CPT- DECEMBER 2016 PAPER SOLUTION

NOTE: ANSWERS ARE CALCULATED BASED ON THE MEMORY BASED QUESTION PAPER AVAILABLE ON VARIOUS WEBSITES.

1 Ans-D

Rent account is a nominal account and outstanding rent is a personal account.

2 Ans-A

Purchase value= Cash paid + Cash Dis.

so, 45000+9000=54000 purchase value

therefore, Trade Dis.= 60000-54000=6000

And Rate of Dis= 6000/60000*100=10%

3 Ans-D

In contra entry two aspects of transactions are posted in the cash book itself.

4 Ans-A

BRS

	DR	CR
Pass book OD	2175	
	100	-
	175	-
	150	-
	-	600
Cash book OD		2000
	2600	2600

5 Ans-A
Trial balance is not the conclusive proof of accuracy.

6 Ans-D
Any error done in boooks of original entry will not be detected by trial balance.

7 Ans-C

Balance- Sheet		
	Debtors	80000
Less	Bad debts	2000
		78000
Less	BDR 5%	3900
		74100

8 Ans-C
Accured income recorded on the assset side of the balance sheet.

9 Ans-B

Capital 4X	1200000		F.A.	2X	600000
			Investments		400000
C.L. (?)	100000		C.A.	X	300000
	1300000				1300000

10 Ans-B

X--->Y	50000+10%= 55000	(cost plus 10%)
Y----Z	55000+25%=68750	(Sales plus 20% so cost plus 25%)

11 Ans-A

12 Ans-A
Bills of exchange before its acceptance is called as draft.

13 Ans-A

Total discont= 50000-49000=1000

Amount distributed beetween X& Y in the ration of 1:4

so discount to be borne by Y is 1000*4/5=800

14 Ans-A

Consignment accont is Nominal account and consignee account is personal account.

15 Ans-B

Good sent	50000	
Less: Good destroyed in transit	-5000	(1/10)
Goods received by consingee	45000	
Less: Goods destroyed in the godown of consignee	-5000	(1/9)
balance goods	40000	
Less: sales	-20000	(Half)
Good in stock at cost	20000	

<u>Valuation of inventory:</u>

cost	20000
Add: consignor exps.	
50000 cost --- exps. 4000	1600
20000 cost ---- exps. (?)	
<u>Total cost=</u>	<u>21600</u>

16 Ans-A

if del credere commission is given then consignee will bear the bad debts exps.
and consignee will debit the exps. of bad debts to the commission income account.

17& 18	17- Ans-A, 18- Ans- B	A	B
	Goods purchsed	18000	13500
	Add: Transfer	9000	18000
	Less: lost by fire	-3000	-
	Balance goods	24000	31500
	Sales value	30000	39375
	cost+25%		

Joint Venture Account

Purchase	36000		Sales	30000	
	22500	58500		39375	69375
Loss by fire		1500	Goods lost by fire		3000
Exps.		5000			
Profit on J.V.		7375			
		72375			72375

19 Ans-D

20 Ans-B
When assets are revalued upward the value increased is transferred to the credit of revaluation account and later on in case of downward revaluation to the extent of upward revaluation made earlier is adjusted to the revaluation account first.

21 Balance of machinery account is given after 2 years.
as per WDV method. Ans-B

	Cost	100	72.25 ---- cost 100	
	Dep	15	368475 ---- (?)	
balance 1st year		85	=	510000
	Dep	12.75		
balance 2nd year		72.25		

22 Ans-C

Method of depre. Has been changed from second year so
balance of 3rd year will be as per WDV.
so instead of calculating as per SLM we can directly calculate as per
WDV method from the begaining.

Cost	60000
Dep	12000
Balance	48000
Dep	9600
Balance	38400
Dep	7680
Balance	30720
Less: sale	30000
Loss:	720

23 Ans-B

After preparing trial balance and putting the difference amount
to suspence account, one sided errors can be rectified by using suspence
account.

24 1) Discount a/c. will be credited so profit will increase by 3100.
2) Sales account totalled short so credit ssales by 23000. so profit will increase.
3) Goods returned not debited so debit by 1200. so profit will decrease.

so, 3100+23000-1200= 24900 profit will increase.

25 Goods at godown	50000	
Goods with customer on sale or return	8000	(10000-20%)
Stock to be shown in the B/s.	$\boxed{\underline{58000}}$	

26 Ans-A

$$\text{Avg. Inventory} = \frac{\text{Opening invetory+Closing Inventory}}{2}$$

$$28000 = \frac{X + (X+6000)}{2}$$

56000-6000= 2X

x= 25000 Opening Inventory

So, closing inventory= 25000+6000=31000

27 Ans-D

Inventory on 15/04		300000
Add: Sales	(100000-20%)	80000
Less: Purchase		50000
Inventory on 31/03		330000

28 Ans-D

Weighted average method is a Historical cost method.

29 Ans-B

Opening			Purchase			Closing		
1000	4	4000				1000	4	4000
			1200	5	6000	2200	4.545	10000

	Sales	2000	8	16000
Less	Cost	2000	4.55	9100
	Profit			6900

30 Insurance claim received for damage of machinery due to fire is a capital receipt. Ans-B

31 Ans-B

=

Sacrificing Ratio of D = old ratio- new ratio

$1/4-1/6 = \frac{6-4}{24} = \frac{2}{24} = \frac{1}{12}$

32 Form A= 2/5*1/3 Ans-B

2/15

From B=3/5*1/4

3/20

New Ratio

A= 2/5-2/15 $=\frac{6-2}{15}$ $\frac{4}{15}$ $\frac{16}{60}$

B= 3/5-3/20 $\frac{12-3}{20}$ $\frac{9}{20}$ $\frac{27}{60}$

C= 2/15+3/20 $\frac{8+9}{60}$ $\frac{17}{60}$ $\frac{17}{60}$

<u>16:27:17</u>

33 Ans-C

Total capital taking = c's capital as base		800000*4= 3200000
Actual capital of all partne	5000000+500000+800000+400000	
=		2200000
=		

Hidden Goodwill= 3200000-2200000=1000000

34 Ans-C

Capital of B=		50000
Add: Goodwill	30000*3/10	9000
Add:Revaluation 5000*3/10		1500
Add: Reserve 15000*3/10		4500
Amt. Payable to B=		65000

35 Ans-A

Amount received in excess of surrender value of policy will be shared by partners in the profit sharing ratio.

36 Ans-A

Profit till 30/06=		240000*3/12
	=	60000
Share of C	=	60000*4/16
	=	15000

37 Ans-A

Share of B= 30000*2/5
= 12000

Goodwill to be borne by
A and B in the gaining ratio 2:1

A= 12000*2/3= 8000
B=12000*1/3= 4000

38 Ans-A

Interest on capital is allowed out of profits.

39 Ans-A

Taking share of srikant as base total capital will be-
80000*5=400000
Total capital at present= 60000+60000+80000
=200000

Inferred capital= 400000-200000=200000

40 Ans-A

Unpaid calls=80000-77500=2500 shares

Final call money= 67500/2500= 27 Rs.

41 Ans-B

In case of under subscription issed capital will be higher than subscribed capital.

42 Ans-A

Reserve capital is that part of subscribed capital which is not called up yet.

43 Ans-A

50000 Allotment---- 70000 Application
200 Allotment--- Application (?) 280 Application

Excess Money 280-200=80 shars *2 Rs.=160Rs.

44 Ans-A

Limit on Maximum number of partners in partnership firm is given in a compnies act.

45 Ans-C

Debenture holders are creditors of company.

46 Ans-A

Debentures issued as a collateral security are not entitled for any interest as such debentures are given as an additional security and its not an actual liability.

47 Ans-D

When new equity shares are issued for redemption of preference shares then journal entry for issue of shares will be---

Cash a/c. dr.
To Equity share capital a/c.

48 Ans-D

Redemption Premium = 200000*20%=40000

Dis to be written off= 40000/5=8000

49 Ans-B

Preference shares can be redeemed only if it is fully paid up.

50 Ans-A

AS-22 Deals with Accounting for taxes on income.

51 Ans-A

As per conservatism future losses are to be considered. So if it is applied to the balance sheet assets will be valued at lower value if realisable value is lower than its cost. So it will lead to under statement of profit.

52 Ans-B

AS-29 deals with provisions, contingent liability and contingent assets.

53 Ans-C

AS-25 - Interim financial reporting
AS-26 - Intangible assets
AS-27 - Financial reporting of interest in JV
AS-28 - Impairment of asssets

54 Ans- B

Balance sheet and profit and loss account is provided to the outsiders.

55 Ans-A

Procedural aspects of accounting include generating and using the financial information.

56 **Ans-A**

Internal users-Board of directors, partners, managers
External users-Investors,lenders,suppliers,customers

57 **Question not available**

58 **Question not available**

59 **Question not available**

60 **Question not available**