

QUESTION NO. 1

(a)	Current ratio	=	$\frac{\text{Current assets}}{\text{Current liabilities}}$	=	$\frac{\text{Rs. 480,000}}{\text{Rs. 480,000}}$	=	1:1
(b)	Liquidity ratio	=	$\frac{\text{Liquid assets}}{\text{Current liabilities}}$	=	$\frac{\text{Rs. 225,600}}{\text{Rs. 480,000}}$	=	0.47:1
(c)	Stock turnover ratio	=	$\frac{\text{Cost of goods sold}}{\text{Average stock}}$	=	$\frac{\text{Rs. 120,000} \times \frac{100}{120}}{\text{Rs. 240,000}}$	=	4.167 times
(d)	Debtor's turnover ratio	=	$\frac{\text{Net sales}}{\text{Average debtors}}$	=	$\frac{\text{Rs. 12,00,000}}{\text{Rs. 180,000}}$	=	6.67

QUESTION NO. 2

Contract Account

	Rs.		Rs.
Material	57,500	Work certified	150,000
Wages	79,000	Work uncertified	12,500
Plant	25,000	Profit & loss	
Expenses	7,500	(Loss of material in account)	4,000
Balance c/d	23,500	Material at site	3,500
		Plant at site	25,000
		Less: Depreciation	<u>25,000</u>
	192,500		22,500
			192,500
To profit & loss		By balance b/d	23,500
(23,500 × 2/3 × 75/100)	11,750		
To base to reserve	11,750		
	23,500		23,500

Balance Sheet

As on 31-12-2013

	Rs.		Rs.
Share capital	145,000	Land buildings	97,500
Profit & loss A/c (11,750 - 4,000)	7,750	Plant less depreciation	22,500
Creditors	18,500	Material at site	3,500
Wages O/S	6,500	Work in Progress:	
		Work certified	150,000
		+ Work uncertified	<u>12,500</u>
			162,500
		Less: Profit as reserve	<u>11,750</u>
			150,750
		Less: Advance from contract	<u>112,500</u>
		Cash at bank	38,250
			16,000
	177,750		177,750

QUESTION NO. 3

Sony Ltd. Company
Profit & Loss Account
 For the year ended 31st Dec. 2014

	Rs.		Rs.
To salaries and wages	136,200	Gross profit	353,100
To carriage outward	23,200	Add: Sales unrecorded	<u>6,900</u>
To debenture interest	18,000		360,000
To provisional for bad debt	7,107		
To Depreciation:			
Furniture	14,000		
Property	40,000		
To net profit	121,493		
	<u>360,000</u>		<u>360,000</u>

Profit & Loss Appropriation A/c

	Rs.		Rs.
To provisional for taxation	60,000	By balance	148,500
To general reserve	20,000	By profit of this year	121,493
To interim dividend	48,000		
To proposed dividend	28,000		
To base effect	113,993		
	<u>269,993</u>		<u>269,993</u>

Sony Ltd. Company
Balance Sheet
 As on 31st Dec. 2016

	Rs.		Rs.
Authorized capital	12,00,000	Free hold property	
120,000 shares of Rs. 10 each		Less: Depreciation	
Issued subscribed, paid up capital:		(Rs. 400,000 – 40,000)	360,000
70,000 share of Rs. 10	700,000	Furniture less depreciations	
Share premium	80,000	(140,000 – 14,000)	126,000
General reserve	56,000	Technical know how	36,000
Profit & loss A/c	113,993	Stock closing	566,000
9% debentures	200,000	S. debtors	230,000
Creditors	100,800	+ Unrecorded	<u>6,900</u>
B/P	24,000		336,900
Debenture interest payable	9,000	- Prov. for B.D.	<u>7,107</u>
Taxation provision	60,000	Bills receivable	24,000
Proposed dividend	28,000	Cash in hand	30,000
	<u>13,71,793</u>		<u>13,71,793</u>

QUESTION NO. 4

Contract Account

	Rs.		Rs.
To material	51,000	By work certified	160,000
To wages	81,000	By work uncertified	1,000
To plant	15,000	By P & L - Plant cost	3,000
To other expense	5,000	Material lost	<u>2,500</u>
To balance c/d	27,000	By plant returned to store	2,000
		(-) Depreciation	<u>300</u>
		By material site	2,300
		Plant at site	10,000
		(-) Depreciation	<u>1,500</u>
	179,000		179,000
To profit & loss (27,000 × 2/3 × 80%)	14,400	By balance b/d	27,000
To balance to reserve	12,600		
	27,000		27,000

Contractee

	Rs.		Rs.
To balance c/d	128,000	By cash	128,000
	128,000		128,000

Balance Sheet

As on 31-03-2014

	Rs.		Rs.
Profit from contract	14,400	Plant less depreciation (at site)	10,200
(-) Loss from:		Plant in store (less dep.)	1,700
Plant	3,000	Material at site	2,300
Material	<u>2,500</u>	Work in Progress:	
	8,900	Work certified	160,000
		Work uncertified	<u>1,000</u>
			161,000
		Less: Reserve	<u>12,600</u>
			148,400
		Less: Advance from contractee	<u>128,000</u>
			20,400

QUESTION NO. 6

Departmental Trading & Profit & Loss A/c
For the period ended 31-03-2013

To purchases	160,000	125,000	80,000	By sales	175,000	140,000	35,000
To wages	12,000	24,000	12,000	By closing stock	60,100	20,300	44,600
To gross profit	63,100	11,300	-	By gross loss	-	-	12,400
	235,100	160,300	92,000		235,100	160,300	92,000
To gross loss	-	-	12,400	By gross profit	63,100	11,300	-
To rent	2,400	2,400	6,000	By net loss	-	-	19,500
To s. expenses	5,500	4,400	1,100				
To net profit	55,200	4,500	-				
	63,100	11,300	19,500		63,100	11,300	19,500