# C.U.SHAH UNIVERSITY Winter Examination-2018 

## Subject Name : Accounting and Finance - V

Subject Code :4CO05AFI2

## Branch: B.Com (English)

Time : 10:30 To 01:30 Marks : 70

Instructions:
(1) Use of Programmable calculator \& any other electronic instrument is prohibited.
(2) Instructions written on main answer book are strictly to be obeyed.
(3) Draw neat diagrams and figures (if necessary) at right places.
(4) Assume suitable data if needed.

## Q-1 Attempt the following questions:

a) While selling securities, brokerage is generally calculated on following price.
A) Face value
C) Average of face value and sales price
B) Sales price
D) Book Value
b) Investment accounts are kept...
A) Only by brokers
C) By any person who is an investor
B) Only by companies
D) By stock exchange only
c) Cum interest price of security is $\qquad$ .than ex-interest price.
A) Less
C) May be more or less
B) More
D) None of the above
d) Cost of investments includes..
A) Stamp duty
C) Both A and B
B) Brokerage
D) None of the above
e) Generally depreciation on fixed assets is calculated on which balance ?
A) Opening
C) Only on additional
B) Closing
D) Amount realized on asset sold
f) Interest on capital is calculated on which capital ?
A) Opening capital
C) Closing stock
B) Closing capital
D) Opening stock
g) For finally credit sales which account is prepared ?
A) Debaters account
C) Creditors account
B) P \& L account
D) Receipt - payment all
h) To find out closing stock are credit purchases or credit sales what is prepared ?
A) Stock or Trading A/C
C) $B / R A / C$
B) P \& L A/C
D) $B / P A / C$
i) In which of the following enterprises "operating costing" is not applicable ?
A) Transport companies
C) Oil Refineries
B) Hotels
D) Hospitals
j) Unit of cost of hospital service $\qquad$
A) Bed day
B) Room day
C) Passenger day
D) Patient day
k) Which of the following is not included in operating costing ?
A) Hospital
C) Theatre
B) Hotel
D) Publication service
I) Transfer of production to subsequent process by adding $25 \%$ profit on transfer price means.....
A) $20 \%$ profit on cost
B) $25 \%$ profit on cost
C) 33 and $1 / 3 \%$ profit on cost
D) $40 \%$ profit on cost
m) If transfer price is Rs. 2,00,000 and Inter process profit is $25 \%$ on cost, what will be the amount of profit?
A) Rs. 33,333
C) Rs. 40,000
B) Rs. 66,667
D) Rs. 50,000
n) If transfer price is double than its cost prices what will be the $\%$ of profit added ?
A) $50 \%$ on cost
C) $100 \%$ on cost
B) $100 \%$ on transfer price
D) None of these

## Attempt any four questions from Q-2 to Q-8

## Q-2 Attempt all questions

Simple finance Ltd. Had Rs. 2,00,000 face value 12\% debentures on 1-4-2017, which book value was Rs. 2,20,000 interest is paid on $30^{\text {th }}$ June and $31^{\text {st }}$
December. Transaction at end of the year 31-3-2018 are as follow :

| Date | Face value | Price | Remarks |
| :---: | :---: | :---: | :--- |
| $1-8-2017$ | 50,000 | 90 | Purchase cum-interest |
| $1-9-2017$ | 80,000 | 110 | Sale cum-interest |
| $1-2-2018$ | 30,000 | 90 | Purchase ex-interest |
| $1-3-2018$ | 20,000 | 110 | Sale ex-interest |

Closing stock is to be calculated as per FIFO method.
Prepare 12\% debentures account for the year ending 31-3-2018
Attempt all questions
(A) Write short note on accounting for investments. (as-13)
(B) Write difference between single entry and double entry system.

Shri Ravishankar shah maintained his accounts on single Entry system. From the following details prepare profit and Loss account for the year ending $31^{\text {st }}$ March, 2018 and a balance sheet as on the date.

## 1) Following were the balances on 1-4-2017

Creditors
Debtors
Bills receivable
Bills payable

| Rs. | Rs. |
| :--- | ---: |
| 5, 500 Furniture | 900 |
| 7, 000 Stock | 4,500 |
| 1, 700 Cash balance | 1,200 |
| 800 |  |

2) The Transactions during the year were as under. Rs. Rs.
Cash paid for Bills payable 3,000 cash received for bills receivable 3,000
Received from debtors 36,000 paid to creditors 24,000
Discount allowed $\quad 1,500$ Discount received
8, 800 Bad debts 500
600 Purchase returns 400
Sundry expenses
Purchase of Furniture (1-10-17)
Drawings
2, 000 Sales returns 800
3) Following were the balances on 1-4-2017

Rs.
Rs.

Debtors $\quad 9,000$ Bills payable 2,900
Creditors $\quad 3,600$ Cash balance 1,800
Bills receivable $\quad 1,400 \quad$ Closing stocks 6,000
4) Adjustments :

1) Provide for interest on capital at $10 \%$
2) Provide for reserve for bad and doubtful debts at $5 \%$ on Debtors
3) Provide for depreciation on Furniture at $10 \%$ p.a
(A) Explain various types of services.
(B) From the following information calculate room days of a hotel. Also calculate

Attempt all questions
daily rent for each room.
Number of rooms 150
Occupancy rate $80 \%$
No.of days at a month 30
No.of working months in a year 12
Total cost for the year
Rs. 86,40,000
Margin of profit $50 \%$ on return

## Attempt all questions

(A) Dr. Shyam runs a hospital named "Helix Hospital" in Rajkot. He has got a
hospital building on rent of Rs. 3,00,000 yearly.
There is a facility of 30 beds in the hospital and 5 beds can be added if needed.
Repairing and maintenance expense are to be borne by the Hospital authorities.

- The expense of the permanent staff are given below :

2 supervisors - salary per month per head 5,000
4 Nurses - salary per month per head 6,000
2 ward boys - salary per month per head $\quad 4,000$
2 Doctors - salary per month per head 15,000
The hospital facility is available for all 365 days.

- The occupancy of patients beds during the financial year ending on 31-3-18 was as under :

| Patient beds | 15 | 20 | 25 | 30 | 35 |
| :--- | :---: | :---: | :---: | :---: | :---: |
| Days | $\mathbf{4 0}$ | $\mathbf{8 0}$ | $\mathbf{1 0 0}$ | $\mathbf{4 5}$ | $\mathbf{1 0 0}$ |

- The other expenses are as under :

Rs.

1) Repairing and maintenance 40, 000
2) Cost of food for patients 40, 000
3) Expenses regarding services to patients 30, 000
4) Laundry expenses

35, 000
5) Medicine expenses

24, 000
6) X-ray and oxygen expenses

16, 000
7) General expenditure

50, 000
8) Visiting Doctor's fees

1,30,000
To get $20 \%$ profit on cost price the rent per patient bed day is to be decided.
Prepare a statement showing operating cost.
(B) Explain ' Inter - process profit ${ }^{\prime}$

Attempt all questions
(A) Product A passes through two process. The following information of Sita Ltd. Is available for the year ended $31^{\text {st }}$ March, 2018

| Particulars | Process-I | Process -II | Finished stock Rs. |
| :--- | :---: | :---: | :---: |
| Material consumed | 40,000 | 60,000 | - |


| Wages | 60,000 | 40,000 | - |
| :--- | :---: | :---: | :---: |
| Closing stock | 20,000 | 40,000 | 40,000 |

The output of each process is charged to the next process at a price calculated to give a profit of $20 \%$ on the transfer price and the output of process is charged to finished stock on a similar basis.

Stock in each process has been valued at prime cost finished stock has been sold for Rs. 3,60,000prepare process accounts \& finished stock A/C
(B) Write short note on ' Unrealised Profit' in stocks :

Q-8
Attempt all questions
(A) Write note on Ex-Interest transactions with example : 07
(B) Draw a specimen of operating cost sheet of a Hotel with imaginary figures : 07


