080 GIE Set A Q.No. 1 2079 Set V Q.No. 1 Write the meaning of prospectus.
   विवरणपत्रको अर्थ लेख्नुहोस् ।
5. 2080 GIE Set B Q.No. 1 Define public limited company.
   पब्लिक लिमिटेड कम्पनीको परिभाषा दिनुहोस् ।
6. 2080 Set P/Q Q.No. 1 State any two contents included in memorandum of association.
   प्रवन्धपत्रमा उल्लेख हुने कुनै दुई वुंदाहरू उल्लेख गर्नुहोस् ।
7. 2080 Set R Q.No. 1 Mention any two features of public ltd. company.
   पब्लिक लिमिटेड कम्पनीका कुनै दुईओटा विशेषताहरू उल्लेख गर्नुहोस् ।
8. 2080 Set R Q.No. 2 Write any two features of preference shares.
   पूर्वाधिकार सेयरका कुनै दुईओटा विशेषताहरू लेख्नुहोस् ।
9. 2079 GIE Set A Q.No. 1 Mention any two advantages of public limited company.
   पब्लिक लिमिटेड कम्पनीको कुनै दुई फाइदाहरू उल्लेख गर्नुहोस् ।
10. 2079 GIE Set B Q.No. 2 What is issued capital?
    जारी पूंजी भनेको के हो ?
11. 2079 Set O Q.No. 1 What is private company?
    निजी कम्पनी भनेको के हो ?
12. 2079 Set O Q.No. 2 Write about authorised capital.
    अधिकृत पूंजीको बारेमा लेख्नुहोस् ।
13. 2079 Set V Q.No. 2 Define preference shares.
    अग्राधिकार सेयरको परिभाषा लेख्नुहोस् ।
14. Differentiate between private company limited and public company limited.
    प्राइभेट कम्पनी लिमिटेड र पब्लिक कम्पनी लिमिटेडका भिन्नताहरू उल्लेख गर्नुहोस् ।
15. Write the meaning of prospectus. State the contents to be stated in prospectus.
    विवरण पत्रको अर्थ छोटकरीमा लेख्नुहोस् । यसमा उल्लेख गरिने वुंदाहरू उल्लेख गर्नुहोस् ।
16. Differentiate between ordinary share and preference share.
    साधारण सेयर र अग्राधिकार सेयरविचका भिन्नता उल्लेख गर्नुहोस् ।
17. Define company. State the characteristics of a company.
    कम्पनीको परिभाषा दिनुहोस् । कम्पनीका विशेषताहरू उल्लेख गर्नुहोस् ।
18. Clarify the meaning of public limited company and private limited company.
    पब्लिक लिमिटेड कम्पनी र प्राइभेट लिमिटेड कम्पनीको अर्थ प्रष्ट्याउनुहोस् ।
19. Write in brief about memorandum of association.
    प्रवन्धपत्रबारे छोटो जानकारी दिनुहोस् ।
20. Mention the advantages of public limited company.
    पब्लिक लिमिटेड कम्पनीका फाइदाहरू उल्लेख गर्नुहोस् ।

21. What do you mean by private limited company? Mention the features of a private limited company.
निजी लिमिटेड कम्पनी भन्नाले के बुझ्नुहुन्छ ? निजी कम्पनीको विशेषताहरु उल्लेख गर्नुहोस् ।
22. Write in brief the meaning of issued capital and authorized capital.
जारी पूंजी र अधिकृत पूंजीको अर्थ छोटकरीमा लेख्नुहोस् ।
23. Define equity share and preference share.
साधारण सेयर र अग्राधिकार सेयरको परिभाषा दिनुहोस् ।
24. Differentiate between issued and subscribed capital.
जारी पूंजी र आवेदित पूंजीमा फरक देखाउनुहोस् ।
25. Give the meaning of share capital.
सेयर पूंजीको अर्थ बताउनुहोस् ।
26. Write the privileges of private company as provided by the Company Act.
निजी कम्पनीलाई कम्पनी कानुनवाट प्राप्त सहुलियतवारे उल्लेख गर्नुहोस् ।
27. Write in brief about an Article of Association.
कम्पनीको नियमावलीको वारेमा छोटकरीमा लेख्नुहोस् ।
28. Write the meaning of Registration Company with a suitable example.
उपयुक्त उदाहरणसहित रजिस्टर्ड कम्पनीको अर्थ लेख्नुहोस् ।

2. ISSUES OF SHARES FOR CASH

Format of Issue of Shares Capital

In the books of .....
Journal Entries

Date	Journal Entries	LF	Debit (Rs.)	Credit (Rs.)
1.	**Share Application**			
i.	When application money received			
	Bank a/c (No. of shares applied × Rate of application) .....Dr.		xxx	
	To Share application a/c			xxx
	(Being share application money received)			
ii.	When application money is transferred to share capital account			
	Share application a/c (No. of share applied × Rate of application) .....Dr.		xxx	
	To Share capital (No. of issued share × Rate of application)			xxx
Excess application money is adjusted on allotment and calls	To Share allotment a/c (Excess money adjusted if)			xxx
	To Share ..... call a/c (Excess money adjusted if)			xxx
Rejection of excess application	To Bank a/c (Excess money refunded, if)			xxx
	(Being application money transferred to share capital, share allotment and ... call account and balance refunded)			
2.	**Share Allotment**			
i.	When allotment money is made due			
	Share allotment a/c .....Dr.		xxx	
	(No. of shares allotted × Rate of allotment inciuding discount or premium)			
	Discount on issue of shares a/c .....Dr.		xxx	
	(No. of shares allotted × Rate of discount, if question is given)			
	To Share capital a/c			xxx
	(No. of share/s allotted × Rate of allotment without discount or premium)			
	To Share premium a/c			xxx
	(No. of share allotted × Rate of premium if question is given)			
	(Being share allotment money made due at discount/ premium)			
ii.	When allotment money is received			
	Bank a/c .....Dr.		xxx	
	(No. of share allotted × Rate of allotment including discount or premium- Share amount paying advance in application)			
	To Share allotment a/c			xxx
	(Being share allotment money received)			

3.	**Share Call Money**			
i.	When share ..... call money is made due			
	Share ... call a/c (No. of share ... call × Rate of call).....Dr.		xxx	
	To Share capital a/c			xxx
	(Being share ... call money made due)			
ii.	When share ... call money is received			
	Bank a/c (No. of share call × Rate of call).....Dr.		xxx	
	To Share ... call a/c			xxx
	(Being share ... call money received)			
4.	**Calls in Arrears**			
i.	Share allotment or calls a/c .....Dr.			
	(No. of share allotted × Rate of allotment or call)		xxx	
	To Share capital			xxx
	(Being share allotment or calls money made due)			
ii.	Bank a/c (No. of paid shares × Rate of allotment or calls).....Dr.		xxx	
	Calls in arrears a/c (No. of default share × Rate of allotment or calls).....Dr.		xxx	
	To Share capital a/c			xxx
	(Being share allotment or calls money received adjusting calls in arrears)			

THEORETICAL QUESTIONS

VERY SHORT ANSWER QUESTIONS

1. 2081 Set D Q.No. 2 Define calls in arrear.
   माग बक्यौतावारेमा उल्लेख गर्नुहोस् ।
2. 2080 GIE Set A Q.No. 2 What is meant by pro-rata allotment of shares?
   अंशहरूको समानुपातिक बाडफाँड भन्नाले के बुझिन्छ ?
3. 2080 Set P/Q Q.No. 2 State the meaning of calls in advance.
   माग गरिएकोमा पेश्कीको अर्थ उल्लेख गर्नुहोस् ।
4. Write the meaning of calls in arrears and calls in advance.
   माग बक्यौता र माग पेश्कीको अर्थ खुलाउनुहोस् ।

NUMERICAL PROBLEMS

SHORT ANSWER QUESTIONS

1. 2081 Set B/C Q.No. 12 A company issued 5,000 shares of Rs. 100 each at a discount of 10%.
   On application ..... Rs. 30 per share
   On allotment ..... Rs. 40 per share
   On first and final call ..... Rs. 20 per share
   Application were received for 7,000 shares and allotment were made as under.
   2,000 applicants ..... 2,000 share
   4,000 applicants ..... 3,000 share
   1,000 applicants ..... Nil
   It is resolved that the excess amount paid on applications is to be adjusted against amount due on allotment. All money were received except a shareholder holding 300 shares, failed to pay calls money.
   Required: Entries for application, allotment and first and final call. [1.5+2+

   Ans: Bank a/c: Allotment Rs. 1,70,000, First and Final call Rs. 94
2. 2081 Set D Q.No. 12 A Company Ltd. invited applications for 10,000 shares of Rs.100 each at Rs. 110 payable as under :
   On application ..... Rs. 30
   On allotment including premium ..... Rs. 50
   On final call ..... Rs. 30
   Application were received for 12,000 shares. Shares were allotted on pro-rata basis. Excess application money were uti towards the money due on allotment. All calls were duly made and received except on final call money on 400 shares.
   Required: Journal entry for
   a. Share application
   b. Share allotment
   c. Share final call [1+

   Ans: Bank a/c: Allotment Rs. 4,40,000, First and Final call Rs. 2,8

3. **2080 GIE Set A Q.No. 12** M Company Ltd. issued 5,000 shares of Rs. 100 each payable as follows:
On application ..... Rs. 20
On allotment ..... Rs. 50
On first and final call ..... Rs. 30
Applications were received for 10,000 shares. Among them, applicants for 3,000 shares were allotted in full, for 3,000 applicants 2,000 on pro-rata basis and rest applicants were refunded. Excess money paid on applications were utilized towards amount due on subsequent calls.
Required: Journal entry for
a. Entry for share application
b. Entry for share allotment
c. Entry for first and final call [2+2+1]

Ans: Bank a/c (allotment) Rs. 2,30,000

4. **2080 GIE Set B Q.No. 12** A company issued 6,000 shares of Rs. 100 each with premium Rs. 10 per share. The calls were made as follows:
On application ..... Rs. 20 per share
On allotment per share including premium Rs. 10 ..... Rs.40
On first and final call ..... Rs. 50
Application were received for 9,000 shares. No allotment was made to 1,000 shares. Rest were allotted on pro-rata basis. Excess application money utilized in subsequent calls. All the calls were made and call money were duly received.
Required: Journal entry for
a. Share application
b. Share allotment
c. Share first and final call [2+2+1]

Ans: Bank a/c (allotment) Rs. 2,00,000

5. **2080 Set P/Q Q.No. 12** XYZ company issued 10,000 shares of Rs. 100 each at Rs. 10 premium payable as under:
On application ..... Rs. 30
On allotment ..... Rs. 40 (with premium)
On first and final call ..... Rs. 40
Applications were received for 16,000 shares. No allotment was made to the applicants for 4,000 shares. Rest was allotted on pro-rata basis. All calls were duly made and received except one shareholder holding 400 shares paid the full value of shares on allotment.
Required: a. Share application
b. Share allotment
c. Share first and final call [1.5+2+1.5]

Ans: Bank a/c: Allotment Rs. 3,56,000, First and Final call Rs. 3,84,000

6. **2080 Set R Q.No. 12** A limited company issued 15,000 shares of Rs. 100 each at 10% premium payable as follows:
On application ..... Rs. 30
On allotment ..... Rs. 40
On first and final call ..... Rs. 40
Applications were received for 30,000 shares. Out of these, applicants for 5,000 shares were allotted full, 20,000 applicants were allotted 10,000 shares and rest were rejected. Excess money on application were utilized towards the allotment. All money were duly received except one shareholder holding 800 share paid full value on allotment.
Required: Journal entry for a. Share application
b. Share allotment
c. Share first and final call [2+1.5+1.5]

Ans: Bank a/c: Allotment Rs. 3,32,000, First and Final call Rs. 5,68,000

7. **2079 GIE Set B Q.No. 12** A company issued 8,000 shares of Rs.100 each, amount payable as under:
On application ..... Rs. 25
On allotment ..... Rs. 45
On first and final call ..... Rs. 30
Applications were received for 12,000 shares and allotted to 10,000 applicants on pro-rata basis. Excess application money were utilized toward sum due on allotment, where remaining application were rejected. All the call money were made and duly received.
Required: Journal Entries for a. Share application
b. Share allotment
c. First & final call [1.5+2+1.5]

Ans: Bank a/c: Allotment Rs. 3,10,000

8. **2079 Set O Q.No. 12** P Company Ltd. issued 10,000 shares of Rs. 100 each at 10% discount payable as follows:
On application .....Rs. 35
On allotment .....Rs. 40
On final call .....Rs. 15
Applications were received for 15,000 shares. 2,000 applicants were allotted in full and balance applicants were allotted on pro-rata basis. All call money were duly received except on final call money on 400.
Required: Journal entry for a. Share application
b. Share allotment
c. Share final call
[1.5+1+1.5]
Ans: Bank a/c: Allotment Rs. 2,25,000, First and Final call Rs. 1,44,

9. **2079 Set V Q.No. 12** A Company issued 10,000 shares of Rs. 100 each at Rs. 10 premium payable as under:
On application .....Rs. 40
On allotment .....Rs. 45
On first and final call .....Rs. 25
Applications were received for 15,000 shares. Allotment were made for 12,000 shares were allotted on pro-rata basis and 3,0 shares were rejected. Excess application money were utilized towards amount due on allotment. All the called money were r received.
Required: Journal entry for a. Share application
b. Share allotment
c. Share first and final call
[1.5+2+1
Ans: Bank a/c: Allotment Rs. 3,70,0

10. **2078 Set C Q.No. 10** A limited company issued 5,000 shares of Rs. 100 each at a discount of Rs. 10 per share payable as follow
On application .....Rs. 50
On allotment .....Rs. 40
Applications were received for 4,000 shares and all shares were allotted. Calls money were duly received.
Required: a. Entries for application
b. Entries for allotment
[1+
Ans: (b) Bank a/c Rs. 1,60,0

11. **2077 Set J Q.No. 5** A company Ltd. invited application for 20,000 shares of Rs. 100 each at 10% premium, payable as under:
On application .....Rs. 20
On allotment .....Rs. 50
On first and final call .....Rs. 40
Application were received for 35,000 shares. The allotment were made as follows:
10,000 applicants ..... Full
20,000 applicants 50%
5,000 applicants ..... Nil
It was decided to utilize excess application money in part payment of allotment and call. All money was duly received except shareholder holding 200 shares on pro-rata basis, failed to pay first and final call money.
Required: a. Share application
b. Share allotment
c. Share first and final call
[1+2+2
Ans: (a) Excess application money transferred to allotment Rs. 2,00,000 (c) Bank a/c Rs. 7,92,00

12. **2077 Set K Q.No. 5** A company issued 8,000 shares of Rs. 100 each at 10% premium, payable as under
On application .....Rs. 40
On allotment including Rs. 10 premium .....Rs. 45
On first and final call .....Rs. 25
Application were received for 12,000 shares. The allotment were made as follows.
To the applicants of 2,000 shares..... Nil shares
To the remaining applicants ..... Pro-rata basis
Resolved that the excess amount received on applications would be adjusted against the due amount on allotment. All the calls money were duly received.
Required: a. Entries for application
b. Entries for allotment
c. Entries for first and final call
[1+2+2
Ans: (a) Excess application money transferred to allotment Rs. 80,000 (b) Bank a/c Rs. 2,80,00

13. **2076 Set B Q.No. 9** The following informations are provided regarding the shares:
20,000 applications were received on the issued of 10,000 ordinary shares of Rs. 100 each at a premium of 10%.
The shares were issued payable as under.
On applications ..... Rs. 30 per share
On allotment ..... Rs. 40 per share
On first and final call ..... Rs. 40 per share
Allotment were made as under:
4,000 Applicants ..... Full
4,000 Applicants ..... Nil
12,000 Applicants 6,000
All calls were made and duly received. On allotment a shareholder holding 500 shares paid the full value of shares.
Required: Journal entries for application, allotment and final call. [6]
Ans: Excess application money transferred to allotment Rs. 1,80,000; Calls in advance Rs. 20,000

14. **2076 Set C Q.No. 9** A company issued 10,000 shares of Rs. 100 each at a discount of 10%
On application ..... Rs. 30 per share
On allotment ..... Rs. 30 per share
On first and final call ..... Rs. 30 per share
Applications were received for 14,000 shares and allotment were made as under:
4,000 applicants ..... 4,000 shares
8,000 applicants ..... 6,000 shares
2,000 applicants ..... Nil
It is resolved that the excess amount paid on application is to be adjusted against amount due on allotment. All money were duly received except a shareholder holding 400 shares, failed to call money.
Required: Entries for application, allotment and final call [6]
Ans: Excess application money transferred to allotment Rs. 60,000; Calls in arrear Rs. 12,000

15. **2075 Set A Q.No. 10** A company issued 4,000 shares of Rs. 100 each at a premium of Rs. 10 per share payable Rs. 20 on application, Rs. 50 on allotment (including premium) and Rs. 40 on final call per share.
Application were received for 6,000 shares. These shares were alloted on prorata basis to the applicants for 5,000 shares and remaining were rejected. Excess application money were utilized towards on allotment. All money were duly received. [2+2+2]
Required: Entries for application, allotment and final call.
Ans: Amount transferred to allotment Rs. 20,000

16. **2075 Set B Q.No. 10** A company Ltd. invited application for 10,000 shares of Rs. 100 each. The calls are made as follows:
On application ..... Rs. 30
On allotment ..... Rs. 40
On first and final call ..... Rs. 30
Application were received for 14,000 shares. No allotment was made to 1,000 applications. Rest were allotted on the pro-rata basis. All money was duly received except a holder holding 100 share, failed to pay on first and final call money.
Required: Entries for
a. Application
b. Allotment
c. First and final call [2+2+2]
Ans: Amount transferred to allotment Rs. 90,000; Calls in arrears Rs. 3,000

17. **2074 Supp Q.No. 10** A company issued 20,000 shares of Rs.100 each payable as follows:
On application: ..... Rs.20 per share
On allotment: ..... Rs.30 per share
On first and final call: ..... Rs. 50 per share
Applications were received for 40,000 shares and allotment were made as follows:
To the applicants of 20,000 shares ..... 10,000 shares
To the applicants of 10,000 shares ..... 10,000 shares
To the applicants of 10,000 shares ..... Nil
It was decided to utilize the excess application money towards allotment. All money were duly received.
Required: Entries for
a. Application
b. Allotment
c. First and final call [2+2+2]
Ans: Amount transferred to share allotment Rs. 2,00,000

18. **2074 Set B Q.No. 10** A limited company offered 5,000 shares of Rs. 100 each for public subscription, payable Rs. 30 on application, Rs. 20 on allotment and Rs. 50 on first and final call. Applications were received for 6,000 shares and allotted them in the following manner:

Group	Share applied	Shares allotted
A	4,000	4,000
B	2,000	1,000

The board resolved that the excess amount received on applications is to be utilised on allotments and call money. All the money were duly received.

Required: Journal entries for application, allotments and first and final call. [2+2+2]

Ans: Excess amount transfer to share allotment Rs. 20,000, Excess amount transfer to first and final calls Rs. 10,000, Share allotment a/c Rs. 1,00,000

19. **2073 Supp Q.No. 10** A company limited issued 5,000 equity shares of Rs. 100 each at Rs. 90 payable as under:

On application .....Rs. 30
On allotment .....Rs. 30 (including discount)
On first and final call .....Rs. 30

Applications were received for 10,000 shares. The allotment was made as follows:

Group	Share applied	Share allotted
I	2,500	2,500
II	2,500	Nil
III	5,000	2,500

It was decided to utilize excess application money in part payment of allotment. All money were duly received except a holder who was holding 200 shares, failed to pay first and final call money.

Required: Journal entries for a. Application
b. Allotment
c. First and final call [2+2+2]

Ans: Excess amount transfer to allotment Rs. 75,000 and Calls in arrears Rs. 6,000

20. **2073 Set C Q.No. 9** A limited company issued 2,000 shares of Rs. 100 each at a discount of 10% payable as follows:

On application ..... Rs. 40 per share
On allotment ..... Rs. 50 per share

Applications were received for 4,000 shares. The excess money received on application were utilized toward the sum due on allotment. All the money were duly received.

Required: Entries for: a. Application
b. Allotment [1.5+1.5]

Ans: Excess money transfer to share allotment Rs. 80,000

21. **2073 Set D Q.No. 10** A company issued 10,000 shares of Rs. 100 each at a premium of Rs. 10 payable as under.

On application .....Rs. 50 On allotment including premium .....Rs. 40
On first and final call .....Rs. 20

Applications were received for 15,000 shares and allotment were made as under
3,000 applicants .....Nil 12,000 applicants 10,000

Money overpaid on applications were utilized towards sum due on allotment. A shareholder holding 100 shares faiied to pay first and final call money and these shares were forfeited.

Required: Journal entries for a. Allotment
b. First and final call
c. Forfeiture of shares [3+2+1]

Ans: (a) Share allotment Rs. 3,00,000 (b) Calls-in-arrear Rs. 2,000 (c) Share forfeiture Rs. 8,000

22. **2072 Supp Q.No. 10** A company limited issued 10,000 shares of Rs. 100 each at a premium of Rs. 10 per share payable as follows:

On application .....Rs. 50
On allotment .....Rs. 60

Application were received for 20,000 shares. The allotment were made as follows:
To the applicants of 4,000 shares..... 4,000 shares To the applicants of 10,000 shares ..... 6,000 shares
To the applicants of 6,000 shares.....Nil

Resolved that the excess amount received on application would be adjusted against the due amount on allotment. All the called money were duly received.

Required: Entries for: a. Application
b. Allotment [3+3]

Ans: Excess application money transfer to allotment Rs. 2,00,000

23. **2072 Set C Q.No. 9** A Limited company issued 5,000 shares of Rs.100 each payable as follows.

On application .....Rs.20 On allotment Rs.30
On first call .....Rs.20 On final call Rs.30

Applications were received for all shares and alloted accordingly. A share holder to whom 50 shares were alloted, paid the entire sum on allotment call. Directors accepted the payment.

Required: Journal entries for a. Allotment call
b. First call [1+2]

Ans: (a) Calls in Advance Rs. 2,500 (b) Calls in Advance Rs. 1,000

24. **2072 Set D Q.No. 9** The following information relating to shares are given:
i. Issued 10,000 shares of Rs.100 each.
ii. Applications were received for all the shares @ Rs.50 each.
iii. All allotment calls was made and money were duly received except a holder holding 100 shares failed to pay at the rate of Rs.50 per share.

Required: Journal entries for application and allotment. [1+2]

Ans: Calls in arrear Rs. 5,000

25. **2072 Set E Q.No. 9** A company issued 5,000 shares of Rs.100 each, payable as under:
Rs. 30 on application
Rs. 50 on allotment
Rs. 20 on first and final call

Application were received for 10,000 shares. The allotment were made as follows:
To the applicants of 2,000 shares ..... 2,000 shares To the applicants of 6,000 shares ..... 3,000 shares
To the applicants of 2,000 shares..... Nil shares
Resolved that the excess amount received on applications would be adjusted against the due amount on allotment. All the called money were duly received.

Required: Entries for:
a. Application
b. Allotment
c. First and final call. [2+2+2]

Ans: (a) Excess money transferred to allotment Rs. 90,000 (b) Bank a/c Rs. 1,60,000

26. **2071 Supp Q.No. 9** A company issued 10,000 shares of Rs.100 each, payable as follows:
On application ..... Rs.30 per share On allotment .....Rs.40 per share
On first and final call ..... Rs.30 per share
Application were received for 16,000 shares. No allotment was made to 1,000 shares. Rest were allotted on pro-rata basis. All money were duly received except a holder holding 100 shares, failed to pay on first and final call money.

Required : Journal entries for:
a. Application
b. Allotment
c. First and final call [2+2]

Ans: (a) Excess money transferred to allotment Rs. 1,50,000 (c) Calls in arrear Rs. 3,000

27. **2071 Set C Q.No. 9** A limited company issued 25,000 shares of Rs. 100 each at 10 percent discount payable as follows:
On application ..... Rs. 25 per share On allotment with discount..... 35 per share
On first & final call .....30 per share
Applications were received for all the shares and calls money were duly received

Required: a. Entry for allotment
b. Entry for first and final call [2+1]

Ans: Share allotment Rs. 8,75,000

28. **2071 Set D Q.No. 9** A company Ltd. issued 20,000 shares of Rs. 100 each at a premium of 10%, payable as follows.
On application .....Rs. 20 On allotment, inclusive premium.....Rs. 40
On first and final calls.....Rs. 50
Applications were received for all the shares, accordingly all instalments were received.

Required: a. Entries for application
b. Entries for allotment [1+2]

Ans: (a) Share applications Rs. 4,00,000 (b) Share allotment Rs. 8,00,000

29. **2070 Supp Q.No. 9** A limited company issued 20,000 shares of Rs. 100 each at 10 percent discount payable as follows:
On application ..... Rs. 30 per share On allotment .....Rs. 30 per share with discount
On first and final call ..... Rs. 30 per share
Applications were received for all the shares and calls money were duly received.

Required: a. Entry for allotment
b. Entry for first and final call [2+1]

Ans: (a) Share allotment Rs. 6,00,000 (b) Share first and final call Rs. 6,00,000

30. **2070 Supp Q.No. 10** A company issued 10,000 shares of Rs. 10 each payable on the following terms:
On Application.....Rs. 3 On Allotment.....Rs. 2
On first and final call .....Rs. 5
Applications were received for 22,000 shares. Allotment were made as follows:
To applications of 4,000 shares ..... 2,000 shares To applications of 2,000 shares..... 2,000 shares.
To applications of 2,000 shares.....Nil
To applications of 14,000 shares..... Pro-rata
It is resolved that the excess amount paid on application is to be utilized on allotment and calls. All the money were duly received.

Required: Entries for
a. Application
b. Allotment
c. First and final call [2+2+2]

Ans: (a) Excess application money transfer to allotment Rs. 16,000 (b) Bank a/c Rs. 4,000 (c) Bank a/c Rs. 36,000

31. **2066 Supp Q.No. 9** Birat Company Ltd. issued 10,000 Shares of Rs. 50 each at a premium of Rs. 5 per share, payable as under:
On application .....Rs. 15
On allotment .....Rs. 25 (including Premium)
On first and final call .....Rs. 15
Applicants were received for 15,000 shares. Allotment was made on the following basis:
To applicants for 4,000 shares ..... Full
To applicants for 9,000 shares ..... 6,000 shares
To rest applicants ..... No allotment
Resolved that the excess amount paid on application would be adjusted against the due on allotment and call. According to shares were fully called up and paid up except one share holder holding 400 shares on pro-rata basis failed to pay allotment and final call monies.
Required: Journal entries for a. Application
b. Allotment
c. First and final call [1+3+2
Ans: (a) Amount transfer to allotment Rs. 45,000 (b) Bank a/c Rs. 1,98,000; Calls in arrear Rs. 7,000 (c) Bank a/c Rs. 1,44,000; Calls in arrear Rs. 6,000

32. **2065 Q.No. 1 (Old)** A limited company offered for public subscription 10,000 shares of Rs. 100 each, payable Rs. 30 on application, Rs. 50 on allotment and Rs. 20 on first and final call. Application received for 15,000 shares and were allotted in the following manner:

Group	Share applied	Share allotted
I	5,000	5,000
II	10,000	5,000

According to the terms of issue, the surplus application money could be utilized by the directors against money due on allotment. All the sum due on allotment and call were received except from a shareholder to whom 400 shares of group II were allotted failed to pay allotment and call money.
Required: Journal entries for share allotment and share first and final call. [3+2
Ans: Calls in arrears: Share allotment Rs. 8,000; First and final call Rs. 8,000

3. FORFEITURE AND RE-ISSUED OF SHARE

Format of Forfeiture and Re-issued of Share

In the books of .....
Journal Entries

Date	Journal Entries	LF	Debit (Rs.)	Credit (Rs.)
1.	**Forfeiture of share originally issued at par or premium or discount**			
	Share capital a/c (Forfeiture share Par value).....Dr.		xxx	
	Share premium a/c .....Dr.		xxx	
	(Forfeiture share × Premium prices: If, non-payment amounts of allotment or calls including premium)			
	To Calls in arrears a/c			xxx
	(Forfeiture share × Non payments amount of allotment or calls)			
	To Discount on issue of share a/c (Forfeited share × Discount price, if non payment amount of allotment or calls including discount)			xxx
	To Share forfeiture (Balancing figure or forfeited share × Payment amount of allotment or calls of par value)			xxx
	(Being forfeiture of ... share for non payment of allotment or calls including premium and allotment or calls)			
2.	**Reissued of forfeitured shares**			
	Bank a/c (No. of re-issue of share × re-issue price).....Dr.		xxx	
	Discount of issue of share (No. of re-issue of share × Discount rate, if non payments amount of allotment or calls).....Dr.		xxx	
	Share forfeiture a/c .....Dr.		xxx	
	To Share capital (No. of re-issued share × Par value)			xxx
	To Share premium a/c (No. of re-issued × Premium rate, if non-payment amount of allotment or calls including premium)			xxx
	(Being re-issued of ... shares of Rs. (Par value price) each at Rs. (Re-issue price) per share)			

3.	**Transfer to capital reserve**			
	Share forfeiture a/c (Originally issued of share forfeiture- Re-issued of share forfeiture) .....Dr.		xxx	
	To Capital reserve			xxx
	(Being gain/ loss on forfeiture amount transferred to capital reserve)			

THEORETICAL QUESTIONS

1. Why shares are forfeiture?
   सेयरको जफत किन गरिन्छ ?
2. When and how the shares of a company are forfeited?
   कहिले र कुन अवस्थामा कम्पनीको सेयर जफत हुन्छ ?

NUMERICAL PROBLEMS

SHORT ANSWER QUESTIONS

1. **2079 GIE Set A Q.No. 12** A Limited Company issued 10,000 shares of Rs. 100 each at 10% premium payable as follows :
   On application .....Rs. 20
   On allotment with premium .....Rs. 50
   On first and final call .....Rs. 40
   Applications were received for 15,000 shares. These share were allotted on pro-rata basis to the applicants for 12,000 shares and applications for 3,000 shares were rejected and money refunded. Excess money paid on application were utilized towards the allotment. A shareholder holding 500 shares failed to pay first and final call money. Hence, his shares were forfeited.
   Required: a. Share allotment
   b. Entry for first and final call
   c. Entry for forfeiture [2+2+1]
   Ans: Bank a/c: Allotment Rs. 4,60,000, First and Final Call Rs. 3,80,000; Share forfeiture Rs. 20,000

2. **2079 Set V Q.No. 13i** A Company Ltd. forfeited 400 shares of Rs. 100 each for non-payment of final call money of Rs. 20 per share out of forfeited shares 300 shares were re-issued at Rs. 70 per share as fully paid.
   Required: a. Entry for forfeiture
   b. Entry for re-issue
   c. Transfer entry [1+1+1]
   Ans: (a) Share forfeiture Rs. 9,000; (c) Capital reserve Rs. 15,000

3. **2078 Set C Q.No. 9** A limited company issued 10,000 shares @ Rs. 100 each payable as follows:
   On application .....Rs. 30
   On allotment .....Rs. 40
   First and final call .....Rs. 30
   Applications were received for 20,000 shares and the allotment was made as follows:
   To the 4,000 applicants 4,000 shares
   To the 12,000 applicants 6,000 shares
   To the 4,000 applicants Nil
   Excess money paid on applications were utilized towards the money due on allotment. A share holder holding 200 shares failed to pay first and final call money, hence his share were forfeited.
   Required: Journal entries for a. Allotment
   b. First and final call
   c. Forfeiture
   Ans: Bank a/c: Allotment Rs. 2,20,000, First and Final Call Rs. 2,94,000; Calls in Arrears Rs. 6,000

4. **2077 Set R Q.No. 5** A company issued 40,000 shares of Rs. 10 each, payable as under:
   On application .....Rs. 4
   On allotment (Including Re. 1 premium) .....Rs. 5
   On first and final call .....Rs. 2
   Application were received for 60,000 shares. The allotment were made as follows.
   To the applicants of 10,000 shares .....Nil
   To the remaining applicants .....Pro-rata basis
   Resolved that the excess amount received on applications would be adjusted against the due amount on allotment. All the called money were duly received except on 2,000 shares on first and final call. These 2,000 shares were forfeited.
   Required: a. Allotment
   b. First and final call
   c. Forfeiture of share
   Ans: (a) Bank a/c Rs. 1,60,000 (c) Share forfeitures Rs. 16,000

5. **2076 GIE Set A Q.No. 9** A Ltd. company issued 15,000 share of Rs. 100 each at a discount of Rs. 10 per share payable as follows:
On application ..... Rs. 20 On allotment ..... Rs. 40
On first and final call ..... Rs. 30
Applications were received for 25,000 shares. Among them, applications for 10,000 shares were allotted fully for 10,000 applicants 5,000 shares on pro-rata basis and rest applicants for 5,000 share were refunded excess money paid on applications was utilized towards the allotment due money 200 shares which were allotted to a shareholder from pro-rata basis, were forfeited he failed to pay first and final call money.
Required: a. Allotment
b. First and final call
c. Forfeiture

Ans: (a) Bank a/c Rs. 5,00,000 (b) Bank a/c Rs. 4,44,000 (c) Share Forfeiture a/c Rs. 12,

6. **2076 GIE Set A Q.No. 10** A company forfeited 200 shares of Rs. 100 each for non-payment of final call money of Rs. 10 per share subsequently these shares were re-issued at Rs. 80 per share as fully paid up.
Required: a. Forfeiture
b. Re-issued
c. Transfer

Ans: (a) Share forfeiture Rs. 18,000 (c) Capital Reserve Rs. 14,

7. **2076 GIE Set B Q.No. 9** A limited company issued 10,000 shares of Rs. 100 each at 10% premium payable as follows:
On application ..... Rs. 40 On allotment with premium ..... Rs. 30
First & final call ..... Rs. 40
Applications were received for 20,000 shares. Out of these, applicants for 5,000 shares were allotted fully, for 10,000 applicants 5,000 shares on pro-rata basis and rest applicants for 5,000 shares were refunded, Excess money paid on applications was utilized towards the allotment due money, 200 shares which were allotted to a shareholder from pro-rata basis, were forfeited he failed to pay first and final call money.
Required: Journal entries for a. Allotment call
b. First and final call
c. Forfeiture

Ans: (a) Bank a/c Rs. 1,50,000 (b) Bank a/c Rs. 3,44,000 (c) Share forfeiture Rs. 14,

8. **2076 GIE Set B Q.No. 10** A company forfeited 500 shares of Rs. 100 each for non-payment of first and final call money of Rs. per share. Out of these forfeited shares 200 shares were re-issued at Rs. 80 per share as fully paid up.
Required: Journal entries for: a. Forfeiture
b. Re-issue
c. Transfer

Ans: (a) Share forfeiture Rs. 40,000 (c) Capital reserve Rs. 12,

9. **2076 Set B Q.No. 10** A company forfeited 200 shares of Rs. 100 each of a shareholder for non payment of final call of Rs. 40 share. Of the forfeited share, 100 shares were issued at Rs. 80 per share.
Required: Journal entries for forfeiture, re-issue and transfer.

Ans: Capital Reserve Rs. 4

10. **2076 Set C Q.No. 10** A company forfeited 100 shares of Rs. 100 each for non-payment of final call of Rs. 20 per share. The shares were issued at Rs. 50 per share.
Required: Journal entries for forfeiture, re-issue and transfer.

Ans: Capital Reserve Rs. 2

11. **2075 GIE Q.No. 9** A company forfeited 400 shares of Rs. 100 each for non-payment of first and final call money for Rs. 40 e These shares were re-issued at Rs. 70 per share as fully paid up.
Required: a. Entry for share forfeiture
b. Entry for reissue of shares
c. Entry for transfer

Ans: (a) Share forfeiture Rs. 24,000 (c) Capital Reserve Rs. 1

12. **2075 GIE Q.No. 10** A company issued 20,000 shares of Rs.100 each at premium of Rs. 10 payable as under:
On application ..... Rs.40 per share On allotment including premium ..... Rs.50 per share
On first and final call ..... Rs. 20 per share
Application were received for 30,000 shares and allotment were made as under:
5,000 applicants ..... Nil
25,000 applicants 20,000
Excess application money were utilized towards sum due on allotment. A shareholder holding 200 share failed to pay first final call money and these shares were forfeited.
Required: Journal entries for a. Share allotment. b. First and final call
c. Forfeiture of shares

Ans: (a) Bank a/c Rs. 8,00,000 (b) Calls in arrear a/c Rs. 4,000 (c) Share forfeiture Rs.

13. **2075 Set A Q.No. 9** A company forfeited 80 shares of Rs. 10 each, issued at 10% discount, for non-payment of final call of Rs. 3 per share. Out of these shares 60 shares were re-issued at Rs.8 per share as fully paid.
Required: Entries for forfeiture, re-issue and transfer of share.
Ans: Calls in arrears Rs. 240; Bank a/c Rs. 480; Capital reserve Rs. 300

14. **2075 Set B Q.No. 9** A company forfeited 200 shares of Rs. 10 each for non-payment of final call money of Rs. 3 per share. These share were re-issued @ Rs. 6 per share as fully paid up.
Required: Journal entries for a. Forfeiture
b. Re-issued
c. Transfer
Ans: (a) Share forfeiture Rs. 1,400 (b) Bank a/c Rs. 1,200 (c) Capital reserve Rs. 600

15. **2074 Supp Q.No. 9** A company forfeited 500 shares of Rs.100 each for nonpayment of first and final call money of Rs.30 each. These shares were re-issued at Rs.70 per share as fully paid up.
Required: a. Share of forfeiture
b. Reissue of share
c. Transfer entry
Ans: (a) Share forfeiture Rs. 35,000 (c) Capital reserve Rs. 20,000

16. **2074 Set A Q.No. 9** The following information relating to shares are given.
i. 300 shares of Rs.100 each forfeited for non-payment of Rs.30 per share on first call and Rs.20 per share on final call.
ii. The above shares were re-issued @Rs.80 per share as fully paid up.
Required: Journal entries for: a. Forfeiture
b. Re-issue
c. Transfer
Ans: (a) Share forfeiture Rs. 35,000 (b) Bank a/c Rs. 24,000 (c) Capital reserve Rs. 90,000

17. **2074 Set A Q.No. 10** A limited company issued 10,000 shares of Rs.100 each payable as follows.
On application ..... Rs.30 per share
On allotment ..... Rs.50 per share
On first and final call ..... Rs.20 per share
Application were received for 16,000 shares. No allotment were made to 2,000 shares and the remaining shares were allotted as under:
6,000 Applicants ..... Full
8,000 Applicants 4,000
All excess amount paid on applications are to be adjusted against due on allotment and subsequent calls. Shares were fully called and paid up except one shareholder to whom 500 shares were allotted failed to pay the first and final call money and hence his shares were forfeited.
Required: Journal entries for: a. Share allotment
b. First and final call
c. Share forfeiture
Ans: (b) Calls in arrears Rs. 10,000 (c) Share forfeiture Rs. 40,000

18. **2074 Set B Q.No. 9** A company forfeitured 200 shares of Rs. 100 each for non-payment of final call Rs. 30 per share. These shares were re-issued at Rs. 80 per share.
Required: Journal entries for: forfeiture, re-issue and transfer.
Ans: Share forfeiture Rs. 14,000, Bank a/c Rs. 16,000, Capital Reserve Rs. 10,000

19. **2073 Supp Q.No. 9** A company Limited forfeited 200 share of Rs. 100 each, for non-payment of final call money of Rs. 40 per share. These shares were subsequently re-issued @ Rs. 80 per share as fully paid.
Required: Journal entries for: a. Forfeiture
b. Re-issue
c. Transfer
Ans: Share forfeiture Rs. 12,000, Capital Reserve Rs. 8,000

20. **2073 Set C Q.No. 10** M. Company limited issued 10,000 shares of Rs. 10 each payable as follow:
On application ..... Rs. 5
On allotment ..... Rs. 3
On first and final call ..... Rs. 2
All the shares were subscribed and allotted. All the money were duly received except one shareholder who was holding 200 shares failed to pay the first and final call money. Hence his shares were forfeited and subsequently re-issued at Rs. 8 per share fully paid up.
Required: Journal entries for a. Allotment
b. First and final call
c. Forfeiture
d. Re-issued
e. Transfer
Ans: (b) Calls-in-arrear Rs. 400 (c) Share forfeiture Rs.1,600 (e) Capital resreve Rs.1,200

21. **2073 Set D Q.No. 9** A company forfeited 100 shares of Rs. 100 each for non-payment of allotment money @ Rs. 50 and first and final call @ Rs. 30 per share. These shares were reissued @ Rs. 90 per share as fully paid.
Required: Journal for forfeiture, re-issue and transfer.

Ans: Share forfeiture Rs. 2,000; Capital reserve Rs. 1,000

22. **2072 Supp Q.No. 9** A company forfeited 300 shares or Rs. 10 each for non-payment of final call money of Re. 1 per share. These shares were re-issued @ Rs. 5 per share as fully paid up.
Required: Journal entries for:
a. Forfeiture
b. Re-issue
c. Transfer

Ans: (a) Share forfeiture Rs. 2,700 (c) Capital reserve Rs. 1,200

23. **2072 Set C Q.No. 10** A Ltd company issued 10,000 shares of Rs. 100 each at a discount of Rs.5 per share at allotment call payable as follows.
On application Rs.30
On allotment Rs.35
On first and final call Rs.30
Applications were received for 9,000 shares and allotment were also completed. All the due money were collected with the exception of on 400 shares due on first and final call. Subsequently these 400 shares were forfeited.
Required: Journal entries for
a. Allotment
b. First and final call
c. Forfeiture of share

Ans: (b) Calls in arrear Rs. 12,000 (c) Share forfeiture Rs. 26,000

24. **2072 Set D Q.No. 10** A company issued 20,000 shares of Rs.100 each at Rs.90 per share payable as under:
On application Rs.20
On allotment including discount Rs.30
On first and final call Rs.40
Applications were received for 30,000 shares and allotment were made as under:
12,000 applicants .....Full
16,000 applicants 8,000
2,000 applicants .....Nil
Money overpaid on applications were utilized towards sum due on allotment. Applicants of 100 shares failed to pay the first and final call money and these shares were forteified.
Required: a. Entries for allotment
b. Entries for first and final call
c. Entry for forfeiture

Ans: (b) Calls in arrear Rs. 4,000 (c) Share forfeiture Rs. 5,000

25. **2072 Set E Q.No. 10** C company Ltd. forfeited 50 shares of Rs. 100 each for non payment of final call money of Rs. 20 per share. These shares were re-issued at Rs. 80 per share as fully paid.
Required: a. Forfeiture
b. Re-issue
c. Transfer

Ans: (a) Share forfeiture Rs. 4,000 (c) Capital reserve Rs. 3,000

26. **2071 Supp Q.No. 10** A company forfeited 200 shares of Rs.10 each for non payment of final call money Rs.3 per share. These share were re-issued @ Rs.6 per share as fully paid up:
Required: Journal entries for:
a. Forfeiture
b. Re-issue
c. Transfer

Ans: (a) Share forfeiture Rs. 1,400 (c) Capital reserve Rs. 600

27. **2071 Set C Q.No. 10** A Limited Company issued 5,000 shares of Rs. 100 each at 10 percent premium payable as follows:
On application ..... Rs. 30 per share
On allotment.....Rs. 40 per share (with premium)
On first & final call ..... Rs. 40 per share
Applications received for 6,000 shares. These shares were allotted on prorata basis to the applicants for 5,500 shares and applications for 500 shares were rejected. Money over paid on applications were utilized towards sum due on allotment. A shareholder holding 60 shares failed to pay first & final call money. Hence, his shares were forfeited.
Required: a. Entry for allotment
b. Entry for first and final call
c. Entry for forfeiture.

Ans: (a) Bank a/c Rs. 1,85,000 (b) Calls in arrear Rs. 2,400 (c) Share forfeiture Rs. 3,600

28. **2071 Set D Q.No. 10** B. company Ltd. issued 10,000 shares of Rs. 50 each at a premium of 10%, payable as follows:
On application .....Rs. 15
On allotment, inclusive premium.....Rs. 25
On first and final instalment .....Rs. 15
Applications were received for 15,000 shares. Among them, applicants for 4,000 shares were allotted fully, for 9,000 applicants 6,000 shares on pro-rata basis and rest applicants for 5,000 shares were refunded. Excess money paid on applications were utilized towards the allotment due money, 100 shares which were allotted to a shareholder from pro-rata basis, were forfeited as he failed to pay first and final call money.
Required: Journal entries for: a. Allotment call
b. First and final call
c. Forfeiture

Ans: (a) Bank a/c Rs. 2,05,000 (b) Calls in arrear Rs. 1,500 (c) Share forfeiture Rs. 3,500

29. **2070 Set C Q.No. 9** K. company Ltd. forfeited 100 shares of Rs. 100 each for non-payment of final call money of Rs. 30 each by a shareholder. Subsequently these shares were re-issued at Rs. 80 per share as fully paid up.
Required: a. Forfeiture
b. Re-issued
c. Transfer journal entries

Ans: (a) Share forfeiture Rs. 7,000 (b) Bank a/c Rs. 8,000 (c) Capital reserve Rs. 5,000

30. **2070 Set C Q.No. 10** A limited company issued 3,000 shares of Rs. 100 each at 10% premium payable as follow.
On application ..... Rs. 20 per share
On allotment with premium ..... Rs. 50 per share
On first and final call ..... Rs. 40 per share
Applications received for 4,000 shares. These shares were allotted on pro-rata basis to the applicants for 3,500 shares and applications for 500 shares were rejected. Money overpaid on applications were utilized towards sum due on allotment. A share holding 50 shares failed to pay first and final call money. Hence his shares were forfeited.
Required: a. Entry for allotment
b. Entry for first and final call
c. Entry for forfeiture

Ans: (a) Bank a/c Rs. 1,40,000 (b) Calls in arrears Rs. 2,000 (c) Share forfeiture Rs. 3,000

31. **2070 Set D Q.No. 10** A Ltd. company issued 50,000 equity shares of Rs. 100 each payable as follows:
On application .....Rs. 30
On allotment .....Rs. 30
On first and final call .....Rs. 40
Applications were received for 80,000 shares. Allotment were made as follows:
To applicants for ..... 40,000 shares: Full
To applicants for .....20,000 shares : 50%
To applicants for .....20,000 shares : Refunded
The excess money received on application were utilized toward the sum due on allotment. All the calls money were duly received, except a shareholder to whom 1,000 shares were allotted from pro-rata basis failed to pay the first and final call money therefore, his shares were forfeited.
Required: Journal entries for a. Application b. Allotment
c. First and final call d. Forfeiture

Ans: (a) Amount transfer to allotment Rs. 3,00,000, Calls in arrear: First and final call Rs. 40,000; Share forfeiture Rs. 60,000

32. **2064 Supp. Q.No. 10** A company issued 2,000 shares of Rs. 100 each at a discount of 10% payable as follows:
On application ..... Rs. 30 per share On allotment ..... Rs. 30 per share (including discount)
On first and final call ..... Rs. 30 per share
Applications were received for 3,000 shares and allotment was made in the following manner:
To applicants for 1,000 shares ..... Full
To applicants for 2,000 shares ..... 1,000 shares
Monies overpaid on applications were utilised on subsequent calls. All the calls monies were received except a holder holding 100 shares failed to pay on allotment and final calls. His shares were forfeited and re-issued at Rs. 70 per share.
Required: Journal entries for: a. Share allotment b. Share first and final call
c. Share forfeited d. Share re-issued

Ans: (a) Share allotment Rs. 27,000 (b) Share first and final call Rs. 57,000 (c) Share forfeited Rs. 3,000 (d) Bank a/c Rs. 7,000

33. **2060 Supp. Q.No. 1** Arun Co. Ltd. issued 10,000 equity shares of Rs. 100 each payable as under:
On application .....Rs. 30
On allotment.....Rs. 40
On first and final call .....Rs. 30

Applications were received for 15,000 shares. It was decided to refuse allotment to the applicants for 3,000 shares and to allot the shares on pro-rata basis to the remaining applicants. It was also decided to utilize excess application money in part payment of allotment. All monies were duly received except on 120 shares from which allotment and call money could not be collected. Board of Directors decided to forfeit these shares.

Required: Entries for
a. Shares allotment
b. Share first and final call
c. Share forfeiture

Ans: (a) Bank a/c Rs. 3,35,920 (b) Bank a/c Rs. 2,96,400 (c) Share forfeiture Rs. 4,32

4. ISSUES OF SHARE FOR THE OTHER THAN CASH

Format of Issues of Share for the Other than Cash

Calculation of the number of shares to be issued when purchase price is given

$$\text{Number of shares to be issued} = \frac{\text{Purchase price of assets}}{\text{Issued price per share}}$$

Where, Issued price = Par value + Premium or – Discount

In the books of .....

Journal Entries

Date	Particular	LF	Debit (Rs.)	Credit (Rs.)
	Sundry assets a/c .....Dr.		xxx	
	Land and building a/c .....Dr,		xxx	
	Debtors/ Accounts receivables a/c .....Dr.		xxx	
	Machinery/ Equipments a/c .....Dr.		xxx	
	Furniture a/c .....Dr.		xxx	
	Stock/ Inventory a/c .....Dr.		xxx	
	Goodwill a/c [Balancing figure] .....Dr.		xxx	
	To Accounts payable/ Creditors a/c			xxx
	To Outstanding expenses a/c			xxx
	To 10% debenture a/c			xxx
	To Bills payable a/c			xxx
	To Loans payable a/c			xxx
	To Overdraft balance a/c			xxx
	To Vendors a/c			xxx
	To Capital reserve a/c [Balancing figure]			xxx
	(Being assets and liabilities taken over)			
	Vendor a/c .....Dr.		xxx	
	Discount on issue of share a/c (If question given).....Dr.		xxx	
	To Share capital a/c			xxx
	To Share premium a/c (If question given)			xxx
	(Being issue of ... equity shares of Rs. ... each at ...% discount/ premium to vendor company)			

THEORETICAL QUESTIONS

1. What is issue of share for other than cash?
   नगदबाहेक अन्य सम्पत्तिमा सेयर निष्कासन भनेको के हो ?

NUMERICAL PROBLEMS

SHORT ANSWER QUESTIONS

1. **2081 Set B/C Q.No. 13** A company purchased the following assets at an agreed price of Rs. 5,50,000.
   Plant.....Rs. 2,60,000
   Building.....Rs. 3,65,000
   The company paid the agreed price by issuing shares of Rs. 100 each at 10% premium.
   Required: Entries for purchase of assets and issue of shares. [1+1]

   Ans: Capital reserve Rs. 75,000

2. **2081 Set D Q.No. 13** A company issued 1,000 shares at Rs.100 per share to purchase plant of Rs.1,10,000.
   Required: Entry for purchase of plant by issuing share. [1+1]

   Ans: Capital reserve Rs. 10,000

3. **2080 GIE Set A Q.No. 13i** A Company issue 5,000 share of Rs. 100 each at 10% discount to purchase the following assets.
Plant & machinery .....Rs. 4,00,000
Debtors .....Rs. 1,00,000
Inventory .....Rs. 20,000
Required: Journal entries for assets purchase by issuing shares. [1+1]
Ans: Capital reserve Rs. 70,000

4. **2080 GIE Set B Q.No. 13i** Q Company Ltd. purchase the following assets of R Company Ltd. at an agreed price of Rs. 4,40,000.
Machinery .....Rs. 3,20,000
Stock .....Rs. 2,10,000
The purchase price paid by issuing shares of Rs.100 each at 10% premium.
Required: Journal entries for assets purchase by issuing shares. [1+1]
Ans: Capital reserve Rs. 90,000

5. **2080 Set P/Q Q.No. 13i** A Company Ltd. issued 9,000 shares of Rs. 100 each at a premium of Rs. 10 per share to purchase the following assets.
Land and building .....Rs. 6,50,000
Office equipment .....Rs. 3,40,000
Required: Entries for purchase of assets and issue of share [1+1]
Ans: Nil

6. **2080 Set R Q.No. 13i** A company purchased following assets at an agreed price of Rs. 4,00,000 :
Land and building .....Rs. 2,50,000
Furnitures .....Rs. 1,00,000
The company paid purchase consideration amount by issuing shares of Rs. 100 each at par.
Required: Entries for purchase of assets and issue of share [1+1]
Ans: Goodwill Rs. 50,000

7. **2079 GIE Set A Q.No. 13i** Kathmandu company issued 2,000 shares at Rs. 50 par value (with Rs.10 premium) per share to purchase Machinery of Rs. 1,00,000.
Required: Entry for purchase of machinery and issue of share. → H.W. [1+1]
Ans: Goodwill Rs. 20,000

8. **2079 GIE Set B Q.No. 13i** A company limited issued 5,000 shares of Rs. 100 each at a premium of 10% to purchase the following assets.
Fixed assets Rs.5,00,000
Stock .....Rs. 1,00,000
Required: Entry for assets purchase. [1+1]
Ans: Capital reserve Rs. 50,000

9. **2079 Set O Q.No. 13i** Himal company issued 1,000 shares at Rs. 50 per share including premium of Rs. 10 each to acquire plant of Rs. 1,00,000:
Required: Entry for purchase of plant by issuing share. [1+1]
Ans: Capital reserve Rs. 50,000

10. **2079 Set V Q.No. 13ii** A Company Ltd. issued 4,000 shares at Rs. 100 each to purchase the following assets. → H.W.
Fixed assets .....Rs. 4,50,000
Stock .....Rs. 50,000
Required: Entries for purchase of assets [1+1]
Ans: Capital reserve Rs. 1,00,000

11. The following assets and liabilities of B Co. Ltd. took over at an agreed price of Rs. 15,00,000:
Debtors .....Rs. 60,000
Fixed assets .....Rs. 18,40,000
Required: (a) Purchase of assets (b) Payment voucher
Ans: Capital reserve Rs. 4,00,000

12. A company purchased the following assets at an agreed price of Rs. 11,00,000:
Plant .....Rs. 9,00,000
Furniture .....Rs. 2,50,000
The company paid the agreed price by issuing shares of Rs. 100 each at 10% premium.
Required: Entries for purchase of assets and issue of share.
Ans: Capital reserve Rs. 50,000

13. A company took over the following assets at an agreed price of Rs. 4,00,000:
Land and building .....Rs. 3,95,000
Furnitures .....Rs. 1,00,000
The company paid the purchase consideration amount by issuing shares of Rs. 100 each at par.
Required: Journal entries for the purchase of assets and issue of share.
Ans: Capital reserve Rs. 95,000

14. A company took over the following assets at an agreed price of Rs. 6,30,000:
Land and building .....Rs. 4,00,000
Furniture .....Rs. 2,75,000
The company paid the purchase consideration amount by issuing shares of Rs. 100 each at 10% discount.
Required: Journal entries for the purchase of assets and issue of share. (Narration is not compulsory)

Ans: Capital reserve Rs. 6,30,000

15. A Company Ltd. took over the following assets of a vendor company at an agreed price of Rs 9,00,000.
Furniture .....Rs 3,00,000 Debtors .....Rs 1,50,000
Plant .....Rs 4,50,000 Stock .....Rs 50,000
The company paid the purchase price by issuing equity shares of Rs 100 each at 10% discount.
Required: Entries for purchase of assets and issue of share.

Ans: Capital reserve Rs. 9,00,000

16. A company took over the following assets of Himal Company at an agreed price of Rs. 6,30,000:
Debtors.....Rs. 25,000 Equipment.....Rs. 3,00,000
Stock .....Rs. 1,00,000
The company discharged the purchase price by issuing equity shares of Rs. 100 each at 10% discount.
Required: Entries for purchasing of assets and issue of share.

Ans: Goodwill Rs. 2,05,000

17. Pashupati Company Ltd. purchase the following assets at an agreed price of Rs. 8,50,000.
Furniture .....Rs.2,00,000 Machinery .....Rs. 4,00,000
Inventory .....Rs. 2,50,000
The company paid the agreed price by issuing shares of Rs. 100 each at a premium of 10%.
Required: Entries for purchase of assets and payment voucher.

Ans: Purchase consideration Rs. 8,50,000

18. Kathmandu company Ltd. purchase the following assets at an agreed price of Rs. 9,50,000.
Machinery .....Rs. 4,00,000 Furniture .....Rs. 2,00,000
Stock .....Rs. 1,50,000
The company paid the agreed price by issuing shares of Rs. 100 each at 5% discount.
Required: Entries for purchase of assets and payment voucher.

Ans: Goodwill Rs. 2,00,000

19. **2073 Set D Q.No. 11** A company issued 10,000 shares of Rs. 100 each at a premium of 20% to purchase the following assets:
Land and building .....Rs. 4,00,000 Debtors .....Rs. 2,50,000
Furniture.....Rs. 1,00,000 Stock .....Rs. 50,000
Required: Journal entries for purchase of assets and liabilities.

Ans: Goodwill Rs. 4,00,000

20. **2072 Supp Q.No. 11** A company Ltd. issued 5,000 shares of Rs. 100 each at a premium of 10% to purchase the following assets and liabilities:
Machinery .....Rs. 5,00,000 Furniture .....Rs. 1,50,000
Creditors .....Rs. 1,00,000
Required: Journal entries for the purchase of assets and liabilities.

Ans: Purchase considerations Rs. 5,50,000

21. **2072 Set C Q.No. 11** B. company Ltd took over the assets of Rs.15,00,000 and liabilities of Rs.2,20,000 of A company Ltd at an agreed price of Rs.13,20,000. The purchaser discharged the purchase price by issuing shares of Rs.100 each at 10% premium.
Required: a. Entries for purchase of assets and liabilities
b. Balance sheet

Ans: (a) Goodwill Rs. 40,000 (b) B/S Total Rs. 15,40,000

22. **2072 Set D Q.No. 11** A company Ltd. issued 10,000 shares of Rs.100 each at a discount @ 10% to purchase the following assets and liabilities.
Land and building .....Rs.8,00,000 Machinery Rs.1,00,000
Bills payable Rs.50,000
Required: Journal entries for purchase of assets and liabilities

Ans: Goodwill Rs. 50,000

23. **2072 Set E Q.No. 11** A company took over the following assets and liabilities at an agreed price of Rs. 4,95,000.
Land and building .....Rs.7,00,000 Furnitures Rs.40,000
Debtors .....Rs.60,000 Creditors Rs.3,00,000
Bills payable Rs.5,000
The company paid the purchase consideration amount by issuing shares of Rs. 100 each at 10% premium.
Required : Journal entries for the purchase of assets and liabilities

Ans: Purchase consideration Rs. 4,95,000

24. **2071 Set C Q.No. 11** X Company Ltd. acquired the following assets and liabilities at an agreed price of Rs. 11,00,000.

Machinery	Rs. 10,00,000	Debtors	Rs. 50,000
Furniture	Rs. 5,00,000	O/S payable	Rs. 1,00,000
Bank loan	Rs. 2,00,000	Inventories	Rs. 1,00,000
Creditors	Rs. 1,50,000		

Required: Journal entries for purchase of assets and liabilities.

Ans: Capital reserve Rs. 1,00,000

25. **2071 Set D Q.No. 11** A company Ltd took over the following assets and liabilities of a Vendor Company at an agreed price of Rs. 14,30,000.

Debtors	Rs. 3,50,000	Loan	Rs. 3,00,000
Creditors	Rs. 8,00,000	Furniture	Rs. 8,00,000
Equipments	Rs. 6,00,000	Inventories	Rs. 2,00,000

The company paid the purchase price by issuing equity shares of Rs. 100 each at 10% premium.

Required: Entries for purchase of assets and liabilities

Ans: Goodwill Rs. 5,80,000

26. **2070 Set C Q.No. 11** A limited company issued 13,000 shares of Rs. 100 each to purchase the business consisting following assets and liabilities.

Current assets	Rs. 2,00,000	Furniture	Rs. 1,50,000
Other fixed assets	Rs. 12,00,000	Current liabilities	Rs. 3,00,000

Required: Entry for purchase of business

Ans: Goodwill Rs. 50,000

27. **2065 Q.No. 3 (Old)** X. Co. Ltd. with an authorized capital of 5,000 shares of Rs. 100 each issued 3,000 shares to purchase the following assets and liabilities:

Plant and machinery	Rs. 2,00,000	Furniture	Rs. 50,000
Stock	Rs. 50,000	Sundry creditors	Rs. 40,000

The company also issued remaining shares at par for public subscription. These shares were fully subscribed and paid.

Required: a. Entry for purchase of assets and liabilities
b. Opening balance of X Co. Ltd.

Ans: (a) Goodwill Rs. 40,000 (b) B/S Total Rs. 5,40,000

5. ACCOUNTING FOR DEBENTURES

Format of Entries for Issue and Redemption of Debentures

No.	Issue at	Redeemable at	Entries for Issue	Entries for Redemption
1.	Par	Par	Bank a/c ..... Dr. To ... % Debentures a/c	... % Debentures a/c ..... Dr. To Bank a/c
2.	Par	Discount	Bank a/c ..... Dr. To ... % Debentures a/c	... % Debentures a/c ..... Dr. To Discount on redemption of deb. a/c To Bank a/c
3.	Par	Premium	Bank a/c ..... Dr. Loss on issue of debenture a/c ..... Dr. To ... % Debentures a/c To Premium on redemption of deb. a/c	... % Debentures a/c ..... Dr. Premium on redemption of deb. a/c ..... Dr. To Bank a/c
4.	Premium	Par	Bank a/c ..... Dr. To ... % Debentures a/c To Premium on issue of deb. a/c	... % Debentures a/c ..... Dr. To Bank a/c
5	Premium	Discount	Bank a/c ..... Dr. To ... % Debentures a/c To Premium on issue of deb. a/c	... % Debentures a/c ..... Dr. To Discount on redemption of deb. a/c To Bank a/c
6	Premium	Premium	Bank a/c ..... Dr. Loss on issue of debenture a/c ..... Dr. To ... % Debentures a/c To Premium on issue of deb. a/c To Premium on redemption of deb. a/c	... % Debentures a/c ..... Dr. Premium on redemption of deb. a/c ..... Dr. To Bank a/c
7	Discount	Par	Bank a/c ..... Dr. Discount on issue of debenture a/c ..... Dr. To ... % Debentures a/c	... % Debentures a/c ..... Dr. To Bank a/c

24. **2071 Set C Q.No. 11** X Company Ltd. acquired the following assets and liabilities at an agreed price of Rs. 11,00,000.

Machinery	Rs. 10,00,000	Debtors	Rs. 50,000
Furniture	Rs. 5,00,000	O/S payable	Rs. 1,00,000
Bank loan	Rs. 2,00,000	Inventories	Rs. 1,00,000
Creditors	Rs. 1,50,000		

Required: Journal entries for purchase of assets and liabilities.

Ans: Capital reserve Rs. 1,00,000

25. **2071 Set D Q.No. 11** A company Ltd took over the following assets and liabilities of a Vendor Company at an agreed price of Rs. 14,30,000.

Debtors	Rs. 3,50,000	Loan	Rs. 3,00,000
Creditors	Rs. 8,00,000	Furniture	Rs. 8,00,000
Equipments	Rs. 6,00,000	Inventories	Rs. 2,00,000

The company paid the purchase price by issuing equity shares of Rs. 100 each at 10% premium.

Required: Entries for purchase of assets and liabilities

Ans: Goodwill Rs. 5,80,000

26. **2070 Set C Q.No. 11** A limited company issued 13,000 shares of Rs. 100 each to purchase the business consisting following assets and liabilities.

Current assets	Rs. 2,00,000	Furniture	Rs. 1,50,000
Other fixed assets	Rs. 12,00,000	Current liabilities	Rs. 3,00,000

Required: Entry for purchase of business

Ans: Goodwill Rs. 50,000

27. **2065 Q.No. 3 (Old)** X. Co. Ltd. with an authorized capital of 5,000 shares of Rs. 100 each issued 3,000 shares to purchase the following assets and liabilities:

Plant and machinery	Rs. 2,00,000	Furniture	Rs. 50,000
Stock	Rs. 50,000	Sundry creditors	Rs. 40,000

The company also issued remaining shares at par for public subscription. These shares were fully subscribed and paid.

Required: a. Entry for purchase of assets and liabilities
b. Opening balance of X Co. Ltd.

Ans: (a) Goodwill Rs. 40,000 (b) B/S Total Rs. 5,40,000

5. ACCOUNTING FOR DEBENTURES

Format of Entries for Issue and Redemption of Debentures

No.	Issue at	Redeemable at	Entries for Issue	Entries for Redemption
1.	Par	Par	Bank a/c ..... Dr. To ... % Debentures a/c	... % Debentures a/c ..... Dr. To Bank a/c
2.	Par	Discount	Bank a/c ..... Dr. To ... % Debentures a/c	... % Debentures a/c ..... Dr. To Discount on redemption of deb. a/c To Bank a/c
3.	Par	Premium	Bank a/c ..... Dr. Loss on issue of debenture a/c ..... Dr. To ... % Debentures a/c To Premium on redemption of deb. a/c	... % Debentures a/c ..... Dr. Premium on redemption of deb. a/c ..... Dr. To Bank a/c
4.	Premium	Par	Bank a/c ..... Dr. To ... % Debentures a/c To Premium on issue of deb. a/c	... % Debentures a/c ..... Dr. To Bank a/c
5	Premium	Discount	Bank a/c ..... Dr. To ... % Debentures a/c To Premium on issue of deb. a/c	... % Debentures a/c ..... Dr. To Discount on redemption of deb. a/c To Bank a/c
6	Premium	Premium	Bank a/c ..... Dr. Loss on issue of debenture a/c ..... Dr. To ... % Debentures a/c To Premium on issue of deb. a/c To Premium on redemption of deb. a/c	... % Debentures a/c ..... Dr. Premium on redemption of deb. a/c ..... Dr. To Bank a/c
7	Discount	Par	Bank a/c ..... Dr. Discount on issue of debenture a/c ..... Dr. To ... % Debentures a/c	... % Debentures a/c ..... Dr. To Bank a/c

8	Discount	Discount	Bank a/c .....Dr. Discount on issue of debenture a/c.....Dr. To ... % Debentures a/c	... % Debentures a/c .....Dr. To Discount on redemption of deb. a/c To Bank a/c
9	Discount	Premium	Bank a/c .....Dr. Discount on issue of debenture a/c.....Dr. Loss on issue of Debenture a/c .....Dr. To ... % Debentures a/c To Premium on redemption of deb. a/c	... % Debentures a/c .....Dr. Premium on redemption of deb. a/c .....Dr. To Bank a/c

THEORETICAL QUESTIONS

1. 2080 GIE Set B Q.No. 2 What do you understand by debenture? [1]
   ऋणपत्र भन्नाले के बुझ्नुहुन्छ ?
2. 2079 GIE Set A Q.No. 2 Clarify the meaning of debenture. [1]
   ऋणपत्रको अर्थ खुलाउनुहोस् ।
3. Write in brief the meaning of convertible debentures.
   परिवर्तनशील ऋणपत्रको अर्थ छोटकरीमा लेख्नुहोस् ।
4. State the features of debenture.
   ऋणपत्रका विशेषताहरुको उल्लेख गर्नुहोस् ।
5. Show the differences between shares and debentures.
   सेयर र ऋणपत्रका भिन्नताहरु देखाउनुहोस् ।

NUMERICAL QUESTIONS

SHORT ANSWER QUESTIONS

ISSUE AT PAR, REDEMPTION AT DISCOUNT

1. 2080 Set P/Q Q.No. 13II A bank issued 5,000, 7% debenture of Rs. 100 each at par. These debentures were redeemed after 5 years at 5% discount.
   Required: Entries for issue and redemption of debentures [1+1+1]
   Ans: Redemption in bank Rs. 475,000; Discount on redemption of debenture Rs. 25,000

ISSUE AT PAR, REDEMPTION AT PREMIUM

2. 2081 Set B/C Q.No. 13II A Company Ltd. issued 4,000 debentures of Rs. 100 each at par. These debentures were redeemed after 5 years at 10% premium.
   Required: Entries for issue and redemption of debentures [3]
   Ans: Premium on redemption of debenture Rs. 40,000
3. 2079 GIE Set B Q.No. 13II A company Ltd. issued 5,000, 9% debentures of Rs. 100 each and redeemable at 5% premium after 10 years.
   Required: Entries for issue and redemption of debentures [3]
   Ans: Loss on issue of debenture Rs. 25,000, Premium on redemption of debenture Rs. 25,000
4. 2075 Set A Q.No. 12 A Company Ltd. issued 4,000, 10% debentures of Rs. 100 each at par. These debentures were redeemed after 7 years at 10% premium.
   Required: Entries for issue and redemption of debentures.
   Ans: Premium on redemption of debenture Rs. 40,000
5. 2072 Supp Q.No. 12 Nepal company Ltd. issued 4,000, 7% debentures of Rs. 1,000 each. These debentures are redeemable after 10 years with 5% premium.
   Required: Journal entries for issue and redemption of debentures.
   Ans: Premium on redemption of debenture Rs. 2,00,000
6. 2072 Set E Q.No. 12 A company issued 10,000, 10% debentures of Rs.100 each at 5% premium redeemable after 5 years.
   Required: Journal entries for issuance and redemption of debentures.
   Ans: Premium on redemption of debenture Rs. 50,000
7. 2071 Supp Q.No. 12 A Co. Ltd issued 2,000, 10% debentures of Rs.100 each at par to be redeemable after 3 years at a premium of 5%.
   Required: Entries for issue & redemption of debenture.
   Ans: Premium on redemption of debenture Rs. 10,000
8. 2070 Set D Q.No. 12 A Company Limited redeemed 12,000, 8% debentures of Rs. 100 at par, which were issued at 10% premium, by converting them into equity shares of Rs. 100 each issued at par.
   Required: Entries for issue of debentures and conversion of debentures into shares.
   Ans: Premium on redemption of debenture Rs. 1,20,000

9. **2066 Supp Q.No. 12** J Company Ltd. issued 1,500, 8% debentures of Rs. 100 each. These debentures are redeemable after seven years with 5% premium.
Required: Journal entries for issue and redemption of debentures.
Ans: Premium on redemption of debenture Rs. 7,500

10. **2066 (C) Q.No. 12** Rs. 1,000, 10% debentures of Rs. 100 each issued at par and redeemable at 5% premium after 5 years.
Required: Journal entries for issue and redemption of debentures.
Ans: Premium on redemption of debenture Rs. 5,000

11. **2066 Q.No. 12** A Company Ltd. issued 6,000, 10% Debenture of Rs. 100 each at par. These debentures were redeemed after 5 years at 5% premium.
Required: Journal entries at the time of their issue and on redemption.
Ans: Premium on redemption of debenture Rs. 30,000

12. **2065 Q.No. 4 (Old)** A Co. issued 1,000; 12% debenture of Rs. 100 each at par, redeemable at the end of 5 years at a premium of 10%.
Required: Journal entry for issue of debentures.
Ans: Premium on redemption of debenture Rs. 10,000

ISSUE AT DISCOUNT, REDEMPTION AT PAR

13. **2075 GIE Q.No. 12** Transaction related to 10% debenture of Rs. 100 each are as given below:
i. 10,000 debenture issued at 10% discount
ii. Redeemed 10,000 debenture at par.
Required: Entries for issue and redemption of debenture.
Ans: Discount on issue of debenture Rs. 1,00,000

14. **2074 Set A Q.No. 12** Transactions related to 10% debentures of Rs.100 each are as given below.
1.1.2011: 5,000 debentures issued at 5% discount
31.12.2015: Redeemed 5,000 debentures at par.
Required: Entries for issuance and redemption of debentures.
Ans: Discount on issue of debenture Rs. 25,000

15. **2070 Set C Q.No. 12** A limited company issued 15,000, 7% debentures of Rs. 100 each at 10% discount redeemable at par. Subsequently it is redeemed by converting into equity shares of Rs. 100 each at par.
Required: a. Entry for issued of debenture
b. Entry for converting debentures into shares
Ans: Discount on issue of debenture Rs. 1,50,000

16. **2068 Supp Q.No. 12** A Company limited issued, 2,000, 10% debentures of Rs. 100 each at discount of 10%. The debentures were redeemed after 5 years at par.
Required: Journal entries for issue and redemption of debentures
Ans: Discount on issue of debenture Rs. 20,000

ISSUE AT DISCOUNT, REDEMPTION AT PREMIUM

17. **2080 GIE Set A Q.No. 13ii** B Company issued 400, 9% debenture of Rs. 1,000 each at 5% discount, redeemable at 10% premium after 8 years. [1+1+1]
Required: Entries for issue and redemption of debentures
Ans: Discount issue of debenture Rs. 20,000, Premium of redemption of debenture Rs. 40,000

18. **2080 Set R Q.No. 13ii** A company Ltd. issued 8,000, 7% debentures of Rs. 100 each at 5% discount, redeemable after 10 years at 10% premium. [1+1+1]
Required: Entries for issue and redemption of debentures
Ans: Discount on issue of debentures Rs. 40,000, Premium on redemption of debentures Rs. 80,000

19. **2079 GIE Set A Q.No. 13ii** A company issued 500, 12% debentures of Rs. 1,000 each at 10% discount and redeemable after 6 years at 5% premium.
Required: Journal entries for issue and redemption of debentures
Ans: Loss on issue of debenture Rs. 25,000

20. **2078 Set C Q.No. 12** A company limited issued 4,000, 10% debentures of Rs. 100 each at 5% discount redeemable at 5% premium after 5 years.
Required: Entries for issued and redemption of debentures.
Ans: Loss on issue of debenture Rs. 40,000; Premium on redemption of debenture Rs. 20,000

21. **2076 GIE Set B Q.No. 12** A company ltd issued 5,000, 10% debentures of Rs. 100 each at 10% discount. These debentures were redeemed after 6 years at 5% premium.
Required: Entries for issue and redemption of debenture.
Ans: Discount on issue of debenture Rs. 50,000; Premium on redemption of debenture Rs. 25,000

22. **2076 Set B Q.No. 12** A company Ltd. issued 8,000, 10% debentures at a discount of 10% and redeemable after 5 years at a premium of 5%.
Required: Entries for issue and redemption of debentures.
[**Note:** Suppose the rate of debenture issue is Rs. 1,000]
Ans: Discount on Issue of debenture Rs. 8,00,000, Premium on redemption of debenture Rs. 4,00,000

23. **2076 Set C Q.No. 12** The following information are given in respect of issued of 10% debentures:
i. Issued 5,000 debentures of Rs. 100 each at a discount of 10%.
ii. Issued debentures were redeemed after 5 years at 5% premium.
Required: Entries for issue and redemption of debentures.
Ans: Discount on Issue of debenture Rs. 50,000; Premium on redemption of Debenture Rs. 25,000

24. **2075 Set B Q.No. 12** A Co. Ltd issued 3,000; 10% debentures of Rs. 1,000 each at 5% discount, redeemable after 12 years at 10% premium.
Required: Entries for issue and redemption of debenture.
Ans: Discount on Issue of debenture Rs. 1,50,000; Premium on redemption of debenture Rs. 3,00,000

25. **2074 Supp Q.No. 12** C company limited issued 20,000, 10% debentures of Rs.100 each at 5% discount, to be redeemable at 10% premium after 10 years.
Required: Journal entries for issuance and redemption of debentures.
Ans: Discount on Issue of debenture Rs. 1,00,000; Premium on redemption of debenture Rs. 2,00,000

26. **2074 Set B Q.No. 12** A company limited issued 2,000, 10% debentures of Rs. 100 each at a discount of 5%, redeemable at the end of 5 years at 10% premium.
Required: Journal entries for issuance and redemption of debentures.
Ans: Discount on Issue of debenture Rs. 10,000; Premium on redemption of debenture Rs. 20,000

27. **2073 Set C Q.No. 12** N. Company Limited issued 5,000, 10% debentures of Rs. 200 each at 5% discount, redeemable at 5% premium.
Required: Entries for issuance and redemption of debentures.
Ans: Discount on Issue of debenture Rs. 50,000; Premium on redemption of debentures Rs. 50,000

28. **2072 Set C Q.No. 12** ABC company Ltd issued 10,000, 10% debenture of Rs.20 each at 10% discount and redeemable at 10% premium after 5 years.
Required: Entries for issuance and redemption of debentures.
Ans: Discount on Issue of debenture Rs. 20,000; Premium on redemption of debenture Rs. 20,000

29. **2072 Set D Q.No. 12** B company Ltd. issued 5,000, 5% debentures of Rs.100 each at a discount of 10% to be redeemed at a premium of 10% after 10 years.
Required : Journal entries for issue and redemption of debentures.
Ans: Discount on Issue of debenture Rs. 50,000; Premium on redemption of debenture Rs. 50,000

30. **2071 Set C Q.No. 12** Honda Company Ltd issued 5,000; 10% Redeemable debentures of Rs. 1,000 each at 5% discount redeemable after three years at 10% premium.
Required: Journal entries for issue and redemption of debenture
Ans: Discount on Issue of debenture Rs. 2,50,000; Premium on redemption of debenture Rs. 5,00,000

31. **2071 Set D Q.No. 12** A Company Ltd. issued 10,000, 10% debenture of Rs. 10 at 10% discount redeemable at 10% premium after 5 years.
Required: Entries for issue and redemption of debenture
Ans: Discount on Issue of debenture Rs. 10,000; Premium on redemption of debenture Rs. 10,000

32. **2070 Supp Q.No. 12** A company Ltd. issued 2,000, 10% debenture of Rs. 100 each at 5% discount, to the redeemable at 10% premium after 10 years.
Required: Journal entries for issue and redemption of debenture.
Ans: Discount on Issue of debenture Rs. 10,000; Premium on redemption of debenture Rs. 20,000

33. **2069 Supp Set A Q.No. 12** A company limited issued 5,000, 10% Debentures at 5% discount. These debentures were redeemed after 5 years at 10% premium.
Required: Journal Entries for issued and redemption of debentures.
Ans: Discount on Issue of debenture Rs. 25,000; Premium on redemption of debenture Rs. 50,000

34. **2065 Q.No. 12** M. Company Limited issued 3,000, 8%, 6 years debentures of Rs. 100 each at a discount of 5% and redeemable at a premium of 10%.
Required: Journal entries for issue and redemption of debentures. [4]
Ans: Loss on Issue of debenture Rs. 30,000

35. 2061 Q.No. 4 A Company issued the following debenture:1,000, 10% Debenture of Rs. 100 each at a discount of 5% but payable at a premium of 10% after 10 years.
Required: Journal entries of debenture.
Ans: Discount on Issue of debenture Rs. 5,000; Premium on redemption of debenture Rs. 10,000

36. 2060 Supp. Q.No. 4 Phewa Co. Ltd. issued 1,000, 10% debentures of Rs. 1,000 each at a discount of 5%, redeemable after four years at a premium of 2.5%. All debentures were subscribed and paid up.
Ans: Discount on Issue of debenture Rs. 50,000; Premium on redemption of debenture Rs. 25,000

37. 2060 Q.No. 4 A company limited issued 500, 10% debentures of Rs. 100 each at a discount of 10% and redeemable at the end of 5 years at a premium of 5%.
Required: Journal entries for issue of debenture.
Ans: Discount on Issue of debenture Rs. 5,000; Premium on redemption of debenture Rs. 2,500

ISSUE AT PREMIUM, REDEMPTION AT PAR

38. 2081 Set D Q.No. 13ii A company issued 4,000, 9% debentures of Rs. 100 each at 10% premium and redeemable after 5 year at par.
Required: Journal entries for issue and redemption of debentures [3]
Ans: Premium on Issue of debenture Rs. 40,000

39. 2079 Set O Q.No. 13ii A company issued 5,000, 8% debentures of Rs. 1,000 each at 10% premium and redeemable after 5 years at par.
Required: Journal entries for issue and redemption of debenture. [2+1]
Ans: Premium on Issue of debenture Rs. 5,00,000

40. 2073 Set D Q.No. 12 A Company Ltd. issued 5,000 10% debentures of Rs. 100 each at 10% premium to be redeemed after 5 years at par.
Required: Journal entries for issue and redemption of debentures.
Ans: Premium on Issue of debenture Rs. 50,000

ISSUE AT PREMIUM, REDEMPTION AT DISCOUNT

41. 2076 GIE Set A Q.No. 12 A Company Ltd. issued 5,000, 10% debentures of Rs. 100 each at 5% premium redeemable at 10% discount after 5 years.
Required: Entries for issue and redemption of debentures
Ans: Premium on redemption of debenture Rs. 25,000; Discount on redemption of debenture Rs. 50,000

42. 2068 Q.No. 12 ABC Company Limited issued 10,000; 10% debentures of Rs. 100 each at a premium of 5%, to be redeemable at a discount of 5% after 10 years.
Required: Journal entries for issuance and redemption of debentures.
Ans: Premium on redemption of debenture Rs. 50,000; Discount on redemption of debenture Rs. 50,000

ISSUE AT PREMIUM, REDEMPTION AT PREMIUM

43. 2080 GIE Set B Q.No. 13ii A company issued 500, 8% debentures of Rs. 1,000 each at 10% premium. After 5 years it will be redeemed at 5% premium.
Required: Journal entries for issue and redemption of debentures [1+1+1]
Ans: Premium on redemption of debenture Rs. 25,000

44. 2069 Supp Set B Q.No. 12 A company Limited issued 2,000, 12% debentures of Rs. 100 each at 5% premium and redeemable at 10% premium.
Required: Journal entries for issue and redemption of debentures
Ans: Loss on Issue of debenture Rs. 20,000

45. 2069 (Set A) Q.No. 12 GK Company Limited issued 15,000, 8% debentures of Rs. 100 each at 10% premium to be redeemable at 5% premium after 12 years.
Required: Entries for issue and redemption of debentures.
Ans: Loss on Issue of debenture Rs. 75,000

46. 2067 Q.No. 12 'A' and 'A' Co. issued 5,000 10% debentures of Rs.100 each at a premium 5% to be redeemable at the end of 10 years at a premium of 10%.
Required: Entries for
a. Issued of debenture
b. Redemption of debenture
Ans: Loss on Issue of debenture Rs. 50,000

47. 2064 Q.No 12 A Co. Ltd issued 5,000, 10% debentures of Rs. 100 each at a premium of Rs. 10 per debenture. These debentures were redeemed after 5 years with 5% premium.
Required: Journal entries at the time of issues and on redemption of debentures.
Ans: Loss on Issue of debenture Rs. 25,000

48. 2064 Q.No 4 (OLD) A co. issued 2,000, 10% debentures of Rs. 100 each at a premium of 10%, and redeemable at the end of 5 years at a premium of 5% .
Required: Journal entry for issue of debentures.
Ans: Loss on Issue of debenture Rs. 10,000

49. 2063 Q.No. 4 Amar Co. issued 5,000, 8% debentures of Rs. 100 each at a premium of 5% payable at a premium of 6% after 10 years.

Required: Journal entry for issue time of debenture.

Ans: Loss on issue of debenture Rs. 30,000

6. FINAL ACCOUNT OF A COMPANY (TRADITIONAL METHOD)

Format of Trading Account

Trading Account of .....Company
For the year ending .....

Dr. Cr.

Particulars	Rs.	Particulars	Rs.
To Opening stock	xxx	By Sales xxx	
To Purchase xxx		Less: Sales return xxx	xxx
Less: Purchase return xxx	xxx	By Closing stock	xxx
To Wages and salary	xxx	By Gross Loss c/d [If any]	xxx
To Carriage inward	xxx		
To Royalties	xxx		
To Custom duty/ Octroi	xxx		
To Primary packing expenses	xxx		
To Excise duty/ Import duty	xxx		
To Coolie and cartage	xxx		
To Consumable store	xxx		
To Clearing charge	xxx		
To Municipal charges	xxx		
To Freight inward	xxx		
To Other direct/ Factory expenses	xxx		
To Motive power	xxx		
To Coal, gas, water fuel	xxx		
To Heating and Lighting	xxx		
To Gross profit c/d [If any]	xxx		
	xxx		xxx

Format of Profit and Loss Account

Profit and Loss Account of .....Company
For the year ending .....

Dr. Cr.

Particulars	Rs.	Particulars	Rs.
To Gross loss b/d	xxx	By Gross profit b/d	xxx
Administrative expenses:		**Other incomes:**	
To Salaries	xxx	By Discount received	xxx
To Rent, rate and taxes	xxx	By Apprenticeship premium	xxx
To Printing and stationery	xxx	By Commission received	xxx
To Telephone charges	xxx	By Appreciation on fixed assets	xxx
To Postage and printing	xxx	By Bad debt recovered	xxx
To Insurance	xxx	By Sundry or Miscellaneous income	xxx
To Audit fee	xxx	**Non Trading Income:**	
To Legal charges	xxx	By Interest on investment	xxx
To Electricity charges	xxx	By Rent received	xxx
Maintenance expenses:		By Dividend received	xxx
To Repair and renewals	xxx	**Abnormal gain:**	
To Depreciation on:		By Profit on sale of machinery	xxx
Plant and machinery	xxx	By Profit on sale of investment	xxx
Office equipment	xxx	By Transfer fee	xxx

Office furniture	xxx	By Net loss c/d.....	xxx
Office building	xxx		
Selling and distribution expenses:			
To Salesman salary.....	xxx		
To Godown rent.....	xxx		
To Carriage outward or freight outward	xxx		
To Bad debt	xxx		
To Salesman commission	xxx		
Financial expenses:			
To Bank charge	xxx		
To Interest on loan	xxx		
To Discount on bills	xxx		
To Discount allowed to customer	xxx		
Expenses as written off:			
To Preliminary expenses written off	xxx		
To Discount/loss on issue of shares/debentures written off	xxx		
To Underwriting commission written off	xxx		
Intangible assets written off:			
To Goodwill written off.....	xxx		
To Patent written off	xxx		
To Copyright written off	xxx		
To Trademark written off	xxx		
Abnormal losses:			
To Loss on sale of machinery	xxx		
To Loss on sale of investment.....	xxx		
To Loss by fire.....	xxx		
To Net profit c/d.....	xxx		
	xxx		xxx

Format of Profit and Loss Appropriation Account

Profit and Loss Appropriation of .....Company
For the year ending .....

Dr. **Cr.**

Particulars	Rs.	Particulars	Rs.
To General reserve and fund (Transfer)	xxx	By Balance b/d (Last year's profit).....	xxx
To Adjustment of expenses for the previous year	xxx	By Net profit b/d ..... (Current year's profit from P/L account)	xxx
To Dividend:		By Provision (Provision no longer required)	xxx
Stock dividend or bonus share	xxx	By Provision for tax (Last year)	xxx
Interim dividend.....	xxx	By Balance c/d (Bal. Fig).....	xxx
Proposed dividend	xxx		
Cash dividend	xxx		
To Tax paid (Last year)	xxx		
To Balance c/d (Bal. Fig).....	xxx		
	xxx		xxx

Format of Balance Sheet

Balance Sheet of ... Company
As on ...

Capital and Liabilities	Rs.	Assets	Rs.
1. Share capital		**1. Fixed assets**	
i. Authorized capital:		Fixed deposit into bank	xxx
... shares @ Rs. ... each	xxx	Goodwill	xxx
ii. Issued capital:		Land and building	xxx
... shares @ Rs. ... each	xxx	Plant and machinery	xxx
iii. Subscribed capital		Equipment and tools	xxx
... shares @ Rs. ... each	xxx	Furniture and fixtures	xxx
iv. Called up capital		Development properties	xxx
... shares @ Rs. ... each	xxx	Patents, trademarks and designs	xxx
v. Paid up capital		Livestock	xxx
Total called up capital xxx		Vehicles	xxx
Less: Calls-in-arrear xxx	xxx	**2. Investment**	
Share forfeiture	xxx	Investment in government securities	xxx
Calls in advance	xxx	Investment in shares and debentures/ bond	xxx
2. Reserve and Surplus		**3. Current assets, loans and advances**	
Share premium	xxx	**i. Current assets**	
Profit and appropriation a/c (Cr.)	xxx	Interest accrued on investment	xxx
Capital reserve	xxx	Stores and spare parts	xxx
General reserve	xxx	Loose tools	xxx
Debenture premium	xxx	Stock in trade	xxx
Capital redemption reserve	xxx	Work in progress	xxx
Sinking fund	xxx	Sundry debtor (Book debt)	xxx
Dividend equalization fund	xxx	Bills receivable	xxx
Other reserve	xxx	Accounts receivable	xxx
3. Secured Loans		Cash in hand	xxx
Debentures	xxx	Cash at bank	xxx
Loan and advance from bank	xxx	Prepaid expenses	xxx
Bond	xxx	**ii. Loans and Advances**	
Other secured loans	xxx	Advances and loan to subsidiaries	xxx
4. Unsecured Loans		Prepaid expenses	xxx
Fixed deposit	xxx	Advance tax paid	xxx
Short-term loan from bank	xxx	**4. Miscellaneous Expenditure**	
Other unsecured loans	xxx	Preliminary expenses	xxx
5. Current liabilities and provision		Underwriting commission	xxx
i. Current liabilities		Brokerage	xxx
Bills payable/ Accounts payable	xxx	Discount on issue of share/ debentures	xxx
Sundry creditor	xxx	Loss on issue of debenture	xxx
Bank overdraft	xxx	**5. Profit and loss appropriation a/c (Dr.)** ..	xxx
Income received in advance	xxx		
Unclaimed dividend	xxx		
Premium on redemption of debenture ..	xxx		
Outstanding expenses	xxx		
ii. Provisions			
Provision for tax	xxx		
Proposed dividend	xxx		
Provision for employees provident fund	xxx		
Pension fund	xxx		
Bonus payable to employees	xxx		
Others provision	xxx		
	xxx		xxx

THEORETICAL QUESTIONS

VERY SHORT ANSWER QUESTIONS

1. 2081 Set B/C Q.No. 3 List any two items of fixed assets. [1]
स्थिर सम्पत्तिका कुनै दुई उदाहरू सूचिकृत गर्नुहोस् ।
2. 2081 Set D Q.No. 3 Write any two items of intangible assets. [1]
अदृश्य सम्पत्तिका कुनै दुई शीर्षक लेख्नुहोस् ।
3. 2080 GIE Set A Q.No. 3 State any two items of current assets. [1]
चालु सम्पत्तिका कुनै दुई शीर्षक उल्लेख गर्नुहोस् ।
4. 2080 Set P/Q Q.No. 3 Write the meaning of current liabilities. [1]
चालु दायित्वको अर्थ लेख्नुहोस् ।
5. 2080 Set R Q.No. 3 List any two items of current liabilities. [1]
चालु दायित्वका कुनै दुई शीर्षक सूचिकृत गर्नुहोस् ।
6. 2079 Set O Q.No. 3 Why trading account is prepared? [1]
व्यापार खाता किन तयार गरिन्छ ?
7. 2079 Set V Q.No. 3 Define balance sheet. [1]
वासलातको परिभाषा दिनुहोस् ।
8. Define profit and loss account.
नाफा नोक्सान खाताको परिभाषा दिनुहोस् ।
9. Define balance sheet and write its importance.
वासलातको परिभाषा दिई यसका महत्त्वहरू लेख्नुहोस् ।

NUMERICAL PROBLEMS

VERY SHORT ANSWER QUESTIONS

1. 2079 GIE Set A Q.No. 9 From the following information find out the net profit. [1]
Gross profit.....Rs.50,000 Salary.....Rs. 10,000
Rent.....Rs. 15,000
Ans: NP Rs. 25,000

2. From the following information determine gross profit.
Sale .....Rs. 4,25,000 Purchased .....Rs. 1,75,000
Carriage inward .....Rs. 5,000 Sales return .....Rs. 25,000
Ans: GP Rs. 2,20,000

3. Calculate net profit from the following information.
Gross profit .....Rs. 43,000 Commission received .....Rs. 7,000
Operating expense .....Rs. 28,000 Interest expense .....Rs. 2,000
Ans: NP Rs. 20,000

4. Prepare P&L appropriation account from the following information.
Opening balance of P&L account .....Rs. 40,000 Net profit .....Rs. 60,000
Proposed dividend .....Rs 65,000
Ans: P/L Appropriation Account Rs. 35,000

5. From the following information calculate total assets.
Current assets .....Rs. 2,50,000 Investment .....Rs. 2,00,000
Fixed assets .....Rs. 7,75,000 Creditors .....Rs. 35,000
Ans: Total assets Rs. 12,25,000

SHORT ANSWER QUESTIONS

6. 2081 Set B/C Q.No. 14 The following financial transactions of a company is given below:

Particulars	Rs.
Opening stock	2,00,000
Purchases	17,50,000
Carriage inward	40,000
Factory expenses	4,00,000
Prepaid insurance	50,000
Salaries	1,75,000
Stationery	25,000
Sales	25,00,000
Capital	3,00,000
Interest on investment	2,00,000

Additional information:

i. Closing stock Rs. 2,00,000
ii. Prepaid insurance expired Rs. 20,000
iii. Bad debt Rs. 5,000

Required: a. Trading Account
b. Profit and Loss Account

[2+3]

Ans: (a) GP Rs. 3,10,000 (b) NP Rs. 2,85,000

7. **2081 Set D Q.No. 14** The following ledger balances of a company on 31st Chaitra last year :

Particulars	Rs.
Commission received	5,000
Sundry expenses	18,000
Sales	8,50,000
Purchase	4,20,000
Opening stock	30,000
Rent	50,000
Wages	40,000
Salaries	47,000
Interest expense	10,000

Additional information:

i. Value of closing stock Rs. 40,000
ii. Make provision for tax 50%

Required: a. Trading Account
b. Profit and Loss Account

[2+3]

Ans: (a) GP Rs. 4,00,000 (b) NP Rs. 1,40,000

8. **2080 GIE Set A Q.No. 14** Following information of a company given as:

Particulars	Rs.	Particulars	Rs.
Salary	30,000	Gross profit	6,00,000
Rent	20,000	Share capital	2,00,000
Insurance	40,000	Creditors	1,00,000
Cash	50,000	Loan	50,000
Fixed assets	6,00,000		
Debtors	1,10,000		
Investment	1,00,000		
Total	9,50,000	Total	9,50,000

Additional information:

i. Prepaid insurance Rs. 10,000
ii. Depreciation on fixed assets @12%
iii. Outstanding rent Rs. 6,000

Required: a. Profit & loss account
b. Balance sheet of company

[2+3]

Ans: (a) NP Rs. 4,42,000 (b) B/S Total Rs.7,98,000

9. **2080 GIE Set B Q.No. 14** A company provides the following trial balance :

Particulars	Dr.Rs.	Cr.Rs.
Opening stock	40,000	-
Purchase	3,20,000	-
Wages	30,000	-
Salary	25,000	-
Rent income	-	10,000
Interest on investment	-	18,000
Interest on loan	14,000	-
Commission received	-	20,000
Sales return	15,000	-
Carriage on purchase	20,000	-
Sales	-	6,00,000
Bad debts	6,000	-
Sales commission	4,000	-

Additional information:
i. Closing stock: Rs. 60,000
ii. Outstanding interest on loan Rs. 1,000
Required: a. Trading account
b. Profit and loss account [2+3]
Ans: (a) GP Rs. 2,35,000 (b) NP Rs. 2,33,000

10. **2080 Set P/Q Q.No. 14** The following financial transactions were taken from a company.

Gross profit	Rs. 5,60,000	Share capital	Rs. 6,00,000
Rent expenses	Rs. 52,000	Salary expenses	Rs. 96,000
Other income	Rs. 12,000	P&L account	Rs. 1,68,000
Fixed assets	Rs. 4,00,000	Interest expenses	Rs. 12,000
Utility expenses	Rs. 22,000	Discount allowed	Rs. 14,000

Additional information:
i. Depreciation on fixed assets by 15% p.a.
ii. Transfer to general reserve Rs. 55,000
iii. Proposed dividend @ 10% on capital.
Required: a. Profit and loss account
b. Profit and loss appropriation account [4+1]
Ans: (a) NP Rs. 3,16,000 (b) P/L Appro. Rs. 3,69,000

11. **2080 Set R Q.No. 14** The following ledger balances of a company was drawn up on 30th Chaitra last year.

Particulars	Amount (Rs.)
Opening stock	12,000
Purchase	40,000
Sales	1,32,000
Salary	18,000
Rent	14,000
Discount (Cr.)	5,000
General expense	8,000
Wages	6,000
Capital	1,50,000
Fixed assets	80,000

Additional information:
i. Closing stock Rs. 5,000
ii. Provision for tax Rs. 6,000
iii. Depreciation on fixed assets 10%
Required: a. Trading account
b. Profit and loss account [2+3]
Ans: (a) GP Rs. 79,000; (b) NP Rs. 30,000

12. **2079 GIE Set A Q.No. 14** Following financial transactions are taken from ABC company.

Sales	Rs. 2,95,000	Purchase	Rs. 1,40,000
Prepaid insurance	Rs. 20,000	Salary expenses	Rs. 42,000
Interest expenses	Rs. 10,000	Machinery	Rs. 80,000
Commission received	Rs. 15,000	Selling expenses	Rs. 40,000
Rent expenses	Rs. 25,000	Other office expenses	Rs. 18,000
Utilities expenses	Rs. 15,000		

Additional information:
i. Depreciate machinery by 10%
ii. Provision for taxation 25%
Required: a. Trading account
b. Profit and loss account [1+4]
Ans: (a) GP Rs. 1,55,000 (b) NP Rs. 9,000

13. **2079 GIE Set B Q.No. 15** The following financial transactions of a company is given below:

Opening stock	Rs. 50,000	Purchases	Rs. 6,30,000
Carriage	Rs. 10,000	Prepaid rent	Rs. 50,000
Salary and wages	Rs. 20,000	Bad debts	Rs. 5,000
Machinery	Rs. 2,00,000	Sales	Rs. 9,50,000
Interest received	Rs. 15,000		

Additional information:
i. Closing stock Rs.1,00,000

ii. Depreciation on machine @10%
iii. Prepaid rent was expired Rs. 40,000

Required: a. Trading account
b. Profit and loss account

Ans: (a) GP Rs. 3,60,000 (b) NP Rs. 2,90,000 [2+3]

14. 2079 Set O Q.No. 14 A trial balance of a company as on 31st December is as under.

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Plant and machinery	4,60,000	Share capital	8,00,000
Building	6,00,000	General reserve	1,20,000
Bank balance	80,000	Creditors	25,000
Debtors	60,000	Net profit	80,000
Prepaid insurance	12,000	Opening retained earning	37,000
Closing stock	50,000	Long term loan	2,00,000
Total	12,62,000	Total	12,62,000

Additional information:
i. Proposed dividend Rs. 80,000
ii. Transfer to general reserve Rs. 20,000

Required: a. Profit and loss appropriation account
b. Balance sheet

Ans: (a) P/L Appro. a/c Rs. 17,000 (b) B/S Total Rs. 12,62,000 [2+3]

15. The following is the trial balance of a Company:

Debit	Rs.	Credit	Rs.
Machinery	4,00,000	Share capital	3,00,000
Opening stock	20,000	Sales	6,89,000
Purchase	3,00,000	Discount	30,000
Debtors	2,00,000	8% Debenture	1,00,000
Wages	30,000	Creditors	40,000
Custom duty	20,000	Profit & loss appro. a/c	80,000
Salary	40,000	Capital reserve	40,000
Rent	50,000		
Cash	60,000		
Furniture	70,000		
7% Investment	80,000		
General expenses	9,000		
	12,79,000		12,79,000

Additional information:
i. Closing stock: Rs. 60,000
ii. Prepaid rent: Rs. 8,000
iii. Salary due for 2 months
iv. Depreciation on machinery @ 10%

Required: a. Trading account
b. Profit and loss account

Ans: (a) GP Rs. 3,79,000 (b) NP Rs. 2,67,600

16. Following information was taken from a company as on 31st Chaitra, last year is given below:

Particulars	Amount (Rs.)
Prepaid insurance	6,000
Sales revenue	3,22,000
Purchase	1,10,000
Salaries expenses	20,000
Opening stock	40,000
Interest expenses	9,000
Rent expenses	24,000

Additional Information:
i. Closing stock Rs. 75,000.
ii. Prepaid insurance was expired Rs. 5,000.

Required: a. Trading account
b. Profit and loss account

Ans: (a) GP Rs. 2,47,000 (b) NP Rs. 1,89,000

ii. Depreciation on machine @10%
iii. Prepaid rent was expired Rs. 40,000
Required: a. Trading account
b. Profit and loss account

Ans: (a) GP Rs. 3,60,000 (b) NP Rs. 2,90,000 [2+3]

14. **2079 Set O Q.No. 14** A trial balance of a company as on 31st December is as under.

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Plant and machinery	4,60,000	Share capital	8,00,000
Building	6,00,000	General reserve	1,20,000
Bank balance	80,000	Creditors	25,000
Debtors	60,000	Net profit	80,000
Prepaid insurance	12,000	Opening retained earning	37,000
Closing stock	50,000	Long term loan	2,00,000
Total	12,62,000	Total	12,62,000

Additional information:
i. Proposed dividend Rs. 80,000
ii. Transfer to general reserve Rs. 20,000
Required: a. Profit and loss appropriation account
b. Balance sheet

Ans: (a) P/L Appro. a/c Rs. 17,000 (b) B/S Total Rs. 12,62,000 [2+3]

15. The following is the trial balance of a Company:

Debit	Rs.	Credit	Rs.
Machinery	4,00,000	Share capital	3,00,000
Opening stock	20,000	Sales	6,89,000
Purchase	3,00,000	Discount	30,000
Debtors	2,00,000	8% Debenture	1,00,000
Wages	30,000	Creditors	40,000
Custom duty	20,000	Profit & loss appro. a/c	80,000
Salary	40,000	Capital reserve	40,000
Rent	50,000		
Cash	60,000		
Furniture	70,000		
7% Investment	80,000		
General expenses	9,000		
	12,79,000		12,79,000

Additional information:
i. Closing stock: Rs. 60,000
ii. Prepaid rent: Rs. 8,000
iii. Salary due for 2 months
iv. Depreciation on machinery @ 10%
Required: a. Trading account
b. Profit and loss account

Ans: (a) GP Rs. 3,79,000 (b) NP Rs. 2,67,600

16. Following information was taken from a company as on 31st Chaitra, last year is given below:

Particulars	Amount (Rs.)
Prepaid insurance	6,000
Sales revenue	3,22,000
Purchase	1,10,000
Salaries expenses	20,000
Opening stock	40,000
Interest expenses	9,000
Rent expenses	24,000

Additional Information:
i. Closing stock Rs. 75,000.
ii. Prepaid insurance was expired Rs. 5,000.
Required: a. Trading account
b. Profit and loss account

Ans: (a) GP Rs. 2,47,000 (b) NP Rs. 1,89,000

17. The following ledger balance of a company was drawn up on 31st Chaitra last year.

Particulars	Amount (Rs
Opening stock	34,000
Purchases	4,90,000
Sales	7,10,000
Rent	58,000
Debtors	65,000
Wages	42,000
Salaries	55,000
Sundry expenses	12,000
Discount received	6,000
Patent	58,000

Further information:

i. Closing stock was valued at Rs. 75,000.
ii. Make a provision for tax @ 50%.

Required: a. Trading account
b. Profit and loss account

Ans: (a) GP Rs. 2,19,000 (b) NP Rs. 50,000

18. The Trial Balance of a Limited Company as on Chaitra 31 last year is as under:

Dr.	Rs.	Cr.	Rs.
Cash	1,30,000	Sales	17,50,000
Bad debts	20,000	General reserve	1,20,000
Debtors	2,50,000	Bills payable	40,000
Wages	1,50,000	Creditors	3,40,000
Insurance, rent and salaries	3,35,000	P&L account	2,50,000
Fixed assets	9,00,000	Share capital	5,00,000
Opening stock	1,00,000		
Purchase	11,00,000		
Other expenses	15,000		
Total	30,00,000	Total	30,00,000

Additional information:

i. Closing stock: Rs. 2,22,000
ii. Depreciation on fixed assets: @ 5%
iii. Proposed dividend on capital at 10%
iv. Rent due: Rs. 8,000

Required: a. Trading account
b. Profit and loss account

Ans: (a) GP Rs. 6,22,000 (b) NP Rs. 1,99,000

19. The trial balance of a company as on last year is given below:

Particulars	Rs.	Particulars	Rs.
Rent expense	40,000	Share capital	4,00,000
Salaries expense	56,000	Gross profit	4,60,000
Equipment	8,80,000	Profit and loss account	72,000
General expense	1,60,000	Other income	48,000

Further information:

i. Proposed dividend Rs. 80,000.
ii. Depreciation on equipment by 10%.

Required: a. Profit and loss account
b. Profit and loss appropriation account

Ans: (a) NP Rs. 1,64,000 (b) P/L Appro. a/c Rs. 1,56,000

20. Trial balance of A company Ltd. as on 31st Chaitra is as under:

Debit	Rs.	Credit	Rs.
Closing stock	7,50,000	Share capital	7,00,000
Fixed assets	9,68,000	P & L account	30,000
Debtors	80,000	Loan	60,000
Salaries	30,000	Creditors	40,000
Insurance	20,000	Commission	50,000
Rent	10,000	Gross profit	9,90,000
Carriage on sales	5,000		
Bank balance	4,000		
Stationery	3,000		
	18,70,000		18,70,000

Additional information:
i. Bad debts: Rs. 10,000
ii. Depreciation on fixed assets: 10%
iii. Proposed dividend: 10%
Required: a. Profit and loss account
b. Profit and loss appropriation account

Ans: (a) NP Rs. 8,65,200 (b) P/L Appro. a/c Rs. 8,25,

21. Trial Balance of A Company Ltd. as on 31st Chaitra last year is given below:

Particulars	Debit Rs.	Particulars	Credit Rs.
Investment	30,000	Share capital	6,00,000
Equipment	3,00,000	Profit and loss account	54,000
Building	6,00,000	Reserve fund	90,000
Debtors	60,000	Commission received in advance	12,000
Prepaid insurance	6,000	Net profit for the year	2,29,000
Cash	30,000	Salary payable	3,000
Closing stock	42,000	Creditors	80,000
Total	10,68,000	Total	10,68,000

Additional information:
i. Transfer to reserve fund Rs. 10,000.
ii. Proposed dividend: 10%
Required: a. Profit and loss appropriation account
b. Balance sheet

Ans: (a) P/L Appro. a/c Rs. 2,13,000 (b) B/S Total Rs. 10,68,2

22. The trial balance of a company Ltd. as on 31st Chaitra last year is given below:

Particulars	Dr. (Rs.)	Particulars	Cr. (Rs.)
Closing stock	2,36,000	Creditors	1,98,000
Machinery	1,50,000	Profit and loss appropriation account	1,00,000
Cash in hand	10,000	10% Debentures	2,00,000
Furnitures	60,000	Share capital	4,00,000
10% investment	1,00,000	Net profit	48,000
Land and building	3,60,000		
Debtors	30,000		
Total	9,46,000	Total	9,46,000

Additional Information:
i. General resource transferred Rs. 49,000
ii. Proposed dividend 5%
Required: a. Profit and loss appropriation account
b. Balance sheet

Ans: (a) P/L Appropriation Account Rs. 79,000 (b) B/S Total Rs. 9,46,0

MIXED QUESTIONS

23. **2077 Set R Q.No. 7** The trial balance of a company as on Chaitra 31, 2074 is as under:

Particular (Dr.)	Rs.	Particular (Cr.)	Rs.
Opening stock	20,000	Sales	10,00,000
Purchases	8,00,000	Loan	20,000
Fixed assets	2,00,000	Interest on investments	3,000
Debtors	40,000	Creditors	10,000
Wages	30,000	P & L a/c	17,000
Salaries	20,000	Share capital	2,00,000
Insurance	5,000		
Interest on loan	6,000		
Freight on purchase	7,000		
Cash	22,000		
Investments	1,00,000		
Total	12,50,000	Total	12,50,000

Additional Information:
i. Closing stock: Rs. 2,20,000
ii. Depreciation on fixed assets at 15%
iii. Proposed dividend on capital at 10%
iv. Salary due: Rs. 4,000
Required: a. Trading account
b. Profit and loss account
c. Profit and loss appropriation account
d. Balance sheet

Ans: (a) GP Rs. 3,63,000; (b)NP Rs. 3,01,000; (c) P/L Appro. a/c Rs. 2,98,000; (d) B/S Total Rs. 5,52,0

24. **2076 GIE Set A Q.No. 14** Trial balance of A Company Ltd. as on 31st Chaitra last year is given below:

Particulars	Debit Rs.	Particulars	Credit Rs.
Opening stock	60,000	Share capital	6,00,000
Purchase	4,20,000	Profit and loss account	54,000
Investment	30,000	Reserve fund	90,000
Equipment	3,00,000	Commission received in advance	12,000
Building	6,00,000	Sales	9,25,000
Debtors	60,000	Purchase return	3,000
Wages	90,000	Creditors	80,000
Rent	48,000		
Salary	1,20,000		
Insurance	6,000		
Cash	30,000		
Total	17,64,000	Total	17,64,000

Additional information:

i. Closing stock: Rs. 72,000
ii. Outstanding wages: Rs. 5,000
iii. Depreciate equipment: 10%
iv. Create a provision for bad debt at 5%
v. Proposed dividend: 10%

Required: a. Trading account b. Profit and loss account
c. Profit and loss appropriation account d. Balance sheet

Ans: (a) GP Rs. 4,25,000 (b) NP Rs. 2,18,000 (c) P/L Appro. a/c Rs. 2,12,000, (d) B/S Total Rs. 10,59,000

25. **2076 GIE Set B Q.No. 14** Trial balance as on 31st December, last year is given below:

Debit	Rs.	Credit	Rs.
Opening stock	28,000	Share capital	4,00,000
Purchase	5,00,000	10% Debentures	80,000
Discount	4,000	P&L account	72,000
Salary	65,000	Commission	10,000
Wages	83,000	Provision for bad debts	4,000
Carriage	16,000	Creditors	54,000
Debtors	80,000	Sales	9,24,000
Building	5,00,000		
Machinery	2,20,000		
Closing stock	40,000		
Cash	6,000		
Return inward	2,000		
Total	15,44,000	Total	15,44,000

Additional information:

i. Depreciation on machinery: 10%
ii. Increased on provision for bad debt: Rs. 8,000
iii. Interest due on debentures: Rs. 4,000
iv. Proposed dividend: 5%
v. Commission received in advance: Rs. 1,000

Required: a. Trading account b. Profit and loss account
c. Profit and loss appropriation account d. Balance sheet

Ans: (a) GP Rs. 2,95,000; (b)NP Rs. 2,05,000; (c) P/L Appro. a/c Rs. 2,57,000; (d) B/S Total Rs. 8,16,000

26. **2076 Set B Q.No. 14** The following trial balance of ABC company for the year ending 31st December, 2017 is given:

Debit	Rs.	Credit	Rs.
Opening stock	50,000	Share capital	8,00,000
Purchases	2,00,000	Debentures	2,00,000
Land and building	15,00,000	Sales	15,10,000
Plant and machine	5,00,000	Commission	50,000
Carriage inwards	30,000	Reserve for bad debt	15,000
Salaries	1,50,000	Creditors	55,000
Wages	35,000	General reserve	45,000
Bank balance	15,000	Purchase return	5,000
Debtors	50,000	Profit and loss account	1,55,000
Investment	2,00,000		
Stationeries	45,000		
Discount	5,000		
Rent	25,000		
Sales return	10,000		
Insurance	20,000		
Total	28,35,000	Total	28,35,000

Additional information:

i. Closing stock: Rs. 80,000
ii. Bad debt written off on debtors: @5%
iii. Outstanding salaries: Rs. 30,000
iv. Unearned commission: Rs. 10,000
v. Proposed dividend: @10%

Required: a. Trading account b. Profit and loss account
c. Profit and loss appropriation account d. Balance sheet

Ans: (a) GP Rs. 12,70,000 (b) NP Rs. 10,47,500 (c) P/L Appro. a/c Rs. 11,22,500, (d) B/S Total Rs. 23,42,50

27. **2075 Set A Q.No. 14** Trial balance of Ganesh Company Ltd. as on 31st Dec. 2017 is given below:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Opening stock	10,000	Sales	1,53,900
Furniture	50,000	Share capital	1,00,000
Purchase	70,000	Purchase return	1,500
Wages	20,000	Creditors	9,000
Debtors	10,000	Reserve fund	16,000
Salaries	15,000	Commission	1,000
Cash	6,000	Profit and loss appropriation a/c	13,600
Machinery	1,00,000		
Rent	8,000		
Insurance	6,000		
Total	2,95,000	Total	2,95,000

Additional information:

i. Depreciation on furniture: by 10%
ii. Outstanding wages: Rs. 2,000
iii. Closing stock: Rs. 18,000
iv. Proposed dividend: 10%
v. Create a provision for bad debts 5%

Required: a. Trading account b. Profit and loss account
c. Profit and loss appropriation account d. Balance sheet [3+4+1

Ans: (a) GP Rs. 71,400 (b) NP Rs. 37,900 (c) P/L Appro. a/c Rs. 41,500, (d) B/S Total Rs. 1,78,5

28. **2075 Set B Q.No. 14** Trial balance of a company as on last year is under:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Opening stock	20,000	Share capital	3,00,000
Purchase	4,30,000	10% Debentures	1,00,000
Furniture	1,50,000	Discount received	10,000
Machinery	1,28,000	P&L appropriation account	1,70,000
Building	3,00,000	Interest income	6,000
Debtors	40,000	Provision for bad debts	4,000
Tax paid for last year	3,000	Sales	8,70,000
Cash	15,000	Creditors	54,000
Carriage inward	3,000		
Wages	25,000		
Salaries	50,000		
Rent	60,000		
Administrative expense	38,000		
Selling expense	32,000		
Investment	2,10,000		
Interest	10,000		
Total	15,14,000	Total	15,14,000

Additional information:

i. Closing stock: Rs. 65,000
ii. Rent payable for two months
iii. Depreciate machinery and furniture by 10%
iv. Transfer to general reserve: Rs. 20,000
v. Proposed final dividend: Rs. 50,000

Required: a. Trading account b. Profit and loss account
c. Profit and loss appropriation account d. Balance sheet [3+3+2+4]

Ans: (a) GP Rs. 4,57,000, (b) NL Rs. 2,47,200(c) P/L Appro. a/c Rs. 3,44,200, (d) B/S Total Rs. 8,80,200

29. **2074 Supp Q.No. 14** The trial balance of a company as on 31 Chaitra is given below:

Debit	Rs.	Credit	Rs.
Opening stock	80,000	Sales	6,10,000
Purchases	5,40,000	Share capital	4,00,000
Wages	60,000	Creditors	25,000
Salaries	75,000	10 % debentures	1,00,000
Rent	45,000	Profit and loss appropriation account	75,000
Debtors	1,00,000		
Carriage	10,000		
Prepaid insurance	20,000		
Bad debts	5,000		
Machinery	2,00,000		
Goodwill	40,000		
Interest on debentures	5,000		
Cash	30,000		
Total	12,10,000	Total	12,10,000

Additional information:

i. Closing stock: Rs.2,50,000
ii. Wages due: Rs.10,000
iii. Prepaid insurance Rs.5,000 expired.
iv. Depreciation on Machinery: @ 10%
v. Proposed dividend: @ 10%

Required: a. Trading account b. Profit and loss account
c. Profit and loss appropriation account d. Balance sheet [3+4+1+4]

Ans: (a) GP Rs. 1,60,000, (b) NL Rs. 10,000, (c) P/L Appro. a/c Rs. 25,000, (d) B/S Total Rs. 6,05,000

30. **2074 Set A Q.No. 14** Trial balance of a company as on last year is given below.

Debit	Rs.	Credit	Rs.
Opening stock	1,00,000	Share capital	10,00,000
Machinery	5,00,000	Sales	15,39,000
Land & building	10,00,000	Purchase return	5,000
Cash	50,000	Advance commission	20,000
Purchase	7,00,000	Creditors	1,00,000
Debtors	1,00,000	Reserve fund	1,50,000
Wages	1,50,000	Profit & loss appropriation a/c	1,26,000
Salary	2,00,000		
Rent	80,000		
Insurance	10,000		
Investments	50,000		
Total	29,40,000	Total	29,40,000

Additional information:

i. Depreciate machinery by 10%
ii. Create a provision for bad debt at 5%
iii. Outstanding wages: Rs.10,000
iv. Proposed dividend 10% on share capital
v. Closing stock: Rs.1,20,000

Required: a. Trading account b. Profit and loss account
c. Profit and loss appropriation account d. Balance sheet [3+4+1+

Ans: (a) GP Rs. 7,04,000 (b) NP Rs. 3,59,000 (c) P/L Appro. a/c Rs. 3,85,000, (d) B/S Total Rs. 17,65,

31. **2074 Set B Q.No. 15** The trial balance of a company is as on 31st Chaitra is as under.

Particulars	Dr. (Rs.)	Particulars	Cr. (Rs.)
Opening stock	40,000	Share capital	4,00,000
Wages	1,00,000	Sales	6,70,000
Purchases	4,00,000	10% Debentures	1,00,000
Salaries	40,000	Purchases return	6,000
Sundry debtors	60,000	Sundry creditors	10,000
Machinery	2,50,000	Provision for bad debts	2,000
Building	4,00,000	Profit & loss appropriation a/c	2,18,000
Furniture	40,000		
Income tax paid for last year	15,000		
Cash	30,000		
Carriage	5,000		
General expenses	6,000		
Interest on debentures	5,000		
Rent and tax	15,000		
Total	14,06,000	Total	14,06,000

Additional information:

i. Closing stock: Rs. 30,000
ii. Increase in provision for bad debts: Rs. 3,000
iii. Transfer to general reserve: Rs. 50,000
iv. Provide dividend on share capital at 10%
v. Depreciation to be charged at: Building & Machinery - 10%

Required: a. Trading account b. Profit and loss account
c. Profit and loss appropriation account d. Balance sheet as at 31st Chaitra [3+3+2+

Ans: (a) GP Rs. 1,61,000 (b) NP Rs. 22,000 (c) P/L Appro. a/c Rs. 1,35,000 (d) B/S Total Rs. 7,40,0

30. **2074 Set A Q.No. 14** Trial balance of a company as on last year is given below.

Debit	Rs.	Credit	Rs.
Opening stock	1,00,000	Share capital	10,00,000
Machinery	5,00,000	Sales	15,39,000
Land & building	10,00,000	Purchase return	5,000
Cash	50,000	Advance commission	20,000
Purchase	7,00,000	Creditors	1,00,000
Debtors	1,00,000	Reserve fund	1,50,000
Wages	1,50,000	Profit & loss appropriation a/c	1,26,000
Salary	2,00,000		
Rent	80,000		
Insurance	10,000		
Investments	50,000		
Total	29,40,000	Total	29,40,000

Additional information:

i. Depreciate machinery by 10%
ii. Create a provision for bad debt at 5%
iii. Outstanding wages: Rs.10,000
iv. Proposed dividend 10% on share capital
v. Closing stock: Rs.1,20,000

Required: a. Trading account b. Profit and loss account
c. Profit and loss appropriation account d. Balance sheet [3+4+

Ans: (a) GP Rs. 7,04,000 (b) NP Rs. 3,59,000 (c) P/L Appro. a/c Rs. 3,85,000, (d) B/S Total Rs. 17,65,

31. **2074 Set B Q.No. 15** The trial balance of a company is as on 31st Chaitra is as under.

Particulars	Dr. (Rs.)	Particulars	Cr. (Rs)
Opening stock	40,000	Share capital	4,00,000
Wages	1,00,000	Sales	6,70,000
Purchases	4,00,000	10% Debentures	1,00,000
Salaries	40,000	Purchases return	6,000
Sundry debtors	60,000	Sundry creditors	10,000
Machinery	2,50,000	Provision for bad debts	2,000
Building	4,00,000	Profit & loss appropriation a/c	2,18,000
Furniture	40,000		
Income tax paid for last year	15,000		
Cash	30,000		
Carriage	5,000		
General expenses	6,000		
Interest on debentures	5,000		
Rent and tax	15,000		
Total	14,06,000	Total	14,06,000

Additional information:

i. Closing stock: Rs. 30,000
ii. Increase in provision for bad debts: Rs. 3,000
iii. Transfer to general reserve: Rs. 50,000
iv. Provide dividend on share capital at 10%
v. Depreciation to be charged at: Building & Machinery - 10%

Required: a. Trading account b. Profit and loss account
c. Profit and loss appropriation account d. Balance sheet as at 31st Chaitra [3+3+2+

Ans: (a) GP Rs. 1,61,000 (b) NP Rs. 22,000 (c) P/L Appro. a/c Rs. 1,35,000 (d) B/S Total Rs. 7,40,

7. FINANCIAL STATEMENT (MODERN METHOD)

Format of Financial Statement

... Company
Income statement (Single Step)
For the year/period ended ...

Particulars	Amount	Amount
Add: Sales revenues	xxx	
Other incomes	xxx	
Total revenue (a)		xxx
Less: Cost of goods sold	xxx	
Office expenses	xxx	
Selling expenses	xxx	
Financial expenses	xxx	
Other expenses and losses	xxx	
Total expenses (b)		xxx
Net income before tax (a –b)		xxx
Less: Provision for tax		xxx
Net income /Loss after tax		xxx (xxx)

... Company
Income Statement (Multi-step)
For the year/period ended ...

Particulars	Amount	Amount
Sales revenues		xxx
Less: Sales return and allowances	xxx	
Sales discounts	xxx	xxx
Net sales		xxx
Less: Cost of goods sold:		
Opening stock	xxx	
Purchases	xxx	
Less: Purchase return	xxx	
Discount on purchase	xxx	xxx
Carriage inwards	xxx	
Cost of goods available for sales	xxx	
Less: Closing stock	xxx	xxx
Gross profit / Loss		xxx/ (xxx)
Less: Operating expenses:		
General and administrative expenses:		
Depreciation on buildings and office furniture	xxx	
Amortization of trademark and other intangibles	xxx	
Salaries and wages of office staffs	xxx	
Insurance expense	xxx	
Supplies expense	xxx	
Office rent	xxx	
Printing and stationery	xxx	
Depreciation on store furniture and fixtures	xxx	
Other office related expenses	xxx	
Total general and administrative expenses (a)	xxx	
Selling and distribution expenses:		
Advertising	xxx	
Salaries and wages of sales people	xxx	
Rent of warehouse and showrooms	xxx	
Salesperson's commission	xxx	
Depreciation on delivery vans, automobiles	xxx	
Other selling and distribution expenses	xxx	
Total selling and distribution expenses (b)	xxx	
Total operating expenses (a + b)		xxx

Income from operations (Gross profit – Total operating expenses)		xxx
Other revenues and gains:		
Interest revenue (received)	xxx	
Dividend received	xxx	
Rent and commission revenues	xxx	
Gain on disposal of assets	xxx	
Other expenses and losses:		
Interest expense (paid)	(xxx)	
Loss on disposal of assets	(xxx)	
Add: Excess of revenue and gains over expenses and losses		xxx
Or Less: Excess of expenses and losses over revenue and gains		(xxx)
Income before taxes		xxx
Income tax expenses/Provision for tax		(xxx)
Net income/ Loss		xxx (xxx)

... Company
Statement of Retained earnings
For the year/period ended ...

Items	Amount	Amount
Beginning balance of retained earnings (from trial balance)	xxx	
Add: Net income (from income statement)	xxx	
Total profit available for distribution		xxx
Less: Distributions:		
Dividend paid (from trial balance) /Proposed dividend (from adjustment)	xxx	
Transfer to reserve (from adjustment)	xxx	xxx
Ending balance of retained earnings		xxx

Balance sheet of ...
As on ...

Assets	Amount	Amount
Current assets:		
Cash	xxx	
Marketable securities	xxx	
Accounts receivable	xxx	
Merchandise inventory	xxx	
Prepaid insurance	xxx	
Store supplies	xxx	
Notes receivable (Short-term)	xxx	
Total current assets		xxx
Investments:		
Land held for future office site	xxx	
Investment in other company's share/Debenture/Bond/	xxx	
Notes receivable (Long-term)	xxx	
Total investments		xxx
Property, plant and equipment:		
Land	xxx	
Buildings	xxx	
Less: Accumulated depreciation	(xxx)	
Store furniture and fixtures	xxx	
Less: Accumulated depreciation	(xxx)	
Total property, plant and equipment		xxx
Intangibles and fictitious assets :		
Franchise agreement	xxx	
Goodwill	xxx	
Patents	xxx	
Trademark	xxx	
Unamortized expenses	xxx	
Total intangibles and fictitious assets		xxx
Total assets		xxx

Liabilities and stockholders' equity		
Current liabilities & Provision:		
Accounts payable	xxx	
Salaries and wages payable	xxx	
Income taxes payable	xxx	
Interest payable	xxx	
Bank loan payable (mature within the year), current maturity of long-term debt	xxx	
Notes payable (Short-term)	xxx	
Provision for tax	xxx	
Proposed dividend	xxx	
Total current liabilities		**xxx**
Long-term debt:		
Notes payable (Long-term)	xxx	
Bonds payable	xxx	
Bank loan payable	xxx	
Total long-term debt		**xxx**
Contributed capital/Stockholders' fund:		
Capital / Common stock	xxx	
Preferred stock /Preference share capital	xxx	
Paid in excess of par value/Additional paid in capital (Share premium)	xxx	
Total contributed capital		**xxx**
Retained earnings		xxx
Total liabilities and stockholder's equity		**xxx**

Profit or Loss Statement

i. On the basis of function of expenses

Profit or Loss Statement
(On the basis of Function of Expense)
For the year ended . . . Ashad 20XX (. . . July 20XX) Figures in NPR ('000)

Particulars	Notes	20XX
Revenue from operations		xxx
Cost of sales		xxx
Gross profit		**xxx**
Other income		**xxx**
Distribution expenses		(xxx)
Administrative expenses		(xxx)
Other operating expenses		(xxx)
Profit from operations		**xxx**
Finance costs		(xxx)
Profit before tax		**xxx**
Income tax expense		xxx
Profit from continuing operations		**xxx**
Profit /(loss) on discontinued operations (net of tax)		xxx (xxx)
Net income for the year		**xxx**
Net income attributable to:		
Owners of the company		xxx
Non-controlling Interests		xxx

ii. On the basis of nature of expenses

Profit or Loss Statement
(On the basis of Nature of Expense)
For the year ended . . . Ashad 20XX (. . . July 20XX) Figures in NPR ('000)

Particulars	Notes	20XX
Revenue from operations		xxx
Other Income		xxx
Changes in inventories of finished goods and work-in-progress		xxx
Raw materials and consumables used		(xxx)
Staff costs/expenses		(xxx)
Depreciation and amortization expense		(xxx)
Distribution expenses		(xxx)
Administrative expenses		(xxx)

Other operating expenses		(xxx)
Profit from operations		xxx
Finance costs		(xxx)
Profit before tax		xxx
Income tax expense		(xxx)
Profit from continuing operations		xxx
Profit /(loss) on discontinued operations (net of tax)		xxx (xxx)
Net income for the year		xxx
Net income attributable to:		
Owners of the company		xxx
Non-controlling Interests		xxx

Statement of Financial Position

As on . . . Ashad 20XX (. . . July 20XX) Figures in NPR (000)

Assets	Notes	20XX	20XX
Non-current assets:			
Property, plant and equipment		xxx	xxx
Intangible assets		xxx	xxx
Biological assets		xxx	xxx
Investment property		xxx	xxx
Investments in associates		xxx	xxx
Other investments		xxx	xxx
Deferred-tax assets		xxx	xxx
Other receivables		xxx	xxx
Total non-current assets		xxx	xxx
Current assets:			
Investments		xxx	xxx
Inventories		xxx	xxx
Biological assets		xxx	xxx
Income tax receivable		xxx	xxx
Trade and other receivables		xxx	xxx
Cash and cash equivalents		xxx	xxx
Assets classified as held for sale		xxx	xxx
Total current assets		xxx	xxx
Total assets		xxx	xxx
Equity:			
Share capital		xxx	xxx
Reserves		xxx	xxx
Non-controlling interests		xxx	xxx
Total equity		xxx	xxx
Liabilities			
Non-current liabilities:			
Loans and borrowings		xxx	xxx
Employee benefits		xxx	xxx
Deferred government grants/ revenue		xxx	xxx
Derivative financial liabilities		xxx	xxx
Provisions		xxx	xxx
Deferred tax liabilities		xxx	xxx
Total non-current liabilities		xxx	xxx
Current liabilities:			
Loans and borrowings		xxx	xxx
Trade and other payables		xxx	xxx
Income tax liability		xxx	xxx
Employee benefits		xxx	xxx
Provisions		xxx	xxx
Liabilities directly associated with assets classified as held for sale		xxx	xxx
Total current liabilities		xxx	xxx
Total liabilities		xxx	xxx
Total equity and liabilities		xxx	xxx

THEORETICAL QUESTIONS

VERY SHORT ANSWER QUESTIONS

1. **2081 Set B/C Q.No. 4** Write any two limitations of financial accounting. [1]
   वित्तीय लेखाका कुनै दुईओटा सीमाहरू लेख्नुहोस् ।
2. **2080 GIE Set B Q.No. 3** Write the full form of NFRS. [1]
   NFRS को पुरा रुप लेख्नुहोस् ।
3. **2079 GIE Set A Q.No. 3** Write the meaning of financial statement. [1]
   वित्तीय विवरणको अर्थ लेख्नुहोस् ।
4. **2079 GIE Set B Q.No. 3** What is income statement? [1]
   आय विवरण भनेको के हो ?
5. Write the reasons for preparing the financial statements.
   वित्तीय विवरण तयार गर्नुका कारणहरू लेख्नुहोस् ।
6. What do you mean by single-step income statement?
   एकल चरण आय विवरण भन्नाले के बुझ्नु हुन्छ ?
7. What is the major weakness of the single-step income statement?
   एकल चरण आय विवरणको मुख्य कमजोरी के हो ?
8. What is multi-step income statement?
   बहुचरण आय विवरण भनेको के हो ?
9. What are the purposes of preparing multi-step income statement?
   बहुचरण आयविवरण तयार गर्नुको उद्देश्य के हो ?

NUMERICAL PROBLEMS

SHORT ANSWER QUESTIONS

1. **2079 Set V Q.No. 15** The following financial transactions of a company is given below:

Cash	Rs. 1,00,000	Debtors	Rs. 80,000
Fixed assets	Rs. 6,40,000	Debentures	Rs. 4,00,000
Creditors	Rs. 10,000	Share capital	Rs. 3,60,000
Sales	Rs. 7,00,000	Salaries	Rs. 1,00,000
Other expenses	Rs. 5,50,000		

Additional information:

i. Salary due Rs. 10,000
ii. Depreciation on fixed assets Rs. 20,000

Required: Income statement and balance sheet. [2+3]

Ans: NP Rs. 20,000, B/S Total Rs. 8,00,000

LONG ANSWER QUESTIONS

2. **2081 Set B/C Q.No. 20** A trial balance on 31st Ashar last year of a company is as follows:

Particulars	Dr. (Rs.)	Cr. (Rs.)
Purchase	3,20,000	
Opening stock	20,000	
Prepaid insurance	18,000	
Rent	36,000	
Salary	60,000	
Sales commission	22,000	
Plant and equipment	3,00,000	
Advertising	16,000	
Debtors	40,000	
Interests	10,000	
Cash and bank balance	42,000	
Biological assets	80,000	
Investment	2,20,000	
Audit expenses	34,000	
Share capital		4,00,000
Sales		6,70,000
Creditors		30,000
Commission		18,000
Loan		1,00,000
Total	12,18,000	12,18,000

Additional information:

i. Closing stock: Rs. 32,000
ii. Prepaid insurance was expired: Rs. 12,000
iii. Depreciated plant and equipment by 10%.
iv. Provision for tax: 30%

Required: a. Profit or loss statement based on NFRS
b. Statement of financial position based on NFRS
OR
a. Multi step income statement
b. Statement of financial position

Ans: (a) NP Rs. 1,12,000 (b) B/S Total Rs. 6,90,000

3. **2081 Set D Q.No. 20** The following was the trial balance of a company:

Particulars	Dr. (Rs.)	Cr. (Rs.)
Opening stock	30,000	
Purchase	2,50,000	
Wages	50,000	
Custom duty	10,000	
Debtors	1,00,000	
Machinery	3,00,000	
Salary	45,000	
Prepaid insurance premium	35,000	
Advertisement expenses	10,000	
Cash	76,000	
Furniture	1,20,000	
Interest on debenture	13,000	
Sales		5,00,000
Share capital		3,50,000
Discount received		5,000
Dividend received		4,000
Debenture		1,30,000
Creditors		50,000
Total	10,39,000	10,39,000

Additional information:

i. Closing stock: Rs. 50,000
ii. Prepaid insurance premium expired: Rs. 25,000
iii. Salary due: Rs. 5,000
iv. Depreciation on machinery: 10%
v. Provision for income tax: 25%

Required: a. Statement of profit or loss as per NFRS
b. Statement of financial position as per NFRS
OR
a. Multi step income statement
b. Statement of financial position

Ans: (a) NP Rs. 68,250 (b) B/S Total Rs. 6,26,000

4. **2080 GIE Set A Q.No. 20** A trial balance of a limited company as on 31st Asar last year is given below.

Particulars	Dr. Rs.	Particulars	Cr.Rs
Investment	1,20,000	Sales	2,01,000
Debtors	22,000	Dividend received	22,000
Goodwill	32,200	Creditors	40,000
Bank balance	16,000	Share capital	2,00,000
Interest expense	7,500	Loan	1,50,000
Opening stock	8,000		-
Purchase	92,000		-
Equipment	2,00,000		-
Promotion expenses	15,300		-
Salary expenses	50,000		-
General expenses	30,000		-
Repair expense	8,000		
Stationery	12,000		
Total	6,13,000	Total	6,13,000

Additional information:

i. Closing stock: Rs. 1,00,000
ii. Salary payable: Rs. 5,000
iii. Depreciation on equipment: Rs.10,000
iv. Provision for tax: Rs. 15,000
v. Goodwill written off: Rs. 12,200

Required: **Option-1**

a. Profit or loss statement based on NFRS [4]
b. Statement of financial position based on NFRS. [4]

OR

Option-2

a. Multi step income statement [4]
b. Balance sheet [4]

Ans: (a) NP Rs. 58,000 (b) B/S Total Rs. 4,68,000

5. **2080 GIE Set B Q.No. 20** The Trial balance of a Company as on 31st Ashadh 2078 is given below.

Particulars	Dr. Rs.	Cr.Rs
Opening stock	30,000	-
Purchase	96,000	-
Discount	7,000	-
Building	15,000	-
General expenses	8,000	-
Machinery	25,000	-
Debtors	32,000	-
Cash in hand	12,000	-
10% Investment	20,000	-
Bills received	6,000	-
Wages	13,000	-
Insurance	2,000	-
Salaries	13,000	-
Interest on loan	1,000	-
Share capital	-	1,00,000
Creditors	-	10,000
Sales revenue	-	1,44,000
Discount received	-	4,000
10% loan	-	20,000
Provision for bad debt	-	2,000
Total	2,80,000	2,80,000

Additional information:

i. Closing stock: Rs. 50,000
ii. Bad debt: Rs. 2,000
iii. Provision for bad debts to be maintained at 5%
iv. Provision for income tax @20%.
v. Wages outstanding: Rs.2,000

Required: **Option-1**

a. Profit or loss statement based on NFRS [4]
b. Statement of financial position based on NFRS. [4]

OR

Option-2

a. Multi step income statement [4]
b. Statement of financial position [4]

Ans: (a) NP Rs. 20,400 (b) B/S Total Rs. 1,58,500

6. **2080 Set P/Q Q.No. 20** The trial balance of a company as on year end is as follows:

Particulars	Dr. Rs.	Cr. Rs.
Sales	-	4,00,000
Share capital	-	2,50,000
Debenture	-	50,000
Creditors	-	18,000
Other income	-	15,000
Opening stock	20,000	-
Purchase	1,50,000	-
Wages	25,000	-
Salary	50,000	-
Office expenses	15,000	-
Prepaid insurance	25,000	-
Advertisement expenses	12,000	-
Interest expenses	5,000	-
Machinery	2,50,000	-
Debtors	11,000	-
Electricity and water expenses	30,000	-
Investment	40,000	-
Cash	1,00,000	-
Total	7,33,000	7,33,000

Additional information:

i. Prepaid insurance was expired: Rs. 15,000
ii. Closing inventory: Rs. 30,000
iii. Depreciation on machinery: 15%
iv. Provision for income tax: @10%

Required: a. Income statement as per NFRS
b. Balance sheet as per NFRS

OR

a. Multi step income statement
b. Vertical balance sheet

[4+4]

Ans: (a) Net Income Rs. 76,950 (b) B/S Total Rs. 403,500

7. **2080 Set R Q.No. 20** The following is the trial balance of company:

Particulars	Dr. (Rs.)	Particulars	Cr. (Rs.)
Machinery	4,00,000	Share capital	3,00,000
Opening stock	20,000	Sales	6,89,000
Purchase	3,00,000	Interest income	30,000
Debtors	2,00,000	Debenture	1,00,000
Wages	30,000	Creditors	1,60,000
Custom duty	20,000		
Salary	40,000		
Prepaid rent	50,000		
Cash	60,000		
Furniture	70,000		
Investment	80,000		
Interest on debenture	9,000		
Total	12,79,000	Total	12,79,000

Additional information:

i. Closing stock: Rs. 60,000
ii. Prepaid rent expired: Rs. 32,000
iii. Salary due for 2 months
iv. Provision for tax: @20%
v. Depreciation on machinery: @10%

Required: a. Statement of profit or loss as per NFRS
b. Statement of financial position as per NFRS

OR

a. Multi step income statement
b. Classified balance sheet

[4+4]

Ans: (a) Net Income Rs. 2,24,000 (b) B/S Total Rs. 8,48,000

2079 GIE Set A Q.No. 21 Trial Balance on 31st Ashad 2077 of a company are as follows:

Particulars	Dr. (Rs.)	Cr. (Rs.)
Opening stock	10,000	-
Purchase	1,20,000	-
Salary	12,000	-
Rent	13,000	-
Wages	14,000	-
Sales commission	10,000	-
Advertisement	8,000	-
Machinery	2,00,000	-
Interest	7,000	-
Cash	1,09,000	-
Debtors	20,000	-
Investment	60,000	-
Legal expenses	17,000	-
Sales	-	3,00,000
Share capital	-	2,00,000
Creditors	-	20,000
Commission	-	30,000
Debenture	-	50,000
Total	6,00,000	6,00,000

Additional information:

i. Closing stock: Rs. 40,000
ii. Depreciate machinery by 10%
iii. Outstanding advertisement expenses : Rs. 4,000
iv. Provision for income tax: @ 20%

Required: a. Profit or loss statement based on NFRS
b. Statement of financial position based on NFRS [5+3]

Ans: (a) NP Rs. 1,08,000 (b) B/S Total Rs. 4,09,000

9. **2079 GIE Set A Q.No. 21 OR** Following is the trial balance of a company:

Particulars	Dr. Rs.	Cr. Rs.
Opening stock	40,000	-
Purchase	3,00,000	-
Carriage on purchase	10,000	-
Sales	-	6,44,000
Advertisement	20,000	-
Land & building	2,00,000	-
Plant	4,00,000	-
Debtors	30,000	-
Creditors	-	20,000
Commission	12,000	14,000
Bank loan	-	1,00,000
Share capital	-	4,00,000
Salary	80,000	-
Wages	70,000	-
Interest on loan	10,000	-
Prepaid rent	6,000	-
Total	11,78,000	11,78,000

Additional information:

i. Closing stock: Rs. 90,000
ii. Depreciation on plant: @ 10%
iii. Prepaid rent expired: Rs. 4,000
iv. Income tax : @ 20%

Required: a. Multi step income statement
b. Balance sheet [4+4]

Ans: (a) Net Income Rs. 1,29,600 (b) B/S Total Rs. 6,82,000

10. **2079 GIE Set B Q.No. 20** The trial balance of XYZ Ltd as on 30th Chaitra 2078 is given below:

Particulars	Dr. (Rs.)	Particulars	Cr.(Rs.)
Opening stock	2,000	Share capital	50,000
Sundry debtors	6,410	Creditors	8,600
Equipments	1,12,000	Sales revenue	1,55,400
Cash	5,230	Loan	20,000
Purchase	21,450	Retained earnings	73,780
Dividend paid	8,400		
Furniture	34,000		
Rent expenses	50,600		
Salary expenses	46,490		
Utilities expenses	6,700		
Advertising expenses	14,500		
	3,07,780		3,07,780

Additional information:

i. Closing stock: Rs. 2,500
ii. Depreciate equipment 10%
iii. Rent outstanding Rs.3,000
iv. Income tax provision 25%

Required: a. Profit or loss statement based on NFRS
b. Statement of financial position based on NFRS

[4+1+2+1]

Ans: (a) NP Rs. 1,470 (b) B/S Total Rs. 1,48,340

11. **2079 GIE Set B Q.No. 20 OR** A trial balance of ABC company is given below :

Particulars	Dr. (Rs.)	Particulars	Cr.(Rs.)
Equipment	2,50,000	Loan	1,00,000
Furniture	50,000	Sales revenue	2,12,300
Cash	25,000	Creditors	17,200
Interest expense	12,000	Share capital	2,62,000
Debtors	26,000		
Investment	80,000		
Salary: Office	22,500		
Sales	20,000		
Rent: Office	18,000		
Sales	12,000		
Sales commission	5,000		
Prepaid insurance	10,000		
Purchase	52,500		
Opening stock	8,500		
Total	5,91,500		5,91,500

Additional information:

i. Closing stock: Rs. 60,000
ii. Prepaid insurance expired: Rs. 4,000
iii. Equipment depreciated by: 10%
iv. Income tax 25%

Required: a. Multi step income statement
b. Balance sheet

[4+4]

Ans: (a) Net Income Rs. 69,600 (b) B/S Total Rs. 4,72,000

12. **2079 Set O Q.No. 20** The trial balance of a company as on 31st Chaitra is given below:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Opening stock	40,000	Sales	6,50,000
Purchase	4,00,000	Share capital	4,00,000
Wages	66,000	12% debentures	2,00,000
Carriage	7,000	Purchase return	40,000
Salary	60,000	Provision for bad debt	3,000
Debtors	1,00,000	Provision for tax	10,000
Machinery	6,00,000	Profit and loss account	2,80,000
Cash	80,000		
Selling expense	20,000		
Rent	60,000		
Interest on debenture	16,000		
Bad debt	14,000		
Investment	1,20,000		
Total	15,83,000	Total	15,83,000

Additional information:

i. Closing stock Rs. 3,00,000
ii. Depreciate machinery by 10%
iii. Profit transferred to general reserve Rs. 30,000
iv. Proposed dividend 10% on share capital

Required: a. Profit or loss statement based on NFRS.
b. Statement of financial position based on NFRS

[5+3]

Ans: (a) NP Rs. 2,42,000 (b) B/S Total Rs. 11,40,000

13. **2079 Set O Q.No. 20 OR** Trial balance of a limited company as on 31st Chaitra is given below:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Opening stock	45,000	Share capital	1,00,000
Purchase	3,10,000	Sales	4,10,000
Salary	20,000	Profit and loss account	30,000
Wages	5,000		
Insurance	10,000		
Furniture	1,00,000		
Cash	50,000		
Total	5,40,000	Total	5,40,000

Additional information:

i. Closing stock: Rs. 90,000
ii. Wages due: Rs. 1,000
iii. Proposed dividend: 5%

Required: a. Multi step income statement
b. Balance sheet

[4+4]

Ans: (a) Closing retained earning Rs. 1,34,000 (b) B/S Total Rs. 2,40,000

14. **2079 Set V Q.No. 21** The trial balance on 31st Ashadh 2077 of a company is as follows:

Particulars	Debit (Rs.)	Credit (Rs.)
Opening stock	10,000	–
Purchase	1,20,000	–
Salary	12,000	–
Rent	13,000	–
Wages	14,000	–
Sales commission	10,000	–
Advertisement	8,000	–
Machinery	2,00,000	–
Interest	4,000	–
Cash	6,000	–
Debtors	10,000	–
Investment	20,000	–
Legal expenses	15,000	–
Sales	–	3,30,000
Share capital	–	1,00,000
Bills payable	–	12,000
Total	4,42,000	4,42,000

Additional information:

i. Closing stock:Rs. 43,000
ii. Outstanding interest: Rs. 6,000
iii. Depreciation on machinery: @ 15%
iv. Provision for tax: @ 20%

Required: a. Income statement as per NFRS
b. Balance sheet as per NFRS

[4+4]

Ans: (a) NP Rs. 1,04,800 (b) B/S Total Rs. 2,49,000

15. **2079 Set V Q.No. 21 OR** Following trial balance on 31st Ashadh 2077 is given as:

Particulars	Debit (Rs.)	Credit (Rs.)
Fixed assets	2,00,000	–
Purchase	1,80,000	–
Sales	–	4,20,000
Sales return	10,000	–
Debtors and creditors	1,40,000	60,000
Commission	5,000	15,000
Wages	6,000	–
Stationery	4,000	–
Other office expenses	7,000	–
Bad debts	8,000	–
Share capital	–	2,00,000
Bank balance	1,35,000	–
Total	6,95,000	6,95,000

Additional information:

i. Closing stock: Rs. 44,000
ii. Outstanding wages: Rs. 2,000
iii. Depreciation on fixed assets: @ 20%
iv. Provision for income tax: Rs. 12,000

Required: a. Multi step income statement
b. Balance sheet

[4+4]

Ans: (a) Net income Rs. 2,05,000 (b) B/S Total Rs. 4,79,000

16. The trial balance of Company as on Ashadh 31st, last year is given below:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Purchases	1,60,000	Sales	4,50,000
Opening stock	20,000	Share capital of Rs. 100 each	2,70,000
Advertising	10,000	10% Debentures	50,000
Rent and rates	15,000	Creditors	15,000
Salaries office	60,000		
Carriage out	15,000		
Salaries selling	40,000		
Discount	10,000		
Sundry debtors	35,000		
Plant & equipment	1,00,000		
Land and building	2,00,000		
Patent	67,000		
General expenses	20,000		
Bad debts	5,000		
Interest on debentures	5,000		
Prepaid insurance	8,000		
Cash at bank	15,000		
Total	7,85,000	Total	7,85,000

Additional information:

i. Closing stock Rs. 42,000.
ii. Prepaid insurance was expired Rs. 5,000.
iii. Rent outstanding Rs 8,000.
iv. Depreciation on plant and building by 5%.

Required: a. Income statement as per NFRS
b. Balance sheet as per NFRS

OR

a. Multi step income statement
b. Classified balance sheet.

[4+4]

Ans: (a) Net income Rs. 1,04,000 (b) B/S Total Rs. 4,47,000

17. The Trial Balance of a company Ltd. as on 31st Chaitra last year is given below:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Opening stock	80,000	Sales	5,00,000
Dividend	40,000	Creditors	35,000
Purchases	3,30,000	Other service revenue	90,000
Printing expense	5,000	10% Debentures	2,00,000
Rent expense	20,000	Share capital	4,00,000
Salary expense	60,000	Interest on investments	10,000
Sales commission	8,000	Gain on sales of assets	10,000
Plant and equipment	1,50,000		
Prepaid insurance	10,000		
Cash in hand	17,000		
Biological assets	60,000		
10% investment	1,00,000		
Advertisement expense	10,000		
Land and building	3,00,000		
Debtors	35,000		
Interest expense	20,000		
Total	12,45,000	Total	12,45,000

Additional Information:

i. Closing stock Rs. 90,000.
ii. Prepaid insurance was expired to Rs. 2,000.
iii. Depreciation charged on plant and equipment by 10% and on building by 5%.
iv. Provision for income tax @ 20%.

Required: a. Profit or loss statement based on NFRS b. Statement of financial position based on NFRS

OR

a. Multi step income statement b. Classified balance sheet.

Ans: (a) NP Rs. 1,08,000 (b) B/S Total Rs. 7,30,000

18. The trial balance of Soni Company Limited as on Ashadh 31, 2078, is given below:

Particulars	Debit (Rs.)	Credit (Rs.)
Equity share capital	-	2,60,000
10% Preference share capital	-	1,00,000
Retained earning	-	20,000
12% Bank loan	-	2,00,000
Share premium	-	80,000
Gain on sale of old vehicle	-	20,000
Furniture	70,000	-
Goodwill	40,000	-
Patents and trademarks	25,000	-
Accumulated depreciation:		
Machinery	-	8,000
Furniture	-	8,000
Sales	-	5,00,000
Beginning inventory	20,000	-
Purchases	2,00,000	-
Gain from cash flow hedges	-	40,000
Travelling expenses	20,000	-
Cash at bank	1,50,000	-
Gain on sale of investment	-	40,000
Salaries	80,000	-
Machinery and equipment	2,00,000	-
Loss on foreign operations	30,000	-
10% Government bond	1,00,000	-
Wages	20,000	-
Land	2,51,000	-
Accounts payable	-	40,000
Revaluation loss	30,000	-
Accounts receivable	80,000	-
Prepaid insurance	20,000	-
Actuarial loss on pension scheme	20,000	-
Interest on investment	-	10,000
Dividend received	-	30,000
Total	13,56,000	13,56,000

Additional information:

i. Depreciate machinery by 10% and furniture by 15%.
ii. Wages due of Rs. 15,000.
iii. Prepaid insurance of Rs. 15,000 was expired.
iv. Ending inventory of Rs. 70,000.
v. Corporate tax rate is 25%.

Required: a. Statement of Profit or Loss under the provision of NFRS
b. Statement of Financial Position under the provision of NFRS

OR

a. Multi step income statement
b. Classified balance sheet.

Ans: (a) NP Rs. 1,54,125 (b) B/S Total Rs. 9,44,500

19. The trial balance of a company as on 31 Chaitra is given below:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Opening stock	15,000	Sales	3,25,000
Purchase	1,60,000	Share capital	2,00,000
Rent office	10,000	10% Debentures	50,000
Advertising	20,000	Creditors	15,000
Printing and stationery	10,000	Dividend received	3,000
Carriage out	10,000	Retained earnings	15,000
Salaries office	30,000		
Interest expense	5,000		
Debtors	45,000		
Machinery	70,000		
Land and building	1,50,000		
Administrative expenses	13,000		
Goodwill	25,000		
Cash	45,000		
Total	6,08,000	Total	6,08,000

Additional information:

i. Closing stock valued at Rs. 50,000.
ii. Salary outstanding Rs. 6,000.
iii. Depreciation on machinery Rs. 7,000.
iv. Income tax provision Rs. 9,800.

Required: a. Multi step income statement
b. Balance sheet

Ans: (a) Net Income Rs. 82,200 (b) B/S Total Rs. 3,78,000

20. Trial balance of A Co. Ltd. as on 31st, Chaitra, last year is given below:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Opening stock	8,000	Share capital	3,70,000
Purchases	2,10,000	Sales	3,25,000
Other office expense	25,000	Discount and commission	14,000
Salary office	50,000	Sundry creditors	20,000
Discount	3,000	Short-term loan	50,000
Sundry debtors	25,000	Retained earnings	29,000
Machinery	1,50,000		
Land and building	2,00,000		
Vehicles	60,000		
Income tax paid	5,000		
Cash at bank	30,000		
Selling expense	7,000		
Sundry expenses	15,000		
Rent and rates office	15,000		
Distribution expense	5,000		
Total	8,08,000	Total	8,08,000

Additional information:

i. Depreciate machinery by 10% and furniture by 15%.
ii. Wages due of Rs. 15,000.
iii. Prepaid insurance of Rs. 15,000 was expired.
iv. Ending inventory of Rs. 70,000.
v. Corporate tax rate is 25%.

Required: a. Statement of Profit or Loss under the provision of NFRS
b. Statement of Financial Position under the provision of NFRS

OR

a. Multi step income statement
b. Classified balance sheet.

Ans: (a) NP Rs. 1,54,125 (b) B/S Total Rs. 9,44,500

19. The trial balance of a company as on 31 Chaitra is given below:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Opening stock	15,000	Sales	3,25,000
Purchase	1,60,000	Share capital	2,00,000
Rent office	10,000	10% Debentures	50,000
Advertising	20,000	Creditors	15,000
Printing and stationery	10,000	Dividend received	3,000
Carriage out	10,000	Retained earnings	15,000
Salaries office	30,000		
Interest expense	5,000		
Debtors	45,000		
Machinery	70,000		
Land and building	1,50,000		
Administrative expenses	13,000		
Goodwill	25,000		
Cash	45,000		
Total	6,08,000	Total	6,08,000

Additional information:

i. Closing stock valued at Rs. 50,000.
ii. Salary outstanding Rs. 6,000.
iii. Depreciation on machinery Rs. 7,000.
iv. Income tax provision Rs. 9,800.

Required: a. Multi step income statement
b. Balance sheet

Ans: (a) Net Income Rs. 82,200 (b) B/S Total Rs. 3,78,000

20. Trial balance of A Co. Ltd. as on 31st, Chaitra, last year is given below:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Opening stock	8,000	Share capital	3,70,000
Purchases	2,10,000	Sales	3,25,000
Other office expense	25,000	Discount and commission	14,000
Salary office	50,000	Sundry creditors	20,000
Discount	3,000	Short-term loan	50,000
Sundry debtors	25,000	Retained earnings	29,000
Machinery	1,50,000		
Land and building	2,00,000		
Vehicles	60,000		
Income tax paid	5,000		
Cash at bank	30,000		
Selling expense	7,000		
Sundry expenses	15,000		
Rent and rates office	15,000		
Distribution expense	5,000		
Total	8,08,000	Total	8,08,000

Additional Information:

i. Closing stock Rs. 55,000
ii. Depreciation- Land and building 5%, machinery and vehicle 10%
iii. Interest payable Rs. 4,000
iv. Outstanding salary Rs. 5,000

Required: a. Multi step income statement
b. Classified balance sheet.

Ans: (a) Net Income Rs. 11,000 (b) B/S Total Rs. 4,89,000

21. The trial balance of Tri-Dev Co. Ltd. as on Ashadh 31, 2078 is given below:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Property, plant and equipment	6,00,000	Share capital	7,00,000
Opening stock	32,500	Sales	5,70,000
Wages expense	40,000	5% Debentures	1,00,000
Salary (60% office)	1,00,000	Unearned Commission	20,000
Discount	5,000	Sundry creditors	15,000
Sundry debtors	50,000	Bank overdraft	40,000
Investment	1,50,000		
Stationery	25,000		
Bank balance	30,000		
Carriage outwards	60,000		
Sundry expenses	15,000		
Interest expense	5,000		
Rent and rates (20% selling)	40,000		
Prepaid insurance	30,500		
Purchase	2,62,000		
Total	14,45,000	Total	14,45,000

Additional information:

i. Value of closing stock Rs. 65,000
ii. Depreciate Property, plant and equipment by 5%.
iii. Prepaid insurance was expired Rs. 15,000.
iv. Unearned commission was earned Rs. 12,000

Required: a. Multi step income statement
b. Classified balance sheet.

Ans: (a) Net Income Rs. 17,500 (b) B/S Total Rs. 8,80,500

22. The trial balance of the XYZ Company as on 31st December, 2019 is given below:

Particular	Debit (Rs.)	Particular	Credit (Rs.)
Opening stock	50,000	Share capital	5,00,000
Wages	1,30,000	Discount	3,000
Salaries	60,000	Sales	8,00,000
Discount	10,000	5% Debentures	1,00,000
Sundry debtors	60,000	Purchase return	5,000
Plant and machinery	3,00,000	Sundry creditors	32,000
Land	2,00,000	Bank overdraft	52,000
Building	2,00,000	Retained earnings	86,000
Furniture	50,000		
Income tax paid for last year	20,000		
Cash at bank	40,000		
Carriage inwards	10,000		
General expenses	20,000		
Interest on debenture	2,500		
Rent and rates	25,500		
Purchase	4,00,000		
	15,78,000		15,78,000

Additional information:

i. Stock at the end Rs. 50,000.
ii. Depreciation on building by 5%, plant and machinery by 10% and furniture by 20%.
iii. Appreciation land by Rs. 10%.
iv. Provision for bad debts to be maintained at 5%.

v. Transfer Rs. 25,000 to general reserve.
vi. The directors decided to pay dividend at 15% on paid up capital.
vii. Outstanding for expenses: wages Rs. 10,000, salaries Rs. 10,000 and rent Rs. 5,000.
viii. Provision for tax of the year Rs. 20,000.

Required: a. Multi step income statement
b. Classified balance sheet.

Ans: (a) Net income Rs. 69,500 (b) B/S Total Rs. 8,67,000

23. The trial balance of a company as on 31 Chaitra is given below.

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Prepaid insurance	10,000	Share capital	3,50,000
Opening stock	30,000	Creditors	50,000
Purchases	3,20,000	5% debenture	1,00,000
Debtors	80,000	Dividend received	4,000
Equipment	1,50,000	Other income	42,000
Cash balance	50,000	Sales	6,54,000
Goodwill	20,000		
Selling expenses	55,000		
Printing and stationery	50,000		
Repair expense	10,000		
Rent expense	40,000		
Salaries expense	80,000		
Investment	1,00,000		
Building and premises	2,00,000		
Interest expense	5,000		
Total	12,00,000	Total	12,00,000

Additional information:
i. Salaries due Rs. 16,000.
ii. Prepaid insurance was expired Rs. 6,000.
iii. Depreciation on equipment by 10%.
iv. Closing stock: Rs. 80,000.

Required: a. Profit or loss statement based on NFRS
b. Statement of financial position based on NFRS

Ans: (a) NP Rs. 1,53,000 (b) B/S Total Rs. 6,69,000

24. The trial balances of Pratibha Company Ltd. as on 31st December, 2020 is given below:

Particulars	Debit (Rs.)	Credit (Rs.)
Cash in hand	1,00,000	-
Cash at bank	2,54,000	-
Plant and machinery	2,20,000	-
Purchases	1,50,000	-
Accounts receivable	65,000	-
Interest on loan	4,000	-
Salary	50,000	-
Prepaid rent	20,000	-
Share capital	-	3,00,000
Accounts payable	-	50,000
Discount	2,000	15,000
Sales	-	4,00,000
Bank loan	-	1,00,000
Total	8,65,000	8,65,000

Additional information:
i. Closing stock Rs. 50,000.
ii. Prepaid rent expired was Rs. 2,000.
iii. Outstanding interest on bank loan was Rs. 4,000.

iv. Depreciation on plant and machinery at 10% per annum.

Required: a. Profit or loss statement based on NFRS
b. Statement of financial position based on NFRS

Ans: (a) NP Rs. 2,31,000 (b) B/S Total Rs. 6,85,000

25. The trial balance of Bikash Company Ltd. as on 31st. Ashadh 2077 is given below:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Franchise	15,000	Common stock	2,00,000
Furniture	50,000	Preferred stock	1,00,000
Goodwill	50,000	Retained earnings	37,000
Prepaid insurance	10,000	Accumulated depreciation	
Investment	1,00,000	Plant	20,000
Accounts receivable	1,40,000	Furniture	5,000
Cash at bank	10,000	Accounts payable	1,23,000
Plant and equipment	2,00,000	Dividend received	10,000
Purchase	1,00,000	Interest received	20,000
Salaries	20,000	Sales	2,00,000
Wages	20,000		
Total	7,15,000	Total	7,15,000

Additional information:

i. Transfer the profit Rs. 10,000 each to general reserve and sinking fund.
ii. Depreciate fixed assets by 10%.
iii. Wages outstanding Rs. 5,000.
iv. Prepaid insurance Rs. 8,000 was expired.
v. Closing stock Rs. 50,000.

Required: a. Profit or loss statement based on NFRS
b. Statement of financial position based on NFRS

Ans: (a) NP Rs. 1,02,000 (b) B/S Total Rs. 5,67,000

26. The trial balance of ABC company Ltd. as on 31st Ashadh, 2078 is given below:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Opening stock	30,000	Share capital	6,00,000
Purchases	5,80,000	5% Loan	1,00,000
Furniture	80,000	Sales	8,91,000
Equipment	2,00,000	Commission earned	2,000
Advertising expense	40,000	Accounts payable	20,000
Salaries expense	80,000		
Stationeries expense	50,000		
Utilities expense	20,000		
Sales commission	20,000		
Land and building	2,50,000		
Investment	1,00,000		
Accounts receivable	60,000		
Interest expense	5,000		
House rent expense	48,000		
Cash in hand and bank	50,000		
Total	16,13,000	Total	16,13,000

Additional information:

i. Closing stock Rs. 80,000.
ii. Depreciate on equipment, furniture and building by 10%.
iii. Commission receivable Rs. 20,000.
iv. Provision for income tax @ 30%.
v. Non-controlling interest 20%.

Required: a. Profit or loss statement based on NFRS
b. Statement of financial position based on NFRS

Ans: (a) NP Rs. 46,900 (b) B/S Total Rs. 7,87,000

27. The following trial balance of Ramesh Cow Farm Limited as on 31st Ashad 2078:

Particulars	Dr. (Rs.)	Particulars	Cr. (Rs.)
Prepaid office rent	80,000	Creditors	3,00,000
Purchase of grass, seeds and materials	8,00,000	Shares capital	25,00,000
Salaries expenses (Sales person)	1,50,000	Bank loan 5 years maturity period	5,50,000
Marketing expenses	1,00,000	Note payable 10 years maturity period	4,00,000
Printing and stationery expenses (office)	1,20,000	Interest on loan payable	10,000
Salaries (office)	1,50,000	Other incomes	50,000
Wages	4,00,000	Sales revenue from:	
Depreciation expenses	2,00,000	Green vegetables	20,00,000
Cows, Buffaloes and goats	13,00,000	Crops and seeds	12,00,000
Horses	3,00,000	Milk, ghee and butters	3,00,000
Office equipment	4,00,000	Accumulated depreciation	
Investment in securities (Short-term)	1,50,000	Building	2,00,000
Investment in securities (Long-term)	50,000	Office equipment	90,000
Cash	3,00,000		
Building	10,00,000		
Building not used in the business	5,00,000		
Debtors	1,40,000		
Land	6,00,000		
Land not used in the business	4,00,000		
Bills receivable	4,00,000		
Interest expenses	60,000		
	76,00,000		76,00,000

Additional information:

i. Closing stock of seeds and materials Rs. 2,00,000.
ii. Prepaid office rent expired Rs. 60,000.
iii. Depreciate building by 10% and office equipment by 15%
iv. Salaries payable of office employees Rs. 40,000.
v. Write off bad debt Rs. 20,000 and make provision for bad debt 5%
vi. Provision for tax during the year Rs. 4,45,200.

Required: a. Profit or loss statement based on NFRS
b. Statement of financial position based on NFRS

Ans: (a) NP Rs. 10,38,800 (b) B/S Total Rs. 52,84,000

28. Trial balance of RR Company Limited as on 2021 July, 31, are given:

Particulars	Dr. (Rs.)	Particulars	Cr. (Rs.)
Beginning inventory	3,000	Sales revenue	81,000
Sales return	1,000	Unearned commission	5,000
Purchase	20,000	Accumulated depreciation:	
Purchasing expenses	3,000	Office equipment	15,000
Manufacturing expenses	2,000	Show room furniture	10,000
Salaries (office)	4,000	Purchase return	2,000
Salaries (sales person)	3,000	Bank loan (long-term)	70,000
Carriage outward	2,000	Bank overdraft	12,000
Interest expenses	3,000	Capital	1,00,000
Office equipment's	1,50,000	Creditors	15,000
Show room furniture	50,000	Bills payable	2,000
Cash	27,000		
Prepaid insurance	8,000		
Copyright	36,000		
	3,12,000		3,12,000

Additional information:

i. Ending inventory Rs. 6,000
ii. Commission earned Rs. 2,000
iii. Depreciate office equipment and show room furniture by 10%.
iv. Prepaid insurance expired Rs. 3,000.
v. Office salary outstanding Rs. 4,000.
vi. Tax rate @ 25%.

Required: a. Statement of profit or loss as per NFRS
b. Statement of financial position as per NFRS

Ans: (a) NP Rs. 17,250 (b) B/S Total Rs. 2,29,000

28. You are given the trial balance of Rara Company Limited as on Ashadh 31, 2078.

Particulars	Debit (Rs.)	Credit (Rs.)
Plant and machinery	4,00,000	
Accumulated depreciation	-	40,000
Biological plants (long)	2,50,000	-
Computer software	80,000	-
Call deposits	50,000	-
Opening stock	40,000	-
Cash and bank balance	2,05,000	-
Deferred tax (assets)	43,000	-
Purchases	5,20,000	-
Bad debts	7,000	-
Selling expenses	35,000	-
Retained earnings	-	1,30,000
Commission income	-	26,000
Debtors	1,20,000	-
Interest on debenture	24,000	-
Salary	2,70,000	-
12% Debenture	-	2,00,000
Common stock	-	5,00,000
Creditors	-	30,000
Exchange gain on foreign operations	-	38,000
Sales	-	8,75,000
Loss on revaluation of assets	18,000	-
Share premium	-	30,000
General reserve	-	45,000
Non-controlling interest	-	80,000
Loss from cash flow hedges	12,000	-
Pension fund	-	80,000
Total	20,74,000	20,74,000

Additional information:

i. Closing stock of Rs. 50,000.
ii. Depreciate plant and machinery by 10% per annum.
iii. Actuarial gain on pension benefits schemes of Rs. 10,000.
iv. Income tax expenses @ 25%.
v. Non-controlling interest is 30%.
vi Other information:
- Share premium includes Rs. 10,000 received from issue of new shares.
- Common stock includes Rs. 1,00,000 from issue of new equity shares.
- BODs declared the dividend at 5%.

Required: a. Statement of profit or loss as per NFRS
b. Statement of comprehensive income as per NFRS.
c. Statement of changes in shareholder's equity
d. Statement of financial position as per.

Ans: (a) NP Rs. 11,250 (b) TCI Rs. 29,250 (c) Total Rs. 7,85,250 (d) B/S Total Rs. 11,18,000

8. WORKSHEET

Format of Worksheet

Adjustment Entries in the books of ...

Date	Particulars	LF	Debit (Rs.)	Crebit (Rs.)
i.	**For outstanding expenses:**			
	(Heading) expenses a/c .....Dr.		xxx	
	To Outstanding expenses (Heading)			xxx
ii.	**For prepaid expenses:**			
	Prepaid expenses a/c .....Dr.		xxx	
	To ... expenses a/c			xxx
iii.	**For prepaid expenses expired:**			
	... expenses a/c .....Dr.		xxx	
	To Prepaid expenses a/c			xxx
iv.	**For advance income:**			
	... income a/c .....Dr.		xxx	
	To Advance or unearned Income a/c			xxx
v.	**For income earned:**			
	... Advance or unearned income a/c .....Dr.		xxx	
	To ... Income a/c			xxx
vi.	**For depreciation/ Amortization:**			
	Depreciation a/c .....Dr.		xxx	
	To Assets a/c Or Accumulated depreciation a/c			xxx
vii.	**For bad debt and Provision for bad and doubtful debts:**			
a.	Bad debt a/c .....Dr.		xxx	
	To Sundry debtors a/c			xxx
b.	Provision for bad and doubtful debts a/c .....Dr.		xxx	
	To Bad debt a/c			xxx
c.	Profit and Loss a/c .....Dr.		xxx	
	To Provision for bad and doubtful debts a/c			xxx
viii.	**For supplies expenses:**			
	Supplies expenses a/c .....Dr.		xxx	
	To Supplies a/c			xxx
ix.	**For closing stock:**			
	Closing stock .....Dr.		xxx	
	To Total cost of sales Or Income statement			xxx
x.	**For Appreciation:**			
	Assets a/c .....Dr.		xxx	
	To Appreciation a/c			xxx
xi.	**For Accrued income:**			
	Accrued income a/c .....Dr.		xxx	
	To ..... revenue a/c			xxx
xii.	**For Interest of loan:**			
	Interest on loan a/c .....Dr.		xxx	
	To Outstanding interest a/c			xxx
xiii.	**For Preliminary expenses:**			
	Preliminary expenses written off a/c .....Dr.		xxx	
	To Preliminary expenses a/c			xxx
xiv.	**For Provision for dividend/ Proposed dividend/ Interest dividend/ Final dividend :**			
a.	P/L appropriation a/c .....Dr.		xxx	
	To Proposed dividend a/c			xxx
b.	P/L appropriation a/c .....Dr.		xxx	
	To Cash (final dividend paid) a/c			xxx
xv.	**For Reserve fund:**			
	P/L appropriation a/c .....Dr.		xxx	
	To Reserve funds a/c			xxx
xvi.	Profit and loss a/c .....Dr.		xxx	
	To Provision for tax a/c			xxx

Worksheet

A/c No.	Particulars	❶ Unadjusted Trial Balance		❷ Adjustments		❸ Adjusted Trial Balance		❹ Income Statement		❺ Statements of Retained Earning		❻ Balance Sheet	
		Dr. Rs.	Cr. Rs.	Dr. Rs.	Cr. Rs.	Dr. Rs.	Cr. Rs.	Dr. Rs.	Cr. Rs.	Dr. Rs.	Cr. Rs.	Dr. Rs.	Cr. Rs.
1.	Revenue/Income		→				→		→				
2.	Expenses/losses	→				→		→					
3.	Capital		→				→						→
4.	Assets	→				→						→	
5.	Liabilities		→				→						→
6.	P/L Appro. a/c		→				→				→		
	Net profit or loss	xxx	xxx	xxx	xxx	xxx	xxx	Profit	Loss	Loss	Profit	Loss	Profit

THEORETICAL QUESTIONS

1. What is meant by worksheet?
   कार्यविवरण तालिका भन्नाले के बुझ्नुहुन्छ ?
2. What are the purposes of preparing worksheet?
   कार्यविवरण तालिका तयार गर्नुको उद्देश्य के हो ?

NUMERICAL PROBLEMS

VERY SHORT ANSWER QUESTIONS

1. 2081 Set B/C Q.No. 9 Prepare the adjustment entry of prepaid rent expired of Rs. 5,000. [1]
2. 2081 Set D Q.No. 9 Prepare adjustment entry of proposed dividend of Rs. 12,000. [1]
3. 2080 GIE Set A Q.No. 9 Prepare adjustment entry of proposed dividend Rs. 10,000. [1]
4. 2080 GIE Set B Q.No. 9 Prepare adjusting entry of provision for income tax Rs. 5,000. [1]
5. 2080 Set P/Q Q.No. 9 Prepare adjustment entry of accrued commission Rs. 28,000. [1]
6. 2080 Set R Q.No. 9 Prepare adjusting entry of commission received in advance Rs. 5,000. [1]
7. 2079 GIE Set A Q.No. 10 Prepare adjustment entry of outstanding wages Rs. 5,000. [1]
8. 2079 GIE Set B Q.No. 9 Prepare adjustment entry for outstanding salary of Rs. 10,000. [1]
9. 2079 Set O Q.No. 9 Depreciate furniture by Rs. 10,000. [1]
   Required: Adjustment entry
10. 2079 Set V Q.No. 9 Prepare adjusting entry for salary payable Rs. 20,000. [1]
11. Prepare adjusting entries for the following information.
    i. Outstanding wages or wages payable Rs. 40,000.
    ii. Proposed dividend Rs. 25,000.
    iii. Prepaid rent Rs. 7,000 was expired.
    iv. Bad debt written off Rs. 6,000.
    v. Depreciation charged on fixed assets of Rs. 8,000.
    vi. Unearned commission or commission earned but not received of Rs. 9,000.

SHORT ANSWER QUESTIONS

12. 2081 Set B/C Q.No. 15 Trial balance of a company is as under:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Purchase	17,000	Sales	30,500
Wages	4,000	Share capital	20,000
Machinery	30,000	Loan	2,000
Debtors	8,000	Creditors	3,500
Rent	4,500	Profit & loss a/c	7,500
Total	63,500	Total	63,500

Additional information:
i. Outstanding wages: Rs. 1,000
ii. Depreciation on machinery: @ 10%
iii. Proposed dividend @ 10%
Required: Worksheet [5]
Ans: ATB Rs. 66,500, NP Rs. 1,000, R/E Rs. 6,500, B/S Total Rs. 35,000

13. **2081 Set D Q.No. 15** The Trial Balance of a company as on 31st Chaitra last year was given below :

Particulars	Dr. (Rs.)	Cr. (Rs.)
Sales		7,20,000
Capital		2,00,000
Creditors		30,000
Commission		10,000
Current assets	1,20,000	
Fixed assets	3,00,000	
Prepaid insurance	12,000	
Salaries	60,000	
Purchase	4,40,000	
Wages	28,000	
Total	9,60,000	9,60,000

Additional information:

i. Depreciation on fixed assets: @10%

ii. Provision for tax: Rs. 52,000

Required: Work sheet [5]

Ans: ATB Rs. 10,12,000, NP Rs. 1,20,000, B/S Total Rs. 4,02,000

14. **2080 GIE Set A Q.No. 15** Trial balance of a company is as under :

Particulars	Dr.Rs.	Cr.Rs.
Share capital	-	4,00,000
Sales	-	3,00,000
Purchase	1,30,000	
Salary	20,000	
Rent	10,000	
Wages	30,000	
Land & Building	3,00,000	
Furniture	1,20,000	
Cash	10,000	
Debtors	80,000	
Total	7,00,000	7,00,000

Additional information:

i. Bad debts Rs. 5,000

ii. Closing stock Rs. 80,000

Required: Work sheet [5]

Ans: NP Rs. 1,85,000, B/S Total Rs.5,85,000

15. **2080 GIE Set B Q.No. 15** The following is the Trial Balance of a company on Ashadh end 2078.

Particulars	Dr.Rs.	Cr.Rs.
Share capital		4,00,000
Creditors		1,00,000
Sales		6,00,000
Purchase	4,00,000	
Cash	1,60,000	
Debtors	2,00,000	
Salary & Rent	1,20,000	
Machinery	2,80,000	
Overdraft	-	1,60,000
Investment	1,00,000	
Total	12,60,000	12,60,000

Additional information:

i. Depreciation on machinery @10%

ii. Outstanding salary Rs. 10,000

Required: Work sheet [5]

Ans: NP Rs. 42,000, B/S Total Rs. 7,12,000

13. **2081 Set D Q No. 15** The Trial Balance of a company as on 31st Chaitra last year was given below :

Particulars	Dr. (Rs.)	Cr. (Rs.)
Sales		7,20,000
Capital		2,00,000
Creditors		30,000
Commission		10,000
Current assets	1,20,000	
Fixed assets	3,00,000	
Prepaid insurance	12,000	
Salaries	60,000	
Purchase	4,40,000	
Wages	28,000	
Total	9,60,000	9,60,000

Additional information:
i. Depreciation on fixed assets: @10%
ii. Provision for tax: Rs. 52,000
Required: Work sheet

Ans: ATB Rs. 10,12,000, NP Rs. 1,20,000, B/S Total Rs. 4,02,000

14. **2080 GIE Set A Q.No. 15** Trial balance of a company is as under :

Particulars	Dr.Rs.	Cr.Rs
Share capital	-	4,00,000
Sales	-	3,00,000
Purchase	1,30,000	
Salary	20,000	
Rent	10,000	
Wages	30,000	
Land & Building	3,00,000	
Furniture	1,20,000	
Cash	10,000	
Debtors	80,000	
Total	7,00,000	7,00,000

Additional information:
i. Bad debts Rs. 5,000
ii. Closing stock Rs. 80,000
Required: Work sheet

Ans: NP Rs. 1,85,000, B/S Total Rs.5,85,000

15. **2080 GIE Set B Q.No. 15** The following is the Trial Balance of a company on Ashadh end 2078.

Particulars	Dr.Rs.	Cr.Rs.
Share capital		4,00,000
Creditors		1,00,000
Sales		6,00,000
Purchase	4,00,000	
Cash	1,60,000	
Debtors	2,00,000	
Salary & Rent	1,20,000	
Machinery	2,80,000	
Overdraft	-	1,60,000
Investment	1,00,000	
Total	12,60,000	12,60,000

Additional information:
i. Depreciation on machinery @10%
ii. Outstanding salary Rs. 10,000
Required: Work sheet

Ans: NP Rs. 42,000, B/S Total Rs. 7,12,000

16. **2080 Set P/Q Q.No. 15** The trial balance of a company as on

Particulars
Sales
Purchase
Opening stock
Prepaid insurance
Capital
Creditors
Debtors
Salary
Cash
Fixed assets
Total

Additional information:
i. Prepaid insurance was expired: Rs. 8,000.
ii. Depreciation charged on fixed assets: Rs. 12,000
Required: Worksheet

17. **2080 Set R Q.No. 15** Trial balance of a company is as und

Particulars
Creditors
P&L a/c
Capital
Sales
Fixed assets
Other assets
Purchase
Prepaid rent
Salary
Advertising
Other expenses
Total

Additional information:
i. Prepaid rent Rs. 2,000 was expired.
ii. Proposed dividend Rs. 10,000
Required: Worksheet

18. **2079 GIE Set A Q.No. 15** The trial balance of a company

Particulars	Dr
Fixed assets	6,5
Purchase	2,4
Cash	
General expenses	1,
Salary	
	11,

Additional information:
i. Salary payable: Rs.10,000
ii. Proposed dividend: Rs.50,000
Required: Worksheet

16. **2080 Set P/Q Q.No. 15** The trial balance of a company as on 31st December last year is given below.

Particulars	Dr. Rs.	Cr. Rs.
Sales	-	3,20,000
Purchase	1,60,000	-
Opening stock	20,000	-
Prepaid insurance	12,000	-
Capital	-	1,50,000
Creditors	-	30,000
Debtors	40,000	-
Salary	96,000	-
Cash	22,000	-
Fixed assets	1,50,000	-
Total	5,00,000	5,00,000

Additional information:

i. Prepaid insurance was expired: Rs. 8,000.
ii. Depreciation charged on fixed assets: Rs. 12,000

Required: Worksheet [5]

Ans: ATB Rs. 5,00,000, NP Rs. 24,000, B/S Total Rs. 2,04,000

17. **2080 Set R Q.No. 15** Trial balance of a company is as under :

Particulars	Dr. Rs.	Cr. Rs.
Creditors		5,000
P&L a/c		10,000
Capital		40,000
Sales		80,000
Fixed assets	40,000	
Other assets	20,000	
Purchase	45,000	
Prepaid rent	8,000	
Salary	12,000	
Advertising	6,000	
Other expenses	4,000	
Total	1,35,000	1,35,000

Additional information:

i. Prepaid rent Rs. 2,000 was expired.
ii. Proposed dividend Rs. 10,000

Required: Worksheet [5]

Ans: ATB Rs. 1,45,000, NP Rs. 11,000, R/E Rs. 11,000, B/S Total Rs. 66,000

18. **2079 GIE Set A Q.No. 15** The trial balance of a company as on 31st Chaitra last year is given below.

Particulars	Dr. (Rs.)	Particulars	Cr.(Rs.)
Fixed assets	6,50,000	Sales	5,15,000
Purchase	2,40,000	Share capital	4,90,000
Cash	50,000	Creditors	60,000
General expenses	1,25,000	Profit and loss account	80,000
Salary	80,000		
	11,45,000		11,45,000

Additional information:

i. Salary payable: Rs.10,000
ii. Proposed dividend: Rs.50,000

Required: Worksheet [5]

Ans: ATB Rs. 12,05,000, NP Rs. 60,000, R/E Rs. 90,000, B/S Total Rs. 7,00,000

19. **2079 GIE Set B Q.No. 14** The trial balance of a Ltd. company as on 31 Chaitra 2078 is given below.

Particulars	Dr. (Rs.)	Particulars	Cr.(Rs.)
Opening stock	80,000	Sales	5,70,000
Purchases	4,50,000	Share capital	2,00,000
Cash	50,000	Profit and loss account	50,000
Fixed assets	2,00,000		
Salary	40,000		
	8,20,000		8,20,000

Additional information:

i. Salary due: Rs.4,000

ii. Proposed dividend: @10%

Required: 12 column Worksheet

Ans: ATB Rs. 8,44,000, NL Rs. 4,000, R/E Rs. 26,000, B/S Total Rs. 2,50,000

20. **2079 Set O Q.No. 15** An unadjusted trial balance of a company is given below.

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Equipment	2,90,000	Share capital	2,00,000
Bank balance	35,000	Creditors	40,000
Debtors	45,000	Loan	60,000
Purchase	1,20,000	Sales	2,75,000
Salary expense	60,000	Commission	5,000
Rent expense	30,000		
Total	5,80,000	Total	5,80,000

Additional information:

i. Depreciate equipment by 10%

ii. Salary payable: Rs. 12,000

Required: Worksheet

Ans: ATB Rs. 5,92,000, NP Rs. 29,000, B/S Total Rs. 3,41,000

21. **2079 Set V Q.No. 14** The trial balance of a Ltd. Company as on 31st Chaitra, 2078 is given below.

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Machinery	1,10,000	Sales	2,00,000
Cash	40,000	10% loan	1,10,000
Purchase	1,10,000	Share capital	50,000
Debtors	50,000		
Insurance	20,000		
Wages	30,000		
Total	3,60,000	Total	3,60,000

Additional information:

i. Prepaid insurance Rs. 5,000

ii. Outstanding wages Rs. 2,000

Required: Worksheet

Ans: ATB Rs. 3,73,000, NP Rs. 32,000, B/S Total Rs. 2,05,000

22. The trial balance of ABC Company Ltd. as on 31st Chaitra last year is given below:

Particulars	Debit (Rs.)	Credit (Rs.)
Share capital		4,00,000
Reserve fund		1,00,000
Purchase	12,00,000	
Sales		15,00,000
Fixed assets	7,60,000	
Miscellaneous expenses	1,40,000	
Profit and loss account		1,00,000
Total	21,00,000	21,00,000

Additional Information

i. Outstanding expenses Rs. 20,000

ii. Proposed 10% dividend on share capital

Required: Worksheet

Ans: ATB Rs. 21,60,000, NP Rs. 1,40,000, R/E Rs. 2,00,000, B/S Total Rs. 7,60,000

23. The trial balance of a Ltd. Company as on 31st Ashadh, is given below:

Particulars	Debit (Rs.)	Credit (Rs.)
Sales		5,00,000
Creditors		65,000
Purchases	4,50,000	
Fixed assets	1,50,000	
Profit and loss a/c		10,000
Debtors	1,00,000	
Reserve fund		50,000
Salaries and other expenses	1,60,000	
Bank balance	10,000	
Share capital		2,45,000
Total	8,70,000	8,70,000

Additional Information

i. Salary outstanding Rs.20,000

ii. Depreciation during the period Rs.5,000

Required: Worksheet

Ans: ATB Rs. 8,90,000, NL Rs. 1,35,000, R/E Rs. 1,25,000, B/S Total Rs. 3,80,000

24. The trial balance of a Ltd Company as on 31 Chaitra 2068 is given below:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Goodwill	70,000	Share capital	6,00,000
Debtors	2,00,000	Sales	3,50,000
Machinery	7,00,000	Reserve fund	1,50,000
Stationery	30,000	Creditors	2,00,000
Bank balance	1,00,000	Profit & loss a/c	50,000
Salary	2,00,000		
Wages	50,000		
	13,50,000		13,50,000

Additional Information

i. Depreciation on machinery: 10%

ii. Wages payable: Rs. 5,000

Required: Worksheet

Ans: ATB Rs. 13,55,000, NL Rs. 5,000, R/E Rs. 45,000, B/S Total Rs. 10,00,000

25. The trial balance of MM Ltd. Company as on Ashad 31st, 2069 is given below.

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Machinery	3,00,000	Sales	5,50,000
Office equipments	2,00,000	Creditors	1,00,000
Purchases	5,00,000	Outstanding salaries	20,000
Debtors	20,000	Capital	2,00,000
Salary	30,000	Profit-loss account	2,30,000
Rent	20,000		
Wages	30,000		
	11,00,000		11,00,000

Additional information:

i. Charge depreciation on machinery by 10%

ii. Provide 7% dividend on capital

Required: Worksheet

Ans: ATB Rs. 11,14,000, NL Rs. 60,000, R/E Rs. 1,56,000, B/S Total Rs. 4,90,000

26. Trial balance of a Limited Company as on 31st Ashadh is given below:

Particulars	Dr. (Rs.)	Particulars	Cr. (Rs.)
Purchase	5,00,000	Sales	20,00,000
Salaries	2,00,000	Debentures	5,00,000
Others expenses	1,00,000	Creditors	3,00,000
Administrative expenses	4,00,000	Share capital	10,00,000
Debtors	5,00,000		
Fixed assets	20,00,000		
Cash	1,00,000		
Total	38,00,000	Total	38,00,000

Additional information:
i. 10% depreciation is to be charged on fixed assets.
ii. Salary outstanding: Rs 20,000
Required: Worksheet

Ans: ATB Rs. 38,20,000, NP Rs. 5,80,000, B/S Total Rs. 24,0

27. The trial balance of a company as on 31st Chaitra is given below:

Particulars	Dr. (Rs.)	Particulars	Cr. (Rs.)
Opening stock	10,000	Sales	3,00,000
Purchases	1,00,000	Profit and loss account	10,000
Furniture	50,000	Creditors	30,000
Rent	10,000	Share capital	1,00,000
Machinery	1,20,000		
Salaries	20,000		
Wages	10,000		
Debtors	50,000		
Investment	50,000		
Cash	20,000		
	4,40,000		4,40,000

Additional information:
i. Salaries payable: Rs. 4,000
ii. Depreciation on machinery: @ 10%
Required: Worksheet

Ans: ATB Rs. 4,44,000, NP Rs. 1,34,000, B/S Total Rs. 2,71,2

28. The trial balance of a company is given below:

Particulars	Dr. (Rs.)	Particulars	Cr. (Rs.)
Machinery	65,000	Capital	50,000
Prepaid rent	8,000	Creditors	10,000
Salary expense	10,000	Service revenue	80,000
Administrative expense	30,000	Commission income	10,000
Sundry assets	37,000		
	1,50,000		1,50,000

Additional information:
i. Commission earned but not received: Rs. 3,000.
ii. Prepaid rent Rs. 6,000 was expired.
Required: Worksheet

Ans: ATB Rs. 1,53,000, NP Rs. 47,000, B/S Total Rs. 1,07,00

29. The trial balance of a company as on 31 Chaitra is given below:

Debit	Rs.	Credit	Rs.
Opening stock	2,00,000	Sales	13,00,000
Purchases	10,00,000	Share capital	5,00,000
Salaries	1,00,000	Loan	2,00,000
Machinery	4,00,000		
Rent	50,000		
Wages	40,000		
Debtors	1,60,000		
Cash	50,000		
	20,00,000		20,00,000

Additional information:
i. Salaries due: Rs.10,000
ii. Bad debts write off: Rs.5,000
Required: Worksheet

Ans: ATB Rs. 20,10,000, NL Rs. 1,05,000, B/S Total Rs. 7,10,00

30. Trial balance of a company is as under.

Debit	Rs.	Credit
Purchase	3,00,000	Sales
Debtors	1,00,000	Credito
Fixed assets	6,00,000	Share c
Advertisement	40,000	Commi
Prepaid wages	80,000	Beginn
Rent	90,000	
Cash	60,000	
	12,70,000	

Additional information:
i. 10% depreciation is to be charged on fixed assets
ii. Outstanding rent: Rs.10,000
iii. Prepaid wages: Rs. 65,000
iv. Proposed dividend: 10%
Required: a. Adjustments entries
b. Worksheet

Ans: (b) ATB Rs.

31. Trial balance of a limited company as on Ashad 31, 2072 is given bel

Particulars	
Opening stock	
Purchases	
Plant	
Debtors	
Wages	
Prepaid rent	
Salaries	
Cash	
Sales	
Share capital	
Creditors	
Profit and loss account	

Additional information:

i. Wages payable	Rs. 5,000
ii. Prepaid rent expired	Rs. 20,000
iii. Depreciation on plant	Rs. 20,000
iv. Proposed dividend	Rs. 10,000

Required: a. Adjustments entries
b. Worksheet

Ans: (b) ATB

32. The trial balance of a company as on Chaitra 31st is given below

Debit	Rs
Purchases	5,00,000
Salary and wages	2,00,000
Cash	15,000
Debtors	1,50,000
Fixed assets	4,00,000
Carriage	5,000
Prepaid rent	30,000
	13,00,000

Additional information:
i. Depreciate fixed assets by 10%
ii. Outstanding salary and wages Rs. 20,000
iii. Prepaid rent Rs. 20,000 was expired
iv. Proposed dividend 10%
Required: a. Adjustments entries
b. Worksheet

Ans: (b) A

30. Trial balance of a company is as under.

Debit	Rs.	Credit	Rs.
Purchase	3,00,000	Sales	6,00,000
Debtors	1,00,000	Creditors	1,00,000
Fixed assets	6,00,000	Share capital	4,00,000
Advertisement	40,000	Commission	10,000
Prepaid wages	80,000	Beginning retained earning	1,60,000
Rent	90,000		
Cash	60,000		
	12,70,000		12,70,000

Additional information:

i. 10% depreciation is to be charged on fixed assets
ii. Outstanding rent: Rs.10,000
iii. Prepaid wages: Rs. 65,000
iv. Proposed dividend: 10%

Required: a. Adjustments entries
b. Worksheet

Ans: (b) ATB Rs. 13,20,000, NP Rs. 45,000, R/E Rs. 1,65,000, B/S Total Rs. 7,15,000

31. Trial balance of a limited company as on Ashad 31, 2072 is given below:

Particulars	Debit (Rs)	Credit (Rs.)
Opening stock	50,000	
Purchases	4,00,000	
Plant	2,00,000	
Debtors	1,00,000	
Wages	40,000	
Prepaid rent	30,000	
Salaries	60,000	
Cash	20,000	
Sales		7,00,000
Share capital		1,00,000
Creditors		40,000
Profit and loss account		60,000
	9,00,000	9,00,000

Additional information:

i. Wages payable Rs. 5,000
ii. Prepaid rent expired Rs. 20,000
iii. Depreciation on plant Rs. 20,000
iv. Proposed dividend Rs. 10,000

Required: a. Adjustments entries
b. Worksheet

Ans: (b) ATB Rs. 9,15,000, NP Rs. 1,05,000, R/E Rs. 1,55,000, B/S Total Rs. 3,10,000

32. The trial balance of a company as on Chaitra 31st is given below:

Debit	Rs	Credit	Rs.
Purchases	5,00,000	Sales	9,00,000
Salary and wages	2,00,000	Creditors	45,000
Cash	15,000	Profit and loss a/c	20,000
Debtors	1,50,000	Reserve	35,000
Fixed assets	4,00,000	Share capital	3,00,000
Carriage	5,000		
Prepaid rent	30,000		
	13,00,000		13,00,000

Additional information:

i. Depreciate fixed assets by 10%
ii. Outstanding salary and wages Rs. 20,000
iii. Prepaid rent Rs. 20,000 was expired
iv. Proposed dividend 10%

Required: a. Adjustments entries
b. Worksheet

Ans: (b) ATB Rs. 13,50,000, NP Rs. 1,15,000, R/E Rs. 1,05,000, B/S Total Rs. 5,35,000

33. The trial balance of a company as on 31st Chaitra, previous year is given below.

Debit	Rs	Credit	Rs
Building	3,00,000	Share capital	5,00,000
Other fixed assets	1,50,000	Profit & loss account	50,000
Interim dividend	10,000	Sales	5,00,000
Purchases	4,00,000	Commission	15,000
Insurance	30,000	Creditors	1,35,000
Debtors	1,50,000		
Bank balance	1,00,000		
Salaries	60,000		
	12,00,000		12,00,000

Additional Information:

i. Depreciate both building and fixed assets by 10%.
ii. Outstanding Salaries Rs. 10,000.
iii. Write off bad debts of Rs. 5,000, also create a provision for bad debt Rs. 5,000.
iv. Transfer to general reserve Rs. 5,000.

Required: a. Adjustments entries
b. Worksheet

Ans: (b) ATB Rs. 12,15,000, NL Rs. 40,000, R/E Rs. 5,000, B/S Total Rs. 6,50,000

9. CASH FLOW STATEMENT

Format of Cash Flow Statement (Direct Method)

Cash Flow Statement
Under Direct Method

Particulars	Rs	Rs
Cash flow from operating activities:		
a. **Cash collection from Customers:**		
Net sales (Cash sales + Credit sales – Sales return)	xxx	
Decrease in sundry debtors	xxx	
Decrease in bills receivable	xxx	
Decrease in accounts receivable	xxx	
Increase in provision for doubtful debt	xxx	
Increase in provision for discount on debtors	xxx	
Bad debt recovered	xxx	
Discount allowed	(xxx)	
Increase in sundry debtors	(xxx)	
Increase in bills receivable	(xxx)	
Increase in accounts receivable	(xxx)	
Decrease in provision for doubtful debt	(xxx)	
Decrease in provision for discount on debtors	(xxx)	xxx
b. **Cash paid to suppliers for purchase of merchandise:**		
Cost of goods sold (Opening stock + Purchases – Closing stock)	(xxx)	
Increase in inventory	(xxx)	
Decrease in inventory	xxx	
Decrease in sundry creditors	(xxx)	
Decrease in bills payable	(xxx)	
Decrease in accounts payable	(xxx)	
Increase in sundry creditors	xxx	
Increase in bills payable a/c	xxx	
Increase in accounts payable	xxx	
Discount received	xxx	(xxx)
c. **Cash paid to employees and for other expenses:**		
Cash operating expenses including wages (item wise)	(xxx)	
Increase in outstanding expenses	xxx	
Decrease in outstanding expenses	(xxx)	
Decrease in prepaid expenses	xxx	
Increase in prepaid expenses	(xxx)	(xxx)

d. Interest paid:		
Interest expense (as per income statement)	(xxx)	
Increase in prepaid interest	(xxx)	
Decrease in prepaid interest	xxx	
Decrease in outstanding interest	(xxx)	
Increase in outstanding interest	xxx	(xxx)
e. Tax paid:		
Tax expense (as per income statement)	(xxx)	
Increase in prepaid tax	(xxx)	
Decrease in prepaid tax	xxx	
Decrease in outstanding tax or provision for taxation	(xxx)	
Increase in outstanding tax or provision for taxation	xxx	(xxx)
f. Interest and dividend received:		
Interest received (as per income statement)	xxx	
Dividend received (as per income statement)	xxx	
Decrease in interest /dividend receivable	xxx	
Increase in interest /dividend receivable	(xxx)	xxx
Net cash flows from operating activities [A = a + b + c + d + e + f]		±
Cash flow from investing activities:		
Purchase of fixed assets		(xxx)
Sales of fixed assets		xxx
Additional investment (Purchases of share/debenture)		(xxx)
Sales of long term investment		xxx
Net cash flows from (used to)investing activities [B]		±
Cash flows from financing activities:		
Issue of equity share/Preference share/Debenture		xxx
Increase in share premium		xxx
Payment of long-term loan		(xxx)
Increase in bank loan, bank overdraft, etc.		xxx
Decrease in bank loan, bank overdraft, etc.		(xxx)
Increase in long-term loan		xxx
Redemption of preference shares and debenture		(xxx)
Dividend paid (Cash dividend, interim dividend)		(xxx)
Net Cash Flows From (Used to) Financing Activities [C]		±
Net changes in cash and cash equivalents [A + B + C]		±
Add: Beginning cash and cash equivalent		xxx
Ending cash and cash equivalent		xxx

Format of Cash Flow Statement [Indirect Method]

Cash Flow Statement
Under Indirect Method

Particulars	Rs.	Rs.
Net Income after tax and dividend		xxx
Add: Non-operating/non cash expenses and losses:		
Provision for taxation and dividend	xxx	
Intangible/fictitious assets written off	xxx	
Loss on sales of fixed assets	xxx	
Other non-operating/non cash expenses and loses	xxx	xxx
		xxx
Less: Non-operating gain and incomes:		
Dividend/ interest received	xxx	
Gain on sales of fixed assets	xxx	
Other non-operating gain and incomes	xxx	xxx
Funds from operation		xxx

Add: Decrease in current assets	xxx	
Increase in current liabilities	xxx	xxx
		xxx
Less: Increase in current assets	xxx	
Decrease in current liabilities	xxx	xxx
		xxx
Less: Tax paid	xxx	xxx
Net cash flow from operating activities		xxx

THEORETICAL QUESTIONS

1. Define cash flow statement.
   नगद प्रवाह विवरणलाई परिभाषित गर्नुहोस् ।
2. Mention the items relating to cash flow from operating activities.
   नगद प्रवाहमा सञ्चालनसम्बन्धी क्रियाकलापमा समावेश हुने तत्वहरू उल्लेख गर्नुहोस् ।
3. Mention the items of activities that are performed by cash flow activities.
   नगद प्रवाह विवरणमा समावेश गरिने कुनै तीन प्रकारका क्रियाकलापहरू उल्लेख गर्नुहोस् ।

NUMERICAL PROBLEMS

VERY SHORT ANSWER QUESTIONS

1. **2081 Set B/C Q No. 10** Calculate the amount of cash from financing activities from the following information. [1]

Particulars	2015 (Rs.)	2016 (Rs.)
Share capital	2,00,000	4,00,000
Debentures	1,00,000	50,000
Dividend paid	-	20,000

Ans: Rs. 1,30,000

2. **2081 Set D Q No. 10** Calculate cash flow from operating activities from the following information. [1]
   Net profit ..... Rs. 2,00,000 Accounts receivable decreased ..... Rs 40,000
   Depreciation ..... Rs. 10,000

   Ans: Rs. 1,50,000

3. **2080 GIE Set A Q No. 10** From the following information find out cash from operating activities using indirect method. [1]
   Net profit ..... Rs. 1,25,000 Depreciation ..... Rs. 40,000
   Goodwill written off ..... Rs. 10,000

   Ans: Rs. 1,75,000

4. **2080 GIE Set B Q No. 10** From the following information, calculate cash paid to suppliers in year II. [1]
   Purchase ..... Rs. 3,50,000
   Sundry creditors Year I ..... Rs. 15,000
   Year II ..... Rs. 20,000

   Ans: Rs. 3,45,000

5. **2080 Set P/Q Q No. 10** From the following information calculate cash flow from operating activities under indirect method. [1]
   Net income ..... Rs. 1,40,000 Increase in current assets ..... Rs. 80,000
   Non-operating expenses ..... Rs. 40,000

   Ans: Rs. 1,00,000

6. **2080 Set R Q No. 10** From the following information calculate cash flow from operating activities under indirect method. [1]
   Net income ..... Rs. 7,00,000 Non-operating profit ..... Rs. 30,000
   Decrease in current assets ..... Rs. 40,000

   Ans: Rs. 7,10,000

7. **2079 GIE Set B Q No. 10** From the following information determine cash from operating activities under indirect method. [1]
   Net income ..... Rs. 1,20,000 Non operating expenses ..... Rs. 60,000
   Decrease in current assets ..... Rs. 20,000

   Ans: Rs. 2,00,000

8. **2079 Set O Q No. 10** Following information are given: [1]
   Net income ..... Rs. 2,00,000 Non-cash expenses ..... Rs. 40,000
   Decrease in current assets ..... Rs. 50,000
   Required: Cash flow from operating activities using indirect method.

   Ans: Rs. 2,90,000

9. **2079 Set V Q No. 10** From the following information, calculate cash collection fr
   Credit sales Rs. 6,00,000
   Sundry debtors Year I Rs. 40,000
   Year II Rs. 60,000

10. Calculate amount of purchase from the following information:
    Cost of goods sold Rs. 8,60,000.
    Beginning inventory Rs. 25,000 and ending inventory Rs. 40,000.

11. Calculate amount of cash collection from customers, from the following inform
    Total sales dunng the penod Rs. 9,00,000.
    Beginning accounts receivable Rs. 40,000 and ending accounts receivable R

12. Calculate amount of cash paid to suppliers, from the following information;
    Total purchase dunng the penod Rs. 5,40,000.
    Beginning accounts payable Rs. 25,000 and ending accounts payable Rs. 1

13. Calculate amount of tax paid, from the following information;
    Tax expense during the period Rs. 50,000.
    Beginning tax payable Rs. 75,000 and ending tax payable Rs. 60,000.

14. Calculate amount of ending retained earnings, from the following informat
    Net profit for the penod Rs. 4,00,000.
    Beginning retained earnings Rs. 72,800 and proposed dividend Rs. 1,20,

LONG ANSWER QUESTIONS

DIRECT METHOD

15. **2081 Set B/C Q No. 21** The two years balance sheet and other informat

Liabilities	Year I (Rs.)	Year II (Rs.)	Assets
Capital	3,80,000	4,95,000	Equipn
Debentures	1,50,000	90,000	Invest
Creditors	30,000	62,500	Stock
Outstanding expenses	5,000	7,500	Debto
Retained earning	35,000	35,000	Cash
Total	6,00,000	6,90,000	Total

Additional information:
i. Sales for the year II: Rs. 4,65,000
iii. Operating expenses: Rs. 1,45,000
v. Tax paid: Rs. 35,000
vii. Dividend paid: Rs. 45,000
ii.
iv.
vi.
Required: Cash flow statement using direct method

16. **2081 Set D Q No. 21** The comparative balance of a company is as

Liabilities	2077 (Rs.)	2078 (Rs.)	As
Share capital	2,50,000	3,00,000	M
Debentures	50,000	25,000	S
Creditors	75,000	1,00,000	D
Retained earning	50,000	75,000	C
Total	4,25,000	5,00,000	T

Additional information:
i. Sales: Rs. 3,50,000
iii. Operating expenses: Rs. 50,000
v. Machinery sold: Rs. 35,000
vii. Dividend paid: Rs. 30,000
Required: Cash flow statement using direct method

9. **2079 Set V Q.No. 10** From the following information, calculate cash collection from customer in year II. [1]

Credit sales		Rs. 6,00,000
Sundry debtors	Year I	Rs. 40,000
	Year II	Rs. 60,000

Ans: Rs. 5,80,000

10. Calculate amount of purchase from the following information:
Cost of goods sold Rs. 8,60,000.
Beginning inventory Rs. 25,000 and ending inventory Rs. 40,000.
Ans: Rs. 8,75,000

11. Calculate amount of cash collection from customers, from the following information:
Total sales during the period Rs. 9,00,000.
Beginning accounts receivable Rs. 40,000 and ending accounts receivable Rs. 60,000.
Ans: Rs. 8,80,000

12. Calculate amount of cash paid to suppliers, from the following information;
Total purchase during the period Rs. 5,40,000.
Beginning accounts payable Rs. 25,000 and ending accounts payable Rs. 15,000.
Ans: Rs. 5,30,000

13. Calculate amount of tax paid, from the following information;
Tax expense during the period Rs. 50,000.
Beginning tax payable Rs. 75,000 and ending tax payable Rs. 60,000.
Ans: Rs. 65,000

14. Calculate amount of ending retained earnings, from the following information;
Net profit for the period Rs. 4,00,000.
Beginning retained earnings Rs. 72,800 and proposed dividend Rs. 1,20,000.
Ans: Rs. 3,52,800

LONG ANSWER QUESTIONS

DIRECT METHOD

15. **2081 Set B/C Q.No. 21** The two years balance sheet and other information of a company are as follows :

Liabilities	Year I (Rs.)	Year II (Rs.)	Assets	Year I (Rs.)	Year II (Rs.)
Capital	3,80,000	4,95,000	Equipments	1,50,000	1,35,000
Debentures	1,50,000	90,000	Investments	2,50,000	3,75,000
Creditors	30,000	62,500	Stock	75,000	90,000
Outstanding expenses	5,000	7,500	Debtors	45,000	70,000
Retained earning	35,000	35,000	Cash	80,000	20,000
Total	6,00,000	6,90,000	Total	6,00,000	6,90,000

Additional information:
i. Sales for the year II: Rs. 4,65,000
ii. Cost of goods sold: Rs. 2,10,000
iii. Operating expenses: Rs. 1,45,000
iv. Additional purchase of investment: Rs. 1,25,000
v. Tax paid: Rs. 35,000
vi. Equipment sold Rs. 30,000 and purchased Rs. 45,000
vii. Dividend paid: Rs. 45,000

Required: Cash flow statement using direct method [4+1.5+1.5+1]

Ans: CFOA Rs. 70,000, CFIA (Rs. 1,40,000), CFFA Rs. 10,000

16. **2081 Set D Q.No. 21** The comparative balance of a company is as follows :

Liabilities	2077 (Rs.)	2078 (Rs.)	Assets	2077 (Rs.)	2078 (Rs.)
Share capital	2,50,000	3,00,000	Machinery	2,50,000	3,50,000
Debentures	50,000	25,000	Stock	20,000	40,000
Creditors	75,000	1,00,000	Debtors	1,05,000	85,000
Retained earning	50,000	75,000	Cash	50,000	25,000
Total	4,25,000	5,00,000	Total	4,25,000	5,00,000

Additional information:
i. Sales: Rs. 3,50,000
ii. Cost of goods sold: Rs. 2,18,000
iii. Operating expenses: Rs. 50,000
iv. Machinery purchased: Rs. 1,60,000
v. Machinery sold: Rs. 35,000
vi. Income tax paid: Rs. 2,000
vii. Dividend paid: Rs. 30,000

Required: Cash flow statement using direct method [4+1+2+1]

Ans: CFOA Rs. 1,05,000, CFIA (Rs. 1,25,000), CFFA (Rs. 5,000)

17. **2080 GIE Set A Q.No. 21** The balance sheet of a company on 31st December are given below.

Liabilities	Year I (Rs.)	Year II (Rs.)	Assets	Year I (Rs.)	Year II (Rs.)
Share capital	15,000	18,000	Fixed assets	18,000	24,000
Share premium	1,500	1,800	Closing stock	1,500	3,000
Debentures	3,000	-	Debtors	4,500	3,000
Creditors	4,500	5,700	Cash balance	3,000	1,500
Retained earnings	3,000	6,000			
Total	27,000	31,500	Total	27,000	3 1,500

Additional information:

i. Sales: Rs. 18,000
ii. Cost of goods sold: Rs.7,800
iii. Operating expense including depreciation on Rs. 1,000: Rs. 3,000
iv. Income tax paid: Rs. 1,200
v. Purchased of fixed assets: Rs. 7,000
vi. Dividend paid: Rs. 3,000

Required: Cash flow statement by using direct method. [4+1+2+1]

Ans: CFOA Rs. 8,200, CFIA (Rs. 7,000), CFFA (Rs. 2,700)

18. **2080 Set P/Q Q.No. 21** Following figures are taken from 2021 and 2022 balance sheet of a company

Liabilities	2021	2022	Assets	2021	2022
Creditors	29,000	32,000	Debtors	15,000	10,000
Expenses due	2,000	3,000	Stock	30,000	20,000
Retained earnings	89,000	62,000	Cash at bank	25,000	30,000
Loan	50,000	68,000	Fixed assets	1,80,000	1,95,000
Share capital	80,000	90,000			
Total	2,50,000	2,55,000	Total	2,50,000	2,55,000

Additional information:

i. Sales: Rs. 1,00,000
ii. Cost of goods sold: Rs. 80,000
iii. Operating expenses (including interest expenses Rs. 4,000) is Rs. 26,000
iv. Fixed assets purchase: Rs. 29,000
v. Cash dividend: Rs. 7,000

Required: Cash flow statement using direct method. [4+1+2+1]

Ans: CFOA Rs. 13,000, CFIA (Rs. 29,000), CFFA Rs. 21,000

19. **2080 Set R Q.No. 21** A company's two years balance sheet is provided as follows :

Liabilities	Year I (Rs.)	Year II (Rs.)	Assets	Year I (Rs.)	Year II (Rs.)
Share capital	55,000	66,000	Fixed assets	60,000	80,000
Debenture	10,000	5,000	Inventory	5 000	10,000
Creditors	15,000	19,000	Debtors	15,000	10,000
Retained earnings	10,000	15,000	Cash	10,000	5,000
Total	90,000	1,05,000	Total	90,000	1,05,000

Additional information:

i. Sales: Rs. 60,000
ii. Cost of goods sold: Rs. 44,000
iii. Cash operating expenses: Rs. 9,000
iv. Fixed assets purchased: Rs. 20,000
v. Tax paid Rs. 1,000
vi. Dividend paid: Rs. 1,000

Required: Cash flow statement using direct method. [4+1+2+1]

Ans: CFOA Rs. 10,000, CFIA (Rs. 20,000), CFFA (Rs. 5,000)

20. **2079 GIE Set A Q.No. 20** The balance sheet of a company for two years are given as follows:

Liabilities	2076	2077	Assets	2076	2077
Share	4,00,000	5,00,000	Plant	3,00,000	4,20,000
Loan	1,00,000	1,50,000	Stock	40,000	1,60,000
Creditors	40,000	1,20,000	Debtors	60,000	25,000
Expenses due	6,000	8,000	Bank & cash	1,76,000	2,13,000
Retained earning	30,000	40,000			
Total	5,76,000	8,18,000	Total	5,76,000	8,18,000

Additional information:

i. Sales: Rs. 5,20,000
ii. Cost of goods sold Rs. 3,60,000
iii. Operating expenses Rs. 40,000
iv. Interest expenses Rs. 20,000
v. Plant sold for Rs. 40,000 and additional plant purchased for Rs. 2,10,000
vi. Dividend paid Rs. 40,000

Required: Cash flow statement using direct method [4+1+2+1]

Ans: CFOA Rs. 97,000, CFIA (Rs. 1,70,000), CFFA Rs. 1,10,000

21. **2079 GIE Set B Q.No. 21** The balance sheet of a company for two years are given as follows:

Liabilities	2076	2077	Assets	2076	2077
Share capital	4,00,000	6,30,000	Fixed assets	6,30,000	7,95,000
Debentures	3,00,000	1,50,000	Inventories	90,000	60,000
Creditors	60,000	1,00,000	Debtors	35,000	45,000
Profit & loss a/c	30,000	77,600	Cash & bank	55,000	70,000
Outstanding expenses	20,000	12,400			
Total	8,10,000	9,70,000	Total	8,10,000	9,70,000

Additional information:

i. Sales: Rs. 6,00,000
ii. Cost of goods sold Rs. 3,10,000
iii. Operating expenses Rs. 90,000
iv. Interest expenses Rs. 24,000
v. Tax paid Rs. 58,400
vi. Purchased of fixed assets Rs. 1,95,000
vii. Dividend paid Rs. 40,000

Required: Cash flow statement using direct method [4+1+2+1]

Ans: CFOA Rs. 1,70,000, CFIA (Rs. 1,95,000), CFFA Rs. 40,000

22. **2079 Set O Q.No. 21** The closing balance of different assets and liabilities are given below.

Particulars	Year I (Rs.)	Year II (Rs.)
Machinery	7,00,000	9,00,000
Debtors	2,10,000	2,40,000
Inventory	1,45,000	1,80,000
Creditors	80,000	1,10,000
Share capital	2,00,000	3,00,000
Expenses due	25,000	40,000
Investment	2,00,000	2,75,000
Cash	2,10,000	?

Additional information:

i. Sales for the year Rs. 10,50,000 and cost of goods sold Rs. 8,10,000
ii. Operating expenses Rs. 2,05,000, including depreciation Rs. 65,000.
iii. Machinery sold for Rs. 1,25,000 and purchased for Rs. 3,80,000
iv. Dividend paid for the year Rs. 20,000

Required: Cash flow statement [8]

Ans: CFOA Rs. 80,000, CFIA (Rs. 3,30,000), CFFA Rs. 80,000, Closing cash balance Rs. 40,000

23. **2079 Set V Q.No. 20** A company provides following balance sheet of last two years.

Particulars	Year-1 (Rs.)	Year-2 (Rs.)
Share capital	6,00,000	7,00,000
Debenture	1,50,000	1,00,000
Creditors	50,000	25,000
Retained earning	50,000	75,000
Total liabilities and equities	8,50,000	9,00,000
Plant	4,00,000	5,30,000
Investment	40,000	70,000
Stock	1,00,000	1,20,000
Debtors	2,20,000	1,80,000
Cash and bank	90,000	–
Total assets	8,50,000	9,00,000

Additional information:

i. Sales Rs. 6,50,000
ii. Cost of goods sold: Rs. 4,00,000
iii. Operating expenses: Rs. 1,73,000
iv. Plant worth Rs. 60,000 were sold and additional plant worth Rs. 2,00,000 were purchased.
v. Income tax paid Rs. 12,000 and dividend paid Rs. 60,000.

Required: Cash flow statement using direct method. [4+1+2+1]

Ans: CFOA Rs. 60,000, CFIA (Rs. 1,70,000), CFFA (Rs. 10,000)

24. **2078 Set C Q.No. 17** The balance sheet of A Ltd. company on 31st December are given:

Balance Sheet as at

Liabilities	2018 (Rs.)	2019 (Rs.)	Assets	2018 (Rs.)	2019 (Rs.)
Share capital	2,00,000	3,00,000	Machinery	2,00,000	2,50,000
10% Loan	1,00,000	50,000	Investment	1,00,000	1,50,000
Retained earnings	40,000	60,000	Stock	70,000	80,000
Sundry creditors	80,000	1,00,000	Sundry debtors	40,000	10,000
			Cash & bank	10,000	20,000
	4,20,000	5,10,000		4,20,000	5,10,000

Additional information for year 2:

i. Sales ..... Rs. 5,00,000
ii. Cost of goods sold ..... Rs. 3,00,000
iii. Operating expenses ..... Rs. 1,00,000
iv. Purchase of machinery ..... Rs. 1,40,000
v. Sale of machinery ..... Rs. 40,000
vi. Dividend paid ..... Rs. 30,000

Required: Cash flow statement by using direct method.

Ans: CFOA Rs. 1,40,000, CFIA (Rs. 1,50,000), CFFA Rs. 20,000

25. **2077 Set J Q.No. 9** The balance sheet of a company on 31st December are given below:

Liabilities	Year 1 (Rs.)	Year 2 (Rs.)	Assets	Year 1 (Rs.)	Year 2 (Rs.)
Share capital	6,00,000	6,00,000	Fixed assets	5,00,000	6,50,000
Retained earnings	40,000	1,20,000	Stock	20,000	70,000
Sundry creditors	40,000	60,000	Debtors	80,000	25,000
Bills payable	50,000	35,000	Bank and cash	1,30,000	70,000
Total	7,30,000	8,15,000	Total	7,30,000	8,15,000

Additional information:

i. Sales ..... Rs. 6,00,000
ii. Cost of goods sold ..... Rs. 4,40,000
iii. Sales of fixed assets ..... Rs. 50,000
iv. Purchase of fixed assets ..... Rs. 2,20,000
v. Dividend paid ..... Rs. 60,000

Required: Cash flow statement using direct method.

Ans: CFOA Rs. 1,70,000, CFIA (Rs. 1,70,000), CFFA (Rs. 60,000)

26. **2077 Set R Q.No. 10** The balance sheet of a company as on Chaitra 30, are as follows:

Liabilities	Year I	Year II	Assets	Year I	Year II
Share capital	6,00,000	8,00,000	Furniture	5,00,000	6,60,000
Debenture	1,00,000	40,000	Bills receivable	80,000	70,000
Bills payable	30,000	55,000	Inventory	1,00,000	1,40,000
Retained earnings	65,000	1,05000	Bank balance	1,15,000	1,30,000
Total	7,95,000	10,00,000	Total	7,95,000	10,00,000

Additional Information:

i. Sales for the year II was Rs. 9,85,000
ii. Cost of goods sold Rs. 6,75,000
iii. Book value of furniture Rs. 40,000 sold at a profit of Rs. 4,000
iv. Dividend paid Rs. 20,000
v. Purchased of furniture Rs. 4,54,000

Required: Cash flow statement using direct method.

Ans: CFOA Rs. 3,05,000; CFIA Rs. 4,10,000; CFFA Rs. 1,20,000

27. **2076 GIE Set A Q.No. 18** The following figures are extracted from the two years balance sheet.

Particulars	Year I (Rs)	Year II (Rs)
Share capital	1,00,000	3,50,000
Debenture	2,00,000	1,00,000
Creditors	50,000	30,000
Bank overdraft	60,000	1,00,000
Outstanding expenses	30,000	10,000
Fixed assets, net	1,30,000	3,00,000
Investments	1,00,000	50,000
Short-term investment	30,000	20,000
Debtors	80,000	30,000
Prepaid expenses	20,000	30,000
Stock	1,50,000	2,00,000
Cash balance	1,50,000	?

Additional information:

i. Sales: Rs. 8,50,000
ii. Cost of goods sold: Rs. 4,50,000
iii. Operating expenses including depreciation Rs. 30,000: Rs. 1,50,000
iv. Tax paid: Rs. 20,000
v. Interest paid: Rs. 10,000
vi. Dividend paid: Rs. 40,000
vii. Redemption of debenture at 10% premium

Required: Cash flow statement using direct method

Ans: CFOA Rs. 2,00,000, CFIA (Rs. 1,50,000), CFFA Rs. 1,40,000, Closing cash balance Rs. 1,40,000

8. **2076 GIE Set B Q.No. 17** The income statement and other information of a company for the year 2075 is given below:

Particulars	Rs.
Sales	10,50,000
Cost of goods sold	7,00,000
Gross profit	3,50,000
Operating expenses	(1,00,000)
Premium on redemption of debentures	(20,000)
Net profit	2,30,000
Dividend paid	(50,000)
Retained earnings	1,80,000

Other details

Particulars	Year-I (Rs.)	Year-II (Rs.)
Share capital	5,00,000	7,50,000
Share premium	50,000	75,000
10% Debentures	2,50,000	1,50,000
Creditors	1,00,000	1,30,000
Expenses due	25,000	40,000
Inventory	1,80,000	1,30,000
Debtors	1,50,000	2,10,000
Investment	1,00,000	1,60,000
Equipments, net	5,00,000	6,50,000
Bills receivable	40,000	20,000
Furniture	2,00,000	1,40,000
Cash balance	75,000	?

Required: Cash flow statement using direct method

Ans: CFOA Rs. 3,05,000, CFIA (Rs. 1,50,000), CFFA Rs. 1,05,000, Closing cash balance Rs. 3,50,000

29. **2076 Set B Q.No. 17** The main transaction of a limited company for this year are as under:

Particulars	Rs.
Sales revenue	9,60,000
Cost of sales	5,80,000
Operation expenses	2,40,000
Purchase of fixed assets	85,000
Sale of fixed assets	80,000
Tax paid	12,000

The closing balance of different assets and liabilities are as under: (in Rs.)

Assets and liabilities	Last year	Current year
Fixed assets	2,40,000	1,56,000
Stock	1,08,000	1,28,000
Debtors	96,000	1,20,000
Cash	60,000	?
Share capital	1,20,000	2,40,000
Creditors	96,000	1,20,000
Salaries outstanding	32,000	40,000

Required: Cash flow statement

Ans: CFOA Rs. 1,16,000, CFIA (Rs. 5,000), CFFA Rs. 1,20,000, Closing cash balance Rs. 2,91,000

30. **2076 Set C Q.No. 17** The balance sheet of a limited company for two years are under: (In Rs.)

Liabilities	Year-I	Year-II	Assets	Year-I	Year-II
Share capital	6,00,000	7,20,000	Fixed assets	6,00,000	8,40,000
10% debentures	1,20,000	60,000	Debtors	2,52,000	2,04,000
Creditors	1,20,000	1,60,000	Stock	48,000	96,000
Outstanding expenses	60,000	80,000	Cash	1,20,000	60,000
Profit and loss account	1,20,000	1,80,000			
Total	10,20,000	12,00,000	Total	10,20,000	12,00,000

Other activities of year-II:

i. Sales revenue: ..... Rs. 8,40,000
ii. Purchase of fixed assets: ..... Rs. 3,84,000
iii. Sales of fixed assets: ..... Rs. 84,000
iv. Dividend distributed: ..... Rs. 72,000
v. Cost of goods sold: ..... Rs. 5,28,000
vi. Administrative expenses: ..... Rs. 1,20,000

Required: Cash flow statement

Ans: CFOA Rs. 2,52,000, CFIA (Rs. 3,00,000), CFFA (Rs. 12,000)

31. **2075 GIE Q No. 17** The two years' balance sheets of a company as on 31st Chaitra are as follows.

Liabilities	2073 (Rs.)	2074 (Rs.)	Assets	2073 (Rs.)	2074 (Rs.)
Share capital	7,50,000	9,00,000	Office equipment	2,20,000	2,00,000
10% debentures	2,00,000	1,20,000	Investment	9,00,000	12,00,000
Salary payable	20,000	10,000	Inventory	1,00,000	1,20,000
Creditors	2,10,000	2,50,000	Debtors	1,40,000	60,000
Provision for tax	30,000	50,000	Prepaid rent	50,000	60,000
Retained earning	3,50,000	3,50,000	Cash	1,50,000	40,000
Total	15,60,000	16,80,000	Total	15,60,000	16,80,000

Additional information:

i. Sales revenue for 2074 were Rs. 20,00,000
ii. Cost of goods sold Rs. 14,00,000
iii. Operating expenses including depreciation of office equipment Rs. 30,000 and Rs. 20,000 interest on debenture Rs. 4,50,000.
iv. An office equipment having book value of Rs. 50,000 was sold at a loss of Rs. 10,000.
v. Office equipment was purchased of Rs. 60,000 and additional investment Rs. 3,00,000.
vi. Provision made for tax during the year Rs. 50,000 and dividend paid Rs. 90,000.

Required: Cash flow statement.

Ans: CFOA Rs. 2,30,000, CFIA (Rs. 3,20,000), CFFA (Rs. 20,000)

32. **2075 Set A Q.No. 17** The balance sheet of a company for two years are as under:

Liabilities	Year 1 (Rs.)	Year 2 (Rs.)	Assets	Year 1 (Rs.)	Year 2 (Rs.)
Share capital	7,00,000	9,00,000	Fixed assets	5,00,000	7,00,000
5% Debentures	1,00,000	50,000	Stock	1,00,000	1,50,000
Retained earning	1,50,000	2,50,000	Sundry debtors	4,20,000	3,10,000
Creditors	1,50,000	2,00,000	Bank balance	1,20,000	3,00,000
Outstanding expenses	40,000	60,000			
Total	11,40,000	14,60,000	Total	11,40,000	14,60,000

Additional information:

i. Sales revenue: Rs. 13,00,000
ii. Cost of goods sold: Rs. 7,00,000
iii. Administrative expenses: Rs. 1,30,000
iv. Purchase of fixed assets: Rs. 3,00,000

Required: Cash flow statement

Ans: CFOA Rs. 6,00,000, CFIA (Rs. 3,00,000), CFFA Rs. 15,000

33. **2075 Set B Q.No. 17** The following figures are taken from 2009 and 2010 balance sheet of a company:

Liabilities	2009 (Rs.)	2010 (Rs.)	Assets	2009 (Rs.)	2010 (Rs.)
Creditors	29,000	32,000	Debtors	15,000	10,000
Expenses payable	2,000	3,000	Stock	30,000	20,000
Retained earnings	89,000	62,000	Cash	25,000	30,000
Loan	50,000	68,000	Fixed assets	1,80,000	1,95,000
Share capital	80,000	90,000			
Total	2,50,000	2,55,000	Total	2,50,000	2,55,000

Other information:

i. Sales revenue for 2010: Rs. 1,00,000
ii. Cost of sales: Rs. 80,000
iii. Operating expenses (including interest expense Rs. 4,000): Rs. 26,000
iv. Fixed assets purchased: Rs. 14,000
v. Distributed cash dividend: Rs. 7,000

Required: Cash flow statement using direct method

Ans: CFOA Rs. 13,000, CFIA (Rs. 14,000), CFFA Rs. 21,000

34. **2074 Supp Q.No. 17** The Balance Sheets of a company as on 31st Ashadh are as under:

Liabilities	Year 1 (Rs.)	Year 2 (Rs.)	Assets	Year 1 (Rs.)	Year 2 (Rs.)
Share capital	2,40,000	3,30,000	Machinery	1,20,000	1,35,000
Share premium	–	33,000	Building	1,41,000	3,81,000
Retained earning	1,95,000	2,01,600	Investments	66,000	42,000
Long term loan	1,50,000	3,00,000	Inventories	42,000	57,000
Creditors	60,000	90,000	Debtors	75,000	87,000
			Cash	2,01,000	2,52,600
Total	6,45,000	9,54,600	Total	6,45,000	9,54,600

Additional information:

i. Sales for the year 2: Rs.3,60,000
ii. Cost of goods sold: Rs. 2,02,200
iii. Operating expenses: Rs.60,000
iv. Sale of investment: Rs. 31,200
v. Machinery purchased: Rs.1.05,000
vi. Machinery sold: Rs. 9,000
vii. Dividend distributed: Rs.17,400

Required: Cash flow statement.

Ans: CFOA Rs. 1,00,800, CFIA (Rs. 3,04,800), CFFA Rs. 2,55,600; Closing Balance Rs. 2,52,600

35. **2074 Set A Q.No. 17** The following figures are extracted from the two years balance sheet.

Particulars	Year I (Rs.)	Year II (Rs.)
Share capital	4,00,000	5,00,000
7% Debentures	2,00,000	1,00,000
Creditors	40,000	60,000
Outstanding expenses	10,000	5,000
Machinery	3,00,000	4,50,000
Investment	2,00,000	1,50,000
Inventories	80,000	1,00,000
Debtors	1,30,000	1,70,000
Prepaid rent	20,000	30,000
Bills receivable	80,000	50,000
Bank overdraft	50,000	70,000
Cash balance	10,000	?

Additional information:

i. Sales revenue: Rs.7,50,000
ii. Cost of goods sold: Rs.4,30,000
iii. Operating expenses: Rs.1,50,000
iv. Tax paid during the year: Rs.20,000
v. Dividend paid: Rs.40,000

Required: Cash flow statement using direct method. [5+2+2+1]

Ans: CFOA Rs. 1,25,000, CFIA (Rs. 1,00,000), CFFA (Rs. 20,000); Closing Balance 15,000

36. **2074 Set B Q.No. 17** The balance sheet of a company as on Ashadh 31 are as follows:

Liabilities	2071 (Rs.)	2072 (Rs.)	Assets	2071 (Rs.)	2072 (Rs.)
Share capital	3,75,000	4,50,000	Machinery	5,00,000	6,50,000
Loan	1,00,000	60,000	Furniture	75,000	50,000
Creditors	1,20,000	1,50,000	Stock	1,00,000	60,000
Expenses due	10,000	5,000	Debtors	20,000	30,000
Retained earning	1,75,000	2,25,000	Prepaid	5,000	10,000
			Cash	80,000	90,000
Total	7,80,000	8,90,000	Total	7,80,000	8,90,000

Additional Information:

i. Sales for the year 2072: Rs. 10,00,000
ii. Cost of goods sold: Rs. 7,05,000
iii. Operating expenses: Rs. 2,25,000
iv. Sales of furniture: Rs. 20,000
v. Purchased of machinery: Rs. 1,20,000
vi. Dividend paid: Rs. 45,000

Required: Cash flow statement

Ans: CFOA Rs. 1,20,000, CFIA (Rs. 1,00,000), CFFA (Rs. 10,000)

37. **2073 Supp Q.No. 17** Balance sheet of a Ltd. company on Dec. 31 are given:

Balance sheet as at 31 December.

Liabilities	Year I (Rs.)	Year II (Rs.)	Assets	Year I (Rs.)	Year II (Rs.)
Share capital	6,00,000	8,00,000	Fixed assets	6,00,000	9,00,000
10% Debenture	2,00,000	1,00,000	Inventory	80,000	1,10,000
Retained earnings	1,00,000	1,50,000	Sundry debtors	2,00,000	2,50,000
Outstanding expense	50,000	1,00,000	Bank & cash balance	1,20,000	40,000
Sundry creditors	50,000	1,50,000			
Total	10,00,000	13,00,000	Total	10,00,000	13,00,000

Additional Information:

i. Sales: ..... Rs. 6,80,000
ii. Cost of goods sold ..... Rs. 4,20,000
iii. Administrative expenses ..... Rs. 1,50,000
iv. Purchase of fixed assets ..... Rs. 3,50,000
v. Sale of fixed assets ..... Rs. 50,000
vi. Dividend distribution ..... Rs. 60,000

Required: Cash flow statement using direct method

Ans: CFOA Rs. 1,80,000, CFIA (Rs. 3,00,000), CFFA Rs. 40,000

38. **2073 Set C Q.No. 17** The opening and closing balances of assets and liabilities are as under:

Particulars	Opening (Rs.)	Closing (Rs.)
Inventory	48,000	96,000
Debtors	2,52,000	2,04,000
Cash	1,20,000	60,000
Creditors	1,20,000	1,60,000
Outstanding expenses	60,000	80,000

Additional Information:

i. Sales ..... Rs. 8,40,000
ii. Cost of sales ..... Rs. 5,28,000
iii. Administrative expenses ..... Rs. 1,20,000
iv. Purchase of fixed assets ..... Rs. 3,84,000
v. Sales of fixed assets ..... Rs. 84,000
vi. Shares issued ..... Rs. 1,20,000
vii. Repayment of debentures ..... Rs. 60,000
viii. Dividend paid ..... Rs. 72,000

Required: Cash flow statement

Ans: CFOA Rs. 2,52,000; CFIA (Rs.3,00,000); CFFA (Rs. 12,000)

39. **2073 Set D Q.No. 17** The closing balances of assets and liabilities are given below:

Particulars	Year I (Rs.)	Year II (Rs.)
Share capital	1,00,000	2,00,000
Share premium	10,000	20,000
Debentures	50,000	1,00,000
Debtors	75,000	90,000
Inventories	1,20,000	1,50,000
Creditors	40,000	70,000
Investments	1,00,000	50,000
Bills receivable	40,000	20,000
Cash	80,000	?

Additional Information:

i. Sales during the year ..... Rs. 10,00,000
ii. Cost of goods sold ..... Rs. 7,30,000
iii. Office expenses ..... Rs. 50,000
iv. Selling expenses ..... Rs. 20,000
v. Sale of furniture ..... Rs. 25,000
vi. Purchase of machinery ..... Rs. 1,60,000
vii. Tax paid ..... Rs. 15,000
viii. Dividend distributed ..... Rs. 10,000

Required: Cash flow statement using direct method

Ans: CFOA Rs. 1,90,000; CFIA (Rs. 85,000); CFFA Rs. 1,50,000; Closing cash Rs. 3,35,000

40. **2072 Supp Q.No. 17** Balance sheet of a company for two years are as follows:

Liabilities	Year I (Rs.)	Year II (Rs.)	Assets	Year I (Rs.)	Year II (Rs.)
Share capital	4,00,000	5,50,000	Fixed assets	4,35,000	8,60,000
Share premium	-	55,000	Investments	1,10,000	70,000
Retained earnings	3,25,000	3,36,000	Inventories	70,000	95,000
10% debentures	2,50,000	5,00,000	Debtors	1,25,000	1,45,000
Creditors	1,00,000	1,50,000	Cash and bank	3,35,000	4,21,000
Total	10,75,000	15,91,000	Total	10,75,000	15,91,000

Additional Information:

i. Sale in second year ..... Rs. 6,00,000
ii. Cost of goods sold ..... Rs. 3,37,000
iii. Operating expenses ..... Rs. 1,00,000
iv. Purchase of fixed assets ..... Rs. 5,75,000
v. Sale of fixed assets ..... Rs. 15,000
vi. Sale of investments ..... Rs. 52,000
vii. Payment of dividend ..... Rs. 29,000

Required: Cash flow statement

Ans: CFOA Rs. 1,68,000, CFIA (Rs. 5,08,000), CFFA Rs. 4,26,000

41. **2072 Set C Q.No. 17** The balance sheet of a company as on Chaitra 31st are as under:

Liabilities	Year 1 (Rs.)	Year 2 (Rs.)	Assets	Year 1 (Rs.)	Year 2 (Rs.)
Share capital	4,00,000	5,00,000	Fixed assets	5,25,000	6,80,000
10% debentures	1,00,000	50,000	Inventories	50,000	75,000
Long term loan	50,000	1,50,000	Debtors	75,000	1,00,000
Creditors	50,000	50,000	Prepaid insurance	5,000	10,000
Wages payable	–	10,000	Cash at bank	45,000	15,000
Provision for tax	25,000	30,000			
Retained earning	75,000	90,000			
Total	7,00,000	8,80,000	Total	7,00,000	8,80,000

Additional information

i. Sales for year 2 ..... Rs.6,00,000
ii. Cost of goods sold Rs.2,25,000
iii. Operating expenses excluding Rs.10,000 interest on debentures Rs.2,50,000
iv. Tax paid Rs.25,000
v. Fixed assets sold Rs.15,000
vi. Fixed assets purchased Rs.2,15,000
vii. Dividend paid Rs.25,000

Required: Cash flow statement

Ans: CFOA Rs. 45,000, CFIA (Rs. 2,00,000), CFFA Rs. 1,25,000

42. **2072 Set D Q.No. 17** The balance sheet of a company for two years are as follows:

Liabilities	Year 1 (Rs.)	Year 2 (Rs.)	Assets	Year 1 (Rs.)	Year 2 (Rs.)
Share capital	4,00,000	8,00,000	Machinery	4,00,000	6,40,000
10% debentures	2,00,000	1,20,000	Investments	1,20,000	1,80,000
Creditors	1,60,000	2,00,000	Inventories	3,20,000	4,00,000
Bills payable	80,000	40,000	Debtors	1,20,000	80,000
Profit and loss a/c	1,60,000	2,40,000	Cash	40,000	1,00,000
Total	10,00,000	14,00,000	Total	10,00,000	14,00,000

Additional information

i. Sales for the second year Rs.12,00,000
ii. Cost of goods sold Rs.8,00,000
iii. Operating expenses Rs.1,60,000
iv. Machinery purchased Rs.4,00,000
v. Machinery sold Rs.60,000
vi. Dividend paid Rs.56,000
vii. Redemption of debentures with premium Rs.84,000

Required : Cash flow statement

Ans: CFOA Rs. 2,00,000, CFIA (Rs. 4,00,000), CFFA Rs. 2,60,000

43. **2072 Set E Q.No. 17** The balance sheet of a company as on Chaitra 31, are as follows:

Liabilities	Year 1 (Rs.)	Year 2 (Rs.)	Assets	Year 1 (Rs.)	Year 2 (Rs.)
Share capital	3,00,000	4,00,000	Machinery	1,50,000	2,50,000
Share premium	30,000	40,000	Furniture	1,00,000	50,000
Loan	1,00,000	50,000	Debtors	70,000	1,00,000
Creditors	50,000	70,000	Stock	1,25,000	1,60,000
Expenses due	10,000	15,000	Prepaid insurance	20,000	15,000
Retained earning	75,000	1,25,000	Cash balance	1,00,000	1,25,000
Total	5,65,000	7,00,000	Total	5,65,000	7,00,000

Additional information

i. Sales for the second year Rs.6,30,000
ii. Cost of goods sold Rs.3,50,000
iii. Operating expenses Rs.1,25,000
iv. Gain on sales of furniture ..... Rs. 10,000
v. Dividend paid ..... Rs. 20,000
vi. Purchased of machinery Rs.1,95,000

Required: Cash flow statement using direct method

Ans: CFOA Rs. 1,20,000, CFIA (Rs. 1,35,000), CFFA Rs. 40,000

44. **2071 Supp Q.No. 17** The balance sheet of A.B.C company for two years are as follows:

Liabilities	Year I (Rs.)	Year II (Rs.)	Assets	Year I (Rs.)	Year II (Rs.)
Share capital	5,00,000	8,00,000	Fixed assets	4,00,000	7,00,000
10% Debenture	2,00,000	1,00,000	Closing stock	2,00,000	2,50,000
Creditors	50,000	60,000	Debtors	60,000	30,000
Retained earning	50,000	1,40,000	Preliminary expenses	40,000	10,000
			Cash	1,00,000	1,10,000
Total	8,00,000	11,00,000	Total	8,00,000	11,00,000

Additional information

i. Sales for the year Rs.8,00,000
ii. Cost of goods sold Rs.3,50,000
iii. Operating expenses Rs.2,10,000
iv. Fixed assets costing Rs.50,000 sold for Rs.80,000.
v. Fixed assets purchased Rs.4,00,000
vi. Dividend distributed Rs.1,00,000

Required : Cash flow statement

Ans: CFOA Rs. 2,30,000, CFIA Rs. 3,20,000, CFFA Rs. 1,00,000

45. **2071 Set C Q.No. 17** The balance sheets of a company as on Ashadh 31st, are as follows:

Liabilities	Year 1 (Rs.)	Year 2 (Rs.)	Assets	Year 1 (Rs.)	Year 2 (Rs.)
Share capital	8,00,000	10,00,000	Fixed assets	6,00,000	8,00,000
10% Debenture	1,00,000	50,000	Inventory	1,00,000	1,50,000
Retained earnings	1,00,000	2,00,000	Debtors	4,30,000	3,20,000
Creditors	2,00,000	2,50,000	Bank & cash balance	1,20,000	3,00,000
Expenses payable	50,000	70,000			
Total	12,50,000	15,70,000	Total	12,50,000	15,70,000

Additional Information:

Sales revenue ..... Rs. 12,00,000
Purchase of fixed assets ..... Rs. 3,50,000
Administrative expenses ..... Rs. 1,20,000
Dividend distributed ..... Rs. 70,000
Cost of goods sold ..... Rs. 8,00,000
Interest on debenture ..... Rs. 10,000
Tax paid during the year ..... Rs. 60,000
Sale of fixed assets ..... Rs. 1,10,000

Required: Cash flow statement using direct method

Ans: CFOA Rs. 3,40,000; CFIA Rs. (2,40,000); CFFA Rs. 80,000

46. **2071 Set D Q.No. 17** Balance sheet of a company as on 31 Ashad are as follows:

Liabilities	2067	2068	Assets	2067	2068
Share capital	8,00,000	9,00,000	Machinery	7,00,000	9,00,000
Retained earning	2,00,000	3,00,000	Debtors	3,00,000	2,50,000
Bank loan	2,00,000	1,00,000	Stock	3,00,000	4,50,000
Creditors	3,00,000	4,00,000	Cash	2,00,000	1,00,000
Total	15,00,000	17,00,000	Total	15,00,000	17,00,000

Additional Information

i. Sales and cost of goods sold for the year were Rs. 11,00,000 and Rs. 7,30,000 respectively.
ii. Operating expenses Rs. 1,90,000 (including depreciation Rs. 50,000)
iii. Machinery sold for Rs. 1,50,000 and purchased Rs. 4,00,000.
iv. Dividend paid for the year Rs. 80,000.

Required: Cash flow statement using direct method.

Ans: CFOA Rs. 2,30,000, CFIA (Rs. 2,50,000), CFFA (Rs. 80,000)

47. **2070 Supp Q.No. 17** Balance sheet of a company as on 31st Chaitra are given:

Liabilities	2068 (Rs.)	2069 (Rs.)	Assets	2068 (Rs.)	2069 (Rs.)
Share capital	10,00,000	12,00,000	Machinery	12,00,000	16,00,000
Share premium	1,00,000	1,20,000	Stock	1,00,000	2,00,000
10% Debenture	2,00,000	1,00,000	Debtors	3,00,000	2,00,000
Bill payable	1,00,000	80,000	Cash	2,00,000	1,00,000
Creditors	2,00,000	3,00,000			
Retained earning	2,00,000	3,00,000			
Total	18,00,000	21,00,000	Total	18,00,000	21,00,000

Additional Information:

i. Sales for 2069: Rs. 16,00,000
ii. Cost of goods sold: Rs. 11,00,000
iii. Operating expenses: Rs. 2,50,000
iv. Operating expenses include: Rs. 50,000 depreciation and Rs. 20,000 interest.
v. Machinery costing Rs. 40,000 sold for Rs. 60,000 and new one purchased for Rs. 6,00,000.
vi. Dividend distribution: Rs. 60,000

Required: Cash flow statement using direct method.

Ans: CFOA Rs. 3,80,000; CFIA (Rs. 5,40,000); CFFA Rs. 60,000

48. **2070 Set C Q.No. 17** The closing balance of different assets and liabilities are given below.

Particulars	Previous year (Rs.)	Current year (Rs.)
Fixed assets	3,00,000	1,95,000
Debtors	1,20,000	1,50,000
Inventory	1,35,000	1,60,000
Share capital	1,50,000	3,00,000
Creditors	1,20,000	1,50,000
Wages outstanding	40,000	50,000
Cash	75,000	?

Additional information:

i. Cost of goods sold Rs. 7,25,000.
ii. Operating expenses Rs. 3,00,000.
iii. Sales during the year Rs. 12,00,000.
iv. Furniture costing Rs. 90,000 has been sold during the year for Rs. 1,00,000.
v. Equipment purchased during the year for Rs. 1,04,000.
vi. Tax paid Rs. 15,000

Required: Cash flow statement using direct method

Ans: CFOA Rs. 1,45,000; CFIA (Rs. 4,000); CFFA Rs. 1,50,000

49. **2070 Set D Q.No. 17** The income statement and other information's of a company for the year 2068 is given below.

Particulars	Rs.	Rs.
Sales revenue		8,00,000
Cost of goods sold		5,00,000
Gross profit		3,00,000
Administrative expenses	1,60,000	
Interest on debentures	15,000	
Premium on debentures redemption	5,000	
Depreciation on equipments	45,000	2,25,000
Net profit before tax		75,000

Other details

Particulars	Previous Year (Rs.)	Current Year (Rs.)
Equipments, net	6,00,000	7,50,000
Investment	50,000	1,00,000
Debtors	1,00,000	70,000
Inventory	80,000	1,00,000
Share capital	7,00,000	9,00,000
Share premium	50,000	1,00,000
10% Debentures	2,00,000	1,50,000
Creditors	80,000	1,05,000
Outstanding expenses	15,000	10,000
Provision for tax	40,000	50,000
Bank Stock	2,50,000	?

Additional Information

i. Equipment sold for Rs. 55,000 and purchased for Rs. 2,50,000 during the current year.
ii. Dividend of Rs. 70,000 paid during current year.

Required: Cash flow statement using direct method

Ans: CFOA Rs. 1,65,000, CFIA (Rs. 2,45,000), CFFA Rs. 1,25,000

50. **2069 Supp Set A Q.No. 17** The balance sheets of a limited company for two years are given below:

Liabilities	2066 (Rs.)	2067 (Rs.)	Assets	2066 (Rs.)	2067 (Rs.)
Share capital	20,00,000	24,00,000	Fixed assets	24,00,000	32,00,000
Share premium	2,00,000	2,40,000	Inventories	2,00,000	4,00,000
8% Debenture	4,00,000	2,00,000	Debtors	6,00,000	4,00,000
Creditors	4,00,000	6,00,000	Cash & bank	4,00,000	2,00,000
Outstanding expenses	2,00,000	1,60,000			
Retained earnings	4,00,000	6,00,000			
Total	36,00,000	42,00,000	Total	36,00,000	42,00,000

Additional Information:

i. Sales income for the year 2067- Rs. 24,00,000.
ii. Cost of goods sold - Rs. 14,00,000
iii. Operating expenses - Rs. 4,00,000
iv. Fixed asset costing Rs. 80,000 was sold for Rs. 1,20,000 and purchased additional one worth Rs. 12,00,000.
v. Debentures were redeemed with premium of Rs. 40,000
vi. Dividend disbursed for the year was Rs. 80,000

Required: Cash Flow Statement by using direct method.

Ans: CFOA Rs. 7,60,000; CFIA (Rs. 10,80,000); CFFA Rs. 1,20,000

51. **2069 Supp Set B Q.No. 17** The closing balances of different assets and liabilities are given below:

Liabilities	1st Year (Rs.)	2nd year (Rs.)
Share capital	1,00,000	1,25,000
10% debentures	50,000	40,000
Creditors	20,000	30,000
Bills payable	10,000	15,000
Assets		
Debtors	35,000	30,000
Cash in hand	10,000	?
Investment	60,000	40,000
Stock	20,000	25,000

Additional information:

i. Sales revenue Rs. 2,00,000.
ii. Cost of goods sold Rs. 1,10,000.
iii. Administrative expenses Rs. 30,000.
iv. Plant costing Rs. 6,000 has been sold for Rs. 3,000
v. Plant purchased Rs. 75,000
vi. Dividend paid Rs. 10,000

Required: Cash flow statement by using direct method.

Ans: CFOA Rs. 75,000; CFIA (Rs. 52,000); CFFA Rs.

52. **2069 (Set A) Q.No. 17** The balance sheet of a Company as on Ashadh 31, are as follows:

Liabilities	2066 (Rs.)	2067 (Rs.)	Assets	2066 (Rs.)	2067 (Rs.)
Share capital	3,75,000	4,50,000	Machinery	4,00,000	5,70,000
Share premium	37,500	45,000	Furniture	50,000	30,000
Loan	75,000	37,500	Stock	37,500	75,000
Wages due	7,500	6,000	Debtors	1,10,500	74,000
Creditors	1,05,000	1,36,500	Prepaid insurance	2,000	1,000
Retained earnings	75,000	1,12,500	Cash	75,000	37,500
Total	6,75,000	7,87,500	Total	6,75,000	7,87,500

Additional information:

i. Sales for the year 2067: Rs. 3,80,000
ii. Cost of goods sold: Rs. 1,90,000
iii. Administrative expenses: Rs. 75,000
iv. Purchase of machinery: Rs. 2,30,000
v. Furniture costing Rs. 15,000 was sold for Rs. 17,500
vi. Dividend paid: Rs. 15,000

Required: Cash flow statement using direct method.

Ans: CFOA Rs. 1,45,000, CFIA (Rs. 2,12,500), CFFA Rs.

53. **2069 (Set B) Q.No. 17** The balance sheet of a Company as on Chaitra 31 is given below:

Liabilities	2065 (Rs.)	2066 (Rs.)	Assets	2065 (Rs.)	2066 (Rs.)
Share capital	5,00,000	6,00,000	Fixed assets	6,00,000	8,00,000
Share premium	50,000	60,000	Bills receivable	50,000	40,000
15% debentures	1,00,000	50,000	Debtors	1,00,000	60,000
Creditors	1,50,000	1,90,000	Closing stock	50,000	1,00,000
Retained earning	1,00,000	1,50,000	Cash	1,00,000	50,000
Total	9,00,000	10,50,000	Total	9,00,000	10,50,000

Additional information:

i. Sales for the year 2066: Rs. 10,00,000
ii. Cost of goods sold: Rs. 7,50,000
iii. Purchased of fixed assets of Rs. 3,00,000 and fixed assets sold for Rs. 40,000 (Book value of Rs. 40,000)
iv. Operating expenses: Rs. 1,20,000
v. Dividend paid: Rs. 20,000

Required: Cash flow statement using direct method.

Ans: CFOA Rs. 1,70,000; CFIA (Rs. 2,60,000); CFFA Rs.

54. **2068 Supp Q.No. 17** The closing balances of different assets and liabilities are as under:

	1st year (Rs.)	2nd year (Rs.)
Liabilities		
Share capital	3,00,000	4,50,000
Sundry creditors	40,000	60,000
Bills payable	15,000	30,000
Assets		
Inventories	40,000	60,000
Investment	60,000	40,000
Sundry debtors	70,000	60,000
Cash in hand	20,000	?

Additional Information from second year:

i. Cash sale Rs. 3,00,000.
ii. Cost of goods sold Rs. 2,25,000.
iii. Operating expenses Rs. 80,000.
iv. Investment of Rs. 20,000 has been sold for Rs. 25,000.
v. Plant costing Rs. 15,000 has been sold at a gain of Rs. 5,000.
vi. Purchased machinery of Rs. 1,50,000.
vii. Dividend paid Rs. 20,000.

Required: Cash flow statement by using direct method

Ans: CFOA Rs. 20,000; CFIA (Rs. 1,05,000); CFFA Rs.

55. **2068 Q.No. 17** The Balance sheet of a Limited Company as on Chaitra 31 are given below:

Liabilities	Year 1 (Rs.)	Year 2 (Rs.)	Assets	Year 1 (Rs.)	Year 2 (Rs.)
Share capital	7,50,000	9,00,000	Fixed assets	7,50,000	10,50,000
8% debentures	1,50,000	75,000	Inventory	60,000	1,20,000
Retained earnings	1,50,000	2,25,000	Sundry debtors	3,15,000	2,55,000
Sundry creditors	1,50,000	2,00,000	Bank and cash balance	1,50,000	75,000
Outstanding expense	75,000	1,00,000			
Total	12,75,000	15,00,000	Total	12,75,000	15,00,000

Additional information for year 2:

i. Sales income Rs. 10,50,000
ii. Cost of goods sold Rs. 6,60,000
iii. Administrative expenses Rs. 1,50,000
iv. Purchased fixed assets Rs. 4,80,000
v. Fixed assets sold Rs. 1,05,000
vi. Dividend distributed for the year Rs. 90,000

Required: Cash flow statement by using direct method.

Ans: CFOA Rs. 3,15,000; CFIA (Rs. 3,75,000); CFFA (Rs. 15,000)

56. **2067 Supp Q.No. 17** The balance sheets of a company as on Ashadh 31, are as follows:

Liabilities	2064(Rs.)	2065 (Rs.)	Assets	2064 (Rs.)	2065 (Rs.)
Share capital	10,00,000	12,00,000	Machinery	12,00,000	16,00,000
Share premium	1,00,000	1,20,000	Inventories	1,00,000	2,00,000
10% debentures	2,00,000	1,00,000	Debtors	3,00,000	2,00,000
Bills payable	1,00,000	80,000	Cash	2,00,000	1,00,000
Creditors	2,00,000	3,00,000			
Retained earning	2,00,000	3,00,000			
Total	18,00,000	21,00,000	Total	18,00,000	21,00,000

Additional information:

i. Sales for the year 2065 Rs. 16,00,000
ii. Cost of goods sold Rs. 11,00,000
iii. Operating expenses Rs. 2,50,000 (including depreciation Rs. 50,000 and interest Rs. 20,000)
iv. A machinery costing Rs. 40,000 was sold for Rs. 60,000 and another machinery Rs. 6,00,000 was purchased for the year.
v. Dividend distribution Rs. 60,000.

Required: Cash flow statement using direct method.

Ans: CFOA Rs. 3,80,000; CFIA (Rs. 5,40,000); CFFA Rs. 60,000; Closing cash Rs. 1,00,000

57. **2067 Q.No. 17** The Balance Sheets of a Company are as follows:

Liabilities	Year 1	Year 2	Assets	Year 1	Year 2
Share capital	5,00,000	6,00,000	Fixed assets	5,00,000	7,00,000
Bank loan	1,00,000	50,000	Stock	40,000	80,000
Creditors	1,50,000	2,00,000	Debtors	2,10,000	1,70,000
Retained earning	1,00,000	1,50,000	Cash	1,00,000	50,000
Total	8,50,000	10,00,000	Total	8,50,000	10,00,000

Additional information:

i. Sales and cost of goods sold for the year were Rs.7,00,000 and Rs.4,40,000 respectively.
ii. Operating expenses were Rs.1,00,000
iii. Purchase of fixed assets Rs.3,20,000 and a part of fixed assets was sold for 70,000.
iv. Dividend paid for the year Rs.60,000.

Required: Cash Flow Statement by using direct method

Ans: CFOA Rs. 2,10,000; CFIA (Rs. 2,50,000); FFA (Rs. 10,000)

58. **2066 Supp Q.No. 17** The income statement and other details of a company for the year 2063 have been given below:

Particulars	Rs.	Rs.
Sales revenue		7,50,000
Less : Cost of goods sold		4,50,000
Gross profit		3,00,000
Less:		
Administrative expenses	90,000	
Depreciation on machinery	75,000	
Interest on debentures	15,000	
Premium on redemption of debentures	7,500	
Provision for tax	75,000	2,62,500
Net income before sale of machine		37,500
Add: Profit on sale of machine		15,000
Profit after sale of machine		52,500

Other details:

Items	Previous Year (Rs.)	Current Year (Rs.)
Debtors	1,20,000	75,000
Creditors	60,000	1,05,000
Outstanding salary	15,000	7,500
Inventory	75,000	90,000
8% Debentures	2,25,000	1,50,000
Provision for tax	75,000	75,000
Machinery (net)	5,25,000	9,00,000
Investment	75,000	1,50,000
Share capital	7,00,000	9,75,000
Share premium	50,000	75,000
Bank balance	1,80,000	?

Additional Information:

Plant costing Rs. 5,10,000 was purchased during the current year.

Tax paid during the year Rs. 75,000

Required: Cash Flow Statement applying direct method.

Ans: CFOA Rs. 1,87,500; CFIA (Rs. 5,10,000); CFFA Rs. 2,17,500; Ending cash Rs. 75,000

59. **2066 Q.No. 17** The balance sheet of a company for last two years on 31st Chaitra, are as follows:

Liabilities	Year 1	Year 2	Assets	Year 1	Year 2
Share capital	4,50,000	7,20,000	Fixed assets	3,50,000	6,00,000
10% Debentures	1,00,000	40,000	Accounts receivable	40,000	25,000
Accounts payable	40,000	50,000	Inventory	1,00,000	1,50,000
Retained earnings	10,000	80,000	Cash balance	1,00,000	1,10,000
			Goodwill	10,000	5,000
Total	6,00,000	8,90,000	Total	6,00,000	8,90,000

Additional information:

i. Sales for the year Rs. 6,25,000
ii. Cost of goods sold Rs. 3,00,000
iii. Operating expenses Rs. 1,50,000 (including depreciation on fixed assets Rs. 80,000 and interest on debenture Rs. 10,000)
iv. Gain on sale of fixed assets (Book value Rs. 50,000) Rs. 5,000
v. Purchases of fixed assets Rs. 3,80,000
vi. Dividend paid Rs. 1,05,000

Required: Cash flow statement using direct method.

Ans: CFOA Rs. 2,30,000; CFIA (Rs. 3,25,000); CFFA Rs. 1,05,000

60. **2066 (C) Q.No. 17** The Balance Sheet of a Company as on Ashadh 31, are as follows:

Liabilities	Year 1	Year 2	Assets	Year 1	Year 2
Share capital	1,60,000	2,40,000	Fixed assets	2,22,000	4,10,000
Share premium	20,000	30,000	Debtors	80,000	1,20,000
Retained earning	80,000	1,00,000	Inventory	1,20,000	90,000
10% Debentures	-	80,000	Insurance prepaid	8,000	4,000
Creditors	1,00,000	70,000	Cash in hand	40,000	50,000
Overdraft	60,000	40,000			
Provision for tax	40,000	1,00,000			
Outstanding expenses	10,000	14,000			
Total	4,70,000	6,74,000	Total	4,70,000	6,74,000

Additional information:

Transactions for the year 2:

i. Sales Rs. 16,00,000
ii. Cost of goods sold Rs. 11,20,000
iii. Opening expenses Rs. 2,76,000
iv. Tax paid Rs. 40,000
v. Sale of fixed assets Rs. 72,000
vi. Purchase of fixed assets Rs. 3,12,000
vii. Dividend distribution Rs. 32,000

Required: Cash flow statement using direct method.

Ans: CFOA Rs. 1,32,000; CFIA Rs. (2,40,000); CFFA Rs. 1,18,000

Other details:

Items	Previous Year (Rs.)	Current Year (Rs.)
Debtors	1,20,000	75,000
Creditors	60,000	1,05,000
Outstanding salary	15,000	7,500
Inventory	75,000	90,000
8% Debentures	2,25,000	1,50,000
Provision for tax	75,000	75,000
Machinery (net)	5,25,000	9,00,000
Investment	75,000	1,50,000
Share capital	7,00,000	9,75,000
Share premium	50,000	75,000
Bank balance	1,80,000	?

Additional Information:

Plant costing Rs. 5,10,000 was purchased during the current year.

Tax paid during the year Rs. 75,000

Required: Cash Flow Statement applying direct method.

Ans: CFOA Rs. 1,87,500; CFIA (Rs. 5,10,000); CFFA Rs. 2,17,500; Ending cash Rs. 75,000

59. **2066 Q.No. 17** The balance sheet of a company for last two years on 31st Chaitra, are as follows:

Liabilities	Year 1	Year 2	Assets	Year 1	Year 2
Share capital	4,50,000	7,20,000	Fixed assets	3,50,000	6,00,000
10% Debentures	1,00,000	40,000	Accounts receivable	40,000	25,000
Accounts payable	40,000	50,000	Inventory	1,00,000	1,50,000
Retained earnings	10,000	80,000	Cash balance	1,00,000	1,10,000
			Goodwill	10,000	5,000
Total	6,00,000	8,90,000	Total	6,00,000	8,90,000

Additional information:

i. Sales for the year Rs. 6,25,000
ii. Cost of goods sold Rs. 3,00,000
iii. Operating expenses Rs. 1,50,000 (including depreciation on fixed assets Rs. 80,000 and interest on debenture Rs. 10,000)
iv. Gain on sale of fixed assets (Book value Rs. 50,000) Rs. 5,000
v. Purchases of fixed assets Rs. 3,80,000
vi. Dividend paid Rs. 1,05,000

Required: Cash flow statement using direct method.

Ans: CFOA Rs. 2,30,000; CFIA (Rs. 3,25,000); CFFA Rs. 1,05,000

60. **2066 (C) Q.No. 17** The Balance Sheet of a Company as on Ashadh 31, are as follows:

Liabilities	Year 1	Year 2	Assets	Year 1	Year 2
Share capital	1,60,000	2,40,000	Fixed assets	2,22,000	4,10,000
Share premium	20,000	30,000	Debtors	80,000	1,20,000
Retained earning	80,000	1,00,000	Inventory	1,20,000	90,000
10% Debentures	-	80,000	Insurance prepaid	8,000	4,000
Creditors	1,00,000	70,000	Cash in hand	40,000	50,000
Overdraft	60,000	40,000			
Provision for tax	40,000	1,00,000			
Outstanding expenses	10,000	14,000			
Total	4,70,000	6,74,000	Total	4,70,000	6,74,000

Additional information:

Transactions for the year 2:

i. Sales Rs. 16,00,000
ii. Cost of goods sold Rs. 11,20,000
iii. Opening expenses Rs. 2,76,000
iv. Tax paid Rs. 40,000
v. Sale of fixed assets Rs. 72,000
vi. Purchase of fixed assets Rs. 3,12,000
vii. Dividend distribution Rs. 32,000

Required: Cash flow statement using direct method.

Ans: CFOA Rs. 1,32,000; CFIA Rs. (2,40,000); CFFA Rs. 1,18,000

2065 Q.No. 17 The balance sheets of a Company as on Ashadh 31, are as follows:

Liabilities	2062 (Rs.)	2063 (Rs)	Assets	2062 (Rs.)	2063 (Rs)
Share capital	7,50,000	9,00,000	Plant & machinery	8,00,000	11,40,000
Share premium	75,000	90,000	Investment	1,00,000	60,000
Retained earnings	1,50,000	2,25,000	Inventories	75,000	1,50,000
8% Debentures	1,50,000	75,000	Debtors	2,21,000	1,48,000
Creditors	2,10,000	2,73,000	Prepaid expenses	4,000	2,000
Outstanding expenses	15,000	12,000	Cash and bank	1,50,000	75,000
Total	13,50,000	15,75,000	Total	13,50,000	15,75,000

Additional information:

i. Sales for the year 2063 Rs. 9,00,000
ii. Cost of goods sold Rs. 5,20,000
iii. Administrative expenses Rs. 1,25,000
iv. Selling and distribution expenses Rs. 25,000
v. Investment costing of Rs. 40,000 was sold at a profit of Rs. 15,000
vi. Purchased plant and machinery of Rs. 4,65,000
vii. Dividend distributed Rs. 45,000

Required: Cash flow statement using direct method.

Ans: CFOA Rs. 2,90,000; CFIA (Rs. 4,10,000); CFFA Rs. 45,000

62. **2064 Supp. Q.No. 17** The income statement of a company for the year 2 is as under:

Particulars	Rs.	Rs.
Sales revenue		12,00,000
Less: Cost of sales		8,00,000
Gross profit		4,00,000
Less: Operating expenses		
Depreciation	1,60,000	
Premium on redemption of debentures	60,000	
Loss on sale of plant (Book value Rs. 80,000)	4,000	
	20,000	2,64,000
Net income before tax		1,36,000

The Balance sheets for 31st Chaitra are as under:

Liabilities	Year 1 (Rs.)	Year 2 (Rs.)	Assets	Year 1 (Rs.)	Year 2 (Rs.)
Share capital	4,00,000	8,00,000	Plant and machinery	4,00,000	6,40,000
10% Debenture	2,00,000	1,20,000	Investment	1,20,000	1,80,000
Sundry creditors	1,60,000	2,00,000	Inventories	3,20,000	4,00,000
Bills payable	80,000	40,000	Sundry debtors	1,20,000	80,000
Retained earnings	1,60,000	2,40,000	Cash at bank	40,000	1,00,000
Total	10,00,000	14,00,000	Total	10,00,000	14,00,000

Additional information:

i. Plant purchased in year 2 Rs. 4,00,000
ii. Dividend paid Rs. 56,000

Required: Cash flow statement by using direct method.

Ans: CFOA Rs. 2,00,000; CFIA (Rs. 4,00,000); CFFA Rs. 2,60,000

63. **2064 Q.No 17** The Balance sheets of a company as on Chaitra 31st, are as follows:

Liabilities	Year 1	Year 2	Assets	Year 1	Year 2
Share capital	5,00,000	6,00,000	Fixed assets	6,00,000	8,00,000
Share premium	50,000	60,000	Inventories	50,000	1,00,000
Retained earnings	1,00,000	1,50,000	Accounts receivable	1,50,000	1,00,000
10% Debentures	1,00,000	50,000	Cash at bank	1,00,000	50,000
Bills payable	50,000	40,000			
Accounts payable	1,00,000	1,50,000			
Total	9,00,000	10,50,000	Total	9,00,000	10,50,000

Additional information:

i. Sales for year 2 Rs. 6,00,000
ii. Cost of goods sold Rs. 3,50,000
iii. Operating expenses Rs. 1,00,000
iv. Fixed assets costing Rs. 20,000 sold for Rs. 30,000
v. Fixed assets purchased for Rs. 3,00,000
vi. Dividend distributed Rs. 20,000
vii. Debentures is redeemed with Rs. 10,000 premium.

Required: Cash flow statement using direct method.

Ans: CFOA Rs. 1,90,000; CFIA (Rs. 2,70,000); CFFA Rs. 30,000; Cash and Cash equivalent Rs. 50,000

INDIRECT METHOD

64. **2080 GIE Set B Q.No. 21** The income statement and other information of a company for the year 2078 is given below:

Particulars	Dr. Rs.	Cr. Rs
Sales revenue		10,50,000
Cost of goods sold		7,25,000
Gross profit		3,25,000
Office expenses	1,25,000	
Selling expenses	30,000	
Interest on debentures	20,000	
Premium on debentures redemption	5,000	
Depreciation on furniture	15,000	1,95,000
Net profit		1,30,000

Other details

Particulars	Year I (Rs.)	Year II (Rs.)
Furniture net	5,25,000	6,50,000
Investment	2,00,000	2,50,000
Debtors	2,25,000	1,75,000
Inventory	1,50,000	2,00,000
Share capital	4,00,000	6,00,000
10% Debentures	2,00,000	1,50,000
Expenses due	25,000	15,000
Creditors	1,30,000	1,70,000
Bank balance	2,25,000	?

Additional information:

i. Furniture sold for Rs.30,000 and purchased for Rs.1,70,000

ii. Dividend paid: Rs.40,000

Required: Cash flow statement by using indirect method. [4+1+2+1]

Ans: CFOA Rs. 1,80,000, CFIA (Rs. 1,90,000), CFFA Rs. 1,05,000

65. The following two dates balance sheets are available for Kathamandap Company:

Particulars	31st December,	
	2024 (Rs.)	2023 (Rs.)
Cash balance	?	4,000
Sundry debtors	18,000	13,000
Inventory	23,000	20,000
Prepaid expenses	1,500	2,500
Equipment	7,000	10,000
Land	75,000	50,000
Plant and equipment, net	45,000	45,000
Total assets	1,77,700	1,44,500
Bills payable	13,000	14,800
Outstanding expenses	6,800	6,300
Sundry creditors	9,000	11,000
Long-term bank loan	35,000	30,000
Equity share capital	55,000	40,000
Retained earning	58,900	42,400
Total liabilities	1,77,700	1,44,500

Income Statement for 2024

Sales revenue	Rs. 1,25,000
Less: Cost of sales	70,000
Gross profit	55,000
Less: Operating expenses (including depreciation Rs. 5,000 on plant and interest Rs. 2,500)	17,500
Add: Gain on sale of equipment (sales proceed Rs. 3,000)	500
Net income before tax	38,000
Less: Tax paid	15,000
Net profit after tax	23,000
Less:Dividend paid	6,000
Retained earnings	17,000

Required: Cash flow statement by using indirect method.

Ans: CFOA Rs. 17,200; CFIA Rs. (27,000); CFFA Rs. 14,000

6. The balance sheet for two years have been given below:

Liabilities	Year I (Rs.)	Year II (Rs.)	Assets	Year I (Rs.)	Year II (Rs.)
Sundry creditors	22,500	30,000	Cash and bank	1,00,500	1,26,300
Bills payable	7,500	15,000	Sundry debtors	37,500	43,500
Accumulated depreciation	45,000	82,500	Inventories	21,000	28,500
Long-term debt	75,000	1,50,000	Long-term investment	33,000	21,000
Retained earning	97,500	1,00,800	Plant & machinery	1,05,000	1,50,000
Share premium	-	16,500	Land and building	70,500	1,90,500
Share capital	1,20,000	1,65,000			
	3,67,500	5,59,800		3,67,500	5,59,800

Additional information:

i. Net income for the year Rs. 12,000.
ii. Investment costing Rs. 12,000 was sold for Rs. 15,600.
iii. The plant purchase for Rs. 52,500.
iv. Gain on sale of investment Rs. 3,600.
v. Loss on sale of machinery (Proceeds from the sales was Rs. 4,500) Rs. 1,500.
vi. Operating expenses (including depreciation on plant Rs. 24,000 and depreciation on building Rs. 15,000) Rs. 69,000.

Required: Cash flow statement using indirect method.

Ans: CFOA Rs. 50,400; CFIA Rs. (152,400); CFFA Rs. 127,800

7. The position of assets and liabilities of a company is as below:

Liabilities	2023 (Rs.)	2024 (Rs.)	Assets	2023 (Rs.)	2024 (Rs.)
Outstanding expenses	2,000	1,000	Prepaid expenses	8,000	6,000
Bank overdraft	12,000	36,000	Accounts receivable	200,000	180,000
Accounts payable	50,000	40,000	Plant, net	100,000	50,000
Debenture	1,20,000	80,000	Furniture	25,000	45,000
Share capital	1,50,000	2,50,000	Investment	50,000	70,000
Retained earning	66,000	54,800	Cash & bank balance	17,000	1,10,800
	4,00,000	4,61,800		4,00,000	4,61,800

Additional information for year 2024 is as follows:

i. Net income Rs. 20,400.
ii. Dividend paid Rs. 12,000.
iii. Tax paid Rs. 21,600.
iv. Loss on sale of plant (book value Rs. 26,000) Rs. 3,000.
v. Depreciation on plant Rs. 24,000.
vi. Additional investment Rs. 18,000.

Required: Cash flow statement by using indirect method.

Ans: CFOA Rs. 36,800; CFIA (Rs. 15,000); CFFA Rs. 72,000

10. COST ACCOUNTING

THEORETICAL QUESTIONS

VERY SHORT ANSWER QUESTIONS

2080 GIE Set A Q.No. 4 State any two limitations of cost accounting. [1]
लागत लेखा विधिका कुनै दुई सीमाहरू उल्लेख गर्नुहोस् ।

2080 GIE Set B Q.No. 4 2079 GIE Set A Q.No. 4 What is cost accounting? [1]
लागत लेखा भनेको के हो ?

2080 Set P/Q Q.No. 4 Define process costing. [1]
प्रक्रिया लागतलाई परिभाषित गर्नुहोस् ।

2080 Set R Q.No. 4 Mention any two importance of cost accounting. [1]
लागत लेखाविधिका कुनै दुईओटा महत्त्व उल्लेख गर्नुहोस् ।

2079 GIE Set B Q.No. 4 2079 Set V Q.No. 4 State any two objectives of cost account. [1]
लागत लेखाका कुनै दुई उद्देश्यहरू उल्लेख गर्नुहोस् ।

2079 GIE Set B Q.No. 5 What is indirect material cost? [1]
अप्रत्यक्ष सामग्री लागत भनेको के हो ?

2079 Set O Q.No. 4 What is batch costing? [1]
पटके लागत विधि भनेको के हो ?

2079 Set V Q.No. 5 What is fixed cost? [1]
स्थिर लागत भनेको के हो ?

SHORT ANSWER QUESTIONS

9. 2081 Set B/C Q.No. 16 What is cost? Explain the classification of cost on the basis of element.
लागत भनेको के हो ? तत्त्वको आधारमा लागत वर्गीकरणको व्याख्या गर्नुहोस् ।
10. 2080 GIE Set A Q.No. 16 Write the advantages of cost accounting along with the meaning of cost accounting.
लागत लेखाको अर्थसहित लागत लेखाका फाइदाहरू लेख्नुहोस् ।
11. 2080 Set P/Q Q.No. 16 Write the meaning of cost accounting and explain it's any three limitations.
लागत लेखाको परिभाषा दिदै यसका कुनै तीन सीमाहरूको व्याख्या गर्नुहोस् ।
12. 2080 Set R Q.No. 16 Write the meaning of cost accounting and explain its any three objectives.
लागत लेखाविधिको अर्थ लेखी यसका कुनै तीन उद्देश्यहरूको व्याख्या गर्नुहोस् ।
13. 2079 GIE Set A Q.No. 16 What is cost accounting? State its limitations.
लागत लेखा भनेको के हो ? यसको सीमाहरू उल्लेख गर्नुहोस् ।
14. 2079 GIE Set B Q.No. 16 Classify cost according to production and element.
उत्पादनको आधारमा र प्राकृतिक आधारमा लागतको वर्गीकरण गर्नुहोस् ।
15. 2079 Set V Q.No. 16 Define cost account and write any three importance of it.
लागत लेखाको परिभाषा दिदै यसका कुनै तीन महत्त्वहरू लेख्नुहोस् ।
16. Write the meaning of direct cost with suitable example.
उदाहरणसहित प्रत्यक्ष लागतको अर्थ लेख्नुहोस् ।
17. Write the meaning of direct cost and indirect cost.
प्रत्यक्ष लागत र अप्रत्यक्ष लागतको अर्थ लेख्नुहोस् ।
18. Enumerate the differences between Cost Accounting and Financial Accounting methods.
लागत लेखाविधि र वित्तीय लेखाविधिका भिन्नताहरू उल्लेख गर्नुहोस् ।
19. With suitable example, write the meaning of fixed cost.
उदाहरणसहित स्थीर लागतको अर्थ प्रस्ट्याउनुहोस् ।
20. Write the meaning of indirect expenses with an example.
उदाहरण सहित अप्रत्यक्ष खर्चको अर्थ लेख्नुहोस् ।
21. Clarify the meaning of direct expenses with a suitable example.
प्रत्यक्ष खर्चको उपयुक्त उदाहरणसहित अर्थ प्रष्ट्याउनुहोस् ।
22. Classify cost according to its function.
कार्यको आधारमा लागतको वर्गीकरण गर्नुहोस् ।
23. Write in brief about the controllable and uncontrollable cost with example.
नियन्त्रण गर्न सकिने र नियन्त्रण गर्न नसकिने लागतबारे उदाहरण सहित छोटकरीमा लेख्नुहोस् ।
24. What do you mean by direct and indirect materials?
प्रत्यक्ष र अप्रत्यक्ष सामग्री भन्नाले के बुझ्नुहुन्छ ?
25. Write the meaning of variable cost with examples.
परिवर्तनशील लागतको उदाहरण सहित अर्थ लेख्नुहोस् ।
26. Define variable and semi-variable cost.
परिवर्तनीय लागत तथा अर्ध परिवर्तनीय लागतको परिभाषा दिनुहोस् ।
27. Mention any two differences between direct cost and indirect cost.
प्रत्यक्ष तथा अप्रत्यक्ष लागतका भिन्नता उल्लेख गर्नुहोस् ।
28. Differentiate between cost accountancy and costing.
लागत लेखाविधि र लागत निर्धारणमा फरक देखाउनुहोस् ।
29. Differentiate between fixed and variable cost.
स्थिर तथा परिवर्तनीय लागतमा भिन्नता छुट्याउनुहोस् ।
30. Write the features of variable cost.
परिवर्तनीय लागतका विशेषताहरु उल्लेख गर्नुहोस् ।
31. Define semi-variable cost. Why is it called so?
अर्धपरिवर्तनशील लागतको परिभाषा दिदै यस्ता खर्चलाई किन अर्धपरिवर्तनशील भनिन्छ । लेख्नुहोस् ।
32. Write the limitations of financial accounting.
वित्तीय लेखाका सीमाहरु उल्लेख गर्नुहोस् ।
33. Define costing in five sentences.
पाँच वाक्य जतिमा लागत लेखालाई अर्थ्याउनुहोस् ।
34. What do you mean by cost? Write in short about direct cost.
लागत भन्नाले तपाई के बुझ्नुहुन्छ ? प्रत्यक्ष लागतको बारेमा छोटकरीमा लेख्नुहोस् ।
35. In five to six sentences write what you know about cost accounting.
पाँच देखि सात वाक्यसम्ममा लागत लेखाविधिबारे लेख्नुहोस् ।

11. ACCOUNTING FOR MATERIALS AND MATERIAL CONTROL

THEORETICAL QUESTIONS

VERY SHORT ANSWER QUESTIONS

1. 2081 Set B/C Q.No. 6 What do you mean by centralized store? [1]
केन्द्रीकृत भण्डारण भन्नाले के बुझ्नुहुन्छ ?
2. 2081 Set D Q.No. 6 Write the meaning of codification. [1]
साङ्केतीकरणको अर्थ लेख्नुहोस् ।
3. 2080 GIE Set A Q.No. 6 Give the clear meaning of decentralized purchasing. [1]
विकेन्द्रीकृत खरीदको अर्थ प्रष्ट पार्नुहोस् ।
4. 2080 GIE Set B Q.No. 6 2079 GIE Set A Q.No. 6 Clarify the meaning of bin card. [1]
बिन काडको अर्थ प्रस्ट्याउनुहोस् ।
5. 2080 Set P/Q Q.No. 6 Give the meaning of material control. [1]
सामग्री नियन्त्रणको अर्थ लेख्नुहोस् ।
6. 2080 Set R Q.No. 6 Mention any two objectives of materials control. [1]
सामग्री नियन्त्रणका कुनै दुई उद्देश्यहरू उल्लेख गर्नुहोस् ।
7. 2079 GIE Set B Q.No. 6 State any two needs of material control. [1]
सामग्री नियन्त्रणका कुनै दुई आवश्यकताहरू उल्लेख गर्नुहोस् ।
8. 2079 Set O Q.No. 6 Write about codification of material. [1]
सामग्रीको सङ्केतीकरणको बारेमा लेख्नुहोस् ।
9. 2079 Set V Q.No. 6 What do you mean by material control? [1]
सामग्री नियन्त्रण भनेको के हो ?

SHORT ANSWER QUESTIONS

10. 2081 Set B/C Q.No. 17i What do you mean by material codification? [2]
सामग्रीको साङ्केतीकरण भन्नाले के बुझ्नुहुन्छ ?
11. 2081 Set D Q.No. 16 What is material control? Write its any three objectives. [2+3]
सामग्री नियन्त्रण भनेको के हो ? यसका कुनै तीन उद्देश्यहरू लेख्नुहोस् ।
12. 2081 Set D Q.No. 17i Clarify the meaning of store ledger. [2]
भण्डार खाताको अर्थ प्रष्ट्याउनुहोस् ।
13. 2080 GIE Set A Q.No. 17i How can you codify the material? [2]
सामग्रीको सङ्केतीकरण कसरी गर्नुहुन्छ ?
14. 2080 GIE Set B Q.No. 17i 2080 Set R Q.No. 17a Write about store ledger. [2]
भण्डार खातावारे लेख्नुहोस् ।
15. 2080 Set P/Q Q.No. 17i Mention any two advantages of centralized purchasing. [2]
केन्द्रिकृत खरीदका कुनै दुई फाइदाहरू उल्लेख गर्नुहोस् ।
16. 2079 GIE Set A Q.No. 17i Write the advantages of centralized purchase. [2]
केन्द्रिकृत खरिदका फाइदाहरू लेख्नुहोस् ।
17. 2079 GIE Set B Q.No. 17i Write any two objectives of material control. [2]
सामग्री नियन्त्रणका कुनै दुई उद्देश्यहरू लेख्नुहोस् ।
18. 2079 Set O Q.No. 17i Write the advantages of decentralized purchase. [2]
विकेन्द्रीकृत खरिदका फाइदाहरू लेख्नुहोस् ।
19. 2079 Set V Q.No. 17i What do you mean by bin cards? [2]
बीन काड भनेको के हो ?
20. Give the meaning of centralized and decentralized purchase.
केन्द्रीकृत खरिद र विकेन्द्रीकृत खरिदको अर्थ स्पष्ट गर्नुहोस् ।
21. Write the duties of a storekeeper.
भण्डारका कर्तव्यहरू लेख्नुहोस् ।
22. Mention the essentials of material control.
सामग्री नियन्त्रणका आवश्यक तत्वहरू वर्णन गर्नुहोस् ।
23. Write the meaning of purchase order.
खरिद आदेश फारामको अर्थ लेख्नुहोस् ।
24. Clarify the meaning of perpetual inventory system.
निरन्तर सामग्री जाँच विधिको अर्थ स्पष्ट पार्नुहोस् ।

25. What do you mean by purchase order form? Give its specimen.
खरिद माग फाराम भन्नाले के बुझ्नु हुन्छ ? यसको नमुना कोर्नुहोस् ।
26. Give a specimen of a bin card.
बिन कार्डको नमूना कोर्नुहोस् ।
27. What do you understand by decentralized stores?
विकेन्द्रिकृत भण्डार भन्नाले के बुझ्नुहुन्छ ?
28. Mention the procedures relating to materials.
सामग्री प्रक्रियासंग सम्बन्धित विधिहरूका वर्णन गर्नुहोस् ।
29. What do you mean by material control system?
सामग्री नियन्त्रण प्रणाली भन्नाले के बुझ्नुहुन्छ, लेख्नुहोस् ।
30. What is store keeping?
भण्डारण भनेको के हो ?

NUMERICAL PROBLEMS

SHORT ANSWER QUESTIONS

PERIODIC METHOD

1. **2081 Set B/C Q.No. 17ii** Inventories position of a company of last month are given below:

Chaitra 1	Opening inventory	650 units@ Rs. 8
Chaitra 6	Purchase	500 units@ Rs. 9
Chaitra 15	Purchase	800 units@ Rs. 10

The physical inventory counts at the end of the month shows 550 units on hand. The company uses periodic inventory system.
Required: Cost of goods sold and cost of closing stock under FIFO method. [3]
Ans: Rs. 12,200 and Rs. 5,500

2. **2081 Set D Q.No. 17ii** The following are the store transactions for the month of Aswin.

Aswin 1	Opening inventory	200 units@ Rs. 5
Aswin 5	Purchase	500 units@ Rs. 6
Aswin 22	Purchase	700 units@ Rs.7
Total sales during the month of Aswin:		1,100 units

Required: Cost of goods sold and cost of ending inventory using LIFO method under periodic inventory system. [3]
Ans: Rs. 7,300 and Rs. 1,600

3. **2080 Set P/Q Q.No. 17ii** Following are the store related transaction for the month of Magh.

Magh 1	Opening inventory	300 units @ Rs. 5 each
Magh 15	Purchase	500 units @ Rs. 6 each
Magh 25	Purchase	400 units @ Rs. 7 each
Sales during Magh 900 units		

Required: Cost of closing inventory and cost of goods sold using LIFO method under periodic inventory system. [3]
Ans: Rs. 1,500 and Rs. 5,800

4. **2080 Set R Q.No. 17b** The following are the store transaction for the month of March.

March 1	Opening stock	800Kg @ Rs. 40
March 5	Purchased	900 Kg @ Rs.42
March 10	Purchased	1,000Kg @ Rs.41
March 20	Sold	1,300 Kg

Required: Value of closing stock and cost of goods sold using weighted average method under periodic inventory system. [3]
Ans: Rs. 57,453 and Rs. 53,350

5. **2079 GIE Set A Q.No. 17ii** Following inventory, purchase and sales records of the month of July are given.

July 1	Beginning inventory	400 units@ Rs. 5 each
July 5	Purchase	600 units@ Rs. 6 each
July 10	Purchase	300 units@ Rs. 4 each
Total sales during July		950 units

Required: Cost of ending inventory and cost of goods sold using FIFO method under periodic inventory system. [3]
Ans: Rs. 1,500 and Rs. 6,800

6. **2079 Set O Q.No. 17ii** Sangam company had the following transaction during the month of June.

June 1	Beginning inventory	500 units @ Rs. 10 each
June 6	Purchase	700 units @ Rs. 11 each
June 18	Purchase	400 units @ Rs. 12 each
Total sales during June		1050 units

Required: Cost of ending inventory and cost of goods sold using weighted average method under periodic inventory system. [3]
Ans: Rs. 6,017 and Rs. 11,487

2079 Set V Q.No. 17ii Stores transactions of a limited company for the month of Chaitra are given below:

Chaitra 1	Opening stock	500 units @ Rs. 10
Chaitra 5	Purchased	400 units @ Rs. 11
Chaitra 15	Issued	600 units
Chaitra 22	Purchased	300 units @ Rs. 12
Chaitra 25	Return to vendors	50 units

Required: Store ledger under weighted average method. [3]

Ans: Closing Stock: 550 units @ Rs. 11.22

8. Following are the store transactions for the month of Magh:

Magh 1	Beginning inventory	50 units @ Rs. 200
Magh 2	Purchased	100 units @ Rs. 205
Magh 20	Purchased	120 units @ Rs 210

Sold during Magh 230 units

Required: Cost of ending inventory and cost of goods sold using FIFO method under periodic inventory system.

Ans: Rs. 55,700 and Rs. 8,400

9. Following are the transactions of a firm on purchases and sales of goods for the month of Chaitra:

Chaitra 1	Beginning inventory	1,200 units @ Rs.300
Chaitra 3	Purchases	600 units @ Rs.350
Chaitra 14	Purchases	400 units @ Rs.370

During Chaitra company sales 1,600 units.

Required: Cost of ending inventory and cost of goods sold using LIFO method under periodic inventory system.

Ans: Rs. 538,000 and Rs. 180,000

10. Following are the transactions of a firm on purchases and sales of goods for the month of June:

June 1	Beginning inventory	800 units @ Rs.30
June 3	Purchases	570 units @ Rs.35
June 14	Purchases	930 units @ Rs.37

At the end of June company found 500 units of ending inventory

Required: Cost of ending inventory and cost of goods sold using weighted average method under periodic inventory system

Ans: Rs. 61,326 and Rs. 17,035

PERPETUAL METHOD

STORE LEDGER UNDER FIFO METHOD

11. **2080 GIE Set A Q.No. 17ii** Following information relating to material are given as :

Bhadra 1:	Purchase	4,000units@Rs. 3
Bhadra 8:	Purchase	6,000 units@ Rs.5
Bhadra 15:	Issue	3,000 units
Bhadra 27:	Loss in verification	200 units

Required: Store ledger using FIFO method under perpetual inventory system. [3]

Ans: Cost of closing stock 6,800 units = Rs. 32,400, COGS 3,000 units = Rs. 9,000

12. **2080 GIE Set B Q.No. 17ii** Following are the store transaction given to you for the month of Bhadra.

Bhadra 1:	Opening stock	700 kg@Rs. 20
Bhadra 4:	Purchase	800 kg@ Rs.21
Bhadra 20:	Purchase	1,000 kg@ Rs. 22
Bhadra 30:	Issue	1,900 kg

Required: Store ledger under FIFO method using perpetual inventory system. [3]

Ans: Cost of ending inventory 600 units Rs. 13,200, COGS 1900 units Rs. 39,600

13. **2077 Set J Q.No. 10** Following are the store transactions for the month of Magh:

Magh 1:	Opening balance:	50 units @ Rs. 200
Magh 2:	Purchase:	100 units @ Rs. 210
Magh 5:	Issued:	110 units
Magh 26:	Shortage in physical verification	2 units

Required: Store ledger under First in First Out (FIFO) Method.

Ans: Closing Stock: 38 units @ Rs. 210

14. **2076 GIE Set A Q.No. 20** The following transactions are given:

Baisakh 1	Opening stock	1000 units at Rs. 20 each
Baisakh 5	Purchased	800 units at Rs. 30 each
Baisakh 10	Issued	1200 units
Baisakh 12	Purchased	400 units at Rs. 40 each
Baisakh 15	Issued	600 units

Baisakh 18	Returned to stores	100 units
Baisakh 20	Shortage found	40 units

Required: Store ledger under First In First Out (FIFO) Method

Ans: Closing Stock: 360 units @ Rs. 40; 100 units @ Rs. 30

15. **2076 GIE Set B Q.No. 18** Following are the transactions of materials of a company for the month of Magh.

Magh 1	Opening balance	500 units @ Rs. 10
Magh 4	Purchased	600 units @ Rs. 11
Magh 10	Issued	900 units
Magh 15	Purchased	1,000 units @ Rs. 12
Magh 22	Returned to supplier	50 units
Magh 25	Shortage in stock verification	20 units

Required: Store ledger under First In First Out (FIFO) method.

Ans: Closing Stock: 130 units @ Rs. 11; 1000 units @ Rs. 12

16. **2076 Set B Q.No. 18** The stores transactions for the last month are as under:

Date	Particulars	Units
1	Opening stock @ Rs. 50 each	1,500
5	Purchased @ Rs. 55 each	2,000
10	Issued	1,600
20	Purchased @ Rs. 60 each	1,200
25	Issued	2,000
28	Returned from factory	100
30	Shortage on stock verification	20

Required: Stores ledger under First-in-First-out Method.

Ans: Closing stock: 1180 units @ Rs. 60

17. **2076 Set C Q.No. 18** The stores transactions for the last month are as under:

Date	Particulars	Cost per unit	Units
1	Opening stock	Rs. 10	600
5	Purchased	Rs. 11	1,500
10	Issued		1,300
15	Purchased	Rs. 12	2,000
18	Issued		2,100
25	Returned from issued at 10th		300

Required: Stores ledger under First-in First-out Method.

Ans: Closing stock: 700 units @ Rs. 12; 300 units @ Rs. 11

18. **2075 Set A Q.No. 18** The following transactions were taken from the store for the month of Poush:

Poush 1	Opening balance	400 units for Rs. 2,000
Poush 3	Purchase	600 units @ Rs.6 each
Poush 6	Issued	800 units
Poush 15	Return from department	70 units
Poush 22	Purchase	800 units @ Rs. 7 each
Poush 25	Issued	830 units
Poush 28	Store verification surplus	10 units

Required: Store ledger under First In First Out (FIFO) Method.

Ans: Closing stock: 250 units @ Rs 7

19. **2075 Set B Q.No. 18** Following are the store transactions for the month of Magh:

Magh 1	Opening balance:	200 units @ Rs. 50 per unit.
Magh 2	Purchased	400 units @ Rs. 55 per unit
Magh 10	Issued	300 units
Magh 16	Purchased	500 units @ Rs. 60 per unit
Magh 20	Returned to vendors	20 units
Magh 28	Shortage in stock verification	10 units

Required: Stores ledger under First In First Out (FIFO) Method.

Ans: Closing stock: 290 units @ Rs. 55; 480 units @ Rs. 60

20. **2074 Supp Q.No. 18** Following are the transactions of a firm on purchases and issurance of materials for the month of Chaitra:

Chaitra 1	Opening balance	1,200 units @ Rs.300
Chaitra 3	Purchases	600 units @ Rs.350
Chaitra 7	Issued	600 units
Chaitra 14	Purchases	400 units @ Rs.370
Chaitra 20	Issued	400 units
Chaitra 24	Return from workorder	100 units
Chaitra 28	Issued	600 units

Required: Stores ledger under First In First Out (FIFO) Method.

Ans: Closing stock: 2

21. **2074 Set B Q.No. 18** The store transactions for the month of Bhadra are

Bhadra 1	Opening stock	400 units
Bhadra 3	Purchases	1,000 ur
Bhadra 5	Issued	500 unit
Bhadra 7	Purchases	600 uni
Bhadra 10	Issued	800 uni
Bhardra 12	Return from department	100 un
Bhadra 15	Issued	500 un

Required: Stores ledger under FIFO method.

22. **2073 Set C Q.No. 20** Stores transactions during the month of Magh a

Opening stock:	Magh 1	500 u
Purchased	Magh 4	600 u
	Magh 9	600 u
	Magh 20	600
Issued:	Magh 7	500
	Magh 15	500
	Magh 25	500
Stock verifications loss:	Magh 28	20

Required: Stores under First-in-First-out (FIFO) method

23. **2073 Set D Q.No. 18** Following are the store transactions for the m

Magh 1	Opening stock	20
Magh 5	Purchased	3(
Magh 10	Issued	4(
Magh 15	Return from work order	1(
Magh 22	Purchased	2
Magh 25	Issued	1
Magh 27	Issued	

Required: Store ledger under First-in-First-out (FIFO) method

24. **2072 Supp Q.No. 20** Stores transactions for the month of Marc

March	1	Opening stock
	3	Purchased
	5	Issued
	8	Purchased
	9	Received back from work order
	15	Issued
	20	Stock verification loss

Required: Stores ledger under FIFO method.

Ans:

25. **2072 Set C Q.No. 18** Following are the store transactions fo

Magh 1	Opening balance
Magh 5	Purchased
Magh 10	Issued
Magh 15	Return from work order
Magh 20	Purchased
Magh 25	Issued

Required: Store ledger under FIFO Method

26. **2072 Set D Q.No. 20** The store transactions of a certain r

Chaitra 1	Opening stock
Chaitra 2	Purchased
Chaitra 5	Issued
Chaitra 6	Returned to stores

Baisakh 18	Returned to stores	100 units
Baisakh 20	Shortage found	40 units

Required: Store ledger under First In First Out (FIFO) Method

Ans: Closing Stock: 360 units @ Rs. 40; 100 units @ Rs. 30

15. **2076 GIE Set B Q.No. 18** Following are the transactions of materials of a company for the month of Magh:

Magh 1	Opening balance	500 units @ Rs. 10
Magh 4	Purchased	600 units @ Rs. 11
Magh 10	Issued	900 units
Magh 15	Purchased	1,000 units @ Rs. 12
Magh 22	Returned to supplier	50 units
Magh 25	Shortage in stock verification	20 units

Required: Store ledger under First In First Out (FIFO) method.

Ans: Closing Stock: 130 units @ Rs. 11; 1000 units @ Rs. 12

16. **2076 Set B Q.No. 18** The stores transactions for the last month are as under:

Date	Particulars	Units
1	Opening stock @ Rs. 50 each	1,500
5	Purchased @ Rs. 55 each	2,000
10	Issued	1,600
20	Purchased @ Rs. 60 each	1,200
25	Issued	2,000
28	Returned from factory	100
30	Shortage on stock verification	20

Required: Stores ledger under First-in-First-out Method.

Ans: Closing stock: 1180 units @ Rs. 60

17. **2076 Set C Q.No. 18** The stores transactions for the last month are as under:

Date	Particulars	Cost per unit	Units
1	Opening stock	Rs. 10	600
5	Purchased	Rs. 11	1,500
10	Issued		1,300
15	Purchased	Rs. 12	2,000
18	Issued		2,100
25	Returned from issued at 10th		300

Required: Stores ledger under First-in First-out Method.

Ans: Closing stock: 700 units @ Rs. 12; 300 units @ Rs. 11

18. **2075 Set A Q.No. 18** The following transactions were taken from the store for the month of Poush:

Poush 1	Opening balance	400 units for Rs. 2,000
Poush 3	Purchase	600 units @ Rs.6 each
Poush 6	Issued	800 units
Poush 15	Return from department	70 units
Poush 22	Purchase	800 units @ Rs. 7 each
Poush 25	Issued	830 units
Poush 28	Store verification surplus	10 units

Required: Store ledger under First In First Out (FIFO) Method.

Ans: Closing stock: 250 units @ Rs.7

19. **2075 Set B Q.No. 18** Following are the store transactions for the month of Magh:

Magh 1	Opening balance:	200 units @ Rs. 50 per unit.
Magh 2	Purchased	400 units @ Rs. 55 per unit
Magh 10	Issued	300 units
Magh 16	Purchased	500 units @ Rs. 60 per unit
Magh 20	Returned to vendors	20 units
Magh 28	Shortage in stock verification	10 units

Required: Stores ledger under First In First Out (FIFO) Method.

Ans: Closing stock: 290 units @ Rs. 55; 480 units @ Rs. 60

20. **2074 Supp Q.No. 18** Following are the transactions of a firm on purchases and issurance of materials for the month of Chaitra:

Chaitra 1	Opening balance	1,200 units @ Rs.300
Chaitra 3	Purchases	600 units @ Rs.350
Chaitra 7	Issued	600 units
Chaitra 14	Purchases	400 units @ Rs.370
Chaitra 20	Issued	400 units

Chaitra 24	Return from workorder	100 units
Chaitra 28	Issued	600 units

Required: Stores ledger under First In First Out (FIFO) Method.

Ans: Closing stock: 200 units @ Rs. 350; 400 units @ Rs. 370; 100 units @ Rs. 300

21. **2074 Set B Q.No. 18** The store transactions for the month of Bhadra are given below.

Bhadra 1	Opening stock	400 units @ Rs. 10 each.
Bhadra 3	Purchases	1,000 units @ Rs. 11 each.
Bhadra 5	Issued	500 units.
Bhadra 7	Purchases	600 units @ Rs. 12 each.
Bhadra 10	Issued	800 units
Bhardra 12	Return from department	100 units@ Rs. 12 each
Bhadra 15	Issued	500 units

Required: Stores ledger under FIFO method.

Ans: Closing Stock = 300 units @ Rs. 12

22. **2073 Set C Q.No. 20** Stores transactions during the month of Magh are as under:

Opening stock:	Magh 1	500 units @ Rs. 10 per unit
Purchased	Magh 4	600 units @ Rs. 11 per unit
	Magh 9	600 units @ Rs. 12 per unit
	Magh 20	600 units @ Rs. 12.50 per unit
Issued:	Magh 7	500 units
	Magh 15	500 units
	Magh 25	500 units
Stock verifications loss:	Magh 28	20 units

Required: Stores under First-in-First-out (FIFO) method

Ans: Closing stock: 180 units @ Rs. 12 and 600 units @ Rs. 12.50

23. **2073 Set D Q.No. 18** Following are the store transactions for the month of Magh:

Magh 1	Opening stock	200 units @ Rs. 50
Magh 5	Purchased	300 units @ Rs. 55
Magh 10	Issued	400 units
Magh 15	Return from work order	10 units
Magh 22	Purchased	200 units @ Rs. 60
Magh 25	Issued	100 units
Magh 27	Issued	110 units

Required: Store ledger under First-in-First-out (FIFO) method

Ans: Closing stock: 100 units @ Rs. 60

24. **2072 Supp Q.No. 20** Stores transactions for the month of March are as under:

March	1	Opening stock	500 units @ Rs. 10 each
	3	Purchased	1,000 units @ Rs. 11 each
	5	Issued	800 units
	8	Purchased	1,000 units @ Rs. 12 each
	9	Received back from work order	40 units @ Rs. 11 each
	15	Issued	200 units
	20	Stock verification loss	20 units

Required: Stores ledger under FIFO method.

Ans: Closing stock: 480 units @ Rs. 11; 1,000 units @ Rs.12; 40 units @ Rs. 11

25. **2072 Set C Q.No. 18** Following are the store transactions for the month of Magh:

Magh 1	Opening balance	500 units @ Rs.10 per unit.
Magh 5	Purchased	600 units @ Rs.11 per unit.
Magh 10	Issued	700 units
Magh 15	Return from work order	20 units
Magh 20	Purchased	400 units @ Rs.12 per unit.
Magh 25	Issued	720 units

Required: Store ledger under FIFO Method

Ans: Closing stock: 100 units @ Rs. 12

26. **2072 Set D Q.No. 20** The store transactions of a certain material during the month of Chaitra, are as under:

Chaitra 1	Opening stock	500 units @ Rs.20 each
Chaitra 2	Purchased	1,000 units @ Rs.22 each
Chaitra 5	Issued	800 units
Chaitra 6	Returned to stores	20 units

Chaitra 10	Purchased	600 units @ Rs.21 each.
Chaitra 15	Issued	1,000 units.
Chaitra 18	Purchased	500 units @ Rs.20 each.

Required: Stores ledger under First-in-First-out method.

Ans: Closing stock: 320 units @ Rs. 21; 500 units @ Rs. 20

27. **2072 Set E Q.No. 18** Following are the store transactions for the month of Chaitra:

Chaitra 1	Opening balance	1,000 units @ Rs.5 per unit
Chaitra 2	Purchased	2,000 units @ Rs. 4 per unit
Chaitra 10	Issued	1,500 units
Chaitra 16	Purchased	1,000 units @ Rs. 6 per unit
Chaitra 20	Stock verification surplus	100 units
Chaitra 25	Issued	1,200 units.
Chaitra 30	Return to store	50 units

Required: Store ledger under FIFO method.

Ans: Closing stock: 300 units @ Rs. 4; 1,000 units @ Rs. 6 and 150 units Rs. 4

28. **2071 Supp Q.No. 18** The stores transactions for the month of Baishakh are as follows:

Baishakh 1	Opening stock	300 units @ Rs.20 each
Baishakh 4	Purchases	700 units @ Rs.19 each
Baishakh 8	Issued	600 units
Baishakh 12	Purchased	1,000 units @ Rs.21 each
Baishakh 15	Issued	1,000 units
Baishakh 18	Issued	200 units
Baishakh 20	Returned out of 18th issue	20 units

Required: Stores ledger under FIFO method.

Ans: Closing stock: 220 units @ Rs. 21

29. **2071 Set C Q.No. 18** The Receipts and Issues of materials for the month of Baishakh 2069 are given below:

Baishakh 1	Opening balance	600 units at Rs. 10
Baishakh 4	Purchase	800 units at Rs. 11
Baishakh 10	Issued	300 units
Baishakh 11	Issued	400 units
Baishakh 12	Purchased	400 units at Rs. 12
Baishakh 25	Received back from work order	50 units at Rs. 11
Baishakh 26	Stock verification loss from latest purchase	15 units

Required: Stores ledger under FIFO method

Ans: Closing stock: 700 units @ Rs. 11, 385 units @ Rs. 12 and 50 units @ Rs. 11

30. **2070 Supp Q.No. 18** Given below are the transactions of a company for the month of Shrawan:

Shrawan 1	Opening stock	700 units @ Rs. 5 each
Shrawan 10	Purchases	1,000 units @ Rs. 5.50 each
Shrawan 15	Issued	400 units
Shrawan 20	Issued	600 units
Shrawan 25	Purchased	400 units @ Rs. 6 each
Shrawan 26	Return to stock	100 units
Shrawan 27	Issued	300 units

Required: Stores ledger under FIFO method

Ans: Closing stock: 400 units @ Rs.5.50; 400 units @ Rs.6; 100 units @ 5

31. **2070 Set D Q.No. 18** Stores transactions of a Limited company for the month of Magh 2068 are given below.

Magh 1	Opening stock	3,000 units @ Rs. 80
Magh 5	Purchased	1,000 units @ Rs. 85
Magh 10	Issued	500 units
Magh 17	Purchased	600 units @ Rs. 90
Magh 22	Returned to supplier	50 units
Magh 28	Stock verification loss	25 units

Required: Stores ledger under FIFO method

Ans: Closing stock: 2,425 units @ Rs. 80; 1,000 units @ Rs. 85; 600 units @ Rs. 90

32. **2069 Supp Set B Q.No. 18** Stores transactions of limited company for the month of Chaitra, 2068 are given below:

Chaitra 1	Opening balance	100 units @ Rs. 30 each
Chaitra 5	Purchased	150 units @ Rs. 32 each
Chaitra 10	Issued	120 units
Chaitra 16	Purchased	130 units @ Rs. 35 each

Chaitra 22	Issued	200 units
Chaitra 25	Returned back from work order	10 units of Rs. 35 each
Chaitra 28	Stock verification loss	5 units

Required: Stores ledger under FIFO method.

Ans: Closing stock: 65 units @ Rs. 35

33. **2069 (Set A) Q.No. 18** Stores transactions of a limited company for the month of Falgun, 2067 are given below:

Falgun 1	Opening stock	1,000 units @ Rs. 50 each
Falgun 6	Purchased	1,500 units @ Rs. 52 each
Falgun 11	Issued	1,200 units
Falgun 17	Purchased	1,300 units @ Rs. 55 each
Falgun 24	Issued	2,000 units
Falgun 26	Returned from work order	100 units of Rs. 55 each
Falgun 30	Stock verification loss	20 units

Required: Stores ledger under FIFO method.

Ans: Closing stock: 680 units @ Rs. 55

34. **2069 (Set B) Q.No. 18** Following are the transactions of materials of a company for the month of Chaitra:

Chaitra 1	Opening stock	600 units @ Rs. 10 per unit
Chaitra 5	Purchased	900 units @ Rs. 12 per unit
Chaitra 11	Issued	1,100 units
Chaitra 15	Return to store	100 units
Chaitra 20	Purchased	400 units @ Rs. 11 per unit
Chaitra 25	Issued	700 units
Chaitra 27	Shortage on stock verification	50 units

Required: Store ledger under FIFO method.

Ans: Closing stock: 150 units @ Rs. 11

35. **2068 Supp Q.No. 20** The following are the details of receipt and issue of materials.

Purchases:	Baishak	5	600 units@Rs.10 each
		10	900 units@Rs.11 each
		22	300 units@Rs.12 each
Issues:	Baishak	15	400 units
		20	400 units
		25	400 units
	Baishak	30	Stock verification loss - 20 units.

Required: Stores ledger under First-in-First-out method

Ans: Closing Stock: 280 units @ Rs.11; 300 units @ Rs.12

36. **2068 Q.No. 18** Stores transactions of a Limited Company for the month of Baishak, 2066 are given below:

Baishak	1	Opening balance	1,000 units @ Rs. 20 each
	4	Purchased	800 units @ Rs. 21 each
	5	Issued	1,200 unit
	7	Purchased	400 units @ Rs. 22 each
	15	Issued	600 units
	21	Received back from work order	50 units of Rs. 21 each
	25	Stock verification loss	25 units

Required: Stores Ledger under FIFO method

Ans: Closing stock: 375 units @ Rs. 22 and 50 units @ Rs. 21

37. **2065 Q.No. 8 (Old)** A firm furnishes the following stores transactions for the month Falgun:

Falgun	1	Opening stock	1,000 units @ Rs. 10 each
	4	Purchased	800 units @ Rs. 10.50 each
	5	Issued	1,200 units
	7	Purchased	400 units @ Rs. 11 each
	9	Issued	600 units
	10	Received back from work order	20 units
	15	Purchased	600 units @ Rs. 12 each
	20	Issued	500 units

On 25th Falgun, when the stock is verified, it is found that actual stock is more by 20 units.

Required: Stores ledger under FIFO method showing received, issued and balance.

Ans: Closing stock: 520 units @ Rs. 12; 20 units @ Rs. 12

II. STORE LEDGER UNDER LIFO METHOD

38. **2079 GIE Set B Q.No. 17** Following information relating to materials are :

Opening stock	600 units @ Rs. 30
Purchase	2,000 units @ Rs. 35
Total issue	2,200 units

Required: Store ledger order LIFO Method

Ans: Closing Stock: 400 units @ Rs.

39. **2078 Set C Q.No. 18** The Receipts and issue of material for the month of Magh are given below:

Magh 1	Opening stock	800 units @ Rs. 4
Magh 5	Purchase	1,000 units @ Rs. 5
Magh 14	Issue	500 units
Magh 18	Issue	200 units
Magh 26	Purchased	600 units @ Rs. 6
Magh 27	Received back from workplace 100 units	

Required: Store ledger under LIFO method.

Ans: Closing Stock: 800 units @ Rs. 4, 300 units @ Rs. 5 and 700 units @ Rs.

40. **2077 Set R Q.No. 9** The details related to materials of a company are as under

i.	Opening stock	400 units @ Rs.19
ii.	Purchase	600 units @ Rs.20
iii.	Issue	500 units
iv.	Purchase return	50 units

Required: Store Ledger under LIFO method

Ans: Closing stock: 400 units @ Rs. 19; 50 units @ Rs. 2

41. **2075 GIE Q.No. 18** The store transactions for the month of Poush are given below:

Poush 1	Opening balance	1,200 units @ Rs.6 each
Poush 5	Purchase	2,000 units @ Rs. 7 each
Poush 8	Issued	2,000 units
Poush 12	Purchase	800 units @ Rs.8 each
Poush 20	Issued	700 units
Poush 22	Return from department	100 units @ Rs. 8 each
Poush 25	Issued	500 units

Required: Stores ledger under LIFO Method.

Ans: Closing stock: 900 units @ Rs.

42. **2074 Set A Q.No. 18** Following are the transactions relating to materials of a company for the month of Chaitra.

Chaitra 1	Opening stock	500 units @ Rs.10 per unit
Chaitra 5	Purchases	600 units @ Rs.12 per unit
Chaitra 10	Issued	900 units
Chaitra 15	Return from factory	50 units
Chaitra 20	Purchases	1,000 units @ Rs.11 per unit
Chaitra 25	Issued	1,100 units
Chaitra 27	Shortage on stock verification	20 units

Required: Store ledger under LIFO method.

Ans: Closing Stock: 130 units @ Rs.

43. **2073 Supp Q.No. 19** Store transactions of a Limited Company for the month of Baishak 2072 are given below.

Baisakh 1	Opening stock	5,000 kg @ Rs. 100 per kg
Baisakh 5	Purchased	2,000 kg @ Rs. 150 per kg
Baisakh 7	Issued	4,000 kgs
Baisakh 20	Purchased	1,000 kgs @ Rs. 200 per kg
Baisakh 25	Issued	2,000 kgs
Baisakh 26	Returned to store	50 kgs

Required: Store ledger under LIFO method.

Ans: Closing Stock: 2,000 kg @ Rs. 100 and 50 kg @ Rs.

44. **2071 Set D Q.No. 18** Following information are given in respect of materials transactions during the month of Jestha 2068.

Jestha 1	Opening balance	1,000 units @ Rs. 10
Jestha 5	Issued	300 units
Jestha 8	Purchased	400 units @ 12
Jestha 10	Issued	400 units
Jestha 12	Purchased	200 units @ 11

Jestha 13	Return to store	50 units issued from 8th Jestha
Jestha 18	Purchased	200 units @ 10
Jestha 25	Issued	600 units
Jestha 30	Shortage on verification	20 units

Required: Store ledger under LIFO method

Ans: Closing stock: 530 units @ Rs. 10

d. **2070 Set C Q.No. 18** Stores Transactions of a limited company for the month of Shrawan 2068 are given below:

Shrawan 1	Opening stock	2,000 units @ Rs. 60
Shrawan 4	Purchased	1,000 units @ Rs. 65
Shrawan 10	Purchased	500 units @ Rs. 70
Shrawan 15	Issued	600 units
Shrawan 21	Issued	100 units
Shrawan 25	Received from work order	30 units
Shrawan 29	Stock verification loss	10 units

Required: Stores ledger under LIFO method.

Ans: Closing stock: 2,000 units @ Rs. 60 and 820 units @ Rs. 65

e. **2069 Supp Set A Q.No. 18** Following stock transaction of a company are given:

Ashad 1	Balance	1,000 units @ Rs. 4 each.
Ashad 5	Purchased	500 units @ Rs. 5 each
Ashad 8	Issued	1,300 units
Ashad 18	Purchased	800 units @ Rs. 7 each
Ashad 20	Return to Creditors	100 units of Ashad 18 purchased
Ashad 25	Issued	700 units
Ashad 30	Return from work order	100 units

Required : Store ledger under LIFO method.

Ans: Closing stock: 200 units @ Rs. 4 and 100 units @ Rs. 7

f. **2067 Q.No. 18** Following are the stores transactions for the month of Bhadra:

Bhadra	1	Opening balance	700 units @ Rs.10 each.
	4	Purchased	300 units @ Rs.9 each.
	12	Issued	500 units.
	15	Returned from department	50 units
	20	Purchased	200 units @ Rs.10.
	30	Issued	450 units.

Required: Stores ledger under Last-in-First -out method.

Ans: Closing stock: 300 units @ Rs. 10

g. **2066 Supp Q.No. 18** Following are the transactions of a company on purchase and issue of materials for the month of Poush:

Poush	1	Opening stock	1,300 units @ Rs. 300
	5	Purchased	400 units @ Rs. 350
	9	Issued	500 units
	14	Purchased	450 units @ Rs. 360
	19	Returned to supplier	50 units
	24	Issued	300 units
	25	Received from work order	25 units

Required: Stores ledger under Last-in-First-out method.

Ans: Closing stock: 1200 units @ Rs. 300 and 125 units @ 360

h. **2066 (C) Q.No. 18** A firm furnishes the following stores transactions for the month of Chaitra:

Chaitra	1	Opening balance	500 units @ Rs. 30 per unit
	3	Issued	250 units
	13	Received from vendor	200 units @ Rs. 28 per unit.
	14	Returned from department	15 units @ Rs. 25 per unit.
	16	Issued	200 units
	20	Received from vendor	250 units @ Rs. 26 per unit
	25	Issued	300 units

Required: Stores ledger under Last-in-First-out method.

Ans: Closing stock: 215 units @ Rs. 30

50. **2064 Supp. Q.No. 19** Following receipts and issues of a material were made during the month of April. Stock on 1st April was 500 units @ Rs. 20 each.

Date	Quantity Purchased	Cost per unit	Quantity issued
April 3	–	–	200 units
" 5	800 units	Rs. 21	–
" 8	–	–	400 units
" 10	–	–	300 units
" 15	500 units	Rs. 22	–
" 18	–	–	500 units
" 25	200 units	Rs. 22	–

Issued are to be priced under last-in-first out method. On 18th April a physical verification was made when the verifier notified that there is shortage of 20 units in stock.

Required: Stores Ledger Account.

Ans: Closing stock: 300 units @ Rs. 20; 80 units @ Rs. 21; 200 units @ Rs. 22

51. **2064 Q.No. 18** A company has purchased and issued the material in following orders:

Chaitra	1	Opening stock	500 units @ Rs. 10
	3	Issued	200 units
	10	Purchased	200units @ Rs. 9 per unit
	15	Returned of surplus from a work order	10 units @ Rs. 9.50 per unit
	18	Issued	180 units
	20	Purchased	300 units @ Rs. 9.40 per unit
	21	Issued	400 units
	25	Shortage in stock	10 units
	28	Issued	100 units

Required: Stores ledger under Last-in-First-out method

Ans: Closing stock: 120 units @ Rs. 10

52. **2064 Q.No 11 (OLD)** Following are the store transactions of certain material during the month of April:

April	1	Opening stock	500 units @ Rs. 10 per unit
	5	Purchased	2,000 units @ Rs. 12 per unit
	8	Issued	1,500 units
	12	Purchased	2,000 units @ Rs. 14 per unit
	14	Returned to vendor	200 units out of purchased on 5th April
	16	Issued	2,000 units
	18	Returned from the department	40 units issued on 8th April.
	20	Issued	200 units
	25	Stock verification fall short	20 units

Required: Stores ledger under Last-in-First-out method.

Ans: Closing stock: 500 units @ Rs. 10 and 120 units @ Rs. 12

53. **2062 Q.No. 9** Given below are the transactions of a certain material for the month of Baishakh.

Baishakh	1st	Stock in hand	500 units @ Rs. 10 per unit
	10	Purchased	1,000 units @ Rs. 12 per unit
	12	Issued	700 units
	18	Issued	300 units
	20	Purchased	1,000 units @ Rs. 13 per unit
	22	Issued	200 units
	25	Purchased	500 units @ Rs. 14 per unit
	28	Return from the workshop issued on 18th Baishakh	50 units
	30	Issued	200 units

Required: Stores ledger under Last-in-First-out method.

Ans: Closing stock: 500 units @ Rs. 10, 800 units @ Rs. 13; 350 units @ Rs. 14

54. **2061 Q.No. 9** Following are the store transactions of certain material during the month of Chaitra:

Chaitra	1	Stock in hand	200 units @ Rs. 50 each
	4	Purchases	400 units @ Rs. 60 each
	7	Issued	300 units
	12	Purchases	100 units @ Rs. 70 each
	16	Returned to store	50 units (issued out of opening stock)
	20	Purchases	200 units @ Rs. 80 each

25	Issued	400 units
28	Stock Verification surplus	20 units
30	Issued	100 units

Required: Store Ledger under LIFO method.

Ans: Closing stock: 170 units @ Rs. 50

55. **2060 Supp. Q.No. 13** Following are the details of receipts and issues of materials during the month June.

June 1	Opening stock	1,400 units @ Rs. 3 per unit
June 5	Issued	700 units
June 13	Received from vendor	500 units @ Rs. 3.50 per unit
June 16	Issued	450 units
June 23	Received from vendor	1,200 units @ Rs. 3.45 per unit
June 26	Issued	1,350 units
June 28	Stock verifier found	10 units surplus
June 29	Return of surplus from work order	50 units 2 Rs. 3 per unit
June 30	Issued	350 units

Required: Store ledger under LIFO method showing total received, issued and balance.

Ans: Closing stock: 310 @ Rs. 3

56. **2060 Q.No. 8** A firm furnishes the following stores transactions for the month of Ashwin:

Ashwin 1	Opening balance	250 units @ Rs. 5 per unit
2	Receipt from vendor	1,000 units @ Rs. 6 per unit
5	Issued	750 units
8	Receipt from vendor	1,000 units @ Rs. 7 per unit
9	Returned to vendor	100 units out of purchased on 2nd Ashwin
12	Issued	1,000 units
15	Returned from departments	Issued on 5th Ashwin, 20 units
16	Issued	100 units
25	Shortage in stock taking	10 units

Required: Stores ledger under LIFO method showing received, issued and balance.

Ans: Closing stock: 250 units @ Rs. 5 and 60 units @ Rs. 6

12. INVENTORY MANAGEMENT

LIST OF FORMULAE

1. Reorder level (ROL) = Maximum consumption × Maximum lead-time
   Or, = Minimum stock level + (Daily consumption × Normal lead-time)
   Or, = Safety Stock + (Daily Consumption × Normal Lead time)
2. Maximum Stock Level = ROL + ROQ – [Min. consumption × Min. lead-time)
3. Minimum Stock Level = ROL – [Average consumption × Average lead-time)

   where

   Average consumption $= \frac{\text{Max.consumption + Min. consumption}}{2}$

   Average lead-time $= \frac{\text{Max. Lead-time + Min. Lead-time}}{2}$
4. Average stock level = Min. Stock Level + $\frac{\text{ROQ/EOQ}}{2}$ OR $\frac{\text{Max. Stock Level + Min. Stock Level}}{2}$
5. Reorder quantity (ROQ) = (Max. stock level – ROL) + (Min. Consumption × Min. Reorder Period)
6. Economic Order Quantity (EOQ) = $\sqrt{\frac{2AO}{C}}$
7. Total Ordering Cost = No. of order × Ordering cost per order (O) or $\frac{AO}{Q}$
8. Total Carrying Cost = Average Inventory × Carrying Cost per unit (C) or $\frac{QC}{2}$
9. No. of Order $= \frac{\text{Annual Requirement (A)}}{\text{EOQ(Q)}}$
10. Total Cost at EOQ (excluding cost of materials) = $\frac{AO}{Q} + \frac{QC}{2}$ OR $\sqrt{2AOC}$
11. Total Cost at EOQ (including cost of materials) = $\frac{AO}{Q} + \frac{QC}{2} + PC$

THEORETICAL QUESTIONS

1. Define inventory management.
   मौज्दात व्यवस्थापनलाई परिभाषित गर्नुहोस् ।
2. Mention the reasons of holding inventory.
   मौज्दात राख्नुको कारणहरू उल्लेख गर्नुहोस् ।

NUMERICAL PROBLEMS

STOCK LEVEL

VERY SHORT ANSWER QUESTIONS

1. **2080 GIE Set B Q.No. 11** If weekly consumption 200 to 300 units of material and re-order period 4 to 6 weeks, then find out the ordering level.

   Ans: 1,800 units

2. **2079 GIE Set A Q.No. 10** Following information are given:
   Reorder period ..... 4-6 days
   Consumption ..... 200-300 units
   Required: Reorder level

   Ans: 1,800 units

3. **2078 Set C Q.No. 19** The following particulars are given:
   Reorder period ..... 5 to 7 days
   Reorder quantity ..... 1,400 units
   Daily consumption ..... 200-300 units
   Reorder level ..... 2,000 units
   Required: Maximum stock level

   Ans: 2,400 units

4. **2076 GIE Set A Q.No. 17** Following information are given:
   Weekly consumption ..... 2,000-3,000 units
   Reorder quantity ..... 5,000 units
   Reorder period ..... 4-6 weeks
   Required: Maximum stock level

   Ans: 15,000 units

5. **2076 GIE Set B Q.No. 19** Following information are given in respect of material:
   Reorder period ..... 5 to 7 days
   Reordering level ..... 4,000 units
   Consumption per day ..... 400 to 800 units
   Required: Minimum stock level

   Ans: 400 units

6. **2076 Set B Q.No. 19** Following details are available:
   Reorder level ..... 6,000 units
   Reorder period ..... 10 to 30 days
   Minimum consumption ..... 400 units
   Maximum stock level ..... 10,000 units
   Required: Reorder quantity

   Ans: 8,000 units

7. **2075 GIE Q.No. 19** The following information are given:
   Maximum consumption per day ..... 300 units
   Reorder period ..... 6 to 8 days
   Minimum consumption per day ..... 200 units
   Reorder quantity ..... 1,200 units
   Required: Maximum stock level

   Ans: 2,400 units

8. **2074 Supp Q.No. 19** The following information are given:
   Reordering period ..... 6-8 days
   Consumption ..... 200-400 units
   Required: Minimum stock level

   Ans: 1,100 units

9. **2074 Set A Q.No. 19** Following information are given.
   Reorder period ..... 8 to 10 days
   Daily consumption ..... 200 to 400 units
   Required: Minimum stock level

   Ans: 1,300 units

10. **2074 Set B Q.No. 19** Following information are provided:
    Reorder period ..... 4 to 6 days
    Reordering Level ..... 3,600 units
    Daily consumption ..... 400 to 600 units
    Required: Minimum stock level

    Ans: 1,100 units

11. **2071 Set D Q.No. 19** Following information are given.
    Maximum consumption per day ..... 200 units
    Reorder period ..... 10–15 days
    Minimum consumption per day ..... 100 units
    Reorder quantity ..... 1,500 units
    Required: Maximum stock level

    Ans: 3,500 units

2077 Set C Q.No. 19 Following informations are given.

Reorder period ..... 4 - 6 weeks
Weekly consumption ..... 2,000 - 3,000 kgs
Required: Minimum stock level

Ans: 5,500 kgs

2077 Set D Q.No. 19 Following informations are given.

Weekly consumption ..... 3,000 – 5,000 units
Reorder quantity ..... 8,000 units
Reorder period ..... 5 - 7 weeks
Required: Maximum stock level

Ans: 28,000 units

2069 (Set B) Q.No. 19 Following information are given:

Maximum usage in a day ..... 600 units
Reorder quantity ..... 1,500 units
Minimum usage in a day ..... 400 days
Reorder period ..... 2 to 6 days
Required: Maximum stock level

Ans: 4,300 units

2068 Q.No. 19 Following information are available relating inventory management:

Maximum stock level ..... 5,000 units
Minimum consumption per day ..... 300 units
Reorder level ..... 2,500 units
Minimum reorder period ..... 6 days
Required: Reorder quantity

Ans: 4,300 units

2067 Q.No. 19 The following information is available in respect of factory:

Maximum consumption ..... 3,600 units
Reorder quantity ..... 14,400 units
Reorder level ..... 21,600 units
Minimum consumption ..... 1,200 units
Reorder period ..... 4-6 days
Required: Maximum stock level

Ans: 31,200 units

2066 Supp Q.No. 19 The following information are provided:

Reorder level ..... 4,800 Units
Maximum stock level ..... 8,000 Units
Reorder quantity ..... 4,000 Units
Reorder period ..... 4 to 6 days
Required: Minimum consumption per day.

Ans: 200 units

2065 Q.No. 9 (Old) The following information are provided:

Maximum level ..... 6,200 units
Minimum consumption ..... 200 units per day
Reorder quantity ..... 3,000 units
Minimum reorder period ..... 8 days
Required: Reordering level.

Ans: 4,800 units

2064 Q.No 19 The following information are available in respect of a material

Maximum consumption per day ..... 300 units
Minimum consumption per day ..... 100 units
Reorder period ..... 4 to 8 days
Required: a. Reorder level
b. Minimum stock level

Ans: (a) 2,400 units (b) 1,200 units

2064 Q.No 12 (OLD) The following information are available:

Reorder period ..... 4 to 6 pays
Maximum level ..... 2,100 units
Daily consumption ..... 40 to 60 units
Reorder level ..... 1,460 units
Required: Reorder quantity

Ans: 800 units

2063 Q.No. 10 Following information are given:

Lead-time: Maximum ..... 4 days
Weekly consumption: Maximum ..... 500 units
Minimum ..... 3 days
Minimum ..... 400 units
Required: a Reorder level
b. Maximum* stock level (*Minimum)

Ans: (a) 285.7 ≈ 286 units (b) 61 units

2062 Q.No. 10 Following information are available to you.

Lead-Time: Maximum ..... 6 weeks
Weekly consumption: Maximum ..... 400 units
Minimum ..... 3 weeks
Minimum ..... 200 units
Required: a. Reorder level
b. Minimum stock level

Ans: (a) 2,400 units (b) 1,050 units

23. **2061 Q.No. 10** In a company, weekly minimum and maximum consumption of material A are 25 units and 75 units respectively. The Reorder quantity as fixed by the company is 300 units. The material is received within 4 to 6 weeks.
Required: Maximum stock level of material A.

Ans: 650 units

24. **2060 Supp. Q.No. 14** The firm provides you the following information:

Reordering quantity	600 units		
Rate of consumption: Maximum	30 units/day	Average	25 units/day
Reordering level	400 units		
Lead time: Average	12 days	Minimum	9 days

Required: Maximum stock level.

Ans: 870 units

25. **2060 Q.No. 9** The following information are provided:

Reorder period	5 to 7 days	Daily consumption	50 to 60 units
Maximum level	1,800 units	Reordering level	1,400 units

Required: Reorder quantity.

Ans: 650 units

ECONOMIC ORDER QUANTITY

VERY SHORT ANSWER QUESTIONS

26. **2081 Set B/C Q.No. 11** If number of order is 6 times and Economic order quantity is 3,000 kg. Find out annual requirement. [1]
Ans: 18,000 units

27. **2081 Set D Q.No. 11** EOQ is 600 units and No.of order is 12 times, find out annual requirement. [1]
Ans: 7,200 units

28. **2080 GIE Set A Q.No. 11** Following information are provided :

Annual requirement	10,000 units.
Carrying cost per unit	Rs. 0.40
Ordering cost per order	Rs. 80

Required: Economic order quantity [1]
Ans: 2,000 Unit

29. **2080 Set P/Q Q.No. 11** If annual requirement are 600,000 units and economic order quantity 30,000 units then find out the number of order. [1]
Ans: 20 times

30. **2080 Set R Q.No. 11** If ordering cost per order is Rs. 300, carrying cost per unit is Rs. 2 and annual requirement are 30,000 units. Find out economic order quantity. [1]
Ans: 3,000 units

31. **2079 GIE Set B Q.No. 11** Following information of a company are as :

Annual demand (A)	4,00,000 kgs
Ordering cost per order (O)	Rs. 40
Carrying cost (C)	Rs. 2/kg

Required: Economic order quantity. [1]
Ans: 4,000 kgs

32. **2079 Set O Q.No. 11** Following information are given: [1]

Annual material requirement	50,000 kg
Economic order quantity	2,000 kg

Required: No. of orders

Ans: 25 times

33. **2079 Set V Q.No. 11** If annual requirement is 25,000 kgs and EOQ 1,000 kgs then find out number of order. [1]
Ans: 25 times

34. **2076 Set C Q.No. 19** Following information are given in respect of a material:

Ordering cost per order	Rs. 300	Purchasing price per unit	Rs. 20
Carrying cost	10%	Annual requirement	30,000 units

Required: a. Economic order quantity
b. Number of orders per year

Ans: (a) 3,000 units (b) 10 orders

35. **2075 Set A Q.No. 19** The following information are given:

Annual requirement	36,000 units	Ordering cost per order	Rs. 60
Cost per unit	Rs. 100	Carrying cost per unit	10% of inventory cost

Required: Economic order quantity

Ans: 657.27 units

23. **2061 Q.No. 10** In a company, weekly minimum and maximum consumption of material A are 25 units and 75 units respectively. The Reorder quantity as fixed by the company is 300 units. The material is received within 4 to 6 weeks.
Required: Maximum stock level of material A.

Ans: 650 units

24. **2060 Supp. Q.No. 14** The firm provides you the following information:

Reordering quantity	600 units		
Rate of consumption:	Maximum 30 units/day	Average	25 units/day
Reordering level	400 units		
Lead time:	Average 12 days	Minimum	9 days

Required: Maximum stock level.

Ans: 870 units

25. **2060 Q.No. 9** The following information are provided:

Reorder period	5 to 7 days	Daily consumption	50 to 60 units
Maximum level	1,800 units	Reordering level	1,400 units

Required: Reorder quantity.

Ans: 650 units

ECONOMIC ORDER QUANTITY

VERY SHORT ANSWER QUESTIONS

26. **2081 Set B/C Q.No. 11** If number of order is 6 times and Economic order quantity is 3,000 kg. Find out annual requirement. [1]
Ans: 18,000 units

27. **2081 Set D Q.No. 11** EOQ is 600 units and No.of order is 12 times, find out annual requirement. [1]
Ans: 7,200 units

28. **2080 GIE Set A Q.No. 11** Following information are provided :

Annual requirement	10,000 units.
Carrying cost per unit	Rs. 0.40
Ordering cost per order	Rs. 80

Required: Economic order quantity [1]
Ans: 2,000 Unit

29. **2080 Set P/Q Q.No. 11** If annual requirement are 600,000 units and economic order quantity 30,000 units then find out the number of order. [1]
Ans: 20 times

30. **2080 Set R Q.No. 11** If ordering cost per order is Rs. 300, carrying cost per unit is Rs. 2 and annual requirement are 30,000 units. Find out economic order quantity. [1]
Ans: 3,000 units

31. **2079 GIE Set B Q.No. 11** Following information of a company are as :

Annual demand (A)	4,00,000 kgs
Ordering cost per order (O)	Rs. 40
Carrying cost (C)	Rs. 2/kg

Required: Economic order quantity. [1]
Ans: 4,000 kgs

32. **2079 Set O Q.No. 11** Following information are given: [1]

Annual material requirement	50,000 kg
Economic order quantity	2,000 kg

Required: No. of orders

Ans: 25 times

33. **2079 Set V Q.No. 11** If annual requirement is 25,000 kgs and EOQ 1,000 kgs then find out number of order. [1]
Ans: 25 times

34. **2076 Set C Q.No. 19** Following information are given in respect of a material:

Ordering cost per order	Rs. 300	Purchasing price per unit	Rs. 20
Carrying cost	10%	Annual requirement	30,000 units

Required: a. Economic order quantity
b. Number of orders per year

Ans: (a) 3,000 units (b) 10 orders

35. **2075 Set A Q.No. 19** The following information are given:

Annual requirement	36,000 units	Ordering cost per order	Rs. 60
Cost per unit	Rs. 100	Carrying cost per unit	10% of inventory cost

Required: Economic order quantity

Ans: 657.27 units

2075 Set B Q.No. 19 Following information are given in respect of a material:

Annual requirement ..... 50,000 units
Cost per unit ..... Rs. 100
Cost per order ..... Rs. 250
Carrying cost per unit ..... 25% of cost

Required: Economic order quantity

Ans: 1,000 units

2073 Supp Q.No. 18 The following information is given:

Annual requirement ..... 90,000 kg
Cost per kg. ..... Rs. 50
Cost per order ..... Rs. 5
Carrying cost ..... 10% of material cost

Required: Economic order quantity

Ans: 424.26 kg

2073 Set C Q.No. 18 The following information are given in respect to a material:

Annual requirements ..... 60,000 units
Purchasing price per unit ..... Rs. 20
Carrying cost ..... 20% of purchasing price per unit
Ordering cost per order ..... Rs. 300

Required: Economic order quantity

Ans: 3,000 units

2073 Set D Q.No. 19 Following information are provided:

Annual requirement ..... 5,000 units
Ordering cost per order ..... Rs. 160
Cost per unit ..... Rs. 2
Carrying cost per unit ..... 10% inventory value

Required: Economic order quantity

Ans: 2,828.43 units

2072 Supp Q.No. 18 The material purchase details are as under:

Annual consumption ..... 60,000 units
Ordering cost per order ..... Rs. 50
Purchasing price per unit ..... Rs. 60
Carrying cost ..... 10% of unit value

Required: Economic order quantity

Ans: 1,000 units

2072 Set C Q.No. 19 Following information are provided:

Annual requirement ..... 10,000 units
Ordering cost per order Rs.80
Carrying cost per unit ..... Rs 0.40

Required: Economic order quantity

Ans: 2,000 units

2072 Set D Q.No. 18 The following informations are provided in respect to material:

Annual requirement ..... 50,000 units
Purchase price per unit Rs.20
Ordering cost per order Rs.500
Carrying cost ..... 10% of inventory value

Required: Economic order quantity

Ans: 5,000 units

2072 Set E Q.No. 19 The details for material purchase are:

Annual requirement ..... 10,000 units
Ordering cost per order Rs.20
Carrying cost ..... Rs. 0.40

Required: a. Economic order quantity
b. No. of purchase orders

Ans: (a) 1,000 units (b) 10 times

2071 Supp Q.No. 19 The following information are available in respect to a material:

Annual requirement ..... 20,000 units
Purchasing price per unit Rs.10
Ordering cost per order Rs.200
Carrying cost ..... 20% of unit value

Required: Economic order quantity

Ans: 2,000 units

2071 Set C Q.No. 19 Following information are given:

Annual requirement ..... 900 units
Cost per unit ..... Rs. 2
Ordering cost per order ..... Rs. 10
Carrying cost per unit ..... 10% of cost

Required: Economic order quantity

Ans: 300 units

2070 Supp Q.No. 19 The details of material purchase by a firm are

Annual usages ..... 600 units
Cost per order: ..... Rs. 12
Cost price per unit of material ..... Rs. 20
Storage cost ..... 20% per unit value

Required: Economic order quantity

Ans: 60 units

2069 Supp Set A Q.No. 19 The following information are given:

Maximum consumption ..... 20,000 units
Cost per units ..... Rs. 20
Cost per order ..... Rs. 50
Carrying cost ..... 10% of units cost

Required: Economic order quantity

Ans: 1,000 units

48. **2069 Supp Set B Q.No. 19** The details for material purchase of a company are:
Annual consumption ..... 25,000 units
Carrying cost ..... 20% of material cost
Cost per units ..... Rs. 2
Ordering cost per order ..... Rs. 50
Required: Economic order quantity
Ans: 2,500

49. **2069 (Set A) Q.No. 19** Following information are given in respect of material.
Annual consumption ..... 5,000 kgs
Cost per order ..... Rs. 250
Cost per kg. ..... Rs. 20
Carrying cost ..... 20% of material cost
Required: Economic order quantity.
Ans: 25

50. **2068 Supp Q.No. 18** The details for material purchase of a firm are:
Annual requirement ..... 5,000 units
Cost per unit ..... Rs. 20
Cost per order ..... Rs. 400
Carrying cost ..... 20% of inventory cost
Required: Economic order quantity
Ans: 1,000

51. **2067 Supp Q.No. 19** Following information are given is respect of a material:
Annual requirement ..... 10,000 units
Cost per unit ..... Rs. 4
Ordering cost per order ..... Rs. 20
Carrying cost ..... 10% of per unit cost
Required: a. Economic order quantity
b. No. of order per year
Ans: (a) 1,000 units (b) 10

52. **2066 Q.No. 19** The following information are available in respect of a material:
Annual consumption ..... 5,000 units
Cost per unit ..... Rs. 2
Cost per order ..... Rs. 50
Holding cost of material ..... 1% of per unit material cost
Required: a. Economic order quantity
b. Number of orders
Ans: (a) 5,000 units (b) 1

53. **2066 (C) Q.No. 19** The details for material purchase of a company are:
Annual requirement ..... 5,000 units
Cost per unit ..... Rs. 2
Ordering cost per order ..... Rs. 20
Carrying cost ..... 10% of material cost
Required: a. Economic order quantity
b. No. of purchase orders.
Ans: (a) 1,000 units (b) 5

54. **2065 Q.No. 19** Following information are given in respect of a material:
Annual requirement ..... 50,000 kgs
Cost per order ..... Rs. 2.50
Cost per kg ..... Rs. 20
Carrying cost ..... 20% of material cost
Required: a. Economic order quantity
b. No. of orders per year.
Ans: (a) 2,500 kgs (b) 20

55. **2065 Q.No. 10 (Old)** The following information are given:
Annual requirement ..... 40,000 units
Purchasing price per unit ..... Rs. 20
Ordering cost per order ..... Rs. 400
Carrying cost per unit ..... 10% of material cost
Required: Economic order quantity
Ans: 4,000

56. **2064 Supp. Q.No. 18** Information regarding the material are as under:
Annual consumption ..... 10,000 units
Carrying cost ..... 10% of inventory value
Purchasing price per unit ..... Rs. 20
Ordering cost per order ..... Rs. 400
Required: a. Economic order quantity
b. No. of order per year
Ans: (a) 2,000 units (b) 5

57. **2064 Q.No 13 (OLD)** The details for material purchase of a firm are:
Annual requirement ..... 10,000 units
Cost per unit ..... Rs. 20
Ordering cost per order ..... Rs. 200
Carrying cost per unit ..... 20% of inventory value
Required: a. Economic order quantity
b. Number of orders per year.
Ans: (a) 1,000 units (b) 10

58. **2063 Q.No. 11** A firm provides the following information.
Annual requirement ..... 50,000 kgs
Cost per order ..... Rs. 500
Cost per kg ..... Rs. 10
Carrying cost per kg ..... 20% of inventory value
Required: a. Economic order quantity
b. No. of orders per year
Ans: (a) 5,000 units (b) 10

2062 Q.No. 11 The following information is provided:

Annual requirement ..... 30,000 units per month
Cost price per unit Rs.8
Cost per order ..... Rs 300
Carrying cost per unit ..... 25 % of inventory value

Required: a. Economic order quantity
b. No. of order per order

Ans: (a) 3,000 units (b) 10 times

2061 Q No. 11 The details for materials purchases of a firm are:

Annual requirement ..... 18,000 units
Cost per order ..... Rs. 150
Cost per unit ..... Rs. 27
Inventory carrying cost ..... 20% of inventory cost

Required: a. Economic order quantity
b. No. of orders per year

Ans: (a) 1,000 units (b) 18 times

2060 Supp. Q No. 15 Following information on materials are given:

Yearly consumption ..... 25,000 units
Holding cost per unit ..... 5% of Rs. 40 (unit cost)
Purchasing cost per purchase ..... Rs. 250

Required: Economic order quantity

Ans: 2,500 units

2060 Q.No. 10 The details for material purchased of a company are:

Annual requirement ..... 2,000 units
Carrying cost per unit ..... Rs. 2
Ordering cost per order ..... Rs. 20
Economic order quantity ..... 200 units

Required: Total cost of economic order quantity

Ans. Rs. 400

13. ACCOUNTING FOR LABOUR

LIST OF FORMULAE

1. **Under Time Rate System**

Wages earned calculated by using formulae.

Wages earned = Hour spend/ Actual time taken × Wages rate per hour
Or = Total hours worked × Wages rate per hour
Where

$$\text{Hourly wages rate} = \frac{\text{Wages earned}}{\text{Acutal time taken}}$$

$$\text{Hourly worked} = \frac{\text{Wages earned}}{\text{Hourly wages rate}}$$

2. **Under Piece Rate System**

Wages earned calculated by using formulae.

Wages earned = Units of outputs produced × Wages rate per unit
Or = Outputs produced × Piece rate
Where

$$\text{Wages rate / Piece rate} = \frac{\text{Wages earned}}{\text{Units of outputs produced}}$$

$$\text{Units of outputs produced} = \frac{\text{Wages earned}}{\text{Wages rate}}$$

Alternatively,

$$\text{Wages rate} = \frac{\text{Normal rate per hour}}{\text{Standard Production per hour}}$$

THEORETICAL QUESTIONS

VERY SHORT ANSWER QUESTIONS

1. 2081 Set B/C Q.No. 7 2079 GIE Set B Q.No. 7 State any two advantages of time rate system of wages payment. [1]
समयदर ज्याला प्रणालीका कुनै दुईओटा फाइदाहरू उल्लेख गर्नुहोस् ।
2. 2081 Set D Q.No. 7 Mention any two demerits of piece rate system of wage payment. [1]
कार्य दर ज्याला प्रणालीका कुनै दुई बेफाइदाहरू उल्लेख गर्नुहोस् ।
3. 2080 GIE Set A Q.No. 7 Write any two disadvantages of piece wage system. [1]
कार्य दर ज्याला प्रणालीका कुनै दुईओटा बेफाइदाहरू लेख्नुहोस् ।
4. 2080 GIE Set B Q.No. 7 Define direct wages. [1]
प्रत्यक्ष ज्यालाको परिभाषा दिनुहोस् ।

5. 2080 Set P/Q Q.No. 7 What is piece rate system of wages payment?
ज्याला भुक्तानीको एकाई दर प्रणाली भनेको के हो ?
6. 2080 Set R Q.No. 7 State any two disadvantages of piece rate system.
एकाई ज्याला प्रणालीका कुनै दुईओटा वेफाइदाहरू उल्लेख गर्नुहोस् ।
7. 2079 GIE Set A Q.No. 7 Write any two disadvantages of time rate system of wages payment.
समयदर ज्याला प्रणालीको कुनै दुई वेफाइदाहरू लेख्नुहोस् ।
8. 2079 Set O Q.No. 7 What is labour cost?
श्रम लागत भनेको के हो ?
9. 2079 Set V Q.No. 7 What is piece rate wage system?
एकाइ ज्याला प्रणाली भनेको के हो ?
10. How wages is determined under time rate system of wages payment?
समयदर ज्याला भुक्तानी प्रणालीमा ज्याला निर्धारण कसरी गरिन्छ ?
11. Define piece rate system of wages payment. State the disadvantages of piece rate wage system.
परिमाणको आधारमा भुक्तानी गरिने ज्याला प्रणालीको परिभाषा दिनुहोस् । कार्यदर ज्याला प्रणालीका वेफाइदाहरु उल्लेख गर्नुहोस् ।
12. Show the differences between time wage system and piece wage system.
समयदर ज्याला प्रणाली तथा कार्य ज्याला प्रणाली विचमा भिन्नताहरू उल्लेख गर्नुहोस् ।
13. Define time rate system of wage payment. Also mention any two advantages of it.
समयदर ज्याला प्रणालीको परिभाषा दिनुहोस् । साथै यसको कुनै दुई फाइदाहरु उल्लेख गर्नुहोस् ।
14. What do you mean by direct wages and indirect wages?
प्रत्यक्ष ज्याला र अप्रत्यक्ष ज्याला भन्नाले के बुझ्नुहुन्छ ?
15. State the advantages of wage payment under piece rate system.
परिमाणको आधारमा भुक्तानी गरिने ज्याला प्रणालीका फाइदा उल्लेख गर्नुहोस् ।
16. Mention any two disadvantages of time rate system.
समय दर श्रम भुक्तानी प्रणालीका वेफाइदा उल्लेख गर्नुहोस् ।
17. Write the meaning of time and motion study.
समय एवम् गति अध्ययनको अर्थ लेख्नुहोस् ।
18. Write any two steps that should be taken to minimize the frauds in wage payment.
पारिश्रमिक भुक्तानीमा हुने अनियमिततालाई न्यूनीकरण गर्ने कुनै दुई उपायहरु लेख्नुहोस् ।

NUMERICAL QUESTIONS

TIME RATE WAGE SYSTEM

1. 2081 Set B/C Q.No. 18i The following information are given:
Hourly production ..... 4 units
Hourly wage rate ..... Rs. 200
Total production ..... 800 units
Required: Total wages payable

2. 2081 Set D Q.No. 18i The following information are given relating to wages:
Wage rate per unit ..... Rs. 120
Output per hour ..... 4 units
Total working hours ..... 400 hours
Required: Total wages
[2] Ans: Rs. 40,000

3. 2080 GIE Set A Q.No. 18i Normal output per hour is 5 units. Wages rate is Rs.20 per hour. There are 40 workers working 8 hours a day and 25 days in a month.
Required: Monthly total wages
[2] Ans: Rs. 1,92,000

4. 2080 Set P/Q Q.No. 18i The time allowed to produce 30 units of output is 3 hours. A worker produced 500 units of output during the month. Wage rate per hour is Rs. 600.
Required: Monthly wages of a worker
[2] Ans: Rs. 1,60,000

5. 2080 Set R Q.No. 18a A worker earned Rs. 24,000 in a week of 6 working days. His working hour per day are 8 hours.
Required: Wages rate per hour
[2] Ans: Rs 30,000
[2] Ans: Rs. 500

2079 GIE Set A Q.No. 18 The time allowed to produce 20 units of output is 1 hour. A worker produce 200 units during the month. Wage per hour is Rs. 80.
Required: Total wages of worker [2]
Ans: Rs. 800

2079 GIE Set B Q.No. 18 Following information are given related with wages:
Time required per unit ..... 20 minutes
Wages rate per hour ..... Rs. 120
Output produced by worker ..... 200 units
Required: Total wages of worker [2]
Ans: Rs. 8,000

2078 Set C Q.No. 20 A worker earned Rs. 2,400 in a week of 6 working days. His working hours per day are 8 hours.
Required: Wage rate per hour of the worker
Ans: Rs. 50

2076 GIE Set A Q.No. 19 The time allowed to produce 10 units of output is 2 hours. A worker produce 100 units during the month. Wages per hour is Rs. 50.
Required: Wages of a worker
Ans: Rs. 1,000

2076 Set C Q.No. 20 Information regarding the wages are as under:
Output per hour ..... 5 units
Working per day ..... 7 hours
Wage rate per hour ..... Rs. 10
Working days per month ..... 25 days
Required: Wage amount of a worker for one month
Ans: Rs. 1,750

2075 GIE Q.No. 20 The following information are provided related to wages:
Time rate ..... Rs. 20 per hour
Standard production ..... 5 units per hour
Weekly production Mr. X: ..... 40 units
Mr. Y: ..... 50 units
Required: Wage amount of the workers
Ans: Total Wages: X Rs. 160; Y Rs. 200

2074 Supp Q.No. 20 The following information of a worker has been provided:
Work hour per day ..... 8 hrs.
Working days in a month ..... 25 days
Wage per hour Rs.25
Required: Total wage for the month
Ans: Rs.5,000

2073 Set D Q.No. 20 Following information relating to wages are given:
Time allowed per unit of output: ..... 45 minutes
Production units: ..... 100 units
Wages rate per hour: ..... Rs. 240
Required: Total wages
Ans: Rs. 18,000

2072 Supp Q.No. 19 The following information are given:
Standard time to produce one unit ..... 15 minutes
Total production ..... 1,000 units
Hourly wage rate ..... Rs. 80
Required: Wages payable
Ans: Rs. 20,000

2072 Set C Q.No. 20 The working hour of a worker for a week is 40 hours. He worked 50 hours in a week. The normal wage rate is Rs.100 per hour and overtime is paid at 120% of the normal rate.
Required: Total earning of the worker
Ans: Rs. 5,200

2072 Set E Q.No. 20 The standard time allowed for one unit of output is 90 minutes. The hourly wages rate is Rs. 100 per hour. A worker produced 20 units.
Required: Total wages of the worker
Ans: Rs. 3,000

2071 Set C Q.No. 20 The time allowed to produce 20 units of output is 1 hour. A worker produces 2,000 units during the month. A fixed wage per hour is Rs. 30.
Required: Wage of the worker for the month.
Ans: Rs. 3,000

2070 Supp Q.No. 20 The time allowed to produce one unit of output is 30 minutes. The hourly wage rate is Rs. 60 per hour. The worker proceeded 20 units during the day.
Required: Total earnings of the worker
Ans: Rs. 600

19. 2070 Set C Q.No. 20 Following informations are provided relating wages.
Output produced by a worker..... 600 units
Time allowed for 5 units of output..... 1 hour
Wage rate per hour .....Rs. 120
Required : Wage amount of the worker

Ans: Rs. 14,

20. 2070 Set D Q.No. 20 Following informations are given related with wages.
Wage rate per hour .....Rs. 90
Time required per unit of output ..... 30 minutes
Output produced by a worker..... 500 units
Required: Wage amount of the worker

Ans: Rs. 22,5

21. 2069 Supp Set A Q.No. 20 Daily wages of a worker seven hours in a day is fixed Rs. 140. Standard output per hour is fixed units. He produced total 420 units of output of during the month.
Required : Monthly wage amount of the worker.

Ans: Rs. 4,2

22. 2069 (Set B) Q.No. 20 The time allowed for one unit of output is 20 minutes. The hourly wages rate is Rs. 180 per hour. A worke produced 10 units
Required: Total earnings by the worker.

Ans: Rs. 6

23. 2068 Supp Q.No. 19 The standard rate of wages per hour is Rs. 40. The standard time fixed for one unit is half an hour. Worke produced 15 units during the period.
Required: Wages paid to worker.

Ans: Rs. 3

24. 2068 Q.No. 20 The time allowed for 10 units of output is one hour. Rate per hour is fixed Rs. 50. Kamal produced 1,000 unit during the month.
Required: Earning of Kamal for the month

Ans: Rs. 5,0

25. 2067 Supp Q.No. 20 The standard time allowed for one unit of production is 20 minutes. The hourly wages rate is Rs. 150 pe hour. A worker produced 24 units in a day.
Required: Total wages of the worker per day.

Ans: Rs. 1,2

26. 2066 (C) Q.No. 20 The standard time allowed for one unit of output is 15 minutes. The hourly wage rate is Rs. 40 per hour A worker produced 28 units in a day.
Required: Total earning of the worker.

Ans: Rs. 2

27. 2064 Supp. Q.No. 20 A worker engaged in a factory worked 60 hours in a week. The working hour per week is 48 hours and standard wage rate is Rs. 20 per hour. Overtime wage rate is Rs. 15 per hour, which is 75% of the standard rate.
Required: Total wages earned by the worker for one week.

Ans: Rs. 1,1

PIECE RATE WAGE SYSTEM

SHORT ANSWER QUESTIONS

28. 2080 GIE Set B Q.No. 18i The standard output per hour is 2 units. Wages rate per unit is Rs. 20 hours worked during a month is 200 hours.
Required: Total wages

[2]
Ans: Rs. 8,0

29. 2079 Set O Q.No. 18i The standard time per unit is 2 hours. The piece rate is Rs. 500 per unit and worker worked 150 hours in a month.
Required: Total wages of worker

[2]
Ans: Rs. 37,5

30. 2079 Set V Q.No. 18i The standard output per hour 10 units. The piece rate is Rs. 10 per unit and worker worked 240 hours in a month.
Required: Monthly wages of the worker.

[2]
Ans: Rs. 24,0

31. 2076 GIE Set B Q.No. 20 The following informations are given relating to wages:
Wage rate per unit .....Rs. 10 Output per hour.....3 units
Working time for a month..... 200 hours
Required: Total wages for the month

Ans: Rs. 6,0

30. **2075 Set B Q.No. 20** The following informations are given:
Normal wages rate per hour ..... Rs. 200 Normal time per unit ..... 30 minutes
Output produced by a worker ..... 40 units
Required: Wages of a worker by using piece rate system
Ans: Rs. 4,000

31. **2075 Set A Q.No. 20** Standard output in a day of 8 hours is 56 units. Rate per unit is Rs. 100 and a worker worked 180 hours in a month.
Required: Monthly wages of a worker.
Ans: Rs.1,26,000

34. **2075 Set B Q.No. 20** The standard output per hour 10 units. The piece rate is Rs. 20 per unit and worker worked 240 hours in a month.
Required: Monthly wages of worker
Ans: Rs. 48,000

35. **2074 Set A Q.No. 20** The standard time per unit is 1.5 hour. The price rate is Rs.200 per unit and worker worked 180 hours in a month.
Required: Monthly wages of the worker
Ans: Rs. 24,000

36. **2074 Set B Q.No. 20** Following information are provided related to wages:
Monthly working days ..... 26 days Working hour per day ..... 8 hours
Hourly output ..... 4 units Wage rate per unit ..... Rs. 10
Required: Total wage amount of the worker
Ans: Rs. 8,320

37. **2073 Supp Q.No. 20** The following particulars are given:
Wages rate ..... Rs. 100 per hour Normal time ..... 30 minutes per unit
Production per worker ..... Unish: 30 units, Uroj: 40 units
Required: Earning of Unish and Uroj under piece rate system
Ans: Unish = Rs. 1,500 and Uroj = Rs. 2,000

38. **2073 Set C Q.No. 19** The following information relating to work and remuneration are provided:
Working hours per week ..... 50 hours Working per year ..... 40 weeks
Output per hour ..... 2 units Wage per unit ..... Rs. 10
Required: Annual earning
Ans: Rs. 40,000

39. **2072 Set D Q.No. 19** The following information are given relating to wages:
Output per hour ..... 4 units Wage rate per unit Rs.5
Working time for a month ..... 180 hours
Required: Total wage for the month
Ans: Rs. 3,600

40. **2071 Supp Q.No. 20** The following information are given pertaining to wages:
Standard time to produce one unit ..... 15 minutes Wages per hour Rs.60
Output per month ..... 4,000 units
Required : Wages payable under piece rate system
Ans: Rs. 60,000

41. **2071 Set D Q.No. 20** Following information are given:
Standard output per hour ..... 10 units Wage per unit ..... Rs. 25
Actual worked hour ..... 40 hours
Required: Total wages of the worker
Ans: Rs. 10,000

42. **2069 Supp Set B Q.No. 20** Standard information are given:
Standard time to produce one unit ..... 30 minutes Hourly wage rate ..... Rs. 100
Output produce in a month ..... 10,000 units
Required: Wages payable under piece rate system.
Ans: Rs. 5,00,000

43. **2069 (Set A) Q.No. 20** Following information are provided in respect of wages:
Time allowed for 10 units of product: ..... 1 hour Hourly rate: ..... Rs. 40 per hour
Product per day- Mahila 55 units, Kanchha 62 units
Required: Wages payable to Mahila and Kanchha for one day by using piece wage rate system.
Ans: Mahila Rs. 220, Kanchha Rs. 248

44. **2067 Q.No. 20** The standard output in a day of eight hours is 48 units. The piece rate is Rs.3. A and B worked for 100 and 90 hours respectively.
Required: Monthly earnings of A and B.
Ans: Rs. 1,800 and Rs. 1,620

45. 2066 Supp Q.No. 20 In a factory, the standard weekly working hours of a worker is 42 hours and standard output per hour is 5 units. The hourly rate is fixed at Rs. 6 per unit. The worker worked at the rate of 40 hours in a week.
Required: Annul wage amount of worker under piece rate system
Ans: Rs. 50,400

46. 2066 Q.No. 20 The weekly working hours in a factory is 48 hours and a worker works 40 weeks, on an average, during a year. The wage rate per unit is 10, and production units per hour is 20.
Required: Wages payable to a worker for a year by using piece wage rate system.
Ans: Rs. 3,84,000

47. 2065 Q.No. 20 The standard output per hour is 5 units. The piece rate is Rs. 6 per unit and worker worked 200 hours in a month.
Required: Monthly wage amount of the worker.
Ans: Rs. 6,000

48. 2064 Q.No 20 The weekly working hours in a factory is 50 hours and a worker works 50 weeks during a year. The hourly output is 10 units. The wage rate per unit is Rs. 10.
Required: Wages payable to a worker for a year by using piece wage rate system.
Ans: Rs. 2,50,000

14. ACCOUNTING FOR OVERHEADS

THEORETICAL QUESTIONS

VERY SHORT ANSWER QUESTIONS

1. 2081 Set B/C Q.No. 5 2081 Set D Q.No. 4 2080 GIE Set A Q.No. 5 Mention the meaning of fixed overhead. [1]
स्थिर अप्रत्यक्ष खर्चको अर्थ उल्लेख गर्नुहोस् ।
2. 2080 GIE Set B Q.No. 5 2079 Set O Q.No. 5 Write the meaning of variable overhead. [1]
परिवर्तनशील अप्रत्यक्ष खर्चको अर्थ लेख्नुहोस् ।
3. 2080 Set P/Q Q.No. 5 Wnte the meaning of semi-variable overhead. [1]
अर्ध परिवर्तनशील अप्रत्यक्ष खर्चको अर्थ लेख्नुहोस् ।
4. 2080 Set R Q.No. 5 Classify overhead according to elements. [1]
तत्वको आधारमा अप्रत्यक्ष खर्चलाई वर्गीकरण गर्नुहोस् ।
5. 2079 GIE Set A Q.No. 5 Write the meaning of apportionment of overhead. [1]
अप्रत्यक्ष खर्चको सविभाजनको अर्थ लेख्नुहोस् ।

SHORT ANSWER QUESTIONS

6. 2080 GIE Set B Q.No. 16 Define overhead. Write about apportionment and re-apportionment of overhead [2+3]
उपरिव्ययलाई परिभाषित गर्नुहोस् । उपरिव्ययको सविभाजन र पुन:सविभाजनबारे लेख्नुहोस् ।
7. 2079 Set O Q.No. 16 Write the meaning of allocation and apportionment of overhead with example. [5]
उदाहरणसहित अप्रत्यक्ष खर्चको वाडफाड तथा सविभाजनको अर्थ लेख्नुहोस् ।
8. Write the meaning of fixed overhead and variable overhead.
स्थिर अप्रत्यक्ष खर्च र परिवर्तनशील अप्रत्यक्ष खर्चको अर्थ लेख्नुहोस् ।
9. Mention the classification of overhead on the basis of behaviour.
व्यवहारको आधारमा अप्रत्यक्ष खर्चको वर्गीकरण गर्नुहोस् ।
10. What do you understand by fixed overhead? Mention the features of it.
स्थिर अप्रत्यक्ष खर्च भन्नाले के बुझ्नुहुन्छ ? यसका विशेषताहरु उल्लेख गर्नुहोस् ।
11. Write the meaning of overhead.
अप्रत्यक्ष खर्चको अर्थ लेख्नुहोस् ।
12. Classify overhead cost according to function.
कार्यको आधारमा अप्रत्यक्ष लागतको वर्गीकरण गर्नुहोस् ।
13. Write about semi-variable overhead with suitable example.
उपयुक्त उदाहरणसहित अर्धपरिवर्तनशील अप्रत्यक्ष खर्चको बारेमा लेख्नुहोस् ।
14. State any two features of variable overhead.
परिवर्तनशील / अस्थिर अप्रत्यक्ष खर्चका कुनै दुई विशेषताहरु उल्लेख गर्नुहोस् ।
15. What do you mean by machine hour rate?
मेशीन घण्टा दरले के जनाउदछ?
16. Differentiate between allocation and apportionment of overhead with suitable example?
उदाहरणसहित अप्रत्यक्ष खर्चको वाडफाड तथा सविभाजनमा भिन्नता देखाउनुहोस् ।
17. Write the meaning of controllable and uncontrollable overhead with suitable examples.
नियन्त्रण गर्न सकिने र नियन्त्रण गर्न नसकिने अप्रत्यक्ष खर्चको अर्थ उदाहरण सहित लेख्नुहोस् ।

Format of Cost Sheet

Cost Sheet or Statement of Cost and Profit
For the period ended ...

Particulars	Details	Amount (Rs.)
Opening stock of raw materials	xxx	
Add: Purchase of raw materials	xxx	
Add: Carriage inwards/Purchase expenses	xxx	
Freight on material purchase	xxx	
Primary packing of raw materials	xxx	
		xxx
Less: Closing stock of raw materials	xxx	
Purchase returned/ returned outwards	xxx	
Raw materials scrap (Sales value)	xxx	
		xxx
(i) Materials consumed (Direct materials)		**xxx**
Add: Direct labour or factory labour	xxx	
Direct wages	xxx	
Productive wages	xxx	
Direct or chargeable expenses	xxx	
		xxx
(ii) Prime cost		**xxx**
Add: Factory overheads:		
Indirect materials	xxx	
Indirect labour	xxx	
Indirect wages	xxx	
Factory rent, rates and taxes	xxx	
Factory insurance	xxx	
Factory lighting and heating	xxx	
Power, fuel, coal, gas and water	xxx	
Factory repairs and maintenance	xxx	
Estimating expenses	xxx	
Cleaning charge	xxx	
Royalty on production	xxx	
Unproductive wages	xxx	
Drawing office expenses	xxx	
Haulage, experimental wages	xxx	
Cost of research and development	xxx	
Welfare expenses of labour	xxx	
Factory stationery, postage and telephone	xxx	
Lubrication, paint, screw, bolts etc.	xxx	
Depreciation on assets (Factory)	xxx	
Salaries on works staff	xxx	
Work manager's salaries	xxx	
Idle time payments, fringe benefits	xxx	
Remuneration of technical advisor or directors	xxx	
Works general overheads	xxx	
Consumable stores	xxx	
Running expenses of machine etc.	xxx	
		xxx
(iii) Factory cost incurred		**xxx**
Add: Opening stock of work-in-progress		xxx
Less: Closing stock of work-in-progress		(xxx)
Less: Sales of scrap or by-product		(xxx)
		xxx
(iv) Factory or work costs		
Add: Office and administrative overheads:		
Office rent, rates and taxes	xxx	
Insurance (office)	xxx	

	Salaries	xxx	
	Depreciation on assets (office)	xxx	
	Repairs and maintenance (office)	xxx	
	Printing and stationery	xxx	
	Telephone and trunk calls	xxx	
	General expenses / sundry expenses	xxx	
	Legal expenses	xxx	
	Audit fees	xxx	
	Bank charges	xxx	
	Establishment expenses etc.	xxx	
	Repair and renewals of office building	xxx	
	Light and heating office	xxx	
	Traveling expenses for office	xxx	
	(v) Cost of production	xxx	xxx
Add:	Opening stock of finished goods		**xxx**
Less:	Closing stock on finished goods		xxx
	(vi) Cost of goods sold		(xxx)
Add:	**Selling and distribution overheads:**		**xxx**
	Carriage outward		
	Showroom rent and insurance	xxx	
	Sales taxes	xxx	
	Showroom lighting and heating	xxx	
	Advertisement and publicity	xxx	
	Promotion and exhibition	xxx	
	Salesman's salary and commission	xxx	
	Salesman's traveling expenses	xxx	
	Upkeep and depreciation of delivery van	xxx	
	Pacing and labeling expenses	xxx	
	Catalogues and price lists	xxx	
	Entertainment to customers	xxx	
	Samples and other free gifts	xxx	
	Sales printing and stationery	xxx	
	Market research expenses	xxx	
	Wastage of finished goods	xxx	
	Rent of warehouse	xxx	
	Insurance / Depreciation of warehouse	xxx	
	Render expenses	xxx	
	Salaries of packers and delivery van drivers etc.	xxx	
	Bad debt	xxx	
	Counting house salary	xxx	
	(vii) Cost of sales or total cost	xxx	xxx
	(viii) Add/Less: Net profit (Loss)		**xxx**
	(ix) Sales revenue		**xxx**
			xxx

Determination of Profit or Loss

i. When sales is given:

Net profit = Sales – Total cost

ii. When percentage of profit is given on cost:

$$\text{Net profit} = \text{Total cost} \times \frac{\%\ \text{Profit}}{100}$$

iii. When percentage of profit is given on sales and sales is available:

$$\text{Net profit} = \text{Sales} \times \frac{\%\ \text{Profit}}{100}$$

iv. When percentage of profit is given on sales and sales is not available:

$$\text{Net profit} = \text{Total cost} \times \frac{\%\ \text{Profit}}{100 - \%\ \text{Profit}}$$

v. When percentage of profit is given on cost and sales is given.:

$$\text{Net profit} = \text{Sales} \times \frac{\%\ \text{Profit}}{100 + \text{Profit}}$$

ce)	xxx	
ffice)	xxx	
	xxx	
	xxx	
	xxx	
xpenses	xxx	
	xxx	
	xxx	
	xxx	
	xxx	
building	xxx	
	xxx	
	xxx	xxx
		xxx
s		xxx
		(xxx)
		xxx
eads:		
	xxx	
	xxx	
	xxx	
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	xxx	
n	xxx	
	xxx	
y van	xxx	
	xxx	
	xxx	
	xxx	
	xxx	
	xxx	
	xxx	
	xxx	
ie	xxx	
	xxx	
drivers etc.	xxx	
	xxx	
	xxx	xxx
		xxx
		xxx
		xxx

and sales is available:

and sales is not available:

d sales is given.:

Valuation of Stock of Finished goods

The value of opening stock and closing stock of finished goods (If given in units) is determined as below:

Value of opening stock = Opening stock units × Cost per unit

Value of closing stock = Closing stock units × Cost per unit

where

i. $\text{Cost per unit} = \frac{\text{Cost of production}}{\text{Production units}}$

ii. Closing stock units = Opening stock units + Production units – Sales units

iii. Opening stock units = Closing stock units + Sales units – Production units

Preparation of Percentages of Tender Sheet

$\text{Percentage of factory overhead on direct wages} = \frac{\text{Factory overheads}}{\text{Direct wage}} \times 100 = \ldots\ \%$

$\text{Percentage of office overhead on factory cost} = \frac{\text{Office overheads}}{\text{Factory cost}} \times 100 = \ldots\ \%$

$\text{Percentage of selling and distribution overhead} = \frac{\text{Selling and distribution overheads}}{\text{Factory cost}} \times 100 = \ldots\ \%$

$\text{Percentage of net profit on cost} = \frac{\text{Net profit}}{\text{Total cost}} \times 100 = \ldots\ \%$

$\text{Percentage of net profit on sales} = \frac{\text{Net profit}}{\text{Sales}} \times 100 = \ldots\ \%$

THEORETICAL QUESTIONS

1. 2081 Set D Q.No. 5 Write the meaning of prime cost. [1]
   मुख्य खर्चको अर्थ लेख्नुहोस् ।
2. What is meant by unit or output costing?
   एकाइ अथवा उत्पादन लागत विधि भनेको के हो ?
3. What is cost sheet?
   लागत विवरण भनेको के हो ?
4. What is tender price?
   बोलपत्र भनेको के हो ?

NUMERICAL PROBLEMS

LONG ANSWER QUESTIONS

COST SHEET

1. 2079 Set O Q.No. 22 A manufacturing company showed the following details of its production cost for 2,000 units.

Raw materials:
Direct ..... Rs. 2,00,000
Indirect ..... Rs. 60,000

Wages:
Direct ..... Rs. 1,50,000
Indirect ..... Rs. 20,000
Carriage inward ..... Rs. 25,000
Carriage outward ..... Rs. 10,000
Factory expenses ..... Rs. 30,000
Salaries ..... Rs. 40,000
Insurance ..... Rs. 10,000
Selling expenses ..... Rs. 5 per unit sold
Profit: ..... 25% of selling price

Stock details:	Opening	Closing
Raw materials	50,000	40,000
WIP	40,000	30,000
Finished goods	500 units	300 units

Required: Cost sheet [8]

Ans: PC Rs. 3,85,000, FC Rs. 5,05,000, COP Rs. 5,55,000, COGS Rs. 6,10,500, TC Rs. 6,31,500, Profit Rs. 2,10,500

2. 2079 Set V Q.No. 22 Last year's following information of a factory is given as:

Items	Opening	Closing
Raw materials	40,000	60,000
Semi-finished goods	60,000	50,000
Finished goods	80,000	1,00,000

Raw material purchase: ..... Rs. 4,20,000
Carriage inward: ..... Rs. 10,000
Rent: ..... Rs. 16,000
Direct wages: ..... Rs. 2,00,000
Indirect wages: ..... Rs. 14,000
Factory insurance: ..... Rs. 8,000
Stationery: ..... Rs. 12,000
Salary: ..... Rs. 15,000

Advertisement: ..... Rs. 5,000
Sales commission: ..... Rs. 6,000
Profit: ..... 20% on sales
Required: Cost sheet

Ans: PC Rs. 6,10,000, FC Rs. 6,42,000, COP Rs. 6,85,000, COGS Rs. 6,65,000, TC Rs. 6,76,000, Profit Rs. 1,69,000

3. **2077 Set J Q.No. 11** Cost information of a manufacturing company are given below:

Particular		Rs.
Direct raw material		6,48,000
Carriage on sales		15,000
Direct wages		3,00,000
Insurance		14,000
Sales commission		6,000
Indirect wages:		
Factory	20,000	
Office	18,000	
Showrooms	14,000	

Profit 25% on sales
Required: Cost sheet

Ans: TC Rs. 10,35,000, Profit Rs. 3,45,000

4. **2077 Set R Q.No. 11** A manufacturing firm showed the following details of a product:
Direct material ..... Rs. 9,00,000
Direct labour ..... Rs. 8,00,000
Other Expenses
Indirect material ..... Rs. 40,000
Indirect labour ..... Rs. 70,000
Administrative overhead ..... Rs. 20,000
Insurance
Factory ..... Rs. 6,000
Showroom ..... Rs. 14,000
Office ..... Rs. 20,000
Profit on sale 20%
Required: Cost sheet

Ans: TC Rs. 18,70,000, Profit Rs. 4,67,500

5. **2076 Set C Q.No. 21** Production cost information are as under:
Raw material purchased ..... Rs. 3,60,000
Indirect wages ..... Rs. 90,000
Other factory expenses ..... Rs. 1,20,000
Selling and distribution expenses ..... Rs. 10,000
Opening finished goods ..... 1,000 units
Production units ..... 10,000 units
Profit ..... 10% of total cost
Direct wages ..... Rs. 1,84,000
Carriage on purchase ..... Rs. 16,000
Indirect materials ..... Rs. 26,000
Opening raw materials ..... Rs. 24,000
Closing raw materials ..... Rs. 20,000
Sales ..... 10,000 units
Required: Cost sheet showing
a. Cost of raw materials consumed
b. Prime cost
c. Factory cost
d. Cost of production
e. Cost of goods sold
f. Cost of sales
g. Total sales amount

Ans: (a) Rs. 3,80,000, (b) Rs. 5,64,000, (c) Rs. 8,00,000, (d) Rs. 8,00,000 (e) Rs. 8,00,000 (f) 8,10,000 (g) 8,91,000

6. **2075 GIE Q.No. 21** A company provide the following information relating to manufacturing of goods:
Purchase of raw materials ..... Rs. 1,50,000
Depreciation on machinery ..... Rs. 5,000
Fuel ..... Rs. 15,000
Opening stock of raw materials ..... Rs. 20,000
Office salaries ..... Rs. 25,000
Factory rent ..... Rs. 10,000
Direct wages ..... Rs. 1,07,000
Raw materials purchase expenses ..... Rs. 8,000
Closing stock of raw materials ..... Rs. 15,000
Office stationary ..... Rs. 5,000
Selling & distribution expenses Rs. 10 per unit sold
Production ..... 2,000 units
Opening stock of finished goods 500 units @ Rs. 165 per unit
Closing stock of finished goods 1,000 units for Rs. 1,65,000
Profit ..... 20% on sales
Required: a. Prime cost
b. Factory cost
c. Cost of production
d. Profit
e. Sales price

Ans: (a) Rs. 2,70,000, (b) Rs. 3,00,000, (c) Rs. 3,30,000, (d) Rs. 65,625 (e) Rs. 3,28,125

7. **2075 Set B Q.No. 21** The details of manufacturing and other cost are as follow.

Purchase of raw materials	Rs. 2,00,000	Carriage on purchases	Rs. 20,000
Direct wages	Rs. 1,00,000	Factory overhead	Rs. 50,000
Administrative overheads	10% of prime cost	Selling overheads	Rs. 10 per unit
Sales of scrap	Rs. 5,000	Production	4,000 units
Profit	20 % of sales		

Opening and closing stock

	Opening	Closing
Raw materials	Rs. 40,000	Rs. 60,000
Work-in-progress	Rs. 20,000	Rs. 35,000
Finished goods	1,000 units	2,000 units

Required: a. Cost sheet
b. Profit per unit

Ans: (a) PC Rs. 3,00,000, FC incurred Rs. 3,45,000, FC Rs. 3,30,000, COP Rs. 3,60,000, COGS Rs. 2,70,000, TC Rs. 3,00,000 (b) Rs.25

8. **2074 Set B Q.No. 21** A company provides the following information relating to manufacturing 750 units of goods:

Opening stock of raw materials:	Rs. 2,50,000	Purchase of raw materials	Rs. 4,50,000
Direct wages	Rs. 90,000	Depreciation on machinery	Rs. 10,000
Fuel and water	Rs. 20,000	Office salary	Rs. 50,000
Office stationery	Rs. 15,000	Office expenses	Rs. 15,000

Additional information

Selling & Distribution expenses	2% of cost of production	Closing stock of raw materials	Rs. 1,50,000.
Opening stock of finished goods	200 units @ 800 per unit	Closing stock of finished goods	400 units @ 1,000 per unit
Profit	20% (20% of sales)		

Required: a. Prime cost
b. Factory cost
c. Production cost
d. Profit
e. Sales price

Ans: (a) Rs. 6,40,000 (b) Rs. 6,70,000 (c) Rs. 7,50,000 (d) Rs. 1,31,250 (e) Rs. 6,56,250

9. **2073 Set C Q.No. 21** The details of manufacturing and other costs are as under:

Direct material purchased	Rs. 2,40,000	Carriage on purchase	Rs. 4,000
Direct wages	Rs. 1,44,000	Direct expenses	Rs. 20,000
Administrative overhead	Rs. 54,000	Factory overhead	Rs. 70,000
Selling overhead	Rs. 30,000	Carriage on sales	Rs. 2,000

Opening and closing balances:

Particulars	Opening (Rs.)	Closing (Rs.)
Direct material	60,000	40,000
Work-in-progress	30,000	25,000
Finished goods	20,000	30,000

Required: Cost sheet showing the following of details:
a. Cost of material consumed
b. Prime cost
c. Factory cost
d. Cost of production
e. Cost of goods sold
f. Selling price by 20% profit on cost

Ans: (a) Rs. 2,64,000 (b) Rs. 4,28,000 (c) Rs. 5,03,000 (d) Rs. 5,57,000 (e) Rs.5,47,000 (f) Rs. 6,94,800

10. **2073 Set D Q.No. 21** Cost information of a manufacturing company is given below:

Opening stock:		Closing stock:	
Raw materials	Rs. 1,00,000	Raw materials	Rs. 80,000
Finished goods	2,000 units	Finished goods	3,000 units
Purchased of raw materials	Rs. 4,00,000	Wages	Rs. 1,00,000
Factory overhead	Rs. 50,000	Sales of scrap	Rs. 5,000
Administrative overhead	10% of prime cost	Selling overhead	Rs. 5 per unit
Production	11,000 units	Profit	10% of sales

Required: Cost sheet

Ans: PC Rs. 5,20,000, FC Rs. 5,65,000, COP Rs. 6,17,000, COGS Rs. 5,60,910, TC Rs. 6,10,910, Profit Rs. 67,879, Sales Rs. 6,78,789

11. **2072 Supp Q.No. 21** The details of manufacturing and other costs are as under:

Opening stock of raw material	Rs. 80,000	Purchases	Rs. 1,00,000
Carriage on purchases	Rs. 20,000	Closing stock of raw materials	Rs. 50,000
Direct wages	Rs. 3,00,000	Factory overhead	20% of direct wages
Office overhead	10% of factory cost	Selling and distribution overhead	Rs. 5 per unit
Units produced	5,000 units	Unit sold	4,000 units

Profit on sale ..... 25% Closing stock ..... 1,000 units

Required: Cost sheet showing
a. Material consumed
b. Prime cost
c. Factory cost
d. Production cost
e. Profit

Ans: (a) Rs. 1,50,000 (b) Rs. 4,50,000 (c) Rs. 5,10,000 (d) Rs. 5,61,000 (e) Rs. 1,56,200

12. **2072 Set C Q.No. 21** The information available for cost records for the month ended was as follows:

Purchase of raw materials Rs.1,00,000
Wages Rs.32,000
Factory employee's salary Rs.16,000
General expenses Rs.8,000
Carriage inward Rs.2,000
Work manager's salary Rs.8,000
Factory rent Rs.8,000

Opening and closing balances:

	Opening	Closing
Raw material	Rs.4,000	Rs.14,000
Work in progress	Rs.8,000	Rs.4,000
Finished goods	Rs.12,000	Rs.4,000

Required: Cost sheet showing the following details.
a. Cost of material consumed
b. Prime cost
c. Factory cost
d. Cost of production
e. Cost of goods sold
f. Selling price by 20% profit on sales

Ans: (a) Rs. 92,000 (b) Rs. 1,24,000 (c) Rs. 1,60,000 (d) Rs. 1,68,000 (e) Rs. 1,76,000 (f) Rs. 2,20,000

13. **2071 Set C Q.No. 21** Cost information of a manufacturing company for 5,000 units of output are given below:

Opening stock of raw materials ..... Rs. 50,000
Indirect wages ..... Rs. 30,000
Depreciation ..... Rs. 10,000
Freight outward ..... Rs. 1,000
Direct wages ..... Rs. 1,20,000
Rent office ..... Rs. 6,000
Travelling expenses of salesman ..... Rs. 5,000
Closing stock of raw materials ..... Rs. 80,000
Rent factory ..... Rs. 10,000
Salary of salesman ..... Rs. 6,000
Purchase of raw materials ..... Rs. 1,70,000
Indirect materials ..... Rs. 4,000
Staffs salary ..... Rs. 20,000
Profit ..... 20% on sale

Required: a. Statement of cost showing prime cost, Factory cost, Production cost, profit and sales.
b. Percentage of factory overhead on direct wages.
c. Amount of net profit when it is 25% of total cost.

Ans: (a) Rs. 2,60,000, Rs. 3,14,000, Rs. 3,40,000, Rs. 88,000, Rs. 4,40,000 (b) 45% (c) Rs. 88,000

14. **2070 Supp Q.No. 21** A company provides the following information relating to manufacturing of goods:

Opening stock of raw materials ..... Rs. 40,000
Indirect wages ..... Rs. 20,000
Depreciation on machinery ..... Rs. 10,000
Freight outward ..... Rs. 2,000
Direct wages ..... Rs. 1,10,000
Rent office ..... Rs. 5,000
Travelling expenses of salesman ..... Rs. 4,000
Closing stock of raw materials ..... Rs. 80,000
Rent factory ..... Rs. 10,000
Salary of salesman ..... Rs. 4,000
Purchase of raw materials ..... Rs. 1,60,000
Indirect materials ..... Rs. 5,000
Office salary ..... Rs. 10,000
Profit ..... 25% on sales

Required: a. Prime cost
b. Factory cost
c. Cost of production
d. Profit
e. Sales

Ans: (a) Rs. 2,30,000 (b) Rs. 2,75,000 (c) Rs. 2,90,000 (d) Rs. 1,00,000 (e) Rs. 4,00,000

15. **2070 Set C Q.No. 21** Cost information of a manufacturing company is given below.

Particulars		Amount (Rs.)
Material purchased	Direct	3,00,000
	Indirect	70,000
Wages	Direct	1,00,000
	Indirect	25,000
Freight on purchases		30,000
Custom duty		10,000
carriage outward		5,000
Other factory expenses		10,000
Depreciation on machinery		15,000
Administrative expenses		90,000
Rent and tax of office building		25,000
Selling and distribution expenses (Rs. 10 per unit sold)		

Stock detail:

	Opening Rs.	Closing Rs.
Raw material	35,000	30,000
Work in progress	25,000	20,000
Finished goods	10,000	15,000
Sales: 3,000 units @ Rs. 300		

Required: Cost sheet showing

a. Cost of raw material consumed
b. Prime cost
c. Factory cost
d. Cost of production
e. Cost of goods sold
f. Cost of sales
g. Net profit
h. Percentage of profit on sales

Ans: (a) Rs. 3,45,000 (b) Rs. 4,45,000 (c) Rs. 5,70,000 (d) Rs. 6,85,000 (e) Rs. 6,80,000 (f) Rs. 7,15,000 (g) Rs. 1,85,000 (h) 20.56%

2069 Supp Set A Q.No. 21 Cost information of a manufacturing company are given below:

Particulars	Opening Stock Rs.	Closing Stock Rs.
Raw materials	90,000	1,10,000
Work in progress	60,000	80,000
Finished goods	30,000	36,000

Additional information of cost

Raw materials purchased 4,00,000
Factory overhead ..... 40 % of direct wages
Selling and distribution expenses 60,000
Direct wages 3,00,000
Administrative expenses ..... 20 % of factory cost
Net profit ..... 10 % of sales amount

Required:

a. Value of material consumed
b. Prime cost
c. Factory cost
d. Cost of production
e. Cost of goods sold
f. Total cost
g. Net profit
h. Sales amount

Ans: (a) Rs. 3,80,000 (b) Rs. 6,80,000 (c) Rs. 7,80,000 (d) Rs. 9,36,000 (e) Rs. 9,30,000 (f) Rs. 9,90,000 (g) Rs. 1,10,000 (h) 11,00,000

2069 Supp Set B Q.No. 21 Following cost information are given:

Raw material ..... Rs. 4,00,000
Indirect wages ..... Rs 1,00,000
Salary of work staff ..... Rs. 50,000
Legal expenses ..... Rs. 80,000
Carriage on purchase ..... Rs. 50,000
Production ..... 10,000 units
Direct wages ..... Rs. 6,00,000
Office operating expenses ..... Rs. 2,00,000
Custom duty ..... Rs. 20,000
Carriage on sales ..... Rs. 1,00,000
Advertisement ..... Rs. 2,50,000
Sales ..... 9,000 units @ Rs. 200 each

Required:

a. Cost of raw material
b. Prime cost
c. Factory cost
d. Cost of production
e. Cost of goods sold
f. Total cost
g. Profit

Ans: (a) Rs. 4,70,000 (b) Rs. 10,70,000 (c) Rs. 12,20,000 (d) Rs. 15,00,000 (e) Rs. 13,50,000 (f) Rs. 17,00,000 (g) Rs. 1,00,000

2068 Q.No. 21 Cost information of a manufacturing company are given below:

	Opening (Rs.)	Closing (Rs.)
Raw materials	1,75,000	1,91,500
Work in progress	1,28,000	1,35,500
Finished goods	1,54,000	1,31,000
Sales	10,00,000	
Raw materials purchased	3,66,000	
Direct wages	1,52,500	
Indirect wages	12,750	
Factory rent	1,15,000	
Expenses on purchases	11,500	
Carriage outward	22,500	
Advertisement	13,500	
Office rent and taxes	12,500	
Selling and distribution expenses	16,500	
Depreciation of machinery	13,500	

Required: Prepare cost sheet showing

a. Prime cost
b. Factory cost
c. Cost of production
d. Cost of goods sold
e. Total cost
f. Net profit
g. Percentage of profit on sales
h. Percentage of total cost on sales

Ans: (a) Rs. 5,13,500 (b) Rs. 6,47,250 (c) Rs. 6,59,750 (d) Rs. 6,82,750 (e) Rs. 7,35,250 (f) Rs. 2,64,750 (g) 26.475% (h) 73.525%

19. **2067 Q.No. 21** Following particulars are extracted from the records of a manufacturing company:

	Opening (Rs.)	Closing (Rs.)
Stock of raw material	40,000	24,000
Stock of work in progress	18,000	15,000
Stock of finished goods	14,000	16,000

Manufacturing wages	Rs.96,000
Raw materials purchased	1,60,000
carriage on purchase	2,400
Direct expenses	2,000
Administrative overheads	36,000
Factory overheads	44,500
Selling and distribution overheads	20,500
Carriage on sales	1,200

Required: A statement of cost sharing:

a. Cost of material used
b. Prime cost
c. Cost of production
d. Total cost
e. Profit 25% on sale:

Ans: (a) Rs. 1,78,400 (b) Rs. 2,76,400 (c) Rs. 3,59,900 (d) Rs. 3,79,600 (e) Rs. 1,26,533

20. **2066 Supp Q.No. 21** The opening and closing balances of a factory for the month of Chaitra are as under:

Particulars	Opening Bal. (Rs.)	Closing Bal.(Rs.)
Raw materials	30,000	25,000
Work in progress	15,000	20,000
Finished goods (1,000 units)	25,000	

The information provided for the month are:

Direct materials ..... Rs. 2,85,000
Direct wages ..... Rs. 80,000
Custom duty ..... Rs. 15,000
Administrative expenses ..... Rs. 55,000
Selling & distribution expenses ..... Rs. 3 per unit
Production ..... 40,000 units
Indirect materials ..... Rs. 85,000
Indirect wages ..... Rs. 45,000
Freight on purchase ..... Rs. 20,000
Other factory expenses ..... Rs. 15,000
Profit ..... 10% of total cost
Sales ..... 38,000 units

Required: Cost Sheet showing:

a. Cost of raw material consumed
b. Prime cost
c. Factory cost
d. Cost of production
e. Cost of goods sold
f. Cost of sales
g. Sales value

Ans: (a) Rs. 3,25,000 (b) Rs. 4,05,000 (c) Rs. 5,45,000 (d) Rs. 6,00,000 (e) Rs. 5,80,000 (f) Rs. 6,94,000 (g) Rs. 7,63,400

21. **2066 (C) Q.No. 21** The opening and closing balances of inventory for a month are as under:

	Opening (Rs.)	Closing (Rs.)
Finished goods	45,000	55,000
Raw materials	30,000	40,000

The information provided by the company for the month ended was as follows:

Purchase of raw material	Rs. 3,00,000
Direct wages	Rs. 1,50,000
Factory overhead 40% of direct wages	
Office overhead 20% of factory cost	
Profit 25% of sales value	

Required: Cost sheet showing:

a. Cost of material consumed
b. Prime cost
c. Factory cost
d. Cost of production
e. Cost of sales
f. Sales value

Ans: (a) Rs. 2.90.000 (b) Rs. 4,40,000 (c) 5,00,000 (d) 6,00,000 (e) Rs. 5,90,000 (f) 7,86,667

22. **2065 Q.No. 21** The details of manufacturing and other cost are:

Openings stock of raw materials ..... Rs. 1,20,000
Carriage on purchases ..... Rs. 6,000
Direct wages ..... Rs. 6,00,000
Sale of scrap ..... Rs. 5,000
Administrative overhead ..... 10% of direct wages
Purchased ..... Rs. 3,00,000
Closing stock of raw materials ..... Rs. 60,000
Factory overheads ..... Rs. 95,000
Selling and distribution cost ..... Rs. 4 per unit

Opening stock of finished goods ..... 3,000 units
Unit produced ..... 9,000 units
Closing stock of finished goods ..... 2,000 units
Profit ..... 10% of sales

Required: Cost sheet showing:

a. Cost of materials consumed
b. Prime cost
c. Factory cost
d. Cost of production
e. Cost of goods sold
f. Total cost
g. Profit
h. Sales

Ans: (a) Rs. 3,66,000 (b) Rs. 9,66,000 (c) Rs. 10,56,000 (d) Rs. 11,16,000 (e) Rs. 12,40,000 (f) Rs. 12,80,000 (g) Rs. 1,42,222 (h) Rs. 14,22,222

2065 Q.No. 14 (Old) The details regarding a product are:

Stock of finished good at beginning ..... Rs. 30,000
Work in progress at beginning ..... Rs. 20,000
Carriage inward ..... Rs. 5,000
Wages ..... Rs. 80,000
Factory employee's salary ..... Rs. 40,000
Power expenses ..... Rs. 5,000
Stock of finished goods at the end ..... Rs. 10,000
Work in progress at the end ..... Rs. 10,000
Stock of raw material at beginning ..... Rs. 10,000
Purchases of raw material ..... Rs. 2,50,000
Dividend paid ..... Rs. 10,000
Work manager's salary ..... Rs. 20,000
Factory rent and taxes ..... Rs. 15,000
General expenses ..... Rs. 20,000
Stock of raw material at the end ..... Rs. 35,000
Profit on sales 20%

Required: Cost sheet showing:

a. Cost of material consumed
b. Prime cost
c. Factory cost
d. Cost of production
e. Cost of goods sold
f. Selling price

Ans: (a) Rs. 2,30,000 (b) Rs. 3,10,000 (c) Rs. 4,00,000 (d) 4,20,000 (e) Rs. 4,40,000 (f) Rs. 5,50,000

2064 Supp. Q.No. 21 A manufacturing company submitted the following information on 31st December, last year:

Sales for the year ..... Rs. 2,00,000
Direct labour cost ..... Rs. 50,000
Purchase of raw materials ..... Rs. 40,000

Factory overhead was 50% of direct labour cost. Other expenses for the year were:
Selling expenses 15% of sales
Administrative expenses 10% of sales
The opening and closing balances were:

	1st Jan.	31st Dec.
Raw materials	Rs. 10,000	Nil
Work in progress	Rs. 20,000	Rs. 15,000
Finished goods	Rs. 18,000	Rs. 12,000

Required: Cost sheet showing:

a. Prime cost
b. Work cost
c. Cost of production
d. Cost of goods sold
e. Cost of sales
f. Net profit

Ans: (a) Rs. 1,00,000 (b) Rs. 1,30,000 (c) Rs. 1,50,000 (d) Rs. 1,56,000 (e) Rs. 1,86,000 (f) Rs. 14,000

2060 Supp. Q.No. 18 A manufacturing firm provides following information for production of its product during last month:

Production during the month:	24,000 units
Raw material purchased for	Rs. 1,50,000
Manufacturing overhead	57,000
Carriage on purchase	2,160
Administrative expenses	45,000
Productive wages paid	1,50,000
Carriage outward	22,500

Balance of the Month are

	Opening	Closing
Finished goods:	1,500 units	3,000 units
Work-in-progress	Rs. 24,000	Rs. 48,000
Raw materials	Rs. 7,200	Rs. 24,000
	Rs. 30,000	Rs. 33,360

Sales for the month amounted to Rs. 4,95,000

Required: a. Value of raw material consumed
b. Prime cost
c. Works cost
d. Cost of production
e. Cost of goods sold
f. Cost of sales
g. Profit per unit sold

Ans: (a) Rs. 1,48,800 (b) Rs. 2,98,800 (c) Rs. 3,39,000 (d) Rs. 3,84,000 (e) Rs. 3,60,000 (f) Rs. 3,82,500 (g) Rs. 1,12,500

26. **2060 Q.No. 14** The opening and closing balance of inventories are as below:

	Opening	Closing
Finished goods	Rs. 30,000	Rs. 35,000
Work-in-progress	Rs. 20,000	Rs. 15,000
Raw materials	Rs. 20,000	Rs. 30,000

The other information provided by the company for the month ended was as follows:

Purchase of raw material ..... Rs. 2,00,000
Sales for the month ..... Rs. 6,00,000
Selling expenses ..... 10% of sales
Direct labour cost ..... Rs. 1,10,000
Factory overhead ..... 50% of direct labour cost
Administration overhead ..... 10% of factory cost

Required: Cost sheet showing:

a. Cost of raw material consumed
b. Prime cost
c. Work cost
d. Cost of production
e. Cost of goods sold
f. Cost of sales
g. Net profit

Ans: (a) Rs. 1,90,000 (b) Rs. 3,00,000 (c) Rs. 3,60,000 (d) Rs. 3,96,000 (e) Rs. 3,91,000 (f) Rs. 4,51,000 (g) Rs. 1,49,000

COST AND TENDER SHEET

27. **2081 Set B/C Q.No. 22** A food industry showed the following details of its production for the previous year.

Direct material ..... Rs. 1,80,000
Direct wages ..... Rs. 1,20,000
Factory overhead ..... Rs. 60,000
Office overhead ..... Rs. 36,000

The industry wants to estimate the total cost and its selling price for next lot. The cost department estimated the direct cost as follows;

Direct material ..... Rs. 40,000
Direct wages ..... Rs. 30,000

Overheads are to be allocated as below:
Factory overhead: on the basis of direct wages.
Office overhead: on the basis of factory cost.
Profit: 20% on sales

Required: a. Cost sheet of previous year
b. Tender price for next lot [4+4]

Ans: (a) PC Rs. 3,00,000, FC Rs. 3,60,000, TC Rs. 3,96,000 (b) PC Rs. 70,000, FC Rs 85,000, TC Rs. 93,500, Tender Price Rs. 1,16,875

28. **2081 Set D Q.No. 22** Last year's production cost related information of a factory are provided as:

Direct material ..... Rs. 2,00,000
Direct wages ..... Rs. 1,00,000
Factory overhead ..... Rs. 50,000
Office overhead ..... Rs. 70,000

For the submission of a tender the following information of direct cost and other estimation are provided as :

Direct material ..... Rs. 80,000
Direct wages ..... Rs. 50,000

Factory overhead on the basis of direct wages and office overhead on the basis of factory cost. Profit will be 25% on sales amount.

Required: a. Cost sheet
b. Tender sheet [3+5]

Ans: (a) PC Rs. 3,00,000, FC Rs. 3,50,000, TC Rs. 4,20,000 (b) PC Rs. 1,30,000, FC Rs 1,55,000, TC Rs. 1,86,000, Tender Price Rs. 2,48,000

29. **2080 GIE Set A Q.No. 22** A manufacturing concern estimated the following cost to bid the tender :

Direct material ..... Rs. 2,00,000
Direct wages ..... Rs. 3,00,000
Profit ..... 20% on sales

Cost informations for previous year are as under :

Direct material ..... Rs. 6,00,000
Direct wages ..... Rs. 9,00,000
Works overhead ..... Rs. 3,00,000
Office overhead ..... Rs. 2,00,000
Selling overhead ..... Rs. 1,50,000

Overheads are to be allocated as under:
Factory overhead on the basis of prime cost
Office & selling overheads on the basis of factory cost

Required: a. Cost sheet of previous year
b. Tender sheet [3+5]

Ans: (a) PC Rs. 15,00,000, FC Rs. 18,00,000, TC Rs. 21,50,000, Profit Rs. 5,37,500
(b) PC Rs. 5,00,000, FC Rs 6,00,000, TC Rs. 7,16,640, Profit Rs 1,79,160

30. **2080 GIE Set B Q.No. 22** A production company showed the following details of its production cost for 5,000 units :

Direct material ..... Rs. 1,50,000
Direct wages ..... Rs. 2,00,000
Factory overheads ..... Rs. 50,000
Office overheads Rs.40,000

Profit : 25% on sales

The company wants to estimate the total cost and tender price for 2,000 units. It is estimate that :
Rate of raw materials will be increased by 10%

Wages rate will be increased by 20%
Overheads are allocated as under:
Factory overhead on the basis of direct wages and office overhead on the basis of factory cost.
Required: a. Cost sheet
b. Tender sheet [3+5]

Ans: (a) PC Rs. 3,50,000, FC Rs. 4,00,000, Profit Rs. 1,46,667, TC Rs. 5,86,667 (b) PC Rs. 1,62,000, FC Rs. 1,86,000, Profit Rs. 68,200

1. **2080 Set P/Q Q.No. 22** The detail of manufacturing and other cost are as follows:

Direct material	Rs. 1,00,000	Direct wages	Rs. 80,000
Factory overhead	Rs. 60,000	Administrative overhead	Rs. 50,000
Selling overhead	Rs. 30,000		

Following estimated cost were made for tender:

Direct material	Rs. 60,000	Direct wages	Rs. 40,000

Factory overhead based on direct wages and other overhead based on work cost. The company wants to earn 25% profit on sales.
Required: a. Cost sheet
b. Tender sheet [3+5]

Ans: (a) PC Rs. 1,80,000, FC Rs. 2,40,000, COP Rs. 2,90,000, TC Rs. 3,20,000 (b) TC Rs. 1,73,550, Profit Rs. 57,850, Tender Price Rs 2,31,400

2. **2080 Set R Q.No. 22** Production cost related information of a factory are provided as:

Direct material	Rs. 5,00,000	Direct wages	Rs. 2,00,000
Factory overhead	Rs. 50,000	Office overhead	Rs. 37,500

For submission of a tender the following information of direct cost and other estimation are provided:

Direct material	Rs. 50,000	Direct wages	Rs. 40,000

Percentage of factory overhead is determined on the basis of direct wages and office overhead on the basis of factory cost. Profit 20% on sales.
Required: a. Cost sheet
b. Tender sheet [3+5]

Ans: (a) Total Cost Rs. 7,87,500 (b) Profit Rs. 26,250, Tender Price Rs. 1,31,250

3. **2079 GIE Set A Q.No. 22** The following information of a company is given as :

Direct material	Rs. 50,000	Direct wages	Rs. 40,000
Factory overhead	Rs. 16,000	Office overhead	Rs. 10,600
Selling overhead	Rs. 5,300		

Following infomation are given for tender:

Direct material	Rs. 20,000	Direct wages	Rs. 15,000

Factory overhead absorbed on the basis of direct wages.
Office & selling overhead absorbed on the basis of factory cost.
The factory expected profit: 20% on sales
Required: a. Cost sheet
b. Tender sheet

Ans: (a) PC Rs. 90,000, FC Rs. 1,06,000, COP Rs. 1,16,600, TC Rs. 1,21,900
(b) PC Rs. 35,000, FC Rs. 41,000, COP Rs. 45,100 TC Rs. 47,150, Tender Price Rs 58,937

4. **2079 GIE Set B Q.No. 22** The details of manufacturing and other costs of 2,000 units are:

Direct material	Rs. 40 per unit	Direct wages	Rs. 25 per unit
Factory overhead	Rs. 20,000	Administrative overhead	Rs. 10,000
Selling expenses	Rs. 5,000	Profit 20% of selling price	

The department wants to estimate the cost and selling price of 5,000 units.
It is estimated that:
Cost of material will be increased by 20%
Labour cost will be increased by 10%
Other overheads are allocated as under:
Factory overheads on the basis of prime cost and other overheads on the basis of factory cost.
Required: a. Cost sheet
b. Tender sheet

Ans: (a) PC Rs. 1,30,000, FC Rs. 1,50,000, COP Rs. 1,60,000, TC Rs. 1,65,000
(b) PC Rs. 3,77,500, FC Rs. 4,35,560, COP Rs. 4,64,612, TC Rs. 4,79,116, Tender Price Rs 5,98,895

5. **2078 Set C Q.No. 21** The following factory related particulars are given:

Direct material	Rs. 150,000	Direct wages	Rs. 1,00,000
Factory overheads	Rs. 50,000	Administrative overheads	Rs. 75,000

The following costs were estimated for submitting a tender:

Direct material	Rs. 50,000	Direct wages	Rs. 30,000

Factory overhead is based on direct wages and other overheads are based on factory cost. Factory wants to earn 20% profit on sales amount.

Required: a. Cost sheet
b. Tender sheet

Ans: (a) PC Rs. 2,50,000, WC Rs. 3,00,000, TC Rs. 3,75,000, Profit Rs. 93,750 (b) PC Rs. 80,000, WC Rs. 95,000, TC Rs. 1,18,750, Profit Rs. 29,687

36. **2077 Set K Q.No. 11** A firm showed the following details of a product for the previous year.

Direct material	Rs. 9,00,000	Direct labour	Rs. 8,00,000
Factory overhead	Rs. 2,40,000	Administrative overhead	Rs. 3,09,750

The following estimation were made for submitting a tender:

Direct material	Rs. 3,60,000	Direct labour	Rs. 3,20,000
Profit on sale	20%		

Required: a. Cost sheet of last year
b. Tender sheet

Ans: (a) TC Rs. 22,49,750, Profit Rs. 5,62,437.5 (b) TC Rs. 8,99,927.20, Profit Rs. 2,24,981.80

37. **2076 GIE Set A Q.No. 21** Cost information of a manufacturing company for 2000 units of output are given below:

Direct material	Rs. 1,00,000	Direct wages	Rs. 50,000
Factory overheads	Rs. 20,000	Office overheads	Rs. 17,000
Selling overheads	Rs. 8,500	Profit	20% of selling price

The company wants to estimate the total cost and selling price for 400 units. It is estimated that:
Cost of raw materials will be increased by 10%
Overheads are allocated as under
Factory overhead on the basis of direct wages, office overhead and selling expenses on the basis of factory cost.

Required: a. Cost sheet for previous year
b. Tender sheet with selling price

Ans: (a) TC Rs. 1,95,500, Profit Rs. 48,875 (b) TC Rs. 41,400, Profit Rs. 10,350

38. **2076 GIE Set B Q.No. 21** A limited Company estimated the following cost to bit the tender:

Direct material	Rs. 3,50,000	Direct wages	Rs. 2,50,000
Profit	20% of sales		

Cost information for the previous year are as under:

Direct material	Rs. 8,00,000	Direct wages	Rs. 12,00,000
Works overhead	Rs. 10,00,000	Office overhead	Rs. 3,00,000

Overheads are to be allocated as under:
i. Work overhead: on the basis of Prime Cost
ii. Office overhead: on the basis of Work Cost

Required: a. Cost Sheet
b. Tender Sheet

Ans: (a) TC Rs. 33,00,000, Profit Rs. 8,25,000 (b) TC Rs. 9,90,000, Profit Rs. 2,47,500

39. **2076 Set B Q.No. 21** The information regarding the cost records of the last month is as under:

Direct materials consumption:	Rs. 2,50,000	Direct labour cost	Rs. 2,50,000
Factory overhead	Rs. 3,00,000	Office overhead	Rs. 2,00,000

Overheads are to be allocated as under:
- Factory overhead: on the basis of direct labour cost
- Administrative overhead: on the basis of factory cost

Following costs estimation were made for submitting the tender:
- Direct material: Rs. 1,25,000
- Direct labour: Rs. 80,000
- Profit: 20% of sales

Required: Cost sheet showing
a. Cost sheet of last month
b. Tender sheet

Ans: (a) TC Rs. 10,00,000 (b) TC Rs. 3,76,250, Profit Rs. 94,062.5

40. **2075 Set A Q.No. 21** The details of manufacturing and other costs are as follow:

Direct material	Rs. 1,00,000	Direct labour	Rs. 80,000
Factory overhead	Rs. 60,000	Administrative overhead	Rs. 50,000
Selling overhead	Rs. 30,000		

Following estimate costs were made for submitting tender:

Direct materials	Rs. 60,000	Direct labour	Rs. 40,000

Factory overhead is based on direct wages and other overheads are based on factory cost. Factory wants to earn 20% profit on sales amount.

Required: a. Cost sheet
b. Tender sheet

Ans: (a) PC Rs. 2,50,000, WC Rs. 3,00,000, TC Rs. 3,75,000, Profit Rs. 93,750 (b) PC Rs. 80,000, WC Rs. 95,000, TC Rs. 1,18,750, Profit Rs. 29,6

36. **2077 Set K Q.No. 11** A firm showed the following details of a product for the previous year.

Direct material	Rs. 9,00,000	Direct labour	Rs. 8,00,000
Factory overhead	Rs. 2,40,000	Administrative overhead	Rs. 3,09,750

The following estimation were made for submitting a tender:

Direct material	Rs. 3,60,000	Direct labour	Rs. 3,20,000
Profit on sale	20%		

Required: a. Cost sheet of last year
b. Tender sheet

Ans: (a) TC Rs. 22,49,750, Profit Rs. 5,62,437.5 (b) TC Rs. 8,99,927.20, Profit Rs. 2,24,981.8

37. **2076 GIE Set A Q.No. 21** Cost information of a manufacturing company for 2000 units of output are given below:

Direct material	Rs. 1,00,000	Direct wages	Rs. 50,000
Factory overheads	Rs. 20,000	Office overheads	Rs. 17,000
Selling overheads	Rs. 8,500	Profit	20% of selling price

The company wants to estimate the total cost and selling price for 400 units. It is estimated that:
Cost of raw materials will be increased by 10%
Overheads are allocated as under
Factory overhead on the basis of direct wages, office overhead and selling expenses on the basis of factory cost.

Required: a. Cost sheet for previous year
b. Tender sheet with selling price

Ans: (a) TC Rs. 1,95,500, Profit Rs. 48,875 (b) TC Rs. 41,400, Profit Rs. 10,35

38. **2076 GIE Set B Q.No. 21** A limited Company estimated the following cost to bit the tender:

Direct material	Rs. 3,50,000	Direct wages	Rs. 2,50,000
Profit	20% of sales		

Cost information for the previous year are as under:

Direct material	Rs. 8,00,000	Direct wages	Rs. 12,00,000
Works overhead	Rs. 10,00,000	Office overhead	Rs. 3,00,000

Overheads are to be allocated as under:
i. Work overhead: on the basis of Prime Cost
ii. Office overhead: on the basis of Work Cost

Required: a. Cost Sheet
b. Tender Sheet

Ans: (a) TC Rs. 33,00,000, Profit Rs. 8,25,000 (b) TC Rs. 9,90,000, Profit Rs. 2,47,50

39. **2076 Set B Q.No. 21** The information regarding the cost records of the last month is as under:

Direct materials consumption:	Rs. 2,50,000	Direct labour cost	Rs. 2,50,000
Factory overhead	Rs. 3,00,000	Office overhead	Rs. 2,00,000

Overheads are to be allocated as under:
- Factory overhead: on the basis of direct labour cost
- Administrative overhead: on the basis of factory cost

Following costs estimation were made for submitting the tender:
- Direct material: Rs. 1,25,000
- Direct labour: Rs. 80,000
- Profit: 20% of sales

Required: Cost sheet showing
a. Cost sheet of last month
b. Tender sheet

Ans: (a) TC Rs. 10,00,000 (b) TC Rs. 3,76,250, Profit Rs. 94,062

40. **2075 Set A Q.No. 21** The details of manufacturing and other costs are as follow:

Direct material	Rs. 1,00,000	Direct labour	Rs. 80,000
Factory overhead	Rs. 60,000	Administrative overhead	Rs. 50,000
Selling overhead	Rs. 30,000		

Following estimate costs were made for submitting tender:

Direct materials	Rs. 60,000	Direct labour	Rs. 40,000

Factory overhead based on direct labour and other overhead based on works cost and factory wants earn 25% profit on sales.

Required: a. Cost sheet
b. Tender sheet

Ans: (a) PC Rs. 1,80,000, WC Rs. 2,40,000, COP Rs. 2,90,000, TC Rs. 3,20,000
(b) PC Rs. 1,00,000, FC Rs. 1,30,000, COP Rs. 1,57,083, TC Rs. 1,73,333, Sales Rs. 2,31,111

2074 Supp Q.No. 21 Following particulars are extracted from the records of a manufacturing company:

Direct material	Rs.3,00,000	Direct labour	Rs.2,00,000
Works overhead	Rs.1,50,000	Office overhead	Rs.1,30,000
Selling and distribution overhead	Rs.65,000		

The following estimation were made for submitting a tender:

Direct material	Rs.5,00,000	Direct labour	Rs.3,00,000
Works overhead	On the basis of direct labour.		

Office overhead as well as selling and distribution overhead: on the basis of factory cost.
Profit 20% (20% on total cost)

Required: a. Cost sheet
b. Tender sheet

Ans: (a) PC Rs. 5,00,000, COP Rs. 7,80,000, TC Rs. 8,45,000, Sales Rs. 10,14,000 (b) TC Rs. 13,32,500, Sales Rs. 15,99,000

2074 Set A Q.No. 21 Cost information of a manufacturing company are given below.

Direct materials	Rs.2,00,000	Direct wages	Rs.1,00,000
Factory overheads	Rs.50,000	Administrative overheads	Rs. 70,000
Selling overheads	Rs.35,000		

Following costs estimation were made for submitting the tender.

Direct materials	Rs.1,20,000	Direct wages	Rs.80,000
Net Profit	10% of sales		

Required: a. Cost sheet
b. Tender sheet

Ans: (a) TC Rs. 4,55,000,Sales Rs. 5,05,556 (b) TC Rs. 3,12,000, Sales Rs. 3,46,667

2073 Supp Q.No. 21 The production department of a company for the previous year showed the following details:

Direct materials	Rs. 3,00,000	Direct wages	Rs. 1,75,000
Works overhead	Rs. 95,000	Office overhead	Rs. 57,000

The company wants to quote a tender price. The cost department estimated the cost for submitting the tender are as follows:

Direct materials	Rs. 4,00,000	Direct wages	Rs. 3,00,000

Overheads are to be allocated as under:

Works overhead	On the basis of prime cost	Office overhead	On the basis of factory cost
Profit	20% on cost price		

Required: a. Cost sheet
b. Tender price

Ans: (a) TC Rs. 6,27,000, Sales Rs. 7,52,000 (b) TC Rs. 9,24,000, Sales Rs. 11,08,800

2072 Set D Q.No. 21 A company showed the following details of its production cost for the previous year:

Direct materials	Rs.4,00,000	Direct wages	Rs.2,00,000
Factory overhead	Rs.1,00,000	Office overhead	Rs.70,000

The company wants to estimate the total cost and selling price for next year. The costing department estimated the cost for:

Direct materials	Rs.50,000	Direct wages	Rs.30,000

Profit 20% of sales

Required: a. Cost sheet of previous year
b. Tender sheet

Ans: (a) TC Rs. 7,70,000 (b) Tender price Rs. 1,30,625

2072 Set E Q.No. 21 A firm showed the following details of a product for the previous year:

Direct material	Rs.6,00,000	Direct labours	Rs.4,00,000
Factory overhead	Rs.1,60,000	Office overhead	Rs.2,32,000

The following estimations were made for submitting a tender.

Direct material	Rs.7,00,000	Direct labour	Rs.5,00,000
Profit on sale	25%		

Required: a. Cost sheet of last year
b. Tender sheet

Ans: (a) TC Rs. 13,92,000 (b) Tender price = Rs. 22,40,000

46. **2071 Supp Q.No. 21** A company showed the following details of 1,000 units product, production cost for the previous year:

Direct materials: ..... Rs.2,00,000 Direct wages: Rs.1,00,000
Factory overheads: ..... Rs.50,000 Office overheads: Rs.35,000

The company wants to estimate the total cost and selling price for 500 units for this year. Overheads are to be allocated as below:

Factory overhead: ..... On the basis of direct wages Office overhead: ..... On the basis of factory cost
Profit ..... 25% of cost price

Required: a. Cost sheet; previous year
b. Tender sheet

Ans: (a) TC Rs. 3,85,000 (b) Tender price Rs. 2,40,625

47. **2071 Set D Q.No. 21** A production unit showed the following details of its production cost for 2,000 units of the previous year:

Direct materials ..... Rs. 50,000 Direct wages: ..... Rs. 30,000
Factory overhead: ..... Rs. 10,000 Administrative overhead: ..... Rs. 16,000
Selling expenses: ..... Rs. 3,000 Profit ..... 20% of selling prices

The Department wants to estimate the total cost of and selling price for 1,000 units. It is estimated that:
Cost of raw materials will be increased by 20%
Wages cost will be increased by 30%
Other overheads are allocated as under
Factory overhead on the basis of direct wages office overhead and selling expenses on the basis of factory cost.

Required: a. Cost sheet for previous year
b. Tender sheet with selling price

Ans: (i) Sales Rs. 1,36,250 (ii) Tender price per unit Rs. 84.778

48. **2070 Set D Q.No. 21** Cost informations of a manufacturing company is given below.

Direct material : ..... 30,000 units @ Rs. 20 : Rs. 6,00,000 Direct labour cost ..... Rs. 3,00,000
Factory overhead ..... Rs. 1,80,000 Administrative overhead ..... Rs. 1,08,000
Selling and distribution overhead ..... Rs. 54,000

Following estimation of cost was made for submitting a tender.
Direct material ..... 20,000 units @ Rs. 25
Direct labour cost ..... Rs. 2,50,000

Basis of allocation of overhead:

- Factory overhead on the basis of prime cost:
- Administrative overhead on the basis of factory cost
- Selling and distribution expenses on the basis of factory cost
- Net profit - 10 percent of sales

Required: a. Cost sheet of previous period b. Tender sheet

Ans: (a) TC Rs. 12,42,000, (b) Tender Price Rs. 11,50,000

49. **2069 (Set A) Q.No. 21** The details of manufacturing and other costs are:

Direct material ..... Rs. 6,00,000 Direct labour ..... Rs. 5,00,000
Works overhead ..... Rs. 1,00,000 Office overhead ..... Rs. 60,000

The following estimation of direct cost and allocation of overhead were made for submitting a tender:
Direct material ..... Rs. 4,00,000 Direct labour ..... Rs. 2,00,000
Works overhead- on the basis of direct labour cost, office overhead- on the basis of factory cost, profit- 25% on sale.

Required: a. Cost sheet b. Tender sheet

Ans: (a) Sales Rs. 16,80,000 (b) Tender price Rs. 8,96,000

50. **2069 (Set B) Q.No. 21** A company showed the following details of its production cost for 2,000 units of the previous year:

Direct materials ..... Rs. 40,000 Direct wages ..... Rs. 20,000
Factory overheads ..... Rs. 16,000 Office overheads ..... Rs. 8,000
Selling expenses ..... Rs. 2,000 Profit ..... 20% on selling price

The company wants to estimate the total cost and selling price for 3,000 units. It is estimated that:
The cost of raw materials will be increased by 25%.
Wages cost will be increased by 20%.
Overheads are to be allocated as below:
Factory overheads on the basis of direct wages, office overheads and selling expenses on the basis of factory cost.

Required: a. Cost sheet (last year) b. Tender sheet including selling price.

Ans: (a) Sales Rs. 1,07,500 (b) Tender price Rs. 1,97,746

51. **2068 Supp Q.No. 21** The details of the production cost of a manufacturing company for the previous month are as under:

Direct materials ..... Rs. 5,00,000 Direct labour ..... Rs. 2,50,000
Factory overheads ..... Rs. 1,00,000 Office overheads ..... Rs. 85,000

The company wants to determine the Total Cost and selling price for the coming month. For this purpose, the company decided to allocate the overhead as follows:

46. **2071 Supp Q.No. 21** A company showed the following details of 1,000 units product, production cost for the previous year:
Direct materials: .....Rs.2,00,000 Direct wages: Rs.1,00,000
Factory overheads: .....Rs.50,000 Office overheads: Rs.35,000
The company wants to estimate the total cost and selling price for 500 units for this year. Overheads are to be allocated as below:
Factory overhead: .....On the basis of direct wages Office overhead: .....On the basis of factory cost
Profit ..... 25% of cost price
Required: a. Cost sheet; previous year
b. Tender sheet

Ans: (a) TC Rs. 3,85,000 (b) Tender price Rs. 2,40,625

47. **2071 Set D Q.No. 21** A production unit showed the following details of its production cost for 2,000 units of the previous year:
Direct materials .....Rs. 50,000 Direct wages: .....Rs. 30,000
Factory overhead: .....Rs. 10,000 Administrative overhead: .....Rs. 16,000
Selling expenses: .....Rs. 3,000 Profit .....20% of selling prices
The Department wants to estimate the total cost of and selling price for 1,000 units. It is estimated that:
Cost of raw materials will be increased by 20%
Wages cost will be increased by 30%
Other overheads are allocated as under
Factory overhead on the basis of direct wages office overhead and selling expenses on the basis of factory cost.
Required: a. Cost sheet for previous year
b. Tender sheet with selling price

Ans: (I) Sales Rs. 1,36,250 (ii) Tender price per unit Rs. 84.77

48. **2070 Set D Q.No. 21** Cost informations of a manufacturing company is given below.
Direct material : .....30,000 units @ Rs. 20 : Rs. 6,00,000 Direct labour cost .....Rs. 3,00,000
Factory overhead .....Rs. 1,80,000 Administrative overhead .....Rs. 1,08,000
Selling and distribution overhead .....Rs. 54,000
Following estimation of cost was made for submitting a tender.
Direct material ..... 20,000 units @ Rs. 25
Direct labour cost .....Rs. 2,50,000
Basis of allocation of overhead:
- Factory overhead on the basis of prime cost:
- Administrative overhead on the basis of factory cost
- Selling and distribution expenses on the basis of factory cost
- Net profit - 10 percent of sales

Required: a. Cost sheet of previous period b. Tender sheet

Ans: (a) TC Rs. 12,42,000, (b) Tender Price Rs. 11,50,000

49. **2069 (Set A) Q.No. 21** The details of manufacturing and other costs are:
Direct material .....Rs. 6,00,000 Direct labour .....Rs. 5,00,000
Works overhead .....Rs. 1,00,000 Office overhead .....Rs. 60,000
The following estimation of direct cost and allocation of overhead were made for submitting a tender:
Direct material .....Rs. 4,00,000 Direct labour .....Rs. 2,00,000
Works overhead- on the basis of direct labour cost, office overhead- on the basis of factory cost, profit- 25% on sale.
Required: a. Cost sheet b. Tender sheet

Ans: (a) Sales Rs. 16,80,000 (b) Tender price Rs. 8,96,000

50. **2069 (Set B) Q.No. 21** A company showed the following details of its production cost for 2,000 units of the previous year:
Direct materials .....Rs. 40,000 Direct wages .....Rs. 20,000
Factory overheads .....Rs. 16,000 Office overheads .....Rs. 8,000
Selling expenses .....Rs. 2,000 Profit .....20% on selling price
The company wants to estimate the total cost and selling price for 3,000 units. It is estimated that:
The cost of raw materials will be increased by 25%.
Wages cost will be increased by 20%.
Overheads are to be allocated as below:
Factory overheads on the basis of direct wages, office overheads and selling expenses on the basis of factory cost.
Required: a. Cost sheet (last year) b. Tender sheet including selling price.

Ans: (a) Sales Rs. 1,07,500 (b) Tender price Rs. 1,97,748

1. **2068 Supp Q.No. 21** The details of the production cost of a manufacturing company for the previous month are as under:
Direct materials .....Rs. 5,00,000 Direct labour .....Rs. 2,50,000
Factory overheads .....Rs. 1,00,000 Office overheads .....Rs. 85,000
The company wants to determine the Total Cost and selling price for the coming month. For this purpose, the company decided to allocate the overhead as follows:

Works Overhead .....on the basis of direct labour cost Office overhead .....on the basis of factory cost
Company wants to yield a profit of 25% on the selling price. The costs estimated for the coming month are:
Direct material .....Rs. 6,00,000 Direct labour .....Rs. 3,00,000
Required: Cost statement for coming month by showing;
a. Prime cost b. Factory cost
c. Cost of production d. Total cost
e. Sales amount

Ans: (a) Rs. 9,00,000 (b) Rs. 10,20,000 (c) Rs. 11,22,000 (d) Rs. 11,22,000 (e) Rs. 14,96,000

2067 Supp Q.No. 21 A company showed the following details of its production cost for 1,000 units of the previous year:
Direct materials .....Rs. 20,000 Direct wages .....Rs. 12,000
Factory overhead .....Rs. 8,000 Administrative overhead .....Rs. 4,000
Selling overheads .....Rs. 1,000 Profit .....20% on Selling Price
For the determination of total cost and selling price for 500 units, the costing department estimated cost as lender. Raw material cost will increase by 10% and, increase in direct wages by 20% overhead are to be allocated as below:
Factory overhead on the basis of direct wages. Administrative and selling overhead on the basis of factory cost.
Required: a. Cost sheet (Last year)
b. Tender sheet with selling price.

Ans: (a) TC Rs. 45,000 (b) Tender Price Rs. 32,343.75, Selling price per unit Rs. 64.6875

2066 Q.No. 21 The following particulars are extracted from the cost records of the last month.
Direct materials used ..... 20,000 kgs @ Rs. 10 per kg Direct labour cost.....100% of cost of materials
Factory overheads .....50% of direct labour Administrative overheads ..... 10% of factor cost
The following estimations were made for submitting a tender:
i. The estimated cost of materials is Rs. 30,000.
ii. Direct labour Rs. 30,000.
iii. Factory and administrative overheads will maintain the same relationship as in the last month.
iv. A profit of 20% on selling price is to be maintained.
Required: A statement of cost and tender price showing:
a. Prime cost b. Factory cost
c. Cost of production d. Profit
e. Selling price

Ans: (a) Rs. 4,00,000 (b) Rs. 5,00,000 (c) Rs. 5,50,000 (d) Rs. 20,625 (e) Rs. 1,03,125

2064 Q.No 21 The following particulars are extracted form the cost records of the last month:
Direct material used .....Rs. 2,00,000 Direct labour cost.....Rs. 1,40,000
Factory overheads (Based on direct labour).....Rs. 70,000 Administrative overheads (Based on factory cost) Rs. 82,000
The following estimations have been fixed for submitting a tender:
i. The cost of material Rs. 40,000 and direct labour Rs. 30,000 are required for the tender.
ii. A profit of 20% on selling price is expected.
iii. The factory and administrative overhead will maintain the same relation as in the last month.
Required: A tender showing
a. Prime cost b. Factory cost
c. Cost of production d. Profit
e. Tender price.

Ans: (a) Rs. 70,000 (b) Rs. 85,000 (c) Rs. 1,02,000 (d) Rs. 25,500 (e) Rs. 1,27,500

2064 Q.No 14 (OLD) The following figures have been extracted from the cost records:
Direct materials .....Rs. 3,00,000 Direct wages .....Rs. 1,50,000
Works overhead .....Rs. 90,000 Office overhead .....Rs. 54,000
For submitting a tender, it has been estimated that:
i. The factory overheads and office overhead will maintain the same relationship with labour cost and works cost respectively.
ii. A profit of 25% on selling price is expected.
iii. The cost of material and labour for tender will be Rs. 1,20,000 and Rs. 50,000 respectively.
Required: Tender price of job showing:
a. Prime cost b. Work cost
c. Cost of production d. Profit and
e. Tender price

Ans: (a) Rs. 1,70,000 (b) Rs. 2,00,000 (c) Rs. 2,20,000 (d) Rs. 73,333.33 (e) Rs. 2,93,333.33

2063 Q.No. 14 A food industry showed the following details of its production for the previous year.
Direct materials .....Rs. 2,50,000 Direct labour .....Rs. 1,00,000
Factory overhead .....Rs. 50,000 Administrative overhead .....Rs. 40,000
The industry wants to estimate the total cost and its selling price for next lot. The costing department estimated the direct cost as follows:
Direct materials .....Rs. 50,000 Direct labour .....Rs. 40,000
Carriage on purchase .....Rs. 5,000

Overheads are to be allocated as below:
Factory overhead .....On the basis of direct labour
Profit..... 20% of sales
Administrative overhead .....On the basis of factory cost

Required: a. Cost sheet (Previous year)
b. Selling price to be quoted for new lot.

Ans: (a) COP Rs. 4,40,000 (b) Price to be quoted Rs. 1,54,

57. 2062 Q.No. 14 A Toy Manufacturing Company showed the following details of its production department for the previous year

Direct materials .....Rs. 2,00,000
Direct labour .....Rs. 50,000
Works overhead.....Rs. 25,000
Office overhead .....Rs. 55,000

The company wants to quote unit price for its product for the next batch. The Costing Department estimated the direct costs as follows:

Direct materials .....Rs. 5,000
Direct labour .....Rs. 4,000

Overheads are to be allocated as below:
Works overhead:.....On the basis of Prime cost
Office overhead: ..... On the basis of Factory cost

Company wants to yield a profit of 25% on cost price.

Required: a. Cost sheet
b. Tender price

Ans: (a) PC Rs. 2,50,000, FC Rs. 2,75,000, COP Rs. 3,30,000, Works overheads 10% on prime cost, Office overheads 20% on factory cost, (b) Tender price Rs. 14,85

58. 2061 Q.No. 14 The following figures have been extracted from the cost records of Munal Manufacturing Company for the year 2058.

Cost of materials .....Rs. 2,40,000
Wages for labour 2,00,000
Factory overhead (Based on prime cost)..... 1,32,000
Distribution expenses 56,400
Administration expenses..... 1,34,000
Selling expenses..... 89,600
Profit..... 1,53,000

A work order is to be executed in 2059 and the following expenses will incur:

Cost of materials .....Rs. 32,000
Wages for labour 20,000
Carriage on purchases..... 3,000

Assuming that the rate of factory overhead increased in 2059 by 20%, Distribution, administrative and selling expenses are based on factory cost.

Required: Quotation price of the job showing:
a. Prime cost
b. Factory cost
c. Cost of production
d. Cost of sales
e. Profit so as to earn the same percentage of profit on selling price

Ans: (a) Rs. 55,000 (b) Rs. 74,800 (c) Rs. 92,325.64 (d) Rs. 1,11,414.60 (e) Rs. 20,001.

16. COST RECONCILIATION STATEMENT

Format of Cost Reconciliation Statements

a. Taking the profit as per cost account or loss of financial account

Cost Reconciliation Statement
As on ...

Particulars	Rs.	Amount (Rs.)
Profit as per cost account or Loss as per financial account		xxx
Add:		
i. Overcharge of expenses in cost account	xxx	
ii. Items of expenses recorded only on cost account	xxx	
iii. Items of income recorded only in financial account.....	xxx	
iv. Amount of understated income in cost account.	xxx	
v. Over valuation of opening stock in cost account	xxx	
vi. Under valuation of closing stock in cost account.....	xxx	
	xxx	xxx
Less:		
i. Under charge of expenses in cost account	xxx	
ii. Items of expenses recorded only in financial account.....	xxx	
iii. Income shown in cost account, but not in financial account.....	xxx	
iv. Amount of income over stated in cost account.....	xxx	
v. Under valuation of opening stock in cost account	xxx	
vi. Over valuation of closing stock in cost account.....	xxx	
vii. Bad debts only recorded in financial account.....	xxx	
	xxx	xxx
Profit as per financial account or Loss as per cost account.....		xxx

Taking the profit as per financial account or loss of cost account

Cost Reconciliation Statement
As on ...

Particular	Rs.	Amount (Rs.)
Profit as per financial account or Loss as per cost account		xxx
Add:		
i. Under charge of expenses in cost account	xxx	
ii. Items of expenses recorded only in financial account	xxx	
iii. Income shown in cost account, but not in financial account	xxx	
iv. Amount of income over stated in cost account	xxx	
v. Under valuation of opening stock in cost account	xxx	
vi. Over valuation of closing stock in cost account	xxx	
		xxx
Less:		
i. Overcharge of expenses in cost account	xxx	
ii. Items of expenses recorded only on cost account	xxx	
iii. Items of income recorded only in financial account	xxx	
iv. Amount of understated income in cost account.	xxx	
v. Over-valuation of opening stock in cost account	xxx	
vi. Under valuation of closing stock in cost account	xxx	xxx
Profit as per cost account or Loss as per financial account		xxx

ORETICAL QUESTIONS

What is meant by cost reconciliation statement?
लागत हिसाब मिलान विवरण भन्नाले के बुझ्नुहुन्छ ?
Why cost reconciliation statement is prepared?
लागत हिसाब मिलान विवरण किन तयार पारिन्छ ?

MERICAL PROBLEMS

ORT ANSWER QUESTIONS

NET PROFIT AS PER COST ACCOUNT

2081 Set B/C Q.No. 18ii On reconciliation of cost and financial account following facts were located.

Heads of expenses	Financial account	Cost account
Depreciation	65,000	85,000
Closing stock	25,000	20,000
Dividend received	5,000	-
Profit as per cost account	-	95,000

Required: Reconciliation statement of cost and financial account. [3]

Ans: Net profit as per financial account Rs. 1,25,000

2080 GIE Set A Q.No. 18ii The following information are provided:

a. Net profit as per cost account Rs. 50,000.
b. Office overhead under recorded Rs. 10,000 in cost account.
c. Interest on investment received Rs. 15,000.
d. Opening stock Rs.20,000 over recorded in cost account.

Required: Cost reconciliation statement [3]

Ans: Net profit as per financial account Rs. 75,000

2080 GIE Set B Q.No. 18ii The following information are provided:

a. Net profit shown by cost account Rs. 50,000.
b. Factory overhead over absorbed in cost account Rs. 8,000.
c. Interest received in financial account Rs. 5,000.
d. Opening stock over valued in financial account Rs.4,000

Required: Cost reconciliation statement [3]

Ans: Net profit as per financial account Rs. 59,00

4. **2079 GIE Set B Q.No. 18ii** On reconciliation of financial and cost account following informations were disclosed

	(Cost Account)	(Financial Account)
Net profit	65,000	?
Factory expenses	25,000	27,000
Interest received		5,000
Closing stock	1,25,000	1,37,000

Required: Reconciliation statement of financial and cost account

Ans: Net profit as per financial account Rs. 80,000 [3]

5. **2079 Set O Q.No. 18ii** Following information are given:
   a. Net profit-shown by cost account Rs. 80,000.
   b. Factory overhead over recorded in financial account Rs. 15,000.
   c. Depreciation under charge in cost account Rs. 6,000.
   d. Dividend received recorded in financial account Rs. 12,500.
   e. Over valuation of closing stock in financial account Rs. 10,000.

   Required: Cost reconciliation statement.

Ans: Net profit as per financial account Rs. 81,500 [3]

6. **2078 Set C Q.No. 22** Net profit as per cost account was Rs. 40,000. On reconciliation, the following facts were noticed.
   i. Factory overhead over recorded in cost account Rs. 5,000.
   ii. Income tax payment recorded in financial account Rs. 2,000.
   iii. Over valuation of closing stock in financial account Rs. 7,000.
   iv. Share transfer fees Rs. 1,000 only recorded in financial account.

   Required: Reconciliation between cost and financial account.

Ans: Net profit as per financial account Rs. 51,000

7. **2076 GIE Set A Q.No. 22** Net profit as show by cost account Rs. 40,000
   On reconciliation with financial account the following facts were disclosed:

Head of expenditures	Financial Account	Cost Account
Factory expenses	45,000	55,000
Opening stock	1,25,000	1,15,000
Closing stock	75,000	80,000
Interest received	4,000	-
Bad debts	2,000	-

Required: Reconciliation between cost and financial account

Ans: Net profit as per financial account Rs. 37,000

8. **2076 Set B Q.No. 22** On reconciliation of Financial and Cost Accounting, following informations were disclosed:
   i. Profit shown by cost account Rs. 80,000
   ii. Works overhead under recovered in cost account Rs. 5,000
   iii. Office overhead under recovered in financial account Rs. 10,000
   iv. Depreciation under charge in cost account Rs. 6,000
   v. A profit on sale of fixed assets was shown on financial account Rs. 5,000

   Required: Reconciliation of cost and financial account.

Ans: Net profit as per financial account Rs. 84,000

9. **2076 Set C Q.No. 22** The net profit as shown by cost account is Rs. 1,22,000. The following details are ascertained o comparison of cost and financial account:
   i. Works overhead over recorded in financial account Rs. 30,000
   ii. Office overhead under recorded in cost account Rs. 20,000
   iii. Over valuation of closing stock in financial account Rs. 15,000
   iv. Dividend received recorded in financial account Rs. 25,000

   Required: Reconciliation statement of cost and financial account.

Ans: Net profit as per financial account Rs. 1,12,00

10. **2075 GIE Q.No. 22** The net profit as per cost account of a trader was Rs. 46,500. On reconciliation the following differences wer noticed.
    i. Depreciation charged in financial account Rs. 20,000 and on cost account Rs. 24,000.
    ii. Dividend credited in financial account Rs.3,000.
    iii. Valuation of closing stock:
       a. Cost account: Rs. 30,000
       b. Financial account: Rs. 36,000.
    iv. Office expense over recovered in cost account Rs. 8,000

    Required: Reconciliation statement of cost and financial account.

Ans: Net profit as per financial account Rs. 67,50

11. **2074 Set A Q.No. 22** The net profit as shown by the cost account of a company is Rs.60,000. On reconciliation the following facts were disclosed.
    i. Factory overhead has been over recovered in financial account by Rs.10,000.
    ii. Selling overhead has been under recovered in cost account by Rs.2,000.
    iii. Closing stock has been over valued in financial account by Rs.5,000.
    iv. Income tax paid Rs.7,000.
    Required: Reconciliation statement of cost account and financial account.

    Ans: Net profit as per financial account Rs. 46,000

12. **2072 Supp Q.No. 22** On comparison of cost and financial accounts, the following facts were disclosed:
    i. Profit as per cost account: Rs. 80,000
    ii. Works overhead overcharged in cost account: Rs. 30,000
    iii. Office overhead overcharged in financial account: Rs. 20,000
    iv. Interest from investments: Rs. 10,000
    v. Over valuation of opening stock in financial account: Rs. 15,000
    Required: Reconciliation statement of cost and financial account

    Ans: Net profit as per financial account Rs. 85,000

13. **2071 Set C Q.No. 22** The net profit as shown by the cost account is Rs. 1,60,000. On reconciliation the following discrepancies were located.
    i. Factory expenses in financial account Rs. 30,000 and recovered in cost account Rs. 28,000.
    ii. Income tax paid in financial account Rs. 12,000.
    iii. Interest income credited in financial account Rs. 3,000
    iv. Administrative expenses over recovered in cost account by Rs. 10,000.
    Required: Reconciliation statement of cost and financial account.

    Ans: Net profit as per financial account Rs. 1,59,000

14. **2071 Set D Q.No. 22** Net profit as shown by cost account is Rs. 20,500.
    On reconciliation with Financial Account, the following facts were disclosed:

Heads of Expenditures	Expenses charged in	
	Cost Account	Financial Account
Direct wages	Rs. 12,000	Rs. 15,000
Factory expenses	Rs. 10,000	Rs. 13,000
Admin. expenses	Rs. 15,000	Rs. 12,000
Stock valuation at close	Rs. 25,000	Rs. 22,000
Bank Interest		Rs. 1,000

    Required: Reconciliation statement between cost and financial account profit

    Ans: Net profit as per financial account Rs. 13,500

15. **2068 Q.No. 22** The net profit shown by cost account is Rs. 1,20,000. Reconciling the cost and financial accounts following descriptions were located:
    i. Works overhead recovered: in financial account Rs. 30,000 and in cost account Rs. 25,000.
    ii. Depreciation charged in financial account Rs. 20,000 and in cost account Rs. 24,000.
    iii. Income tax paid in financial account Rs. 10,000.
    iv. Interest income credited in financial account Rs. 5,000.
    Required: Reconciliation statement of cost and financial account.

    Ans: Net profit as per financial account Rs. 1,14,000

16. **2067 Q.No. 22** On compression cost and financial accounts the following facts were disclosed:
    i. Interest on Investments received : Rs. 3,500
    ii. Work over head over charged in cost account: Rs. 5,000
    iii. Administrative overhead over charged in financial account: Rs. 2,500
    iv. Over valuation of opening stock in financial account: Rs. 2,000
    v. Under valuation of closing stock in cost account: Rs. 3,000
    vi. Net profit as per cost account: Rs. 44,250
    Required: Reconciliation statement of cost and financial account.

    Ans: Net profit as per financial account Rs. 51,250

17. **2066 Supp Q.No. 22** The net profit as per cost account of a company is Rs. 1,50,000. On reconciliation, the following details are ascertained:
    i. The factory expenses shown in financial account is Rs. 25,000 but the amount recovered in cost account is Rs. 20,000.
    ii. Goods will written off shown in financial account is Rs. 8,000
    iii. Amount credited for dividend in financial account is Rs. 15,000
    iv. Depreciation shown in financial account is Rs. 66,000 but charged in cost account is Rs. 75,000.
    Required: Reconciliation Statement of cost and financial account.

    Ans: Net profit as per financial account Rs. 1,61,000

18. **2066 (C) Q.No. 22** The net profit as shown by cost account is Rs. 1,50,000. On varification of two accounts the following details were ascertained:
    i. Works overhead under recovered in cost account Rs. 15,000
    ii. Bank interest credited in financial account Rs. 6,000
    iii. Opening stock: Cost account Rs. 50,000; Financial account Rs. 40,000
    iv. Provision for doubtful debts in financial account Rs. 5,000
    v. A profit of Rs. 10,000 on sale of old machine was dealt in financial account.
    Required: Reconciliation statement between financial and cost account.
    Ans: Net profit as per financial account Rs. 1,56,000

19. **2064 Supp. Q.No. 22** The following information are provided:
    i. Net profit as per cost account: Rs. 1,00,000
    ii. Works overhead recovered:
    Cost account: Rs. 20,000
    Financial account: Rs. 25,000
    iii. Administrative overhead over-absorbed in cost account: Rs. 8,000
    iv. Bank-interest credited in financial account: Rs. 10,000
    v. Income tax paid: Rs. 20,000
    Required: Reconciliation statement of cost and financial account.
    Ans: Net profit as per financial account Rs. 93,000

NET PROFIT AS PER FINANCIAL ACCOUNT

20. **2081 Set D Q.No. 18II** On comparison of cost and financial accounts, the following facts were disclosed.
    i. Net profit as per financial account: Rs. 45,000
    ii. Tax paid shown in financial account: Rs. 10,000
    iii. Dividend received recorded in financial account: Rs. 8,000
    iv. Depreciation under charged in cost account: Rs.10,000
    Required: Cost reconciliation statement [3]
    Ans: Net profit as per cost account Rs. 57,000

21. **2080 Set P/Q Q.No. 18II** On comparison between cost accounting and financial accounting, following facts were located.
    i. Profit as shown by financial accounting Rs. 80,000.
    ii. Office expenses over recorded in financial accounting by Rs. 15,000.
    iii. Depreciation over recorded in cost accounting by Rs. 5,000.
    iv. Income tax payment of Rs. 6,000 only recorded in financial accounting.
    Required: Reconciliation statement of financial accounting and cost accounting [3]
    Ans: Net profit as per cost account Rs. 96,000

22. **2080 Set R Q.No. 18b** Net profit shown by financial account Rs. 4,60,000.
    i. Office overhead overcharge in financial a/c Rs. 22,000
    ii. Income tax paid Rs. 12,000
    iii. Closing stock under valued in cost a/c Rs. 8,000
    Required: Cost reconciliation statement [3]
    Ans: Net profit as per cost account Rs. 4,86,000

23. **2079 GIE Set A Q.No. 18II** Net profit as per financial account was Rs.1,20,000 on the reconciliation the following facts were disclosed.
    i. Interest expenses recorded in financial account Rs. 5,000
    ii. Under valuation of opening stock in cost account Rs. 4,000
    iii. Income tax paid Rs. 12,500
    Required: Cost reconciliation statement [3]
    Ans: Net profit as per cost account Rs. 1,41,500

24. **2079 Set V Q.No. 18ii** On reconciliation of cost account and financial account following facts were located.
    a. **Depreciation**
    On financial account ..... Rs. 40,000
    On cost account ..... Rs. 35,000
    b. **Opening stock**
    On financial account ..... Rs. 75,000
    On cost account ..... Rs. 90,000
    c. Income tax shown in financial account ..... Rs. 4,000
    d. Net profit as per financial account ..... Rs. 1,10,000
    Required: Reconciliation statement of cost and financial account. [3]
    Ans: Net profit as per cost account Rs. 1,04,000

2077 Set K Q.No. 9 The net profit as shown by the financial account is Rs. 60,000. On reconciliation the following facts were disclosed:

i. Over valuation of opening stock in cost accounting Rs. 18,000
ii. Depreciation undercharged in cost account Rs. 8,000
iii. Income tax paid Rs. 9,000

Required: Reconciliation statement of cost and financial account.

Ans: Net profit as per cost account Rs. 59,000

2076 GIE Set B Q.No. 22 On comparison of cost account and financial account, the following facts were disclosed:

Particulars	Cost Account	Financial Account
Opening stock	26,000	30,000
Works overhead	50,000	30,000
Depreciation	20,000	25,000
Selling overhead	10,000	15,000
Net profit	?	90,000

Required: Reconciliation statement of cost and financial account

Ans: Net profit as per cost account Rs. 84,000

27. **2075 Set A Q.No. 22** Net profit as per financial account was Rs. 60,000. On reconciliation, the following facts were noticed.

i. Factory overhead under recorded in cost account Rs. 8,000.
ii. Interest expenses recorded in financial account Rs. 3,000.
iii. Over valuation of opening stock in financial account Rs. 6,000.
iv. Income tax paid Rs. 8,500.

Required: Reconciliation between cost and financial account

Ans: Net profit as per cost account Rs. 85,500

28. **2075 Set B Q.No. 22** The net loss as shown by the financial account of a company is Rs. 30,000. On the reconciliation following facts were disclosed:

i. Income tax paid Rs. 40,000 shown in financial account.
ii. Administrative expenses over charged in financial account Rs. 20,000.
iii. Interest on investment credited in financial account Rs. 5,000.
iv. Depreciation charged in financial account Rs. 10,000 and in cost account Rs. 1,000.

Required: Reconciliation statement of cost and financial account

Ans: Net profit as per cost account Rs. 34,000

29. **2074 Supp Q.No. 22** While reconciling the financial and cost accounts, the following facts were disclosed:

i. Net profit as per financial account Rs. 50,000.
ii. Interest on investment Rs. 5,000.
iii. Over valuation of closing stock in cost account Rs.10,000.
iv. Administrative expenses over charged in financial account Rs. 20,000.
v. Depreciation charged in financial account Rs.10,000 and in cost account Rs.15,000.

Required: Reconciliation statement of cost and financial account

Ans: Net profit as per cost account Rs. 70,000

30. **2074 Set B Q.No. 22** The net profit shown by the financial statement of a company is Rs. 80,000. While reconciling the cost and financial accounts the following facts were disclosed:

i. Works overhead
   Cost account: Rs. 15,000
   Financial account: Rs. 10,000
ii. Dividend credited to financial account: Rs. 8,000
iii. Depreciation charged
   Cost account: Rs. 10,000
   Financial account: Rs. 1,000
iv. Income tax paid: Rs. 6,000

Required: Reconciliation statement of cost account and financial account

Ans: Net Profit as per cost account Rs. 64,000

31. **2073 Supp Q.No. 22** The net profit as shown by the financial account of a company is Rs. 60,000, on reconciliation the following facts were disclosed.

i. Works overhead over recovered in cost account: Rs. 20,000
ii. Depreciation charged:
   Financial account: Rs. 15,000
   Cost account: Rs. 20,000

iii. Over valuation of opening stock in financial account: Rs. 6,000
iv. Interest received from investment: Rs. 8,000
Required: Reconciliation statement of cost account and financial account

Ans: Net profit as per cost account Rs. 33,000

32. **2073 Set C Q.No. 22** The net profit as per financial account of a company is Rs. 60,000. On verification of financial and cost account, following facts were located:
i. Factory overhead:
On cost account: Rs. 30,000
On financial account: Rs. 40,000
ii. Administrative expenses undercharged in financial account: Rs. 12,000
iii. Closing stock over valued in financial account: Rs. 9,000
iv. Dividend received: Rs. 15,000
Required: Reconciliation statement of cost and financial account.

Ans: Net profit as per cost account Rs. 34,000

33. **2073 Set D Q.No. 22** The net profit as per financial account of a company is Rs. 90,000. On reconciliation of financial and cost account following information were disclosed:
i. Selling expenses overcharged in cost account: Rs. 10,000
ii. Store overvalued in financial account: Rs. 5,000
iii. Dividend paid shown in financial account: Rs. 20,000
iv. Interest on investment credited in financial account: Rs. 15,000
Required: Reconciliation statement of cost and financial account.

Ans: Net profit as per cost account Rs. 80,000

34. **2072 Set C Q.No. 22** The net profit as per financial account is Rs.60,000. Reconciling the cost account with financial account, the following discrepancies were revealed:
i. Works overhead under recovered in cost account Rs.5,000.
ii. Office overhead over recovered in cost account Rs.3,000.
iii. Depreciation charged in financial account Rs.5,000 and in cost account Rs.6,000.
iv. Income tax paid Rs.15,000.
Required: Reconciliation statement of cost and financial account

Ans: Net profit as per cost account Rs. 76,000

35. **2072 Set D Q.No. 22** The net profit as shown by the financial account is Rs. 2,00,000 on reconciliation, the following details were ascertained:
i. Selling overheads were not recorded in the cost account: Rs.20,000
ii. Closing stock: Cost account: Rs.50,000
Financial account: Rs.75,000
iii. Goodwill written off shown in financial account was Rs.5,000
iv. Tax paid : Rs.30,000
Required Reconciliation statement of cost and financial account

Ans: Net profit as per cost account Rs. 2,30,000

36. **2072 Set E Q.No. 22** The net profit as shown by the financial account is Rs. 90,000. On reconciliation the following facts were disclosed:
i. Over valuation of closing stock in cost accounting: Rs. 20,000
ii. Depreciation overcharged in cost account: Rs. 10,000
iii. Factory overhead under charged in cost account: Rs. 15,000
iv. Interest from investment: Rs. 8,000
Required: Reconciliation statement of cost and financial account

Ans: Net profit as per cost account Rs. 1,07,000

37. **2071 Supp Q.No. 22** The net profit as shown by financial account of a company is Rs.1,50,000. On reconciliation the following facts were disclosed.
i. Work overheads under recovered in cost account: Rs.10,000
ii. Tax paid: Rs.20,000
iii. Opening stock under valuation in cost account Rs.5,000.
iv. Dividend credited in financial account Rs.3,000.
Required: Reconciliation statement of cost and financial account.

Ans: Net profit as per cost account Rs. 1,82,000

37. **2070 Supp Q.No. 22** The net profit as shown by financial account of a company is Rs. 69,000. On reconciliation the following facts were disclosed.
i. Factory overhead over absorbed in cost account: Rs. 800
ii. Administrative overhead under absorbed in cost account: Rs. 2,500
iii. Closing stock over evaluation in cost account: Rs. 3,800
iv. Selling overhead over absorbed in cost account: Rs. 6,500
Required: Reconciliation statement of cost and financial account

Ans: Net profit as per cost account Rs. 68,000

38. **2070 Set C Q.No. 22** The net profit as per financial account of a company is Rs. 1,30,000. On reconciliation of financial and cost account following facts were located.
i. Depreciation
On financial account Rs. 32,000
On cost account Rs. 40,000
ii. Administrative expenses
On financial account Rs. 45,000
On cost account Rs. 35,000
iii. Income tax paid shown in financial account Rs. 7,000
iv. Interest on investment credited in financial account Rs. 5,000
Required: Reconciliation statement of cost and financial account

Ans: Net profit as per cost account 1,34,000

40. **2070 Set D Q.No. 22** The net profit as per financial account of a company is Rs. 2,70,000. On reconciliation of financial and cost account following informations were disclosed.
i. Depreciation overcharged in cost account: Rs. 13,000
ii. Administrative expenses under recovered in cost account Rs. 15,000
iii. Bank interest credited in financial account Rs. 10,000
iv. Payment of dividend shown in financial account Rs. 25,000
Required: Reconciliation statement of financial account and cost account

Ans: Net Profit as per cost account Rs. 2,87,000

41. **2069 Supp Set A Q.No. 22** The net profit of a company as per financial account was Rs. 70,000. On reconciling the cost and financial account following differences were noted.
i. Factory overhead stated in cost account Rs. 70,000 and in financial account Rs. 80,000.
ii. Administrative expenses undercharged in financial account Rs. 14,000.
iii. Dividend received recorded in financial account Rs. 16,000.
iv. Value of closing stock stated in financial account Rs. 30,000 and in cost account Rs. 12,000.
Required: Reconciliation statement of financial and cost accounting.

Ans: Net profit as per cost account Rs. 32,000

42. **2069 Supp Set B Q.No. 22** Following information are given:
i. Net loss as per financial accounting Rs. 50,000
ii. Depreciation: Financial accounting Rs. 15,000
Cost accounting Rs. 20,000
iii. Administrative expenses under recorded in cost accounting Rs. 5,000.
iv. Interest on loan Rs. 1,000 recorded in financial account.
v. Profit on sale of machinery Rs. 5,000 recorded in financial account.
Required: Reconciliation statement of cost and financial account.

Ans: Net loss as per cost account Rs. 54,000

43. **2069 (Set A) Q.No. 22** On comparison of cost and financial accounts the following differences were noticed:
i. Net profit as per financial account Rs. 74,000
ii. Over valuation of closing stock in cost account Rs. 15,000
iii. Works overhead over recorded in cost account Rs. 5,000
iv. Administrative overhead recorded over recorded in financial account Rs. 10,000.
v. Dividend recorded in financial account Rs. 6,000
vi. Bank interest debited in financial account Rs. 8,000
Required: Reconciliation statement between financial and cost account.

Ans: Net profit as per cost account Rs. 1,08,000

44. **2069 (Set B) Q.No. 22** The net profit as shown by the financial account of a company is Rs. 1,50,000. On reconciliation the following facts were disclosed:
i. Factory overheads under charged in cost account Rs. 20,000
ii. Office overheads under charged in financial account Rs. 15,000
iii. Depreciation charged in financial account Rs. 6,000 and cost account Rs. 7,000

iv. Interest on investment credited in financial account Rs. 5,000

Required: Reconciliation statement between cost and financial account.

Ans: Net profit as per cost account Rs. 1,49,000

45. **2068 Supp Q.No. 22** The net profit shown by financial account is Rs. 50,000 on verification the following differences were notified.
   i. Office overhead shown by financial account was Rs. 70,000. But it was shown as Rs. 50,000 in cost account.
   ii. Depreciation undercharged in financial account Rs. 10,000.
   iii. Dividend received recorded in financial account Rs. 20,000.
   iv. Income tax of Rs. 40,000 is not recorded in cost account.

   Required: Reconciliation statement between financial and cost account

Ans: Net profit as per cost account Rs. 80,000

46. **2067 Supp Q.No. 22** The net profit shown by financial account is Rs. 60,000 while reconciling the cost and financial accounts the following facts were disclosed:
   i. Works overheads recovered in cost account Rs. 15,000 in financial account Rs. 5,000
   ii. Dividend credited in financial account Rs. 6,000
   iii. Depreciation charge in financial account Rs. 2,000 but Rs. 20,000 in cost account.
   iv. Income tax paid Rs. 5,000.
   v. Provision for Bad debts in financial account Rs. 1,000.

   Required: Reconciliation statement of cost and financial account.

Ans: Net profit as per cost account Rs. 32,000

47. **2066 Q.No. 22** The net profit as per financial account of a trader was Rs. 35,000. On reconciliation the following differences were noticed.
   i. Factory overheads recorded in cost account Rs. 60,000 but debited in financial account Rs. 65,000.
   ii. Office and administrative overhead under charged in financial accounting Rs. 7,000.
   iii. Dividend received recorded in financial accounting only Rs. 8,000
   iv. Closing stock undervalued in cost accounting by Rs. 9,000.

   Required: Reconciliation statement between financial and cost accounting.

Ans: Net profit as per cost account Rs. 16,000

48. **2065 Q.No. 22** The net profit as shown by the financial account of a company is Rs. 1,80,000. On the reconciliation following facts were disclosed:
   i. Works overhead over recovered in cost account by Rs. 25,000
   ii. Administrative expenses under recovered in cost account by Rs. 15,000.
   iii. Bank interest credited in financial account by Rs. 4,500.
   iv. Depreciation under charged in cost account Rs. 2,500.

   Required: Reconciliation statement of cost and financial account.

Ans: Net profit as per cost account Rs. 1,68,000

49. **2064 Q.No 22** The net profit as per financial account was Rs. 42,000. On reconciliation, the following differences were noticed:
   i. Works overhead under recovered in cost account Rs. 6,000.
   ii. Interest charged in financial accounts Rs. 4,000
   iii. Opening stock overvalued by financial account Rs. 10,000.
   iv. A profit of Rs. 5,000 on sales of fixed assets was shown in financial account.

   Required: Reconciliation between financial and cost account.

Ans: Net profit as per cost account Rs. 57,000

17. USE OF COMPUTER IN ACCOUNTING

THEORETICAL QUESTIONS

A. COMPUTER SYSTEM IN ACCOUNTING

VERY SHORT ANSWER QUESTIONS

1. **2081 Set D Q.No. 8** **2080 GIE Set B Q.No. 8** What is computerized accounting? [1]
   कम्प्युटराइज्ड लेखा भनेको के हो ?
2. **2080 Set R Q.No. 8** State any two importance of computer system in accounting. [1]
   लेखाविधिमा कम्प्युटर प्रणालीको कुनै दुई महत्वबारे उल्लेख गर्नुहोस् ।
3. **2079 GIE Set A Q.No. 8** State any two advantages of computer system in accounting. [1]
   लेखाविधिमा कम्प्युटर प्रणालीको कुनै दुई फाइदाहरू उल्लेख गर्नुहोस् ।
4. **2079 GIE Set B Q.No. 8** Write the meaning of computer accounting. [1]
   कम्प्युटर लेखा प्रणालीको अर्थ लेख्नुहोस् ।

SHORT ANSWER QUESTIONS

5. **2080 GIE Set A Q.No. 19** How do you use computer in accounting? [5]
   लेखा विधिमा कम्प्युटरको प्रयोग कसरी गर्नुहुन्छ ?

6. 2080 Set P/Q Q.No. 19 Explain the features of computerised accounting system. [5]
कम्प्युटराइज्ड लेखा प्रणालीका विशेषताहरूको व्याख्या गर्नुहोस् ।
7. 2079 GIE Set A Q.No. 19 Explain the applications of computer in accounting. [5]
लेखाविधिमा कम्प्युटरको प्रयोगको वर्णन गर्नुहोस् ।
8. 2079 Set O Q.No. 19 Define computerized accounting system. Explain the importance of computer system in accounting. [2+3]
कम्प्युटराइज लेखा प्रणालीको परिभाषा दिनुहोस् । लेखा विधिमा कम्प्युटर प्रणालीको महत्त्व व्याख्या गर्नुहोस् ।
9. 2079 Set V Q.No. 19 What do you understand by computerized accounting system? Write the advantage of it. [5]
कम्प्युटरकृत लेखा प्रणाली भन्नाले के बुझ्नुहुन्छ ? कम्प्युटरकृत लेखा प्रणालीका फाइदाहरू लेख्नुहोस् ।
10. What is storage of accounting information? Explain.
लेखाविधिमा सूचनाको भण्डारण भनेको के हो ? व्याख्या गर्नुहोस् ।
11. Mention any four limitation of Computerized Accounting System.
कम्प्युटराइज्ड लेखा विधि प्रणालीका कुनै चार सीमाहरू उल्लेख गर्नुहोस् ।
12. What is analysis of accounting information? Explain.
लेखाविधि सूचनाको विश्लेषण भनेको के हो ? व्याख्या गर्नुहोस् ।
13. Explain any four elements of Computerized Accounting System.
कम्प्युटराइज्ड लेखा विधि प्रणालीका कुनै चार तत्त्वहरूका बारेमा व्याख्या गर्नुहोस् ।
14. Explain the process of Computerized Accounting System.
कम्प्युटराइज्ड लेखा विधि प्रणालीको प्रक्रियाका बारेमा व्याख्या गर्नुहोस् ।
15. What are the sources document of information in computer system? Explain
कम्प्युटर प्रणालीमा कागजात स्रोतको जानकारी के के हुन् ? व्याख्या गर्नुहोस् ।

B. ACCOUNTING RECORD IN EXCEL

THEORETICAL QUESTIONS

VERY SHORT ANSWER QUESTIONS

1. 2081 Set B/C Q.No. 8 Write about MS-Excel. [1]
एम एस एक्सेलको बारेमा लेख्नुहोस् ।
2. Define payroll sheet.
तलबी विवरण तालिकालाई परिभाषित गर्नुहोस् ।

SHORT ANSWER QUESTIONS

3. How does Excel perform the task in a better and efficient than the manual accounting system? Write.
मेनुअल लेखा प्रणालीभन्दा एक्सेलले कसरी राम्रो र कुशल कार्य प्रदर्शन गर्दछ ? लेख्नुहोस् ।

18. USES OF SOFTWARE IN ACCOUNTING

THEORETICAL QUESTIONS

VERY SHORT ANSWER QUESTIONS

1. 2080 GIE Set A Q.No. 8 Define accounting masters in computer accounting. [1]
कम्प्युटर लेखामा लेखा मास्टर्सलाई परिभाषित गर्नुहोस् ।
2. 2080 Set P/Q Q.No. 8 Define computer software. [1]
कम्प्युटर सफ्टवेयरलाई परिभाषित गर्नुहोस् ।
3. 2079 Set O Q.No. 8 Write about computer software. [1]
कम्प्युटर सफ्टवेयरका बारेमा लेख्नुहोस् ।
4. 2079 Set V Q.No. 8 Write the meaning of computer software. [1]
कम्प्युटर सफ्टवेयरको अर्थ लेख्नुहोस् ।
5. Write any two types of accounting software.
कम्प्युटर सफ्टवेयरका कुनै दुई प्रकारहरू लेख्नुहोस् ।

SHORT ANSWER QUESTIONS

6. 2081 Set B/C Q.No. 19 Write the meaning of software in accounting. Explain any three advantages of software system. [2+3]
लेखा विधिमा सफ्टवेयरको अर्थ लेख्नुहोस् । सफ्टवेयर प्रणालीका कुनै तीन फाइदाहरू व्याख्या गर्नुहोस् ।
7. 2081 Set D Q.No. 19 Explain the usages of accounting software. [5]
लेखा सफ्टवेयर प्रणालीका प्रयोगहरू व्याख्या गर्नुहोस् ।
8. 2080 GIE Set B Q.No. 19 Describe the disadvantages of accounting software. [5]
लेखा सफ्टवेयरका बेफाइदाहरू वर्णन गर्नुहोस् ।

9. 2080 Set R Q.No. 19 What is accounting software? Explain the advantages of accounting software.
   लेखा सफ्टवेयर भनेको के हो ? लेखा सफ्टवेयरका फाइदाहरू वर्णन गर्नुहोस् ।
10. 2079 GIE Set B Q.No. 19 Describe the limitations of accounting software.
    लेखा सफ्टवेयरका सीमाहरू व्याख्या गर्नुहोस् ।
11. Briefly explain the role of accounting software.
    लेखाविधि सफ्टवेयरको भूमिका विस्तृत रूपमा व्याख्या गर्नुहोस् ।
12. How to prepare financial statement in the tally?
    ट्यालीका वित्तीय विवरण कसरी तयार गर्ने ?
13. What are the advantages of using tally? Explain.
    ट्याली प्रयोग गर्नुका फाइदाहरू के के हुन् ? व्याख्या गर्नुहोस् ।
14. Explain the features of tally software in accounting system.
    लेखाविधि प्रणालीमा ट्याली सफ्टवेयरको विशेषताहरूका बारेमा व्याख्या गर्नुहोस् ।

EXAM QUESTION

Exam 2081 Set B

Sub.Code : 104[illegible]

NEB - GRADE XII
2081 (2024)
Accounting
(New Course)

Candidates are required to give their answers in their own words as far as practicable. The figures in the margin indicate full marks.
विद्यार्थीहरूले सकेसम्म आफ्नै शब्दमा उत्तर दिनुपर्नेछ । दायां किनारामा दिइएको अङ्कले पूर्णाङ्क जनाउँदछ ।

Time: 3 hrs. **Full Marks: [illegible]**

सबै प्रश्नको उत्तर दिनुहोस् । (Attempt all the questions)

समूह क (Group A)

अति सङ्क्षिप्त उत्तरात्मक प्रश्नहरू (Very Short Answer Questions) [11×1=[illegible]

1. What is statutory company?
   वैधानिक कम्पनी भन्नाले के बुझ्नुहुन्छ ?
2. State any two types of preference share.
   पूर्वाधिकार सेयरका कुनै दुईओटा प्रकारहरू उल्लेख गर्नुहोस् ।
3. List any two items of fixed assets.
   स्थिर सम्पत्तिका कुनै दुई वुंदाहरू सूचिकृत गर्नुहोस् ।
4. Write any two limitations of financial accounting.
   वित्तीय लेखाका कुनै दुईओटा सीमाहरू लेख्नुहोस् ।
5. Mention the meaning of fixed overhead.
   स्थिर अप्रत्यक्ष खर्चको अर्थ उल्लेख गर्नुहोस् ।
6. What do you mean of centralized store?
   केन्द्रीकृत भण्डारण भन्नाले के बुझ्नुहुन्छ ?
7. State any two advantages of time rate system of wages payment.
   समयदर ज्याला प्रणालीका कुनै दुईओटा फाइदाहरू उल्लेख गर्नुहोस् ।
8. Write about MS-Excel.
   एम एस एक्सेलको बारेमा लेख्नुहोस् ।
9. Prepare the adjustment entry of prepaid rent expired of Rs. 5,000.
10. Calculate the amount of cash from financing activities from the following information.

Particulars	2015 (Rs.)	2016 (Rs.)
Share capital	2,00,000	4,00,000
Debentures	1,00,000	50,000
Dividend paid	-	20,000

11. If number of order is 6 times and Economic order quantity is 3,000 kg. Find out annual requirement.

समूह ख (Group B)

सङ्क्षिप्त उत्तरात्मक प्रश्नहरू (Short Answer Questions) [8×5=4[illegible]

12. A company issued 5,000 shares of Rs. 100 each at a discount of 10%.
    On application ..... Rs. 30 per share On allotment ..... Rs. 40 per share
    On first and final call ..... Rs. 20 per share

Application were received for 7,000 shares and allotment were made as under.
2,000 applicants ..... 2,000 share 4,000 applicants ..... 3,000 share
1,000 applicants ..... Nil
It is resolved that the excess amount paid on applications is to be adjusted against amount due on allotment. All money were duly received except a shareholder holding 300 shares, failed to pay calls money.
Required: Entries for application, allotment and first and final call. [1.5+2+1.5]

3. A company purchased the following assets at an agreed price of Rs. 5,50,000.
Plant ..... Rs. 2,60,000
Building ..... Rs. 3,65,000
The company paid the agreed price by issuing shares of Rs. 100 each at 10% premium.
Required: Entries for purchase of assets and issue of shares. [1+1]

4. A Company Ltd. issued 4,000 debentures of Rs. 100 each at par. These debentures were redeemed after 5 years at 10% premium.
Required: Entries for issue and redemption of debentures [3]

5. The following financial transactions of a company is given below:

Particulars	Rs.
Opening stock	2,00,000
Purchases	17,50,000
Carriage inward	40,000
Factory expenses	4,00,000
Pre-paid insurance	50,000
Salaries	1,75,000
Stationery	25,000
Sales	25,00,000
Capital	3,00,000
Interest on investment	2,00,000

Additional information:
i. Closing stock Rs. 2,00,000
ii. Pre-paid insurance expired Rs. 20,000
iii. Bad debt Rs. 5,000
Required: a. Trading Account
b. Profit and Loss Account [2+3]

6. Trial balance of a company is as under:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Purchase	17,000	Sales	30,500
Wages	4,000	Share capital	20,000
Machinery	30,000	Loan	2,000
Debtors	8,000	Creditors	3,500
Rent	4,500	Profit & loss a/c	7,500
Total	63,500	Total	63,500

Additional information:
i. Outstanding wages: Rs. 1,000
ii. Depreciation on machinery: @ 10%
iii. Proposed dividend @ 10%
Required: Work sheet [5]

7. What is cost? Explain the classification of cost on the basis of element. [2+3]
लागत भनेको के हो ? तत्त्वको आधारमा लागत वर्गीकरणको व्याख्या गर्नुहोस् ।

8. i. What do you mean by material codification? [2]
सामग्रीको साङ्केतीकरण भन्नाले के बुझ्नुहुन्छ ?

ii. Inventories position of a company of last month are given below:
Chaitra 1: Opening inventory 650 units@ Rs. 8
Chaitra 6: Purchase 500 units@ Rs. 9
Chaitra 15: Purchase 800 units@ Rs. 10
The physical inventory counts at the end of the month shows 550 units on hand. The company uses periodic inventory system.
Required: Cost of goods sold and cost of closing stock under FIFO method. [3]

9. i. The following information are given:
Hourly production ..... 4 units Hourly wage rate ..... Rs. 200
Total production ..... 800 units
Required: Total wages payable [2]

11. On reconciliation of cost and financial account following facts were located.

Heads of expenses	Financial account	Cost account
Depreciation	65,000	85,000
Closing stock	25,000	20,000
Dividend received	5,000	-
Profit as per cost account	-	95,000

Required: Reconciliation statement of cost and financial account.

19. Write the meaning of software in accounting. Explain any three advantages of software system.
लेखा विधिमा सफ्टवेयरको अर्थ लेख्नुहोस् । सफ्टवेयर प्रणालीका कुनै तीन फाइदाहरू व्याख्या गर्नुहोस् ।

समूह ग (Group C)

विस्तृत उत्तरात्मक प्रश्नहरू (Long Answer Questions) [3×8=24]

20. A trial balance on 31st Ashar last year of a company is as follows:

Particulars	Dr. (Rs.)	Cr. (Rs.)
Purchase	3,20,000	
Opening stock	20,000	
Prepaid insurance	18,000	
Rent	36,000	
Salary	60,000	
Sales commission	22,000	
Plant and equipment	3,00,000	
Advertising	16,000	
Debtors	40,000	
Interests	10,000	
Cash and bank balance	42,000	
Biological assets	80,000	
Investment	2,20,000	
Audit expenses	34,000	
Share capital		4,00,000
Sales		6,70,000
Creditors		30,000
Commission		18,000
Loan		1,00,000
Total	12,18,000	12,18,000

Additional information:

i. Closing stock: Rs. 32,000
ii. Prepaid insurance was expired: Rs. 12,000
iii. Depreciated plant and equipment by 10%.
iv. Provision for tax: 30%

Required: a. Profit or loss statement based on NFRS
b. Statement of financial position based on NFRS
OR
a. Multi-step income statement
b. Statement of financial position

21. The two years balance sheet and other information of a company are as follows :

Liabilities	Year I Rs.	Year II Rs.	Assets	Year I Rs.	Year II Rs.
Capital	3,80,000	4,95,000	Equipments	1,50,000	1,35,000
Debentures	1,50,000	90,000	Investments	2,50,000	3,75,000
Creditors	30,000	62,500	Stock	75,000	90,000
Outstanding expenses	5,000	7,500	Debtors	45,000	70,000
Retained earning	35,000	35,000	Cash	80,000	20,000
Total	6,00,000	6,90,000	Total	6,00,000	6,90,000

Additional information:

i. Sales for the year II: Rs. 4,65,000
ii. Cost of goods sold: Rs. 2,10,000
iii. Operating expenses: Rs. 1,45,000
iv. Additional purchase of investment: Rs. 1,25,000
v. Tax paid: Rs. 35,000

vi. Equipment sold Rs. 30,000 and purchased Rs. 45,000
vii. Dividend paid: Rs. 45,000
Required: Cash flow statement using direct method [4+1.5+1.5+1]

A food industry showed the following details of its production for the previous year.

Direct material	Rs. 1,80,000	Direct wages	Rs. 1,20,000
Factory overhead	Rs. 60,000	Office overhead	Rs. 36,000

The industry wants to estimate the total cost and its selling price for next lot. The cost department estimated the direct cost as follows;

Direct material	Rs. 40,000	Direct wages	Rs. 30,000

Overheads are to be allocated as below:
Factory overhead: on the basis of direct wages.
Office overhead: on the basis of factory cost.
Profit: 20% on sales
Required: a. Cost sheet of previous year
b. Tender price for next lot [4+4]

HISSAN QUESTIONS

2080 M1

Group A

Very Short Answer Questions: [11×1=11]

Define public limited company.
State the meaning of share capital.
Give the meaning of income statement.
State any two importance of cost accounting.
Write the meaning of variable cost.
Write in brief about simple average method.
Define labour cost.
Mention any two merits of computer system in accounting.
Following information are given:

Net profit for the period	Rs. 50,000	Beginning retained earnings	Rs. 25,000
Proposed dividend	Rs. 40,000		

Required: Calculate ending retained earnings.

Ans: Rs. 35,000

10. Following information are provided:

Purchases	Rs. 4,50,000	Wages	Rs.40,000
Carriage inward	Rs.10,000	Closing stock	Rs.65,000

Required: Amount of cost of goods sold.

Ans: Rs. 4,35,000

11. A worker worked 26 days in a month. The total wages earned by him was Rs. 8,320 in that month and the wage rate per hour is Rs. 40.
Required: Working hour per day.

Ans: 8 hours

Group B

Short Answer Questions : [8×5=40]

12. A company Ltd. invited application for 5,000 shares of Rs. 100 each at 10% premium, payable as under:

On application	Rs. 40
On allotment	Rs. 50
On first and final call	Rs. 20

Applications were received for 10,000 shares and allotment was made in the following manner:
To the applicants for 3,000 shares – Full
To the applicants for 4,000 shares – 2,000 shares
To the applicants for 3,000 shares – Nil
The money was duly received except one shareholder who had allotted 200 shares failed to pay call money.
Required: a. Share application
b. Share allotment
c. Share first and final call [1.5+2+1.5=5]

Ans: Bank a/c: Allotment Rs. 1,70,000, First and Final Call Rs. 96,000

13. The following information are given.

Particulars	Amount (Rs.)
Gross profit	1,10,000
Profit and loss account (Cr.)	40,000
Carriage outward	10,000
Tax paid for last year	5,000
Salaries	30,000
Rent	15,000
Prepaid insurance	10,000
Provision for bad debts	4,000
Sundry receipts	10,000
Share capital	2,00,000

Additional information:

i. Prepaid insurance was expired Rs.8,000
ii. Depreciation on plant and machinery Rs.5,000
iii. The BOD has decided:
   - proposed dividend 10%
   - transfer to general reserve Rs. 2,000

Required: a. Profit and loss account.
b. Profit and loss appropriation account.

[3+2]
Ans: (a) NP Rs. 56,000 (b) P/L Appro a/c Rs. 9

14. a. A company purchased the following assets at an agreed price of Rs. 4,50,000:
Fixed assets .....Rs. 4,00,000
Current assets .....Rs. 50,000
The company paid the agreed price by issuing shares of Rs. 100 each at 10% discount.
Required: Entries for purchase of assets and issue of share

[1+
Ans: Discount on shares Rs. 9

b. A Co. Ltd. issued 10,000, 9% debentures of Rs. 100 each at a discount of 10% redeemable at 5% premium.
Required: Journal entries for issuance and redemption of debentures.

[1.5+1.
Ans: Premium on redemption of debentures Rs. 9

15. The trial balance of A Co. Ltd. is given below:

Particulars	Dr. (Rs.)	Particulars	Cr. (Rs.)
Purchases	2,00,000	Share capital	1,00,000
Opening stock	30,000	Sales	3,20,000
Machinery	1,40,000	Profit and loss account	30,000
Wages	20,000		
Rent	10,000		
Cash and bank	50,000		
	4,50,000		4,50,000

Additional information:

i. Outstanding wages of Rs. 1,000.
ii. Proposed dividend @10%.

Required: 12 column worksheet.

Ans: ATB Rs. 4,61,000, NI Rs. 59,000, RIE Rs. 79,000, B/S Total Rs. 1,

16. Classify overheads according to behavior.
17. a. Write any two objectives of material control.
b. Following are the store transactions for the month of Chaitra:
Chaitra 1 : Opening inventory 500 units at Rs. 60 each
Chaitra 4 : Purchased 1,000 units at Rs. 70 each
Chaitra 15 : Sold 1,400 units
Chaitra 22 : Shortage found 10 units
Required: Cost of ending inventory and cost of goods sold using FIFO method under perpetual inventory system.

Ans: Rs. 6,300 and Rs.

18. a. The standard time allowed for one unit of output is 2.5 hours. The hourly wages rate is Rs. 500 per hour. A worker produced 20 units.
Required: Total wages of the worker

Ans: Rs.

b. On reconciliation of financial and cost accounting, following information were disclosed:
i. Profit shown by financial account Rs. 1,25,000
ii. Tax paid was not recorded in cost account Rs. 5,000
iii. Selling overhead over recovered in financial account Rs. 1,000
iv. Interest on investment was shown on financial account Rs. 10,000
Required: Reconciliation statement of cost and financial account

Ans: Net profit as per cost account Rs.

19. Define computerized accounting system. Write any three objectives of computer system in accounting. [2+3=5]

Group C

Long Answer Questions : [3×8=24]

20. The following is the trial balance extracted on 31st Ashad, 2080:

Particulars	Dr. (Rs.)	Particulars	Cr. (Rs.)
Opening stock	80,000	Sales	5,90,000
Land and building	2,50,000	General reserve	20,000
Purchases	3,50,000	Share capital	2,00,000
Salaries (40% selling)	60,000	Commission	10,000
Rent	10,000	Sundry creditors	20,000
Advertising	40,000	Bank loan	70,000
Debtors	25,000		
Prepaid insurance	5,000		
Cash in hand	40,000		
Plant	50,000		
	9,10,000		9,10,000

Additional information:

i. The closing stock was valued at Rs. 1,40,000
ii. Outstanding rent Rs. 5,000
iii. Prepaid insurance was expired Rs.3,000
iv. Depreciation on plant @10% and appreciation on building @ 10% p.a.

Required: a. Profit or loss statement based on NFRS
b. Statement of financial position based on NFRS [4+4=8]

OR

a. Multi-step income statement
b. Classified balance sheet [4+4=8]

Ans: (a) NI Rs. 2,12,000 (b) B/S Total Rs. 5,27,000

21. The position of assets and liabilities are as below:

Assets and Liabilities	Last year (Rs.)	This year (Rs.)
Share capital	2,00,000	3,00,000
Plant and machinery	4,00,000	5,00,000
Inventories	50,000	60,000
Sundry debtors	70,000	80,000
Sundry creditors	50,000	70,000
Prepaid expenses	10,000	12,000
Debentures	1,00,000	50,000
Investment	1,00,000	60,000
Cash and bank balance	50,000	?

Additional information:

i. Sales during the year Rs. 6,70,000.
ii. Cost of goods sold Rs.4,90,000.
iii. Operating expenses Rs. 60,000.
iv. Dividend paid Rs.10,000

Required: Cash flow statement using direct method. [4+1+2+1=8]

Ans: CFOA Rs. 1,18,000, CFIA (Rs. 60,000), CFFA Rs. 40,000

22. A manufacturing company supplied the following information:

Particulars	Opening	Closing
Raw material	Rs. 50,000	Rs. 60,000
Work-in-Progress	Rs.30,000	Rs.20,000
Finished goods	2,000 Units	3,000 Units
Purchases of raw materials	2,40,000	
Direct wages	1,30,000	
Indirect materials	20,000	
Factory rent	30,000	
Fuel and power	20,000	
Insurance	10,000	
General expenses	30,000	
Selling expenses Rs.2 per unit sold		

The company produced 20,000 units for the year and the profit is expected 20% of sales.

Required: Cost sheet. [8]

Ans: PM Rs. 3,60,000, FC Rs. 4,40,000, COGS Rs. 4,56,000, Sales Rs. 6,17,500

2080 M2

Group A

Very Short Answer Questions:

1. Give the meaning of private limited company.
2. Define authorized share capital.
3. Clarify the meaning of profit and loss appropriation account.
4. Mention any four methods of costing.
5. Give the meaning of centralized purchase.
6. Define fixed cost.
7. List out any two advantages of time rate system of wages payment.
8. State any two advantages of computer system in accounting.
9. Prepare adjusting entry of commission earned but not received Rs. 5,000.
10. The information related to a materials is as under:
    Minimum stock level ..... 400 units Economic order quantity ..... 1,000 units
    Required: Average stock level.
11. Following information are given:
    Purchases ..... Rs. 2,50,000 Opening stock ..... Rs. 10,000
    Gross profit ..... Rs. 40,000 Sales ..... Rs. 2,65,000
    Required: Amount of closing stock.

Group B

Short Answer Questions:

12. A limited company issued 10,000 shares of Rs. 100 each payable as follows:
    On application ..... Rs. 30 On allotment ..... Rs. 50
    On first and final call ..... Rs. 20
    Applications were received for 14,000 shares and allotment was made in the following manner:
    To the applicants for 5,000 shares - full .
    To the applicants for 7,000 shares - 5,000 shares
    To the applicants for 2,000 shares - Nil
    The excess application money was used towards the money due on allotment. All the money was duly received except one shareholder to whom 200 shares was allotted failed to pay the call money.
    Required: Journal entries for:
    a. Application
    b. Allotment call
    c. First and final call

13. a. A company took over the following assets at an agreed price of Rs. 11,00,000:
    Machinery ..... Rs. 8,00,000 Furniture ..... Rs. 2,00,000
    The company paid the purchase consideration amount by issuing shares of Rs. 100 each at 10% premium.
    Required: Journal entries for the purchase of assets.

    b. A Co. Ltd issued 2,000; 7% debentures of Rs. 1,000 each at 10% discount, redeemable at 5% premium.
    Required: Entries for issue and redemption of debenture.

14. The following ledger balances were extracted from the book of a company on 31st chaitra.

Particulars	Amount (Rs.)
Sales	10,00,000
Purchases	7,50,000
Carriage inward	20,000
Wages	50,000
Salaries	60,000
Rent	25,000
Prepaid insurance	10,000
Opening stock	1,10,000
Sundry receipts	20,000
Plant and machinery	1,00,000

Additional information:

i. Closing stock Rs. 1,40,000
ii. Outstanding wages of Rs. 10,000.

iii. Prepaid insurance was expired Rs. 6,000
iv. Depreciation on plant and machinery @10%

Required: a. Trading account
b. Profit and loss account.

[2+3=5]
Ans: (a) GP Rs. 2,00,000 (b) NP Rs. 1,19,000

14. Trial balance of a company is as under:

Particulars	Dr. (Rs.)	Particulars	Cr. (Rs.)
Equipment	1,55,000	Profit and loss account	30,000
Opening stock	25,000	Sales	3,00,000
Purchases	1,80,000	Share capital	1,00,000
Operating expense	30,000	Creditors	20,000
Insurance	10,000		
Debtors	50,000		
	4,50,000		4,50,000

Additional information:
i. Outstanding wages of Rs. 5,000.
ii. Proposed dividend @10%.

Required: 12 Column worksheet. [5]
Ans: ATB Rs. 4,65,000, NP Rs. 50,000, RIE Rs. 70,000, B/S Total Rs. 2,05,000

16. Differentiate between cost accounting and financial accounting. [5]
17. a. Give the meaning of direct and indirect cost. [2]
b. The stores transactions for the month of Magh as under:

Date	Particulars	Cost per unit	Units
1	Beginning inventory	Rs. 50	200
4	Purchased	Rs. 55	100
18	Purchased	Rs. 60	300
25	Sold		500

Required: Cost of ending inventory and cost of goods sold using weighted average method under periodic inventory system. [3]
Ans: Rs. 5,585 and Rs. 27,915

18. a. A factory furnished the following information:
Wages rate per hour .....Rs. 50 Total wages paid to worker Rs.5,000
Working days in the month ..... 20 days.
Required: Working hour per day. [2]
Ans: 5 hour

b. On comparison of cost account and financial account, the following facts were disclosed:

Particulars	Cost Account	Financial Account
Tax paid	-	5,000
Closing stock	20,000	30,000
Interest (Cr.)	-	2,000
Net profit	35,000	?

Required: Reconciliation statement of cost and financial account [3]
Ans: Net profit as per financial account Rs. 42,000

19. Define computerized accounting system. Explain the elements of computer system in accounting. [5]

Group C

Long Answer Questions: **[3×8=24]**

20. The trial balance of a company as on 31 Chaitra is given below.

Particulars	Dr. (Rs.)	Particulars	Cr. (Rs.)
Opening stock	50,000	Sales	6,90,000
Purchases	4,20,000	Creditors	75,000
Prepaid insurance	10,000	10% debenture	1,00,000
Debtors	80,000	Dividend received	10,000
Machinery	1,50,000	Reserve	40,000
Selling expenses	20,000	Share capital	3,00,000
Distribution expense	10,000		
Wages	20,000		
Rent	30,000		
Salaries	50,000		
Investment	20,000		
Land & building	3,00,000		
Interest expense	5,000		
Cash balance	50,000		
	12,15,000		12,15,000

Additional information:

i. Closing stock: Rs. 1,20,000
ii. Prepaid insurance was expired Rs. 9,000
iii. Depreciation on machinery @ 10%
iv. Wages due Rs. 2,000

Required: a. Profit or Loss statement based on NFRS.
b. Statement of financial position based on NFRS.
OR
a. Multi-step income statement.
b. Classified balance sheet.

Ans: (a) NP Rs. 1,89,000 (b) B/S Total Rs. 7,

21. The income statement of a company is as below:

Particulars		Rs
Sales		6,50,000
Less: Cost of Goods Sold		4,10,000
Gross Margin		2,40,000
Less: Salaries	40,000	
Selling expenses	30,000	
Depreciation	10,000	
Preliminary expenses written off	5,000	
Loss on sales of investment (Book value Rs.50,000)	10,000	
Provision for tax	20,000	1,15,000
		1,25,000
Add: Rent income		10,000
Net incomes		1,35,000
Less: Dividend paid		25,000
Retained earnings		1,10,000

Other extracted balance sheet items are as below:

Particulars	Year I Rs.	Year II Rs.
Share capital	2,00,000	3,00,000
10% Debentures	1,50,000	1,00,000
Sundry debtors	25,000	60,000
Bills receivable	1,00,000	75,000
Inventories	1,00,000	1,40,000
Plant and machinery	2,50,000	3,25,000
Furniture	75,000	50,000
Sundry creditors	45,000	95,000
Bills payable	1,20,000	75,000
Cash and bank	45,000	1,85,000

Required: Cash flow statement by using indirect method. [4+1+2-

Ans: CFOA Rs. 1,35,000, CFIA (Rs. 20,000), CFFA Rs. 25,

22. A company had the following cost information for 1,000 units production and sale.

Cost of raw materials .....Rs. 2,50,000 Labour cost 1,50,000
Factory overhead .....75,000 Office overhead 80,000

The manufacturer decides to produce and sell 200 units in coming year. It is estimated that:
The cost of raw material will increase by 10% and labour cost by 20%.
Profit 25% on cost price.

Required: a. Cost sheet
b. Tender sheet [3+5

Ans: (a) PM Rs. 4,00,000, FC Rs. 4,75,000, Sales Rs. 6,93,750 (b) PM Rs. 91,000, FC Rs. 1,09,000, Tender price Rs. 1,51,

MODEL QUESTIONS

Grade: XII
Time: 3 Hrs.
Full Marks: 75

परीक्षार्थीले सकेसम्म आफ्नै शब्दमा मौलिक उत्तर दिनुपर्नेछ । किनारामा दिइएका अङ्कले पूर्णाङ्कलाई जनाउँछ ।
(The candidates are required to give their answers in their own words as far as practicable. The figures in the margin indicate full marks.)

Issued by NEB, 2079

Set A

समूह क (Group A)
अति सङ्क्षिप्त उत्तरात्मक प्रश्नहरू (Very Short Answer Questions)

[11×1=11]

सबै प्रश्नहरू हल गर्नुहोस् (Attempt All Questions)

1. निजी कम्पनीको अर्थ उल्लेख गर्नुहोस् ।
   State the meaning of private company.
2. सञ्चयी पूर्वाधिकार सेयरको अर्थ लेख्नुहोस् ।
   Write the meaning of cumulative preference share.
3. चालु सम्पत्तिका कुनै दुई शीर्षक सूचीकृत गर्नुहोस् ।
   Give any two items of current asset.
4. लागत लेखा विधिको अर्थ लेख्नुहोस् ।
   Write the meaning of Cost Accounting.
5. नियन्त्रणको आधारमा उपरिव्ययलाई वर्गीकरण गर्नुहोस् ।
   Classify overhead according to controllability.
6. आवधिक मौज्दात विधिको अर्थ दिनुहोस् ।
   Give the meaning of periodic inventory system.
7. समयदर ज्याला प्रणालीका कुनै दुई फाइदाहरू उल्लेख गर्नुहोस् ।
   State any two advantages of time wage system.
8. लेखा विधिमा कम्प्युटर पणालीका कुनै दुई बेफाइदाहरू उल्लेख गर्नुहोस् ।
   Mention any two disadvantages of computer system in accounting.
9. रु. १५,००० आर्जित कमिसन, तर प्राप्त नभएकोलाई समायोजन प्रविष्टि तयार गर्नुहोस् ।
   Prepare adjusting entry of commission earned but not received Rs. 15,000.
10. निम्न जानकारीहरू दिइएका छन् :
    Following information are given

खुद नाफा (Net profit) :	Rs. 18,000
गैर सञ्चालन खर्च (Non-operating expenses)	Rs. 6,000
चालु दायित्वमा कमी (Decrease in current liabilities)	Rs. 5,000

तयार गर्नुहोस् (Required): अप्रत्यक्ष विधिबाट सञ्चालन क्रियाकलापबाट नगद प्रवाह (Cash from operating activities under indirect method.)

Ans: Rs. 19,000

11. यदि प्रति आदेश लागत रू ३००, प्रति एकाइ सम्भार लागत रू. २ र वार्षिक खपत ३०,००० एकाइ छ भने मितव्ययी आदेश परिमाण पत्ता लगाउनुहोस् ।
    If ordering cost per order is Rs. 300, carrying cost per unit is Rs. 2 and annual requirements are 30,000 units, find out economic order quantity.

Ans: 3,000 units

समूह ख (Group B)
सङ्क्षिप्त उत्तरात्मक प्रश्नहरू (Short Answer Questions)

[8×5=40]

सबै प्रश्नहरू हल गर्नुहोस् । (Attempt All Questions.)

12. एउटा कम्पनीले रु. १०० दरका १० प्रतिशत प्रव्याजमा ३०,००० कित्ता सेयरको लागि आवेदन आह्वहान गऱ्यो जसको भुक्तानी निम्नानुसार हुनेछ ।
    A Company Ltd. invited application for 30,000 shares of Rs. 100 each at 10% premium, payable as under:

आवेदनमा (On application)	Rs. 30
बाँडफाँडमा (On allotment)	Rs. 40
प्रथम तथा अन्तिम किस्तामा (On first and final call)	Rs. 40

४२,००० हजार कित्ता सेयरको लागि आवेदन प्राप्त भयो । सञ्चालक समितिले २५,००० आवेदकलाई पुरै, १०,००० आवेदकलाई ५० प्रतिशत र ७,००० आवेदन अस्विकृत गऱ्यो । आवेदन साथ प्राप्त अधिक रकम बाँडफाँडको आंशिक भुक्तानीको लागि प्रयोग गर्ने निर्णय गरियो । प्रथम तथा अन्तिम किस्ताको रकम २०० सेयरमा बाँकी सम्पूर्ण रकम चुक्ता भयो ।

Applications were received for 42,000 shares. The board of directors decided to allot 25,000 applicants in full, 10,000 applicants 50% and 7,000 applicants were rejected. It was decided to utilize excess application money in part payment of allotment money. money were duly received except a shareholder holding 200 shares failed to pay first and final call money.

तयार गर्नुहोस् (Required): गोश्वारा अभिलेख (Entries for):

a. आवेदन (Share application)
b. बाँडफाँड (Share allotment)
c. प्रथम तथा अन्तिम किस्ता (Share first and final call.)

Ans: Bank a/c (Allotment) Rs. 10,50,000; First and final a/c Rs. 11,92,000; Calls in arrear final call Rs. [1.5+2+

13. a. एउटा कम्पनीले रु. ११,००,००० मूल्यमा निम्न सम्पत्तिहरू खरिद गऱ्यो ।
A company purchased the following assets at an agreed price of Rs. 11,00,000:

प्लान्ट (Plant)	Rs. 5,20,000
जग्गा तथा भवन (Land and building)	Rs. 7,30,000

उक्त खरिद मूल्य २० प्रतिशत छुटमा रु. १०० दरका सेयर निष्कासन गरी भुक्तानी गरियो ।
The company paid the agreed price by issuing shares of Rs. 100 each at 20% discount.
तयार गर्नुहोस् (Required): सम्पत्ति खरिद र सेयर निष्कासनको अभिलेख (Entries for purchase of assets and issue of shares)

Ans: Capital reserve Rs. 1,

b. एउटा लि. कम्पनीले रु. १,००० दरका ५ प्रतिशत प्रव्याजमा ५ वर्षपछि १० प्रतिशत प्रव्याजमा फिर्ता गर्ने गरी ८,००० ऋणपत्र निष्कासन गऱ्यो ।
A Co. Ltd. issued 8,000, 10% Debentures of Rs. 1,000 each at a premium of 5% redeemable at a premium of 10% after 5 years.
तयार गर्नुहोस् (Required): ऋणपत्र निष्कासन तथा भुक्तानीको गोश्वारा अभिलेख
Journal entries for issue and redemption of debentures

Ans: Loss on issue of debenture a/c Rs. 8,00,000, Premium on redemption of debenture Rs. 8,00, [1.5+1.5

14. एउटा कम्पनीको गतवर्षको ३१ आषाढको निम्न जानकारीहरू दिइएको छ :
Following information was taken from a company as on 31st Ashad, last year is given as:

विवरण (Particulars)	Amount (Rs.)
अग्रिमबीमा (Prepaid insurance)	8,000
कूलमुनाफा (Gross profit)	4,20,000
नाफा नोक्सान बाँडफाँड खाता (P&L appropriation account)	1,50,000
तलब (Salaries)	42,000
बाहिरी ढुवानी (Carriage outwards)	5,000
बिक्री खर्च (Selling expenses)	18,000
प्रशासनिक खर्च (Administrative expenses)	25,000
ब्याज खर्च (Interest expenses)	12,000
भाडा खर्च (Rent expenses)	36,000

थप जानकारीहरू (Additional Information):

a. प्रस्तावित लाभांश (Proposed dividend) Rs 90,000
b. अग्रिम बीमा खर्च लेखियो (Prepaid insurance was expired) Rs. 6,000.

तयार गर्नुहोस् (Required): नाफा-नोक्सान खाता र नाफा नोक्सान बाँडफाँड खाता
(Profit and Loss account, and Profit and Loss Appropriation account)

Ans: NP Rs. 2,76,000, P/L Appro. a/c Rs. 3,36, [3+2=

15. एउटा कम्पनीको गत वर्षको चैत्र ३१ को सन्तुलन परीक्षण निम्नानुसार दिइएको छ :
The trial balance of a Co. Ltd. as on 31st Chaitra last year is given below:

विवरण (Particulars)	Debit (Rs.)	विवरण (Particulars)	Credit (Rs.)
कार्यालय औजार (Office equipment)	1,80,000	पूँजी (Capital)	1,52,000
बिक्रीको लागत (Cost of goods sold)	1,21,000	साहुहरू (Creditors)	25,000
नगद (Cash)	32,000	बिक्री (Sales)	2,30,000
आसामीहरू (Debtors)	25,000	अग्रिम आय (Unearned income)	5,000
प्रशासनिक खर्च (Administrative expenses)	12,000		
तलब (Salaries)	24,000		
बजारीकरण खर्च (Marketing expense)	18,000		
Total	4,12,000	Total	4,12,000

थप जानकारी (Additional information):

i. तिर्न बाँकी तलब (Salary payable) Rs.6,000
ii. अग्रिम आय मध्य आम्दानी बाँधियो (Unearned income was earned) Rs. 4,000

तयार गर्नुहोस् (Required): कार्य विवरण (Worksheet)

Ans: ATB Rs. 4,12,000, Net Income Rs. 53,000, B/S Total Rs. 2,37,

लागत लेखा र वित्तीय लेखाबिच फरक छुट्याउनुहोस् ।
Differentiate between cost accounting and financial accounting. [5]

उपयुक्त उदाहरणसहित सामग्रीको वर्गीकरणको अर्थ उल्लेख गर्नुहोस् ।
State the meaning of material classification with suitable examples. [2]

b मे महिनाको भण्डारसम्बन्धी कारोबारहरू निम्नानुसार छन् ।
Following are the store transactions for the month of May:
May 1: सुरु मौज्दात (Beginning inventory) 150 units @ Rs. 20
May 2: खरिद (Purchased) 400 units @ Rs. 25
May 20: खरिद (Purchased) 650 units @ Rs 30
मे महिनाको बिक्री (Sales during May) 850 units
तयार गर्नुहोस् (Required):
आवधिक मौज्दात प्रणालीअन्तर्गत प्रथम दाखिला प्रथम निष्कासन विधिअन्तर्गत अन्तिम मौज्दातको लागत र बिक्रीको लागत ।
Cost of ending inventory and cost of goods sold using FIFO method under periodic inventory system. [3]
Ans: COGS Rs. 22,000, Ending Inventory Rs. 10,500

18 a ८० एकाइ उत्पादन गर्न २ घण्टा समय दिइएको छ । एउटा कामदारले एक महिनामा ४०० एकाइ उत्पादन गरेछ । प्रति घण्टा ज्याला दर रू. ८०० रहेको छ ।
The time allowed to produce 80 units of output is 2 hours. A worker produced 400 units during the month. Wages rate per hour is Rs. 800.
पत्ता लगाउनुहोस् (Required): उक्त कामदारको ज्याला (Wages of a worker) [2]
Ans: Rs 8,000

b. वित्तीय लेखा र लागत लेखाबिच तुलना गर्दा निम्न तथ्यहरू पत्ता लाग्यो :
On reconciliation of Financial and Cost Accounting, following facts were disclosed:
i. लागत लेखाले देखाएको नाफा (Profit shown by cost account) Rs. 4,20,000.
ii. लागत लेखामा कारखाना उपरिव्यय रु. २५,००० न्यून अभिलेख भएको छ ।
Works overhead under recorded in cost account Rs. 25,000.
iii. कार्यालय उपरिव्यय वित्तीय लेखामा रु. १५,००० न्यून अभिलेख भएको छ ।
Office overhead under recovered in financial account Rs. 15,000.
iv. स्थिर सम्पत्तिको बिक्रीमा रू. ५,००० मुनाफा वित्तीय लेखामा देखाएको छ ।
A profit on sale of fixed assets was shown in financial account Rs. 5,000.
तयार पार्नुहोस् (Required): लागत मिलान विवरण (Cost reconciliation statement) [3]
Ans: Net profit as per financial account Rs. 4,15,000

19. लेखा सफ्टवेयरका विशेषताहरू वर्णन गर्नुहोस् ।
Explain the features of accounting software. [5]

समूह ग (Group C)
लामो उत्तरात्मक प्रश्नहरू (Long Answer Questions)

[3×8= 24]

20. गत वर्षको चैत्र ३१ गते ए कम्पनी लि. को सन्तुलन परीक्षण निम्नानुसार दिइएको छ :
The trial balance of A Company Ltd. as on 31st Chaitra last year is given below:

विवरण (Particulars)	Debit (Rs.)	विवरण (Particulars)	Credit (Rs.)
सुरु मौज्दात (Opening inventory)	60,000	बिक्री (Sales)	5,20,000
बिक्री कमिसन (Sales commission)	40,000	साहुहरू (Creditors)	30,000
खरिद (Purchases)	3,50,000	अन्य सेवा आय (Other service revenue)	40,000
मसलन्द (Stationery)	9,000	१०% ऋणपत्र (10% Debentures)	1,00,000
भाडा (Rent)	20,000	सेयर पूंजी (Share capital)	5,00,000
तलब (Salary)	60,000	लगानीमा ब्याज (Interest on investments)	15,000
अन्तरिम लाभांश (Interim dividend)	8,000	शेष आय (Retained earnings)	40,000
सयन्त्र (Equipment)	1,00,000		
अग्रिम बीमा (Prepaid insurance)	10,000		
नगद (Cash)	17,000		
जैविक सम्पत्ति (Biological assets)	60,000		
१०% लगानी (10% investment)	1,50,000		
प्रशासनिक खर्च (Advertisement expense)	10,000		
जग्गा तथा भवन (Land and building)	3,00,000		
प्राप्य खाताहरू (Accounts receivable)	41,000		
ब्याज खर्च (Interest expenses)	10,000		
Total	12,45,000	Total	12,45,000

थप जानकारी (Additional Information):

i. अन्तिम मौज्दात (Closing inventory) Rs. 1,20,000.
ii. अग्रीम बीमा खर्च लेखिएको (Prepaid insurance was expired to) Rs. 8,000.
iii. सयन्त्रमा १०% र भवनमा ५% ले ह्रासकट्टि (Depreciation charged on equipment by 10% and on building by 5%.)
iv. आयकरको लागि व्यवस्था (Provision for income tax) @ 25%.

तयार गर्नुहोस् (Required):

a. NFRS मा आधारित नाफा वा नोक्सान विवरण (Profit or Loss statement based on NFRS)
b. NFRS मा आधारित वित्तीय विवरण (Statement of financial position based on NFRS) [4+4]

Ans: NI Rs. 77,250, B/S Total Rs. 7,85,250

अथवा (Or)

a. बहुचरण आय विवरण (Multi step income statement)
b. वित्तीय अवस्थाको विवरण (Statement of financial position)

Ans: RE Rs. 1,09,250, B/S Total Rs. 7,85,250

21. एउटा कम्पनीको ३१ डिसेम्बरको निम्नानुसार बासलात दिइएको छ :

The balance sheet of a company on 31st December were given below:

दायित्व (Liabilities)	Year I (Rs.)	Year II (Rs.)	सम्पत्ति (Assets)	Year I (Rs.)	Year II (Rs.)
सयर पूंजी (Share capital)	3,00,000	3,00,000	स्थिर सम्पत्ति (Fixed assets)	2,50,000	3,25,000
शेष आय (Retained earnings)	20,000	60,000	मौज्दात (Inventory)	10,000	35,000
साहुहरू (Creditors)	20,000	30,000	आसामीहरू (Debtors)	40,000	12,500
तिर्नुपर्ने खर्च (Expense payable)	25,000	17,500	बैंक मौज्दात (Bank balance)	65,000	35,000
Total	3,65,000	4,07,500	Total	3,65,000	4,07,500

थप जानकारी (Additional information):

i. बिक्री (Sales) Rs. 3,00,000
ii. बिक्रीको लागत (Cost of goods sold) Rs. 1,80,000
iii. स्थीर सम्पत्तिको बिक्री (Sales of fixed assets) Rs. 25,000
iv. स्थिर सम्पत्तिको खरिद (Purchase of fixed assets) Rs. 1,10,000
v. लाभांश भुक्तानी (Dividend paid) Rs. 30,000
vi. सञ्चालन खर्च (Operating expense) Rs. 40,000

तयार पार्नुहोस् (Required): प्रत्यक्ष विधि प्रयोग गरी नगद प्रवाह विवरण (Cash flow statement using direct method) [4+1+2=7]

Ans: CFOA Rs. 85,000, CFIA (Rs. 85,000), CFFA (Rs. 30,000)

22. सुरु तथा अन्तिम मौज्दात निम्नानुसार छ :

The opening and closing balance of inventories are as below:

	Opening	Closing
तयारी वस्तु (Finished goods)	Rs. 40,000	Rs. 45,000
अर्ध तयारी वस्तु (Work-in-progress)	Rs. 25,000	Rs. 20,000
कच्चा पदार्थ (Raw materials)	Rs. 40,000	Rs. 50,000

कम्पनीले उपलब्ध गराएको एक महिनाको अन्य जानकारीहरू निम्नानुसार छन् :

The other information provided by the company for the month ended was as follows:

कच्चा पदार्थ खरिद (Purchase of raw material) Rs. 3,50,000
प्रत्यक्ष ज्यालादारी (Direct labor cost) Rs. 4,20,000
नाफा (Profit) 25% on sales
कारखाना उपरिव्यय (Factory overhead) 50% of direct labor cost
विक्रय खर्च (Selling expenses) 12% of factory cost
प्रशासनिक उपरिव्यय (Administration overhead) 15% of factory cost

तयार पार्नुहोस् (Required): लागत विवरण (Cost sheet)

Ans: PC Rs. 7,60,000, FC Rs. 9,75,000, COP Rs. 11,16,250, TC Rs. 12,33,250, Profit Rs. 4,11,083, Sales Rs. 16,44,333

Set B

समूह क (Group A)

अति सङ्क्षिप्त उत्तरात्मक प्रश्नहरू (Very Short Answer Questions)

सबै प्रश्नहरू हल गर्नुहोस् (Attempt All Questions) [11x1=11]

1. कम्पनीका कुनै दुई महत्त्वपूर्ण कागजात उल्लेख गर्नुहोस् ।
   Mention any two important documents of a company.
2. माग गरिएको पूंजीको अर्थ लेख्नुहोस् ।
   Write the meaning of called up capital.

वित्तीय विवरणको कुनै दुई सीमाहरू सूचीकरण गर्नुहोस् ।
List out any two limitations of financial statements.
ठेक्का लागतको अर्थ लेख्नुहोस् ।
Write the meaning of contract costing.
अर्ध परिवर्तनशील लागतको अर्थ लेख्नुहोस् ।
Write the meaning of semi variable overhead.
खरिद आदेशको अर्थ लेख्नुहोस् ।
Give the meaning of purchase order.
समयदर ज्याला प्रणालीको कुनै दुई बेफाइदाहरू उल्लेख गर्नुहोस् ।
Mention any two disadvantages of time rate system of wages payment.
लेखा मास्टरलाई परिभाषित गर्नुहोस् ।
Define account masters.
फर्निचरमा मूल्य ह्रास रु २०,००० छ भने समायोजन प्रविष्टि तयार गर्नुहोस् ।
Prepare adjustment entry for depreciation on furniture Rs.20,000
0. यदि वार्षिक बिक्री रु. ६,००,००० र आसामीमा वृद्धि रु ४०,००० छ भने बिक्रीबाट नगद सङ्कलन पत्ता लगाउनुहोस् ।
Find out the cash collection from sales, if sales is Rs.6,00,000 during the year and increase in debtors by Rs. 40,000
Ans: Cash collection from customers Rs. 5,60,000

1. यदि वार्षिक उपभोग ७,००० एकाइ र आदेश सङ्ख्या ५ पटक छ भने, मितव्ययी आदेश परिमाण पत्ता लगाउनुहोस् ।
If annual consumption is 7,000 units & number of order is 5 times. Find out the Economic Order Quantity (EOQ).
Ans: 265 units

समूह ख (Group B)
सङ्क्षिप्त उत्तरात्मक प्रश्नहरू (Short Answer Questions) [8×5=40]

2. एउटा कम्पनीले रु. १०० अङ्कित मूल्य भएका ५,००० सेयर १० प्रतिशत प्रव्याजमा निष्कासन गरेकोमा ८०० सेयरले प्रथम तथा अन्तिम किस्ताको रु. ३० भुक्तान नगरेकोले जफत गऱ्यो । त्यसपछि उक्त सेयरहरू रु. ८५ मा पुरै भुक्तान भएको मानी पुनः निष्कासन गऱ्यो ।
A company forfeited 800 shares out of 5,000 shares @Rs.100 each issued at 10% premium due to non-payment of first and final call money of Rs.30. These shares were subsequently re-issued at Rs.85 per share as fully paid up.
तयार गर्नुहोस् (Required):
सेयरको अन्तिम किस्ता, जफत, पुनःनिष्कासन र रकमान्तरको अभिलेख ।
(Entries for Share final call, forfeiture, Re-issue and Transfer) [2+1+1+1]
Ans: Capital reserve Rs. 44,000

3 a. X कम्पनीले Y कम्पनीका निम्नानुसारका सम्पत्तिहरू रु. ५,५०,००० मूल्यमा खरिदगर्न सहमत भयो ।
X Company purchased the following assets of Y Company at an agreed price of Rs. 5,50,000.

मेसिनरी (Machinery)	Rs.3,00,000
आसामीहरू (Debtors)	Rs.1,00,000
मौज्दात (Inventories)	Rs.1,50,000

X कम्पनीले उक्त खरिद मूल्य रु. १०० दरका सेयर १०% प्रव्याजमा निष्कासन गरी भुक्तान गऱ्यो ।
X Company paid the purchase price by issuing shares of Rs. 100 each at a premium of 10%.
तयार गर्नुहोस् (Required): उपरोक्त सम्पत्ति खरिद र सेयर निष्कासन गरी भुक्तानीको अभिलेख ।
(Entry for purchase of above assets by issuing shares) [2]
Ans: Goodwill/ Capital reserve- Nil

b. पी कम्पनी लि. ले रु. १०० दरका १०% छुटमा ५,०००, ९% ऋणपत्र निष्कासन गऱ्यो र ५ वर्षपछि १० % प्रव्याजमा फिर्ता गरिन्छ ।
P Company Ltd. issued 5,000, 9% Debenture of Rs 100 each at 10% discount and redeemable at 10% premium after 5 years.
तयार गर्नुहोस् (Required): ऋणपत्र निष्कासन र फिर्ताको अभिलेख ।
(Journal entries for issue and redemption of debentures) [1+1+1=3]
Ans: Loss on issue of debenture Rs. 50,000; Premium on redemption of debenture Rs. 50,000

4. पशुपति कम्पनी लि. को ३१ मार्च २०२१ को निम्न जानकारीहरू दिइएको छ :
The following is the information of Pashupati Co. Ltd. as on 31st March 2021:

विवरण (Particulars)	(Rs.)	विवरण (Particulars)	(Rs.)
खरिद (Purchase)	2,75,000	बिक्री (Sales)	5,30,000
बीमा (Insurance)	24,000	ब्याज प्राप्त (Interest received)	5,000
भाडा (Rent)	10,000	तलब (Salary)	36,000
सुरु मौज्दात (Opening stock)	80,000	साधारण खर्च (General expenses)	20,000
ज्याला (Wages)	1,75,000	विक्रय खर्च (Selling expenses)	15,000

थप जानकारी (Additional Information):
i. अन्तिम मौज्दात : बजार मूल्य रु. ८०,००० र लागत मूल्य रु. ७०,०००
Closing stock Rs. 80,000 at market price and Rs.70,000 as cost price.

ii. स्थिर सम्पत्तिमा मूल्य ह्रास (Depreciation on fixed assets)Rs. 10,000
iii. करको लागि व्यवस्था (Provision for taxation) Rs.7,000

तयार पार्नुहोस् (Required):

a. व्यापार खाता (Trading Account)
b. नाफा नोक्सान खाता (Profit and Loss Account) [2+3]

Ans: (a) GP 70,000 (b) NL Rs. 47,000

15. गतवर्षको अन्तमा एउटा कम्पनीको सन्तुलन परीक्षण निम्नानुसार छ :
Trial balance of a Company Ltd. as on last year ended is as follows:

Debit	Rs.	Credit	Rs
खरिद (Purchases)	9,00,000	बिक्री (Sales)	12,00,000
सुरु मौज्दात (Opening stock)	1,00,000	साहुहरू (Creditors)	80,000
ज्याला (Wages)	50,000	सेयर पूँजी (Share capital)	2,00,000
भाडा (Rent)	40,000	नाफा नोक्सान खाता (Profit and loss account)	20,000
तलब (Salaries)	24,000		
नगद (Cash)	86,000		
स्थिर सम्पत्ति (Fixed assets)	2,00,000		
आसामीहरू (Debtors)	1,00,000		
Total	15,00,000	Total	15,00,000

थप जानकारी (Additional Information):

i. स्थिर सम्पत्तिमा ह्रास (Depreciation on fixed assets): 15%
ii. प्रस्तावित लाभांश (Proposed dividend): 12%

तयार गर्नुहोस् (Required): १२ महलीय कार्य विवरण (12 column worksheet) [5]

Ans: ATB Rs. 15,24,000, Net Income Rs. 56,000, Retained earnings Rs. 52,000, B/S Total Rs. 3,56,000

16. लागत लेखाको अर्थ लेख्नुहोस् र लागत लेखाका कुनै तीन उद्देश्यहरू उल्लेख गर्नुहोस् ।
Give the meaning of cost accounting, and mention any three objectives of cost accounting. [5]

17. a. केन्द्रिकृत भण्डारको बारेमा लेख्नुहोस् ।
Write about centralized store. [2]

b. एउटा उत्पादन कम्पनीको निम्नानुसार जानकारी दिइएको छ :
The following information is available of a manufacturing company:

विवरण (Details)	एकाइ (Units)	एकाइ लागत (Unit Cost)
सुरु मौज्दात (Beginning inventory)	2,000	Rs 100
खरिद (Purchases):		
March 02	3,000	Rs 110
June 10	4,000	Rs 120
August 15	2,500	Rs 130
December 22	1,500	Rs 150

वर्षभरिमा १०,००० एकाइ जारी (बिक्री) गरियो ।
During the year, inventory issued (Sales) 10,000 units

तयार गर्नुहोस् (Required):

आवधिक मौज्दात प्रणालीअन्तर्गत भारित औषत विधिबाट बिक्रीको लागत र अन्तिम मौज्दातको लागत पत्ता लगाउनुहोस् ।
Cost of goods sold and cost of closing stock under weighted average method using periodic inventory system [3]

Ans: COGS Rs. 12,00,000, Ending Inventory Rs. 3,60,000

18. a. प्रत्येक एकाइ उत्पादन गर्न प्रमाणिक समय ४ घण्टा लाग्छ एउटा, कामदारले एक महिनामा २०० एकाइ उत्पादन गऱ्यो । प्रति घण्टा ज्यालादर रु. ८० छ ।
Standard time to produce each unit of output is 4 hours. A worker produced 200 units during the months. Wages rate per hour is Rs. 80.

तयार गर्नुहोस् (Required): एक महिनाको कुल ज्याला (Total wages for the month) [2]

Ans: Rs 64,000

b. लागत र वित्तीय लेखाबाट निम्न तथ्यहरू पत्ता लाग्यो ।
Following facts were discovered from cost and financial accounting:

i. वित्तीय लेखाअन्तर्गत खुद नाफा रु ७७,००० छ । (Net profit as per financial account Rs 77,000)
ii. लागत लेखामा सुरु मौज्दातको रु. २०,००० ले अधि मूल्याङ्कन भएको छ । (Over valuation of opening stock in cost account Rs.20,000.)
iii. लागत लेखामा प्रशासनिक खर्च रु. ३०,००० न्यून लेखिएको छ । (Administrative expenses under absorbed in cost account Rs.30,000.)

iv. लाभांश लेखाका वित्तीय खातामा प्राप्त रु. २०,००० छ । (Dividend received recorded in financial account Rs. 20,000)

तयार गर्नुहोस् (Required): लागत मिलान विवरण (Cost reconciliation statement) [3]

Ans: Net profit as per cost account Rs. 87,000

लेखा परीक्षणमा कम्प्युटरको प्रयोग छोटकरीमा लेख्नुहोस् ।

Write in brief the uses of computer in accounting. [5]

समूह ग (Group C)

लामो उत्तरात्मक प्रश्नहरू (Long Answer Questions) [3×8= 24]

तलपर्खको एउटा कम्पनीको सन्तुलन परीक्षण निम्नानुसार दिइएको छ ।

The trial balance of a company limited as on last year is given.

विवरण (Particulars)	Debit (Rs)	विवरण (Particulars)	Credit (Rs)
सुरु मौज्दात (Opening stock)	1,50,000	शेयर पूँजी (Share capital)	3,00,000
ज्याला (Wages)	40,000	बैंक ऋण (10% Bank loan)	1,50,000
खरिद (Purchase)	4,50,000	कमिशन (Commission)	20,000
भाडा (Rent)	30,000	साहुका (Creditors)	80,000
बैंक ऋणमा ब्याज (Interest on bank loan)	10,000	नाफा नोक्सान खाता (Profit and loss account)	50,000
तलब (Salaries)	60,000	बिक्री (Sales)	6,15,000
फर्निचर (Furniture)	1,00,000		
आसामीका (Debtors)	80,000		
डुबत ऋण (Bad debts)	10,000		
ढुवानी (Carriage)	5,000		
अग्रिम बीमा (Prepaid Insurance)	15,000		
मेसिनरी (Machinery)	2,00,000		
नगद (Cash)	25,000		
सद्भाव (Goodwill)	40,000		
Total	12,15,000	Total	12,15,000

थप जानकारी (Additional information):

i. अन्तिम मौज्दात (Stock at end): Rs.2,10,000.

ii. तिर्न बाँकी ज्यालादारी (Outstanding wages): Rs.5,000

iii. अग्रिम बीमा खर्च लेखिएको (Prepaid insurance expired): Rs. 10,000

iv. करको लागि व्यवस्था (Provision for tax): Rs. 10,000

तयार गर्नुहोस् (Required): आय विवरण र वर्गीकृत वासलात (Income statement and classified Balance Sheet) [4+4]

Ans: Retained earnings Rs. 1,10,000, B/S Total Rs. 8,60,000

अथवा (Or)

NFRS मा आधारित नाफा-नोक्सान विवरण र वित्तीय अवस्थाको विवरण

Statement of profit or loss and statement of financial position based on NFRS

Ans: Net Income Rs. 60,000, B/S Total Rs. 8,50,000

७ ए लि को वासलात र आयविवरण निम्नानुसार दिइएको छ :

The balance sheet and income statement of A Ltd. are given below:

दायित्व (Liabilities)	5th year	6th year	सम्पत्ति (Assets)	5th year	6th year
शेयर पूँजी (Share capital)	2,00,000	3,00,000	फर्निचर (Furniture)	2,00,000	2,60,000
ऋणपत्र (Debenture)	1,50,000	1,30,000	जग्गा (Land)	1,30,000	1,45,000
साहुका (Creditors)	1,40,000	1,50,000	मौज्दात (Stock)	1,80,000	2,00,000
बैंक अधिकर्षण (Bank overdraft)	1,20,000	1,10,000	आसामी (Debtors)	1,30,000	1,20,000
संचित आय (Retained earnings)	1,40,000	1,60,000	नगद (Cash)	1,10,000	1,25,000
Total	7,50,000	8,50,000	Total	7,50,000	8,50,000

आय विवरण (Income Statement for the year ending 6th year)

विवरण (Items)		Rs.
बिक्री (Sales)		78,00,000
Less बिक्रीको लागत (Cost of goods sold)		67,00,000
कुल नाफा (Gross margin)		11,00,000
Less सञ्चालन खर्च (Operating expenses)	10,40,000	
ह्रास (Depreciation)	20,000	
ऋणपत्र भुक्तानीमा प्रिमियम (Premium on redemption of Debenture)	1,000	
फर्निचर बिक्रीमा नोक्सानी (किताबी मूल्य रु २०,०००) (Loss on sale of furniture) (Book value Rs. 20,000)	5,000	10,66,000
खुद आय (Net income)		34,000

अन्य जानकारी (Other information):

i. फर्निचरको बिक्री रु. १५,००० र फर्निचरको खरिद रु. १०,००० छ ।
(Sale of furniture for Rs. 15,000 and purchase of furniture for Rs.1,00,000)

ii. यस वर्षको लाभांश भुक्तानी (Dividend paid for the year): Rs.14,000

तयार गर्नुहोस् (Required): अप्रत्यक्ष विधि प्रयोग गरी नगद प्रवाह विवरण (Cash flow statement using indirect method) [4+1+2=7]
Ans: CFOA Rs. 60,000, CFIA (Rs. 1,00,000), CFFA Rs. 54,000

22. एउटा वस्तु उत्पादन गर्दा आवश्यक लागतसम्बन्धी जानकारी निम्नानुसार दिइएको छ :
Cost information for manufacturing a product is given below:

प्रत्यक्ष सामग्री (Direct material)	: 20,000 kgs @ Rs. 10 per kg
प्रत्यक्ष श्रम लागत (Direct labour cost)	: 80% of cost material
कारखाना उपरिव्यय (Factory overhead)	: Rs.64,000
प्रशासनिक उपरिव्यय (Administrative overhead)	: Rs.42,400

बोलपत्र पेस गर्नको लागि निम्नानुसार पूर्वानुमानहरू गरिएको छ
(The following estimations were made for submitting a tender):

- सामग्रीको लागि अनुमान (The estimated cost of material is) Rs.30,000
- प्रत्यक्ष श्रम (Direct labour) Rs.24,000
- कारखाना उपरिव्यय प्रत्यक्ष श्रमको आधारमा लाग्नेछ (Factory overhead are absorbed on the basis of direct labour)
- प्रशासनिक उपरिव्यय कारखाना लागतको आधारमा लाग्नेछ (Administrative overheads are absorbed on the basis of factory cost)
- बिक्रीको २० प्रतिशत नाफा अनुमान गरिएको छ (A profit of 20% on selling price is estimated)

तयार गर्नुहोस् (Required): लागतको विवरण र बोलपत्र विवरण (A Statement of Cost and Tender Sheet) [3+2=5]
Ans: (i) TC Rs. 4,66,400 (ii) TC Rs. 69,960, Profit Rs17,490, Tender price Rs. 87,450

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समूह क (Group A)
अति सङ्क्षिप्त उत्तरात्मक प्रश्नहरू (Very Short Answer Questions)

सबै प्रश्न हल गर्नुहोस् (Attempt All Questions) [11×1=11]

1. सार्वजनिक कम्पनीका कुनै दुई विशेषताहरू लेख्नुहोस् ।
Write any two features of public company.
2. अधिकृत पुँजी भन्नाले के बुझ्नुहुन्छ ?
What do you mean by authorized capital?
3. वित्तीय विवरणको अर्थ लेख्नुहोस् ।
Write the meaning of financial statement.
4. प्रक्रिया लागत विधि भनेको के हो ?
What is process costing?
5. उपरिव्यय बाँडफाँडको अर्थ लेख्नुहोस् ।
Write the meaning of allocation of overhead.
6. भण्डारेका कुनै दुई कर्तव्यहरू उल्लेख गर्नुहोस् ।
List out any two duties of storekeeper.
7. समय ज्यालादर प्रणाली भनेको के हो ?
What is time rate wage system?
8. लेखाविधिमा कम्प्युटर प्रणालीको कुनै दुई सीमाहरू उल्लेख गर्नुहोस् ।
State any two limitations of computer system in accounting.
9. अग्रिम बीमा रु. २,००० खर्च भएको समायोजन प्रविष्टि तयार पार्नुहोस् ।
Prepare adjustment entry of prepaid insurance expired Rs. 2,000.
10. तल दिइएका सूचनाका आधारमा अप्रत्यक्ष विधिबाट सञ्चालन क्रियाकलापको नगद प्रवाह निकाल्नुहोस् ।
From the following information calculate cash flow from operating activities under indirect method.

खुद आम्दानी (Net income)	Rs. 40,000
चालु सम्पत्तिमा वृद्धि (Increase in current assets)	Rs. 5,000
गैरसञ्चालन खर्च (Non-operating expenses)	Rs. 10,000

Ans: Rs. 45,000

11. यदि वार्षिक परिमाण १००,००० एकाइ र आदर्श आदेश परिमाण २०,००० एकाइ भए आदेश सङ्ख्या पत्ता लगाउनुहोस् ।
If annual requirements are 100,000 units and economic order quantity 20,000 units then find out the number of order.
Ans: 5 times

समूह ख (Group B)
सङ्क्षिप्त उत्तरात्मक प्रश्नहरू (Short Answer Questions)

सबै प्रश्नहरू हल गर्नुहोस् । (Attempt All Questions.) [8×5=40]

12. कुनै एक कम्पनीले ५% प्रिमियममा रु. १०० दरका ६,००० कित्ता सेयर जारी गऱ्यो । भुक्तानी निम्नानुसार हुनेछ
A company issued 6,000 shares of Rs. 100 each at 5% premium. The money was payable as follows:
आवेदनमा (On application) ..... Rs. 30
बाँडफाँडमा (On allotment) ..... Rs. 50
प्रथम तथा अन्तिम किस्तामा (On first and final call) ..... Rs. 25
१०,००० कित्ता सेयरका लागि आवेदन प्राप्त भयो । सबै आवेदकलाई समानुपातिक दरमा सेयर बाँडफाँड गरियो । आवेदनमा बढी भुक्तानी प्राप्त रकम बाँडफाँडमा प्रयोग गरियो । सबै किस्ताको रकम माग गरियो र प्राप्त भयो ।
Applications were received for 10,000 shares. Shares were allotted on pro-rata basis. Excess application money were utilized towards the money due on allotment. All calls were duly made and received.
तयार पार्नुहोस् (Required): जर्नल प्रविष्टि (Journal entry for)
a. सेयर आवेदन (Share Application)
b. सेयर बाँडफाँड (Share Allotment)
c. प्रथम र अन्तिम किस्ता (Share First and Final Call) [1.5+2+1.5=5]
Ans: Bank a/c (Allotment) Rs. 1,80,000

अथवा (Or),
रु. १०० प्रति कित्ता मूल्य भएको ५% छुटमा जारी गरेको सेयरमध्ये २५० कित्ताको सेयरधनीले अन्तिम किस्ता रकम रु. ३५ चुक्ता नगरेकोले निजको सेयर जफत गरियो । कम्पनीले उक्त जफत सेयर रु. ११० पुरै भुक्तानी हुने गरी पुनः जारी गऱ्यो ।
A shareholder holding 250 shares of Rs. 100 each issued at 5% discount failed to pay final call money for Rs. 35. His shares were forfeited. The company reissued those forfeited shares @ Rs. 110 as fully paid.
तयार पार्नुहोस् (Required): जर्नल प्रविष्टि (Journal entry for)
a. अन्तिम किस्ता (Final call)
b. सेयर जफत (Share forfeiture)
c. सेयर पुनः जारी (Share re-issue)
d. हस्तान्तरण (Transfer) [1.5+1.5+1+1=5]
Ans: (d) Capital Reserve Rs. 15,000

13. a. अयान्स कम्पनी लि.ले आरब कम्पनी लि.को निम्नानुसारको सम्पत्ति लियो ।
Ayaansh Company Ltd took over the following assets of Aarab Company Ltd.:
मेसिनरी (Machinery) ..... Rs. 2,00,000
फर्निचर (Furniture) ..... Rs. 50,000
मौज्दात (Stock) ..... Rs. 1,00,000
कम्पनीले १०% छुटमा रु. १०० दरको ५,००० कित्ता सेयर जारी गरी रकम भुक्तानी गर्न सहमत भयो ।
The company agreed to pay for issuing 5,000 shares of Rs. 100 each at 10% discount.
तयार पार्नुहोस् (Required): सम्पत्ति खरिद र सेयर जारीको प्रविष्टि (Journal Entry for Purchase of Assets and Issue of Shares)[1+1=2]
Ans: Goodwill Rs. 1,00,000

b. एउटा कम्पनीले १० वर्षपछि १०% अतिरिक्त रकमसहित भुक्तानी गर्ने गरी रु. १,००० दरका २०० कित्ता ८% ऋणपत्र अङ्कित मूल्यमा जारी गऱ्यो ।
A Co. Ltd. issued 200, 8% debentures of Rs. 1,000 each at par and redeemable at 10% premium after 10 years.)
तयार पार्नुहोस् (Required): ऋणपत्र जारी र भुक्तानीका भौचरहरू (Journal entries for issue and redemption of debenture)[1+2=3]
Ans: Loss on issue of debenture Rs. 20,000, Premium on redemption of debenture Rs. 20,000

14. एउटा कम्पनीको वित्तीय कारोबारको विवरण निम्नानुसार दिइएको छ
The following financial transactions of a company is provided:

विवरणहरू (Particulars)	रु.(Rs.)	विवरणहरू (Particulars)	रु.(Rs.)
बिक्री आय (Sales revenue)	500,000	विज्ञापन (Advertising)	15,000
सुरु मौज्दात (Opening stock)	40,000	भाडा प्राप्ति (Rent received)	10,000
खरिद (Purchase)	300,000	कमिसन भुक्तानी (Commission paid)	4,000
बीमा (Insurance)	15,000	खरिद फिर्ता (Return outward)	12,000
तलब (Salary)	70,000	ढुवानी (Carriage)	8,000
लगानीमा ब्याज (Interest on investment)	100,000	बिक्री फिर्ता (Return inward)	3,000
ऋणको ब्याज (Interest on loan)	5,000		

थप जानकारी (Additional information):
i. अन्तिम मौज्दात (Closing stock): Rs. 30,000
ii. तिर्न बाँकी तलब (Salary outstanding): Rs. 5,000

तयार पार्नुहोस् (Required):

a. व्यापार खाता (Trading Account)

b. नाफा नोक्सान खाता (Profit & Loss account) [2+3=5]

Ans: (a) GP Rs. 1,91,000 (b) NP Rs. 1,87,000

15. एउटा कम्पनीको असमायोजित सन्तुलन परीक्षण निम्नानुसार दिइएको छ।
An unadjusted trial balance of a company is given below.

विवरणहरू (Particulars)	डेबिट रु. (Debit Rs.)	क्रेडिट रु. (Credit Rs.)
सेयर पूंजी (Share capital)	-	100,000
साहू (Creditors)	-	50,000
बैंक ऋण (Bank loan)	-	40,000
बिक्री (Sales)	-	250,000
मेसिनरी (Machinery)	145,000	-
नगद मौज्दात(Cash balance)	60,000	-
तलब (Salary)	35,000	-
अग्रिम भाडा (Prepaid rent)	15,000	-
छुट (Discount)	-	5,000
खरिद (Purchase)	1,90,000	-
जम्मा (Total)	445,000	445,000

थप जानकारी (Additional information):

i. अग्रिम भाडा रु. १२,००० खर्च लेखियो।
Prepaid rent of Rs. 12,000 was expired

ii. १०% का दरले मेसिनरीमा मूल्यह्रास कट्टी गरियो।
Depreciate machinery by 10%

तयार गर्नुहोस् (Required): कार्यविवरण (Worksheet) [5]

Ans: ATB Rs. 4,45,000; NP Rs. 3,500; B/S Total Rs. 1,93,400

16. लागत लेखाको परिभाषा दिदै यसका उद्देश्यहरू लेख्नुहोस्।
Mention the objectives of cost account with its definition. [2+3]

17. a. केन्द्रीकृत र विकेन्द्रीकृत खरिदबिचको भिन्नता देखाउनुहोस्।
Differentiate between centralized purchase and decentralized purchase.

b. जेठ महिनाको भण्डारको कारोबार निम्नानुसार दिइएको छ:
The following are the store transactions for the month of Jestha:

Jestha 1	सुरु मौज्दात (Opening stock)	200 units @ Rs. 3
Jestha 5	खरिद (Purchased)	400 units @ Rs. 2.5
Jestha 10	खरिद (Purchased)	300 units @ Rs. 2
जेठ महिनाको कुल बिक्री (Total sales during the month of Jestha)		750 units

पत्ता लगाउनुहोस् (Calculate): आवधिक मौज्दात पद्धतिअन्तर्गत FIFO विधिबाट अन्तिम मौज्दातको लागत र वस्तु बिक्रीको लागत (Cost of ending inventory and cost of goods sold using FIFO method under periodic inventory system.) [3]

Ans: COGS Rs. 1,900, Ending Inventory Rs. 300

18. a. प्रति घण्टा प्रमाणिक उत्पादन ५ एकाइ हो। प्रति एकाइ ज्यालादर रु. ३० र एक महिनाको कुल कार्य घण्टा १५० छ।
The standard output per hour is 5 units. The wage rate per unit is Rs. 30 and total working hour in a month is 150 hours.)
पत्ता लगाउनुहोस् (Calculate): एकाइ ज्यालादर प्रणालीअनुसार एक महिनाको कुल ज्याला (Total wages for the month under piece rate system.) [2]

Ans: Rs. 22,500

b. निम्न विवरणहरू दिइएका छन्:
The following information is provided:

i. वित्तीय लेखाले खुद नाफा रु. ४५,००० देखायो।
Net profit shown by financial accounting Rs. 45,000

ii. मूल्यह्रास कट्टी रु. १०,००० ले लागत लेखामा बढी अभिलेख गरेको पाइयो।
Depreciation overcharged in cost accounting by Rs. 10,000

iii. सुरु मौज्दात रु. ८,००० ले वित्तीय लेखामा कम मूल्याङ्कन देखियो।
Undervalued of opening stock in financial accounting Rs. 8,000

iv. वित्तीय लेखामा लगानीको ब्याज रु. ११,००० क्रेडिट गरियो
Interest on investment credited in financial accounting Rs. 11,000

तयार गर्नुहोस् (Prepare): लागत हिसाब मिलान विवरण (Cost Reconciliation Statement) [3]

Ans: Net profit as per cost accounting Rs. 16,000

19. कम्प्युटरकृत लेखा प्रणाली भनेको के हो ? कम्प्युटरकृत लेखा प्रणालीका तत्त्वहरूको व्याख्या गर्नुहोस्।
What is computerized accounting system? Explain the elements of computerized accounting system. [2+3=5]

अथवा (Or)
लेखा सफ्टवेयरका विशेषताहरू वर्णन गर्नुहोस् ।
Describe the features of accounting software. [5]

समूह ग (Group C)
लामो उत्तरात्मक प्रश्नहरू (Long Answer Questions)

हरे प्रश्न हल गर्नुहोस् । (Attempt All Questions.)

20. अपि लि को ३१ असार २०७७ को सन्तुलन परीक्षण निम्नानुसार दिइएको छ: [3×8= 24]
A trial balance of Api Ltd. as on 31st Asar 2077 is given below:

विवरणहरू (Particulars)	डेबिट रु. (Debit Rs.)	विवरणहरू (Particulars)	क्रेडिट रु (Credit Rs.)
सुरुको मौज्दात (Opening stock)	15,000	बिक्री आम्दानी (Sales revenue)	4,65,000
खरिद (Purchase)	2,85,000	सेयर पूंजी (Share capital)	150,000
लेखापरीक्षण शुल्क (Audit fee)	12,000	साहुहरू (Accounts payable)	22,000
छपाइ तथा मसलन्द (Printing and stationery)	18,000	ऋण (Loan)	1,80,000
तलब खर्च (Salaries expenses)	60,000	ब्याज तथा लाभांश (Interest and dividend)	8,000
ख्याति (Goodwill)	10,000	अन्य सेवा आम्दानी (Other service revenue)	35,000
प्रवर्धन खर्च (Promotion expenses)	9,000		
ब्याज खर्च (Interest expenses)	12,000		
मर्मत तथा सम्भार (Repair and maintenance)	8,000		
प्लान्ट तथा उपकरण (Plant and equipment)	2,00,000		
बैंक मौज्दात (Bank balance)	42,000		
आसामीहरू (Accounts receivable)	65,000		
लगानी (Investment)	1,00,000		
भाडा खर्च (Rent expenses)	20,000		
अन्य बिक्री खर्च (Other selling expenses)	4,000		
जम्मा (Total)	860,000	जम्मा (Total)	860,000

थप जानकारी (Additional information):

i. अन्तिम मौज्दात (Closing stock): Rs. 20,000
ii. प्लान्ट तथा उपकरणमा मूल्यह्रास कट्टी (Depreciate on plant and equipment): 10%
iii. आयकर दर (Income tax rate): 20%
iv. भुक्तानी गर्न बांकी भाडा (Rent outstanding): Rs. 1,000

तयार गर्नुहोस् (Required):

a. NFRS अनुसार नाफा नोक्सान विवरण (Profit or Loss Statement based on NFRS)
b. NFRS अनुसार वित्तीय अवस्था (Statement of Financial Position based on NFRS) [5+3= 8]

Ans: (a) NP Rs. 51,200 (b) B/S Total Rs. 4,17,000

अथवा (Or),

आर्या कम्पनीको सन्तुलन परीक्षण निम्नानुसार दिइएको छ
The trial balance of Arya Company Ltd. is given below:

सन्तुलन परीक्षण (Trial balance)
३० चैत्र २०७६ (as on 30th Chaitra, 2076)

विवरणहरू (Particulars)	डेबिट रु. (Debit Rs.)	विवरणहरू (Particulars)	क्रेडिट रु. (Credit Rs.)
सुरु मौज्दात (Opening stock)	40,000	सेयर पूंजी (Share capital)	1,50,000
तलब (Salary)	32,000	बैंक ऋण (Bank loan)	50,000
खरिद (Purchase)	2,50,000	विविध साहु (Sundry creditors)	40,000
विज्ञापन (Advertisement)	14,000	बिक्री (Sales)	3,90,000
बैंक मौज्दात (Bank balance)	35,000	खरिद फिर्ता (Purchase return)	5,000
विविध आसामी (Sundry debtors)	50,000	ब्याज प्राप्ति (Interest received)	14,000
लगानी (Investment)	50,000	कमिसन (Commission)	2,000
मेसिनरी (Machinery)	1,20,000		
ब्याज भुक्तानी (Interest paid)	5,000		
प्रशासनिक खर्च (Administrative expenses)	35,000		
अग्रिम बीमा (Prepaid insurance)	20,000		
जम्मा (Total)	6,51,000	जम्मा (Total)	6,51,000

थप जानकारी (Additional information):

i. अन्तिम मौज्दात (Closing stock) Rs. 55,000
ii. मेसिनरीमा १०%, मूल्यह्रास कट्टी (Depreciate machinery by 10%)
iii. अग्रिम भुक्तानी बीमा खर्च लेखियो (Prepaid insurance expired) Rs. 17,000
iv. २५%, आयकर (Income tax @ 25%)

तयार गर्नुहोस् (Required):

a. बहुचरणको आय विवरण (Multi–Step Income Statement)
b. वर्गीकृत वासलात (Classified Balance Sheet)

Ans: (a) NP Rs. 45,750 (b) B/S Total Rs. 3,01,9

21. एउटा कम्पनीको दुई वर्षको वासलात तल दिइएको छ।

The balance sheet of a company for two years are given below.

दायित्व (Liabilities)	2074 (Rs.)	2075 (Rs.)	सम्पत्ति (Assets)	2074 (Rs.)	2075 (Rs.)
सेयर पूंजी (Share capital)	2,50,000	3,00,000	मेसिनरी (Machinery)	1,80,000	3,00,000
ऋणपत्र (Debenture)	50,000	80,000	ख्याति (Goodwill)	40,000	20,000
साहू (Creditors)	30,000	65,000	आसामी (Debtors)	70,000	1,20,000
तिर्न बाकी खर्च (Outstanding expenses)	10,000	5,000	मौज्दात (Stock)	30,000	50,000
			नगद मौज्दात (Cash balance)	60,000	20,000
अवितरित मुनाफा (Retained earnings)	40,000	60,000			
जम्मा (Total	3,80,000	5,10,000	जम्मा (Total)	3,80,000	5,10,000

थप जानकारी (Additional information):

i. बिक्री (Sales): Rs. 5,50,000
ii. बिक्रीको लागत (Cost of goods sold): Rs. 3,50,000
iii. मूल्यह्रास कट्टी रु ३०,००० सहितको सञ्चालन खर्च (Operating expenses including depreciation Rs. 30,000): Rs. 1,00,000
iv. ब्याज खर्च (Interest expenses): Rs. 10,000
v. मेसिन बिक्री (Sale of machinery): Rs. 40,000
मेसिन खरिद (Purchase of machinery): Rs. 1,85,000
vi. लाभांश भुक्तानी (Dividend paid): Rs. 55,000

तयार गर्नुहोस् (Required): प्रत्यक्ष विधिबाट नगद प्रवाह विवरण (Cash Flow Statement by Using Direct Method.) [4+1+2+1=

Ans: CFOA Rs. 80,000; CFIA (Rs. 1,45,000); CFFA Rs. 25,0

22. गत महिनाको अभिलेखबाट निम्न लागत विवरणहरू दिइएका छन्

The following cost information was extracted from last month records.

प्रत्यक्ष सामग्री (Direct materials): Rs. 2,50,000
प्रत्यक्ष ज्याला (Direct wages): Rs. 1,50,000
कारखाना उपरिव्यय (Factory overhead): Rs. 45,000
प्रशासनिक उपरिव्यय (Administrative overhead): Rs. 44,500

उपरिव्ययहरू निम्नअनुसार बाँडफाँड गरिन्छ:

Overheads are allocated as under:

- कारखाना उपरिव्यय मूल लागतको आधारमा (Factory overhead on the basis of prime cost)
- प्रशासनिक उपरिव्यय कारखाना लागतको आधारमा (Administrative overhead on the basis of factory cost)

बोलपत्र पेस गर्न निम्नअनुसारको लागत अनुमान गरियो।

The following costs were estimated for submitting a tender:

- सामग्री लागत (Material cost): Rs. 1,00,000
- श्रम लागत (Labour cost): Rs. 60,000
- कारखानाले बोलपत्र रकमको २०% मुनाफा चाहन्छ।
The factory is expected to earn 20% profit on tender price.

तयार गर्नुहोस् (Required):

a. लागत विवरण (Cost Sheet)
b. बोलपत्र विवरण (Tender Sheet)

[3+5=

Ans: (a) Costs of sales Rs. 4,89,500 (b) Profit Rs. 48,950; Tender Price Rs. 2,44,75

SAMPLE MODEL QUESTIONS

1

ttempt all question

Group A

ery Short Answer Questions [11×1=11]

Write any two characteristics of a company.
Define equity share.
Give the meaning of balance sheet.
Write in brief the meaning of Cost Accounting.
Classify overhead according to its function.
Clarify the meaning of Bin Card.
State any one difference between time wage system and piece wage system.
Mention any two demerits of computer system in accounting.
Prepare adjusting entry of commission earned but not received Rs. 3,000.
0. Calculate cash from operating activities under indirect method from the following information;
Net profit .....Rs. 20,000 Non-operating expenses.....Rs. 10,000
Increase in current assets.....Rs. 15,000

Ans: Rs. 15,000

1. If ordering cost per order Rs. 300, carrying cost per unit Rs. 2 and annual requirements are 30,000 units, find out total cost of economic order quantity.

Ans: Rs. 6,000

Group B

Short Answer Questions [8×5=40]

12. A company issued 4,000 shares of Rs. 10 each, payable as under:
On application .....Rs. 4 On allotment (Including Re. 1 premium) .....Rs. 5
On first and final call .....Rs. 2
Applications were received for 6,000 shares. The allotments were made as follows.
Applicants of 1,000 shares were rejected and remaining applicants were on Pro-rata basis. Excess amount received on applications would be adjusted against the due amount on allotment. All the calls money were duly received except on 200 shares on first and final call. These 200 shares were forfeited.
Required: a. Allotment
b. First and final call
c. Forfeiture of share [2+2+1]

Ans: Bank a/c (First and final call) Rs. 7,600, Share forfeiture a/c Rs. 1,600

13. a. A company purchased the following assets at an agreed price of Rs. 11,00,000:
Plant .....Rs. 9,00,000 Furniture .....Rs. 3,50,000
The company paid the agreed price by issuing shares of Rs. 100 each at 10% premium.
Required: Entries for Purchase of Assets and Issue of Share [1+1=2]

Ans: Capital reserve Rs. 1,50,000

b. A Co. Ltd. issued 5,000, 10% debentures of Rs. 100 each at a discount of 5% redeemable at a premium of 10% after 5 years.
Required: Journal Entries for Issuance and Redemption of Debentures [1.5+1.5]

Ans: Loss on issue of debenture Rs. 75,000, Premium on redemption of debenture Rs. 50,000

14. A trial balance of a company as on 31st December is as under.

Particulars	Debit (Rs.)	Credit (Rs.)
Plant and machinery	4,60,000	
Building	6,00,000	
Bank balance	80,000	
Debtors	60,000	
Prepaid insurance	12,000	
Closing stock	50,000	
Share capital		8,00,000
General reserve		1,20,000
Creditors		25,000
Net profit		80,000
Opening retained earning		37,000
Long term loan		2,00,000
Total	12,62,000	12,62,000

Additional information:
i. Proposed dividend @ 10%
ii. Transfer to general reserve Rs. 20,000
Required: a. Profit and loss appropriation account
b. Balance sheet
Ans: P/L Appro. a/c Rs. 17,000, B/S Total Rs. 12,62,000

15. The Trial Balance of a Co. Ltd. as on 31st Chaitra last year is given below:

Particulars	Debit Rs.	Particulars	Credit Rs.
Equipment	2,00,000	Share capital	1,20,000
Cost of goods sold	1,21,000	Profit and loss account	52,000
Cash	32,000	Creditors	25,000
Debtors	25,000	Sales	2,30,000
Stationery	12,000	Commission	5,000
Salaries	24,000		
Rent	18,000		
Total	4,32,000	Total	4,32,000

Additional information:
i. Proposed dividend: 10%
ii. Write off bad debt: Rs. 4,000
Required: Worksheet [5]
Ans: ATB Rs. 4,44,000, NP Rs. 56,000, R/E Rs. 96,000, B/S Total Rs. 2,53,000

16. Differentiate between allocation of overhead and apportionment of overhead. [5]
17. a. State the meaning of material codification with suitable examples. [2]
b. Following are the store transactions for the month of Magh:
Magh 1 Beginning inventory: 50 units @ Rs. 200
Magh 2 Purchased: 100 units @ Rs. 205
Magh 20 Purchased: 120 units @ Rs 210
Sold during Magh 230 units
Required: Cost of ending inventory and cost of goods sold using FIFO method under periodic inventory system [3]
Ans: Rs. 8,400, Rs. 47,300

18. a. The time allowed to produce 20 units of output is 2 hours. A worker produces 150 units during the month. Wages per hour is Rs. 250. [2]
Required: Wages of a Worker
Ans: Rs. 3,750

b. On reconciliation of Financial and Cost Accounting, following information were disclosed:
i. Profit shown by Cost Account Rs. 40,000
ii. Works overhead under recorded in Cost Account Rs. 3,000
iii. Office overhead over recovered in Financial Account Rs. 5,000
iv. A profit on sale of fixed assets was shown on Financial Account Rs. 5,000
Required: Reconciliation of cost and financial Account [3]
Ans: Net profit as per financial account Rs. 37,000

19. Define computerized accounting system. Explain the importance of computer system in accounting. [2+3]

Group C

[3×8=24]

Long Answer Questions

20. The trial balance of a company Ltd. as on 31st Chaitra last year is given below:

Particulars	Dr. (Rs.)	Particulars	Cr. (Rs.)
Opening stock	80,000	Sales	5,00,000
Dividend	40,000	Creditors	35,000
Purchases	3,30,000	Other service revenue	90,000
Printings expense	5,000	10% Debentures	2,00,000
Rent	20,000	Share capital	4,00,000
Salary	60,000	Interest on investments	10,000
Sales commission	8,000	Gain on sales of assets	10,000
Plant and equipment	1,50,000		
Prepaid insurance	10,000		
Cash in hand	17,000		
Biologic assets	60,000		
10% Investment	1,00,000		
Advertisement	10,000		
Land and building	3,00,000		
Debtors	35,000		
Interest expense	20,000		
Total	12,45,000	Total	12,45,000

Additional Information:

i. Closing stock Rs. 90,000.
ii. Prepaid insurance was expired to Rs. 2,000
iii. Depreciation charged on plant and equipment by 10% and on building by 5%
iv. Provision for income tax @20%
v. Non-controlling interest 25%

Required: a. Profit or loss statement based on NFRS
b. Statement of financial position based on NFRS [4+4]

OR

a. Multistep income statement
b. Vertical balance sheet [4+4]

Ans: (a) Net income Rs. 1,08,000 (b) B/S Total Rs. 7,30,000

21. The balance sheet and income statement of A Ltd. are given below:

Liabilities	1st year	2nd year	Assets	1st year	2nd year
Share capital	2,00,000	3,00,000	Furniture	2,00,000	2,60,000
Debenture	1,50,000	1,30,000	Land	1,30,000	1,45,000
Account payable	1,40,000	1,50,000	Inventory	1,80,000	2,00,000
Bank overdraft	1,20,000	1,10,000	Accounts receivable	1,30,000	1,20,000
Retained earnings	1,40,000	1,60,000	Cash	1,10,000	1,25,000
Total	7,50,000	8,50,000	Total	7,50,000	8,50,000

Income statement for the year ending 2nd year

Particulars			Rs.
	Sales		8,00,000
Less:	Cost of goods sold:		7,00,000
	Gross margin		1,00,000
Less:	Operating expenses	40,000	
	Depreciation	2,000	
	Premium on redemption of debenture	1,000	
	Loss on sale of furniture (Book value Rs. 10,000)	5,000	48,000
Net income			52,000

Additional information:

i. Sale of furniture for Rs. 5,000 and purchase of furniture for Rs.90,000
ii. Dividend paid for the year: Rs.14,000

Required: Cash flow statement using indirect method [4+1+2+1]

Ans: CFOA Rs. 60,000; CFIA (Rs. 1,00,000); CFFA Rs. 55,000

22. The opening and closing balance of inventories are as below:

	Opening	Closing
Finished goods	Rs. 40,000	Rs. 45,000
Work-in-progress	Rs. 25,000	Rs. 20,000
Raw materials	Rs. 40,000	Rs. 50,000

The other information provided by the company for the month ended was as follows:

Purchase of raw material .....Rs. 2,50,000
Profit..... 25% on sales
Selling expenses ..... 10% of factory cost
Direct labor cost.....Rs. 1,20,000
Factory overhead .....50% of direct labor cost
Administration overhead .....10% of factory cost

Required: Cost Sheet [8]

Ans: PC Rs. 3,60,000, WC Rs. 4,25,000, COGS Rs. 4,62,500, Sales Rs. 6,73,333

2

Group A

Very Short Answer Questions [11×1=11]

1. Clarify the meaning of public limited company.
2. Define preference share.
3. Write the meaning of adjusting entry.
4. State any two limitations of cost accounting.
5. Classify overhead according to its elements.
6. Write the meaning of store ledger.
7. Mention any two advantages of time rate system of wages payment.
8. State any two importance of computer system in accounting.

9. Prepare adjusting entry of prepaid rent Rs. 6,000 was expired.
10. Calculate cash collection from customers under indirect method from the following information;

Net income	Rs. 27,000
Non-operating expenses	Rs. 10,000
Decrease in creditors	Rs. 7,000

Ans: Rs. 30,000

11. If annual requirements are 36,000 units and EOQ is 12,000 units find out number of order.

Ans: 3 times

Group B

Short Answer Questions **[8×5=40]**

12. ABC Co. Ltd. issued 5,000 shares of Rs. 100 each at 10% discount payable as follows:

On application	Rs. 2
On allotment	Rs. 3 (after discount)
On first and final call	Rs. 4

Applications were received for 11,000 shares. Out of these applicants for 2,000 shares were allotted full, 6,000 applicants were allotted 50% shares and 3,000 shares were rejected. Excess money on applications were utilized towards the allotment. All money were duly received except Mr. Rakesh who hold 1,000 shares paid full value on allotment.
Required: Journal entry for share application, allotment and first and final call.

Ans: Allotment (Bank a/c) Rs. 13,000; Calls in advance Rs. 4,000

13. a. A company took over the following assets at an agreed price of Rs. 4,00,000:
Land and building .....Rs. 2,00,000 Furniture .....Rs. 1,00,000
The company paid the purchase consideration amount by issuing shares of Rs. 100 each at par.
Required: Journal entries for the purchase of assets and issue of share [1+1=2]

Ans: Goodwill Rs. 1,00,000

b. A limited company issued 45,000, 9% debentures of Rs. 100 each at 10% discount and redeemable at par. Subsequently it is redeemed by converting into equity shares of Rs. 100 each at par.
Required: a. Entry for Issued of Debenture
b. Entry for Converting Debentures into Shares [1.5+1.5=3]

Ans: (a) Discount on issue of debenture Rs. 4,50,000

14. The following is the trial balance drawn up on 31st Chaitra.

Particulars	Rs.	Particulars	Rs.
Opening stock	34,000	Sales	7,10,000
Purchases	4,90,000	Discount	6,000
Furniture	1,50,000	P/L account	30,000
Rent	58,000	Share capital	2,40,000
Debtors	65,000	Creditors	29,000
Wages	42,000		
Salaries	55,000		
Sundry expenses	12,000		
Cash	51,000		
Patent	58,000		
Total	10,15,000	Total	10,15,000

Additional information:
i. Closing stock was valued at Rs. 75,000
ii. Make a provision for tax @ 50%
Required: a. Trading account
b. Profit and loss account [2+3=5]

Ans: (a) GP Rs. 2,19,000 (b) NP Rs. 50,000

15. Trial balance of a company is as under:

Particulars	Debit Rs.	Particulars	Credit Rs.
Fixed assets	30,000	Sales	60,000
Advertising expense	3,000	Share capital	30,000
Salaries	6,000	Loan	4,000
Purchase	42,000	Creditors	5,000
Debtors	8,000		
Prepaid rent	4,000		
Cash	6,000		
	99,000		99,000

Additional information:
i. Outstanding salaries Rs. 2,000
ii. Prepaid rent was expired Rs. 3,000
Required: Worksheet [5]
Ans: ATB Rs. 1,01,000; Net Profit Rs. 4,000; B/S Total 45,000

16. Write the meaning of fixed and variable overhead with suitable examples. [5]
17. a. Write duties of a storekeeper. [2]
b. The following transactions are given:

Baisakh 1	Beginning inventory 1,000 units at Rs. 20 each
Baisakh 5	Purchased 800 units at Rs. 30 each
Baisakh 10	Sold 1,200 units
Baisakh 20	Shortage found 40 units

Required: Cost of ending inventory and cost of goods sold using FIFO method under perpetual inventory system [3]
Ans: Rs. 11,200 and Rs. 32,000

18. a. The working hour of a worker for a week is 48 hours. He worked 54 hours in a week. The normal wage rate is Rs.150 per hour.
Required: Total earning of the worker [2]
Ans: Rs. 8,100

b. The net profit shown by cost account is Rs. 92,000. Reconciling the cost and financial accounts following descriptions were located:
i. Works overhead over recovered in financial account Rs. 5,000.
ii. Income tax paid in financial account Rs. 8,000.
iii. Interest income credited in financial account Rs. 12,000.
Required: Reconciliation statement of cost and financial account [3]
Ans: Net profit as per financial account Rs. 91,000

19. Explain the needs of accounting software. [5]

Group C

Long Answer Questions **[3×8=24]**

20. The trial balance of ABC company Ltd. as on 31st Ashadh, 2078 is given below:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Opening stock	30,000	Share capital	6,00,000
Purchases	5,80,000	5% Loan	1,00,000
Furniture	80,000	Sales	8,91,000
Equipment	2,00,000	Commission earned	2,000
Advertising expense	40,000	Accounts payable	20,000
Salaries expense	80,000		
Stationery	50,000		
Utilities expense	20,000		
Sales commission	20,000		
Land and building	2,50,000		
Investment	1,00,000		
Accounts receivable	60,000		
Interest expense	5,000		
House rent expense	48,000		
Cash in hand and bank	50,000		
Total	16,13,000	Total	16,13,000

Additional information
i. Closing stock Rs. 80,000
ii. Depreciate on equipment, furniture and building by 10%
iii. Commission receivable Rs. 20,000
iv. Provision for income tax @30%
v. Non-controlling interest 20%

Required: a. Profit or loss statement based on NFRS
b. Statement of financial position based on NFRS [4+4=8]
OR
a. Multistep income statement
b. Vertical balance sheet [4+4]
Ans: (a) NP Rs. 46,900 (b) B/S Total Rs. 7,87,000

21. The balance sheets of AB limited company for two years are under: (In Rs.)

Liabilities	Year-I	Year-II	Assets	Year-I	Year-II
Share capital	3,00,000	3,60,000	Fixed assets	2,00,000	3,20,000
Long term loan	60,000	30,000	Investment	1,00,000	1,00,000
Accounts payable	60,000	80,000	Accounts receivable	1,26,000	1,02,000
Expenses payable	30,000	40,000	Inventories	24,000	48,000
Retained earnings	60,000	90,000	Cash	60,000	30,000
	5,10,000	6,00,000		5,10,000	6,00,000

Other information of year-II:

i. Sales revenue: Rs. 4,20,000
ii. Purchase of fixed assets: Rs. 1,92,000 and sales Rs. 42,000
iii. Dividend distributed:Rs. 36,000
iv. Other operating expenses:Rs. 60,000
v. Cost of goods sold:Rs. 2,64,000

Required: Cash Flow Statement using Direct Method [4+1+2=

Ans: CFOA Rs. 1,26,000; CFIA (Rs. 1,50,000); CFFA (Rs. 6

22. The following figures have been extracted from the cost records of Everest Manufacturing Company for the year 2078.

Materials cost	Rs. 4,00,000	Labor cost	2,00,000
Factory overhead (Based on prime cost)	1,80,000	Selling expenses	1,17,000
Administration expenses	1,56,000	Profit	1,44,000

The company received a tender and following expenses will incur:

Cost of materials	Rs. 28,000	Wages for labor	22,000

Assuming that rates of factory overhead increased by 20%, administrative and selling expenses are based on factory cost.

Required: Quotation price, profit so as to earn the same percentage of selling price

Ans: TC Rs. 91,800; Profit Rs. 12,5

3

Group A

Very Short Answer Questions [11x1=1

1. Write the meaning of private limited company.
2. Give the meaning of share capital.
3. Write the meaning of shareholders' equity.
4. Mention two limitations of financial accounting.
5. What do you mean by direct materials?
6. Give the meaning of centralized purchase.
7. Write any two merits of time rate system of wages payment.
8. State any two elements of computer system in accounting.
9. Prepare adjusting entry of unearned commission earned Rs. 4,000.
10. Calculate amount of ending retained earnings, from the following information,
    Net profit for the period Rs. 4,00,000
    Beginning retained earnings Rs. 72,800 and proposed dividend Rs. 1,20,000.

Ans: Rs. 3,52,80

11. Calculate economic order quantity, if ordering cost per order Rs. 300, carrying cost per unit Rs. 4 and annual requirements are 60,000 units.

Ans: 3,000 units

Group B

Short Answer Questions [8x5=40

12. K. Company limited issued 10,000 shares of Rs. 10 each payable as follow:

On application	Rs. 5
On allotment	Rs. 3
On first and final call	Rs. 2

All the shares were subscribed and allotted. All the money were duly received except one shareholder who was holding 200 shares failed to pay the first and final call money.

Required: Journal entries for

a. First and Final Call
b. Forfeiture
c. Re-issued
d. Transfer [1.5+1.5+1+1

Ans: Capital reserve a/c Rs. 1,20

13. a. A limited company issued 10,000 shares of Rs. 100 each to purchase the business having following assets.
Furniture .....Rs. 1,00,000 Plant and machinery .....Rs. 7,00,000
Stock .....Rs. 4,00,000
Required: Entry for Assets Purchase and Issue of Share [1+1=2]
Ans: Capital reserve a/c Rs. 2,00,000

b. A company Limited issued 6,000, 11% debentures of Rs. 1,000 each at 5% premium and redeemable at 10% premium.
Required: Journal Entries for Issue and Redemption of Debentures [2+1]
Ans: Loss in issue of debenture Rs. 6,00,000; Premium on redemption of debenture Rs. 6,00,000

14. The Trial Balance of a company as on last year is given below:

Particulars	Debit Rs.	Particulars	Credit Rs.
Rent expense	40,000	Share capital	4,00,000
Salaries expense	56,000	Gross profit	4,60,000
Debtors	20,000	Debentures	2,36,000
Cash	80,000	Profit and loss account	72,000
Equipment	8,80,000	Other income	48,000
General expense	1,60,000	Creditors	20,000
	12,36,000		12,36,000

Additional information:
i. Propose dividend Rs. 80,000
ii. Depreciation on equipment by 10%
Required: a. Profit and loss account
b. Profit and loss appropriation account [3+2=5]
Ans: (a) Net profit Rs. 1,64,000 (b) P/L Appro. a/c Rs. 1,56,000

15. The Trial Balance of a company as on 31st Chaitra, last year is given below:

Particulars	Debit (Rs.)	Credit (Rs.)
Building	1,90,000	
Machinery	70,000	
Creditors		22,000
Unearned rent		20,000
Share capital		1,10,000
Cash at bank	40,000	
Debtors	14,000	
Prepaid insurance	6,000	
Service revenue		3,22,000
Printing and stationery	20,000	
Salaries	94,000	
Advertising expenses	40,000	
Total	4,74,000	4,74,000

Additional Information:
i. Depreciation on Building and Machinery 10%
ii. Prepaid insurance Rs. 4,000 was expired
Required: Worksheet [5]
Ans: ATB Rs. 4,74,000; NP Rs. 1,38,000; B/S Total Rs. 2,90,000

16. What is Cost Accounting? Mentions its limitations. [2+3=5]

17. a. State in brief the meaning of material control. [2]
b. Following are the transactions of a firm on purchases and sales of goods for the month of June:

June 1	Beginning inventory	800 units @ Rs.30
June 3	Purchases	570 units @ Rs.35
June 14	Purchases	930 units @ Rs.37

At the end of June company found 500 units of ending inventory
Required: Cost of ending inventory and cost of goods sold using weighted average method under periodic inventory system
Ans: Rs. 17,035 and Rs. 61,326

18. a. The time allowed to produce 2 units of output is one hour. The hourly wage rate is Rs. 100 per hour. The worker produced 40 units during the day.
Required: Total earnings of the worker [2]
Ans: Rs. 2,000

b. The net profit shown by the financial statement of a company is Rs. 1,50,000. While reconciling the cost and financial accounts the following facts were disclosed:
i. Works Overhead: Cost accounts Rs. 10,000, whereas financial account: Rs. 5,000
ii. Dividend income credited to financial account Rs. 10,000

iii. Income tax paid Rs. 16,000

Required: Reconciliation statement of cost account and financial account

Ans: Net profit as per cost account Rs. 1,5

19. Explain the limitations of computerized accounting system.

Group C

Long Answer Questions

20. The trial balance of a company as on 31 Chaitra is given below. [3x

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Prepaid insurance	10,000	Share capital	3,50,000
Opening stock	30,000	Creditors	50,000
Purchases	3,20,000	5% debenture	1,00,000
Debtors	80,000	Dividend received	4,000
Equipment	1,50,000	Other income	42,000
Cash balance	50,000	Sales	6,54,000
Goodwill	20,000		
Selling expenses	55,000		
Printing and stationery	50,000		
Repair expense	10,000		
Rent expense	40,000		
Salaries expense	80,000		
Investment	1,00,000		
Building and premises	2,00,000		
Interest expense	5,000		
Total	12,00,000	Total	12,00,000

Additional information:

i. Salaries due Rs. 16,000
ii. Prepaid insurance was expired Rs. 6,000
iii. Depreciation on equipment by 10%.
iv. Closing stock: Rs. 80,000
v. Non-controlling interest 25%

Required: a. Profit or loss statement based on NFRS
b. Statement of financial position based on NFRS

[4+4=

Ans: (a) Rs. 1,53,000 (b) B/S Total Rs. 6,69,0

Or

The Trial Balance of Tri-Dev Co. Ltd. as on Ashadh 31, 2078 is given below:

Particulars	Debit Rs.	Particulars	Credit Rs.
Property, plant and equipment	6,00,000	Share capital	7,00,000
Opening stock	32,500	Sales	5,70,000
Wages expense	40,000	5% Debentures	1,00,000
Salary (60% office)	1,00,000	Unearned commission	20,000
Discount	5,000	Sundry creditors	15,000
Sundry debtors	50,000	Bank overdraft	40,000
Investment	1,50,000		
Stationery	25,000		
Bank balance	30,000		
Carriage outwards	60,000		
Sundry expenses	15,000		
Interest expense	5,000		
Rent and rates (20% selling)	40,000		
Prepaid insurance	30,500		
Purchase	2,62,000		
Total	14,45,000	Total	14,45,000

Additional information:

i. Value of closing stock Rs. 65,000
ii. Depreciate Property, plant and equipment by 5%.
iii. Prepaid insurance was expired Rs. 15,000.
iv. Unearned commission was earned Rs. 12,000

Required: a. Multi-step income statement
b. Classified balance sheet

[5+

Ans: (a) NP Rs. 17,500 (b) B/S Total Rs. 8,80,5