Enrollment No:	Exam Seat No:
----------------	---------------

# C. U. SHAH UNIVERSITY

# Winter Examination-2021

Subject Name: Accounting & Finance – V

Subject Code: 4CO05AFI2 Branch: B.Com (English)

Semester: 5 Date: 17/12/2021 Time: 11:00 To 02:00 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:	(14)		
	a)	Out of the following, by which way the total amount would be credited to bank account in the case of ex-interest purchases?			
		(A)Capital value + Interest (B) Capital value - Interest			
		(C) Capital value + Brokerage (D) Face value + Interest			
	b)	The interest on fixed dates is received only on following securities:	1		
	,	(A)Government Securities (B)Preference shares of companies	_		
		(C)Equity shares of companies (D)Shares of foreign companies			
	c)	In pure single entry:	1		
		(A)Purchases book and Sales books are kept (B)Only cash books are kept			
		(C)All subsidiary books are kept (D)Certain subsidiary books are kept			
	d)	To find out closing stock or credit purchases or credit sales what is	1		
		prepared?			
		(A)Stock or Trading A/C (B) P & L A/c			
		(C)Bills Receivable A/c (D) Bills Payable A/c			
	e)	To find out profit as per single Entry System is prepared.	1		
		(A)Memorandum Trading Account			
		(B) Profit and loss Account			
		(C)Income -Expenditure Account			
		(D) It is covered into Double Entry system			
	f)	In which of the following enterprises "operating costing" is not applicable	? 1		
		(A)Transport companies (B) Hotels			
		(C) Oil Refineries (D) Hospitals			
	g)	Transfer of production to subsequent process by adding 25% profit on	1		
		transfer price means			
		(A) 20% profit on cost (B) 25% profit on cost			
		(C)331/3 profit on cost (D) 40% profit on cost			
	h)	One man uses "Three Columnar Method" (to prepare Process A/c) to	1		
		calculate the unrealized profit in stocks and to calculate the transfer price.			
		(A) True (B)False (C) Incomplete (D)Can't say			



	i)	Which of the f	ollowing is not inc	luded in ope	rating costing	g?	1
		(A)Hospital	(B) Hotel	(C) Thea	ter (D) Pu	blication service	
	j)	Production cos	t of first process is	Rs. 20,000,			1
		transfer price v	what will be the am	ount of prof	it?		
		(A)2000	(B)6250	(C)5000	0 (I	O)8000	
	k)	What does it m	nean if machinery o	closing amou	int is less tha	n opening	1
		amount?					
		(A)Sale	(B)Purchase	(C)F	Fraud	(D)Theft	
	1)		counts are kept				1
		(A)Only by Br	okers	(	B) Only by c	ompanies	
			rson who is an inve		. •	exchange only	
	m)	If transfer price	e is double than its	cost price, v	what will be t	he percentage of	1
		profit added?					
		(A) 50% on co		(B) 100 %	on transfer p	orice	
		(C) 100% on c		(D) None	of these		
	n)		hospital service				1
		(A)Bed Day	B) Room Day	C) Pas	ssenger Day	D) Patient Day	
Attemp	t any	four questions	from Q-2 to Q-8				
Q-2							<b>(14)</b>
			owing information,			nt of India's	
			t in the books of Sl				
			ng balance as on 1	-4-2017:		Rs.	
			value of loan		,	0,000	
		-	orice of loan		,	5,000	
			ed interest	- et -		3,000	
			of payment of inte		cember and 3	30 <sup>th</sup> June.	
			actions during the		T = -		
		Date	Face Value Rs.	Price	Remarks		
		1-5-17	25,000	96	Cum-interes	_	
		1-6-17	10,000	98	Ex-interest	•	
		1-8-17	40,000	103	Cum-interes		
		1-3-18	55,000	104	Ex-interest		
			osing balance of ir	ivestment is	to be made a	s per"FIFO"	
		method.					
Q-3		Attempt all qu					(14)
A		_	nting Standard – 1	3: Accountii	ng for Investr	nent.	7
В		Give limitation	of Single entry.				7
Q-4		G1 137 -				<b>a</b> . <b>-</b>	<b>(14)</b>
			Shah maintained his			•	
			details prepare pro			ne year ending	
		31" March,20	18 and a Balance S	sheet as on t	he date:		

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



	Rs.		Rs.
Creditors	5,500	Furniture	900
Debtors	7,000	Stock	4,500
Bills Receivable	1,700	Cash balance	1,200
Bills Payable	800		·

(2) The transactions during the year were as under:

(=) The transactions a		Jean were as anacri	
	RS		RS
Cash paid for Bills payable	3000	Cash received for bills	3,000
Received from debtors	36,000	Receivable	
Discount allowed	1,500	Paid to creditors	24,000
Sundry expenses	8,800	Discount received	600
Purchase of Furniture	600	Bed debts	500
(1-10-2017)		Purchases returns	400
Drawings	2,000	Sales returns	800
_			

(3) Following were the Balances as on 31-3-2018:

	RS		RS
Debtors	9,000	Bills Payable	2,900
Creditors	3,600	Cash balance	1,800
Bills Receivable	1,400	Closing Stocks	6,000

## (4) Adjustments:

- (1) Provide for interest on capital at 10%.
- (2) Provide for Reserve for Bed and Doubtful Debts at 5% on Debtors.
- (3) Provide for depreciation on furniture at 10% p.a.

# Q-5 Attempt all questions A Difference: Single entry and Double entry B Define various Services. Q-6 Attempt all questions A Dr. Meet runs a hospital named "Sai Hospital" in palitana 10

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 expenses are to be borne by the Hospital authorities.

The expenses 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	4,000
2 Doctors	Salary per month per head	15,000

The hospital facility is available for all 365 days.

The occupancy of patient's beds during the financial year ending on 31-3-18 as under.

Patient beds	15	20	25	30	35
Days	40	80	100	45	100



### The other expenses are as under:

Repairing & Maintenance	40,000	Medicine expenses	24,000
Cost of food for patients	40,000	X-ray and oxygen expense	16,000
Expenses regarding Service	es	General expenditure	50,000
to Patients	30,000	Visiting Doctor's fees	1,30,000
Laundry expenses	35,000		

To get 20% profit on cost price the rent per patient bed day is to be decided.

Prepare a statement showing operating cost. Find out the cost per patient bed day.

В	From the following information, calculate room days of a hotel.				4
	Number of rooms	200	No. of days of a month	30	
	Occupancy rate	80%	No of working months in a year	12	

## Q-7 Attempt all questions

(14) 10

A A certain product passes through three processes before it is transferred to finished stock. The details of Kinjal Ltd is given below:

Particulars	Process I	Process II	Process III
	Rs.	Rs.	Rs.
Direct materials	4,00,000	6,00,000	2,00,000
Direct Wages	6,00,000	4,00,000	8,00,000
Closing Stock	2,00,000	4,00,000	6,00,000

The closing stock of finished stock was Rs. 4,00,000.

The output of each process is transferred to next process at a price which gives the profit of 20% on transfer price. The output of the third process is also transferred to finished stock at the same rate of profit.

The stock of each process is valued at prime cost.

The finished stock was sold at Rs. 36,00,000.

### **Prepare:**

- (1) Process Account
- (2) Finished Stock Account
- B Opening balance of Debtors Rs. 60,000, Credit Sales Rs. 4,00,000, Discount allowed Rs. 1,000, Bed Debts Rs. 2,000, Sales Return Rs. 4,000 and Closing balance of Debtors Rs. 1,53 000. Find out the missing information in the Debtors A/c.

# Q-8 Attempt all questions

(14) 7

7

4

- A Write a note on Inter process profit
- **B** Define methods of ascertaining profit of Single entry.

