

Grade 12: Account Corrected Questions

Unit 6 Final Account of a Company (Traditional Method)

[The question has been corrected.]

[English Medium Book: Page 206; Nepali Medium Book: Page 204]

CD-13 ___ Alpha Company provides you the following information as on 31st Dec, 2020.

Particulars	Amount	Particulars	Amount
Interim dividend.....	4,000	Share capital.....	50,000
Calls in arrears	8,000	10% preference share capital	20,000
Discount on issue of shares	6,000	Sundry creditors.....	1,000
Plant & machinery	68,000	20% loan.....	25,000
Bank balance	7,000	Bills payable	4,000
Prepaid insurance	2,000	Net profit	7,000
Investment.....	15,000	Profit & loss appropriation.....	3,000
Total	110,000	Total	110,000

Adjustment information:

- Transfer to sinking fund Rs 25,000
- Proposed dividend 10% on paid up capital (including interim dividend)

Required: Profit and loss appropriation a/c and Balance sheet

Ans: P/L App. Balance Rs. 21,200 B/S: Rs 119,200

SOLUTION

Profit and loss appropriation a/c For the year ended 31st Dec, 2020.

Particulars	Amount	Particulars	Amount
To interim dividend	4,000	By balance b/d	3,000
To proposed dividend	200	By net profit b/d	7,000
[50,000 – 8,000] × 10% = (4200 – 4000)			
To preference dividend.....	2,000	By balance c/d (deficit)	21,200
To Sinking fund	25,000		
Total	31,200	Total	31,200

Balance sheet As on 31st Dec, 2020.

Particulars	Amount	Particulars	Amount
Share capital		Fixed assets	
Issued share capital	50,000	Plant & Machinery	68,000
Less: Calls in arrears.....	8,000		
	42,000	Investment	
10% preference share capital	20,000	Investment	15,000
Reserve & surplus		Currents assets, loans & advance	
Sinking fund	25,000	Bank balance	7,000
Secured loan		Prepaid insurance	2,000
20% loan	25,000	Miscellaneous expenditures	
Unsecured loan	-	Discount on issue of share	6,000
Current liabilities & Provisions		Profit and loss appropriation a/c (cr.).....	21,200
Sundry creditors	1,000		
Bills payable.....	4,000		
Proposed dividend.....	200		
Preference dividend (payable)	2,000		
Total	119,200	Total	119,200

[English Medium Book: Page 216; Nepali Medium Book: Page 211]

SA-13 ___ Alpha Company provides you the following information as on 31st Dec, 2020.

Particulars	Amount	Particulars	Amount
Interim dividend.....	2,000	Share capital.....	25,000
Calls in arrears	4,000	10% preference share capital	10,000
Discount on issue of shares	3,000	Sundry creditors.....	500
Plant & machinery	34,000	20% loan.....	12,500
Cash balance	3,500	Notes payable	2,000
Prepaid insurance	1,000	Net profit	3,500
Investment.....	7,500	Profit & loss appropriation.....	1,500
Total	55,000	Total	55,000

Adjustment information:

- Transfer to capital redemption reserve Rs 12,500
- Proposed dividend 10% on paid up capital (including interim dividend)

Required: Profit and loss appropriation a/c and Balance sheet

Ans: P/L App. Balance Rs. 10,600 B/S: Rs 59,600

Solution

Profit and loss appropriation a/c
For the year ended 31st Dec, 2020.

Particulars	Amount	Particulars	Amount
To interim dividend	2,000	By balance b/d	1,500
To proposed dividend	100	By net profit b/d	3,500
[25,000 – 4,000] × 10% = (2100 – 2000)			
To preference dividend.....	1,000	By balance c/d (deficit)	10,600
To capital redemption reserve	12,500		
Total	15,600	Total	15,600

Balance sheet

As on 31st Dec, 2020.

Particulars	Amount	Particulars	Amount
Share capital		Fixed assets	
Issued share capital	25,000	Plant & Machinery	34,000
Less: Calls in arrears.....	4,000		
10% preference share capital	10,000	Investment	
Reserve & surplus		Investment	7,500
Capital redemption reserve	12,500	Currents assets, loans & advance	
Secured loan		Cash balance	3,500
20% loan	12,500	Prepaid insurance	1,000
Unsecured loan	-	Miscellaneous expenditures	
Current liabilities & Provisions		Discount on issue of share	3,000
Sundry creditors	500	Profit and loss appropriation a/c (cr.).....	10,600
Notes payable.....	2,000		
Proposed dividend.....	100		
Preference dividend (payable)	1,000		
Total	59,600	Total	59,600

Unit 15 Unit or Output Costing

[English Medium Book: Page 547; Nepali Medium Book: Page 533]

CD-6 ____ The details information's related to a company are provided to you:

Particulars		Opening Rs.	Closing Rs.
Direct material		30,000	20,000
Work-in-progress		15,000	12,500
Finished goods		10,000	15,000
Direct material purchased	Rs. 120,000	Administrative overhead	Rs. 27,000
Carriage on purchase	Rs. 2,000	Factory overhead	Rs. 50,000
Direct wages	Rs. 72,000	Selling overhead	Rs. 16,000
Direct expenses	Rs. 10,000	Sale of scrap	Rs. 15,000

Required: Cost sheet showing the following of details:

- (a) Cost of material consumed (b) Prime cost (c) Factory cost (d) Cost of production (e) Cost of goods sold
(f) Selling price, if 20% profit on cost

Ans. (a) Rs. 132,000, (b) Rs 214,000, (c) Rs. 251,500, (d) Rs.278,500, (e) Rs.273,500, (f) Rs 347,400

Solution

Cost Sheet

Particulars	Rs.	Rs.
Opening stock of material		30,000
Add: Direct material purchase	120,000	
Carriage on purchase	2,000	
		152,000
Less: Closing stock of material		20,000
a. Material consumed		132,000
Add: Direct wages	72,000	
Direct expenses	10,000	
b. Prime cost		214,000
Add: Factory overhead		50,000
Less: Sale of scrap		15,000
Factory cost incurred		249,000
Add: Opening stock of work-in-progress		15,000
		264,000
Less: Closing stock of work-in-progress		12,500
c. Factory cost		251,500
Add: Administrative overhead		27,000
d. Cost of production		278,500
Add: Opening stock of finished goods		10,000
		288,500
Less: Closing stock of finished goods		15,000
e. Cost of goods sold		273,500
Add: Selling and distribution overhead		16,000
Selling overhead		16,000
Total cost		289,500
Add: Profit (289,500 x 20/100)		57,900
f. Sales		347,400