

## Accountancy -1

Q 1) National radio consigned 600 radios to star radio services on 1-3-2008. The invoice price was Rs.1000 per radio. But pro-forma invoice price was made out at a figure to show a profit of 25% on invoice price. National radio company incurred the expense of carriage Rs.1,500, freight Rs.22,500 and insurance Rs.18,000.

Star radio service accepted a bill of Rs.1,00,000 for 4 months and returned. National co. Discounted the bill after 1 month at a 12% p.a. due to fire on way 30 radios were destroyed and a claim was sanctioned for Rs.20,000.

Star radio sold 430 radios at Rs.1050 for cash, 50 radios were sold to desai on credit at Rs.1,100 and 30 radios were sold to Solanki on credit at Rs.1,080 on recommendation and responsibility of national co Rs.5,700 for octroi and Rs.3,000 for selling expenses were incurred by star radio services.

Rs.5000 could not be recovered from Mr .Desai and were written off and Mr. Solanki was declared insolvent and 90% amount was received.

Star service is entitled to get 5% commission and 2% del credere commission. 30 radios were damaged and estimated expense is Rs.2,000.

Prepare consignment account and star radio account in the books of national radio co.

Q 2) Rupal agency of Ahmedabad has an independent branch in Dharoji. Trail balance of Dharoji branch as on 31-3-2012 is as under.

Particulars	Debit Rs.	Credit Rs.
Opening Stock	75,000	-
Goods Received from Head office	2,25,000	-
Goods Returned to Head office	-	30,000
Head office A/c	-	2,25,000
Purchases and Sales	2,25,000	5,40,000
Goods return	30,000	15,000
Octroi and freight	15,000	-
Salary (upto 28-2-2012)	33,000	-

Wages	12,000	-
Bad debts and bad debts recovered	3,000	7,500
Debtors and Creditors	1,32,000	60,000
Cash and Bank OD	7,500	22,500
10 % Indian govt. Securities (purchased on 1-10-2011, Face value Rs. 1,50,000)	1,42,500	-
	9,00,000	9,00,000

**Additional information:**

1 ) The closing stock is valued at Rs.1,00,000.

2) Goods -in -transit Rs.30,000 and cash-in-transit Rs.60,000.

3) On 1-10-2011 head office has sent furniture worth Rs. 80,000 to branch, the account of which is maintained in the books of head office. Depreciation is to be provided at 10% p.a. on the same.

From the above detail, prepare final accounts of Dharoji Branch.

Q3) Fire occurred in the godown of Ms Komal bros of Maherwada on 31<sup>st</sup> March,201 and totally destroyed the stock. From the available records, following information is given to you for preparing a statement of claim to be prepared to the insurance company

The stock on hand has always been valued at 10% below cost:

Year	2008	2009	2010	2011
Opening stock	81,270	97,200	1,08,000	1,10,700
Net purchases	2,24,700	2,40,000	2,43,000	18,000
Net sales	3,60,000	3,96,000	4,20,000	36,000
Wages	57,200	57,000	62,700	6,000
Closing stock	97,200	1,08,000	1,10,700	-

Q 4 ) The following balance was available from the books of Mr. Sharad as on 31-3-2010 and 31-3-2011.

Particulars	31-3-10	31-3-11
Debtors	?	24,000
Creditors	16,000	?
Stock	?	17,000
Building'	30,000	30,000
Machinaries	60,000	67,000
Furniture	5,000	5,000
Bank loan	10,000	8,000
Cash and bank balance	14,000	11,000

Cash transactions during the year ended 31-3-2011 (excluding certain other items.)

	Rs.
Collection from debtors:	93,000
Drawings	10,000
Sales of machinery ( book value Rs. 5,000)	3,000
Business expenses	10,000
Payment to creditors	61,000
Cash purchases	16,000
Sundry income	2,000
Other information:	

- 1) The trader sells his goods at cost plus 33 1/3%
- 2) Discount allowed by creditors Rs.1000
- 3) Credit purchase during the year were 80% of the total purchases and cash sales amounted to 10% of the total sales. Credit sales amounted Rs. 90,000.
- 4) Depreciation machinery and furniture at building 2%

From the above information you are require to prepare the trading and P&L account for the year ended 31-3-2011 and balance sheet as on date.

Q5 ) Write a short note on usefulness of accounting.

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