

CODE: **197202**
NOVEMBER 2020

TIME: 2 Hrs
MAX. MARKS: 50

PART A

(10 x 2=20)

Answer any **TEN** questions.

1. What do you mean by “Accounting standards”?
2. What is inflation accounting?
3. Write a note on human resource accounting.
4. What is double accounts system?
5. What do you mean by COSA?
6. What is actual loss?
7. What is a revenue expenditure?
8. What do you mean by insolvency?
9. What is AS2?
10. Write a short note on maximum loss method.
11. Compute the amount to be capitalized from the following information;
Total cost of new asset ₹20,00,000
Estimated present cost of replacement ₹12,00,000
12. Compute conversion factor for opening items only from the following details;
General Price index numbers = Opening 100; Closing 150; Average for the year 110.

PART B

(2 x 5=10)

Answer any **TWO** questions.

13. What is the need for Accounting Standards?
14. X, Y and Z are partners sharing profits and losses in the ratio of 4;3;1 respectively, Y retires, selling his share of profit to X and Z for ₹16,200, ₹7,200 being paid by X and ₹9,000 being paid by Z. The profit of the firm after Y's retirement is ₹21,000. Distribute the above profit between X and Z, showing how you arrived at the same.
15. On 15th June 2015, the premises and stock of a firm was destroyed by fire but the accounting records were saved from which the following particulars are available:
Stock on 1.1.2015 17,000
Purchases from 1.1.2015 to date of fire 1,70,000
Wages and other manufacturing expenses 17,000
Sales from 1.1.2015 to 15.6.2015 2,00,000
The rate of gross profit is 25%
The stock salvaged was ₹4,000. Show the amount of claim.

16. From the following details, calculate COSA (cost of sales adjustment) under CCA method:

Particulars	Historical Cost	Index for goods
Opening stock	4,00,000	200
Purchases	14,00,000	240 (average)
	18,00,000	
Less: Closing stock	6,72,000	280
Cost of sales	11,68,000	

17. Prepare revenue account from the details given below:

Sale of current	1,04,000
Rent of meters	4,000
Cost of generation	28,000
Cost of distribution	4,000
Rent, Rate & Taxes	4,000
Management expenses	25,000

18. From the following details, subscription to be shown in the income and expenditure account for the year ending 31-12-2018

Subscription received for 2017	800	
Subscription received for 2018	42,200	
Subscription received for 2019	<u>1,600</u>	44,600

There are 450 members, each paying annual subscription of ₹100, ₹900 were in arrear for 2017 at the beginning of 2018.

19. How to Dissolve a Partnership Firm?

20. Explain the characteristics of Not-for-Profit Organizations.

PART C

(2 x 10=20)

Answer any TWO questions.

21. Explain the AS-2.

22. X, Y and Z are partners of the firm XYZ and Co., sharing Profits and Losses in the ratio of 4 : 3 : 2.

Following is the Balance sheet of the firm as at 31st March, 2018:

Balance Sheet as at 31st March, 2018

Liabilities	₹	Assets	₹
Partners' Capitals:		Fixed Assets	5,00,000
X	4,00,000	Stock in trade	3,00,000
Y	3,00,000	Sundry debtors	5,00,000
Z	2,00,000	Cash in hand	10,000
General Reserve	90,000		
Sundry Creditors	3,20,000		
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	13,10,000		13,10,000
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Partners of the firm decided to dissolve the firm on the above said date. It was found that a credit purchase of ₹20,000 in January, 2008 had not been recorded in the books of the firm. Fixed assets realized ₹5,20,000 and book debts ₹4,40,000. Stocks were valued at ₹2,50,000 and it was taken over by partner Y. Creditors allowed discount of 5% and the expenses of realization amounted to ₹6,000.

You are required to prepare:

- Realisation account;
- Partners capital account; and
- Cash account.

23. How the following will appear in Income and Expenditure Account for the year ending 31-12-2019 and in the balance sheet on that date:

Stock of sports materials on 1-1-2019	4,000
Stock of sports materials on 31-12-2019	6,000
Purchase of sports material during the year 2019	25,000
Sale of old sports material during the year 2019	1,500

24. A real estate company was started with a capital of ₹5,00,000 which was invested in land on 1-1-2010. On that date the general price index was 100 and specific index for land was 200. The company has no other transactions and it sold the land on 1-1-2015 on which date the general price index was 180 and the specific price index was 420. The sale price of the land was ₹18,00,000. You are required to ascertain profit under (1) Historical cost (2) CCA method and (3) CCP method.

25. A new building for an electric supply power house has been constructed in a cost of ₹50,00,000 to replace an old building, the original cost of which was to ₹25,00,000 and the estimated present cost of replacing which, as it stands, is ₹32,00,000. The sale proceeds of the old materials of the dismantled building amount to ₹28,000 and the value of the old materials utilized in the new construction is ₹12,000.

Show journal entries to record the above transactions.

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