COMMERCE AND ACCOUNTANCY - PAPER-I

Time Allowed: 3 Hours

Full Marks: 200

If the questions attempted are in excess of the prescribed number, only the questions attempted first up to the prescribed number shall be valued and the remaining ones ignored.

Answers may be given either in English or in Bengali but all answers must be in one and the same language.

Answer one question each from the following five groups.

GROUP - A

1. From the following balances extracted from the books of Shri Rahul on 31.3.2017, prepare a Trading and Profit & Loss Account for the year ended on that date and also a Balance Sheet as on that date

Debit Balances	Rs	Credit D	hat date :
Salaries		Credit Balances	Rs.
Debtors Stock on 1.4.16	20,000	Sales 8% loan from Mr. Sachin	2,50,000
Machinery	2,85,000	(taken on 1.9.16)	60,000
Bad Debt Purchase	4,000	Bills Payable	12,000
Printing & Stationery	1,55,000	Outstanding salary	3,000
Rent	8,500 4,500	Capital Account	3,30,000
Cash in hand	3,000	Creditors	90,000
Cash at Bank Insurance General expenses Bill Receivable Drawing Interest on loan Wages	72,000 4,000 10,000 15,000 10,000 2,000 3,000	Provision for Bad Debt	5,000
	7,50,000		7,50,000

Additional Information :-

- Closing Stock Cost Price &. 60,000, Market Price as on (1) 31.3.17 is Rs.40,000.
- Sales include & . 36,000 higher purchase sales. Hire Purchase (11)sale prices are determined after adding 25% on Hire Purchase Price. 30% of the instalments have not fallen due yet. Profit & loss on hire purchase sales is to be shown in the Profit & Loss A/c.
- (111) Debtors include &. 10,000 due from Mr. Ram and Creditors include & . 6,000 due to him.
- Insurance Premium paid for the period ended 30.6.17. (iv)
- Depreciate Machinery 0 15% p.a. (v)
- Provide 5% for bad debts on debtors (excluding hire-purchase (v1) debtors).
- Who are interested in accounting information ? How can these be communicated ? 2. (a)
 - Y Ltd. purchase 4 trucks at &.15,00,000 each on 1.4.2016. Rate of depreciation being 20% on original cost. On 1.7.2016 one truck met an accident and destroyed. The insurance com-(b) pany paid compensation of R.12,00,000. On the same day company purchased a second-hand truck at &.8,00,000 and incurred 8.2,00,000 on reconditioning. Prepare Truck Account for the ending 31.3.2017 in the books

State how the Accounting principles, doctrine and concepts are related to objectives of Accounting. 12 + 16 + 12 (c) P. T. O.

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3. A summary of Receipts and Payment of a Club - 'Calcutta Club'

Receipts and Payment Account for the year ended 31.3.17

To	Balance b/d (1.4.16) Subscription Donation Interest on Investment 7% p.a. Charity show proceeds	7,000 50,000 14,500 7,000 10,000	By By By By	Payments Payment of salary to Staffs Rent Sports equipment purchase Charity show expenses S/expenses Balance c/d (31.3.17)	As. 30,000 10,000
7.0					00 -

You are required to prepare Income & Expenditure Accounts for the taking into consideration of the following:-

(iii) (iv)	Subscription due Subscription received in advance Stock of sports goods Amount due to Sports Goods Suppliers Value of Furniture	31.3.17 <u>ks.</u> 1,000 500 15,000 12,000 38,000	1.4.16 8. 500 1,000 10,000 8,000 40,000
	GROUP - B		20 + 20

4. When 'P' Ltd. purchased 24,000 equity shares in 'Q' Ltd. on 1.1.15, Q Ltd. had & 45,000 in General Reserve and Balance in Sheets on 31.3.17 as below, prepare consolidated Balance Sheet.

	Pol-	ldated Bala	nce Sheet
	Balance Sheet Vat No.		
I. Equity & Liabilities -		P. Ltd.	Q. Ltd.
(i) Shareholder's Fund - a) Equity share of & b) Reserve & Surplus (ii) Current Liabilities	.10 each	7,50,000	3,00,000
Sundry Creditors		90,000	31,500
II. Assets -		9,90,000	3,31,500
(1) Non-current assets -			
a) Fixed Assets-Tang	ible Assets	6,85,000	1,60,000
b) Non-current Inves (Investment in Q.	tment Ltd.)	2,00,000	-
(ii) Current Assets		1,05,000	1,71,500
		9,90,000	3,31,500
Notes on Accounts :-			
I. Reserve & Surplus :			
(a) General Reserve		90,000	7,500
(b) Balance in Statement of	f	60,000	7,500
Profit & Loss		1,50,000	
For Guidance of WBCS (Exe.) etc. Prelimin	ary, Main Exam and Inte	rview,	

For Guidance of WBCS (Exe.) etc. Preliminary, Main Exam and Interview,
Study Mat, Mock Test, Guided by WBCS Gr-A Officers, Online and Classroom,
Call 9674493673, or mail us at -> mailus@wbcsmadeeasy.in

Contd...P/3.

Fixed Assets standing in the books of Q Ltd. at R. 90,000 was considered worth 8.75,000 on the date of acquisition of shares for the purpose of determining the value of shares. 20% depreciation has been written off since acquisition. Stock of P Ltd. - includes & 30,000 on which Q made & 7,500 profit.

5. (a) On January 1, 2016 a company issued 400, 5 percent debentures of &.1,000 each © &.980. Holder of these debentures had an option to convert their holding into 8% preference shares of 8.100 each at a premium of R. 20 per share at any

On December 31, 2016 one year's interest had accrued on the debentures and remained unpaid. A holder of 24 debentures notified his intention to exercise the above option.

Pass the necessary Journal entries and show how the items effected would appear in the Company Balance Sheet.

(b) The capital structure of a company consist of 30,000 equity shares of &.10 each fully paid up and 1,000 6% preference &.7,000 in General Reserve, &.10,000 in profit and loss, Investment Allowance Reserve &.20,000 (not available for distribution as dividend) and share premium & 11,000 distribution as dividend) and share premium R.11,000. The preference share are due for redemption at a premium of 10%. The Company decides to make a fresh issue at par of equity shares and to make use of sufficient profit & reserves in a manner that a minimum balance of & 10,000 is maintained in General Reserve. Show Journal Entries.

GROUP - C

6. (a) The following information are available in respect of 12,000 units material used in X Ltd. for the year 2015:-

Material purchase price %.12 per unit Ordering cost per order %.600 Insurance charges per annum 12% Wastage of material per unit per quarter - 2% Interest per unit per month - &. 0.10

You are required to calculate (1) Best ordering quantity of the material buying, (ii) Time gap between two consecutive order and (iii) Total inventory cost at optimal policy of buying.

(b) A Company provides you with the summary of production cost at two production levels as follows :-

Cost items	10,000 Units	20,000 Units	
X	8.50,000	Rs.1,00,000	
Y	8.50,000	Rs. 60,000	
Z	8.1,00,000	Rs.1,00,000	

- (i) Indicate the cost behaviour of each item of cost.
- (ii) What would be total cost if the Company wants to produce 25,000 units.
- (c) A Company has three production departments and two service departments. Distribution summary of overhead is as follows :-

Production departments :		Service departments :	
production dep-	R. 13,600	X	Rs. 9,000
В	Rs. 14,700	Y	Rs. 3,000
c	Ns.12,800		P. T. O.

4

The expenses of Service departments are charged on a percentage basis which as follows :-

		A	B	C	X	Y
X	Departments	40%	30%	20%	-	10%
Y	Departments	30%	30%	20%	20%	-

Approtion the cost of service departments by using the repeated distribution method.

7. (a) An analysis of a manufacturing company led to the following information :-

Cost elements	variable cost (percent of sales)	fixed cost
Direct materials Direct labour Factory overhead Distribution overheads General administration	32.8 28.4 12.6 4.1	1,89,900 58,400
overheads	1.1	66,700

Budgeted Sales are &.18,50,000. You are required to determine

B E P Volume,

(11) Profit at the budgeted sales volume, (iii)Profit if the actual sales :-

(a) drop by 10%

(b) increase by 5% from the budgeted sales.

(b) A factory produces two product P and Q. P takes 10 hours to produce and Q requires 16 hours as per budget. Budgeted production for the month is 600 units of P and 250 units of Q. A month has 25 budgeted days of 8 hours each. During the month, 500 units of P and 400 units of Q were produced. The factory employees 50 workers. They actually worked for 9 hours daily for 24 days.

Calculate - (i) Efficiency ratio, (ii)Activity ratio, (iii) Capacity ratio and (iv) Calender ratio.

20 + 20

GROUP - D

8(a)Mr. A came to India for the first time on May 1, 2013 and left India on (i) June 20, 2013, (ii) November 15, 2013. Determine the residential status of Mr. A for the Assessment Year 2014-15 in each of the above case.

(b) Mr. A is the owner of a house in Kolkata. The House is divided in two equal residential units. One unit is used for own residential purpose and the other unit is rented for Rs.8,000 p.m. The rented unit was vacant for two months during the previous year. The particulars of house for the previous year 2016-17 are as under:-

Rs.1,62,000 p.a. Rs.1,90,000 p.a. Rs.1,85,000 p.a. Standard rent Municipal valuation Fair rent 15% of municipal value Municipal tax Light & water charges 500 p.m. Rs. Interest on borrowed capital Rso 2,500 p.m. 32,000 p.m. Repairs Rs.

Compute income from House Property of Mr. A for the 12 + 28 Assessment Year 2017-18.

40

- 9. Mrs. Sen, a resident Indian has furnished the following particulars. Compute her total taxable income for the Assessment Year 2017-18 :-
 - She was appointed on 1.1.12 in the scale of 8,000-250-12,000. ii) DA is 50% of basic pay

iii) Project Allowance received &.10,000 p.m.

(iv) Tax deducted at sources &.5,000 (v) Professional Tax deducted &.300 p.m.

(vi) Interest credited to RPF @ 15% p.a. - &.3,000 (vii) She encashed two months earned leave and received No. 10,000. The proceeds were utilised for the treatment of

her child. Her only child is physically handicapped.

(viii) She contributed 15% of her basic pay and DA to a recognised
P.F. Employer Contributed equal amount.

She is provided with a rent free furnished accomodation at (ix) Kolkata for which her employer pays a rent & 2,000 per month. The employer has provided her furniture costing Rs. 30,000.

Life Insurance Premium of R.3,000 on a policy on her life (x)

was paid by her employer, the sum assured being & 50,000. During the previous year she received bank interest (xi) %. 4,000, dividend from UTI %.10,000 and dividend from Indian Company & .5,000 on 20.12.2016.

GROUP - E

10. (a) Mr. Sen, a works contractor, execute a contract in West Bengal in the month of July, 2016 for a consideration of B.1 crore. Mr. Sen also undertake contract outside West Bengal. The particulars of the contract in West Bengal are given as under :-

Consultation fee Material purchased 0 5% tax Material purchased 0 14.5% tax Work done on sub-contract Labour charges	Rs.10,00,000 Rs.20,00,000 Rs.40,00,000 Rs.20,00,000
Profit on contract	Rs. 4,00,000

Considering that Mr. Sen is a registered dealer in West Bengal and he procures the goods from the registered dealers in West Bengal. Compute for the month of July, 2016 :-

(i) Input Tax, (11) Output Tax, (iii) Net liability for V A T.

(b) Explain with suitable example what do you mean by 'Inter 32 + 8 State Sale'.