

Question No.1

Ambiance Ltd. keeps no stock records but a physical inventory of stock is made at the end of each quarter and the valuation is taken at cost. The company's year ends on 31st March, 2024 and their accounts have been prepared to that date. The stock valuation taken on 31st March, 2024 was however, misleading and you have been advised to value the closing stocks as on 31st March, 2024 with the stock figure as on 31st December, 2023 and some other information is available to you:

- (i) The cost of stock on 31st December, 2023 as shown by the inventory sheet was Rs. 80,000.
- (ii) On 31st December, stock sheet showed the following discrepancies:
 - (a) A page total of Rs. 5,000 had been carried to summary sheet as Rs. 6,000.
 - (b) The total of a page had been undercast by Rs. 400.
- (iii) Invoice of purchases entered in the Purchase Book during the quarter from January to March, 2024 totalled Rs. 70,000. Out of this Rs. 6,000 related to goods received prior to 31st December, 2023. Invoices entered in April 2024 relating to goods received in March, 2024 totalled Rs. 7,000.
- (iv) Sales invoiced to customers totalled Rs. 90,000 from January to March, 2024. Of this Rs. 5,000 related to goods dispatched before 31st December, 2023. Goods dispatched to customers before 31st March, 2024 but invoiced in April, 2024 totalled Rs. 4,000.
- (v) During the final quarter, credit notes at invoiced value of Rs. 1,500 had been issued to customers in respect of goods returned during that period. The gross margin earned by the company is 25% of cost.

You are required to prepare a statement showing the amount of stock at cost as on 31st March, 2024.

Question No.2

M/s Manas, Profit and loss account showed a net profit of Rs. 32,00,000, after considering the closing stock of Rs. 30,00,000 on 31st March, 2024. Subsequently the following information was obtained from scrutiny of the books:

- (i) Purchases for the year included Rs. 1,20,000 paid for new electric fittings for the shop.
- (ii) M/s Manas gave away goods valued at Rs. 3,20,000 as free samples for which no entry was made in the books of accounts.
- (iii) Invoices for goods amounting to Rs. 20,00,000 have been entered on 25 th March, 2024, but the goods were not included in stock.
- (iv) In March, 2024 goods of Rs. 16,00,000 sold and delivered were taken in the sales for April, 2024.
- (v) Goods costing Rs. 6,00,000 were sent on sale or return in March, 2024 at a margin of profit of 33-1/3% on cost. Though approval was given in April, 2024 these were taken as sales for March, 2024.

You are required to determine the adjusted net profit for the year ended on 31.3.2024 and calculate the value of stock on 31st March, 2024.

Question No. 3

Ram Setu Ltd. keeps no stock records but a physical inventory of stock is made at the end of each quarter and the valuation is taken at cost. The company's year ends on 31st March, 2024 and their accounts have been prepared to that date. The stock valuation taken on 31st March, 2024 was however, misleading and you have been advised to value the closing stocks as on 31st March, 2024 with the stock figure as on 31st December, 2023 and some other information is available to you:

- (i) The cost of stock on 31st December, 2023 as shown by the inventory sheet was Rs. 7,20,000.
- (ii) On 31st December, stock sheet showed the following discrepancies:
 - (a) A page total of Rs. 45,000 had been carried to summary sheet as Rs. 54,000.
 - (b) The total of a page had been undercast by Rs. 1,800.
- (iii) Invoice of purchases entered in the Purchase Book during the quarter from January to March, 2024 totalled Rs. 6,30,000. Out of this Rs. 27,000 related to goods received prior to 31st December, 2023. Invoices entered in April, 2024 relating to goods received in March, 2024 totalled Rs. 36,000.
- (iv) Sales invoiced to customers totalled Rs. 8,10,000 from January to March, 2024. Of this Rs. 45,000 related to goods dispatched before 31st December, 2023. Goods dispatched to customers before 31st March, 2024 but invoiced in April, 2024 totalled Rs. 36,000.
- (v) During the final quarter, credit notes at invoiced value of Rs. 9,000 had been issued to customers in respect of goods returned during that period. The gross margin earned by the company is 25% of cost.

You are required to prepare a statement showing the amount of stock at cost as on 31st March, 2024.

Question No. 4

M/s Dheeraj, Profit and loss account showed a net profit of Rs. 8,00,000, after considering the closing stock of Rs. 7,50,000 on 31st March, 2024. Subsequently the following information was obtained from scrutiny of the books:

- (i) Purchases for the year included Rs. 30,000 paid for new electric fittings for the shop.
- (ii) M/s Dheeraj gave away goods valued at Rs. 80,000 as free samples for which no entry was made in the books of accounts.
- (iii) Invoices for goods amounting to Rs. 5,00,000 have been entered on 27th March, 2024, but the goods were not included in stock.
- (iv) In March, 2024 goods of Rs. 4,00,000 sold and delivered were taken in the sales for April, 2024.
- (v) Goods costing Rs. 1,50,000 were sent on sale or return in March, 2024 at a margin of profit of 33-1/3% on cost. Though approval was given in April, 2024 these were taken as sales for March, 2024.

You are required to determine the adjusted net profit for the year ended on 31.3.2024 and calculate the value of stock on 31st March, 2024.

Question No. 5

The following are the details of the spare parts of a Chemical Mill:

1-1-2024	Opening Inventory	Nil
1-1-2024	Purchases	100 units @ Rs. 300 per unit
15-1-2024	Issued for consumption	50 units
1-2-2024	Purchases	200 units @ Rs. 400 per unit
15-2-2024	Issued for consumption	100 units
20-2-2024	Issued for consumption	100 units

Find out the value of Inventory as on 31.3.2024, if the company follows Weighted Average Method.

Question No. 6

Sunshine Ltd. keeps no stock records but a physical inventory of stock is made at the end of each quarter and the valuation is taken at cost. The company's year ends on 31st March, 2024 and their accounts have been prepared to that date. The stock valuation taken on 31st March, 2024 was however, misleading and you have been advised to value the closing stocks as on 31st March, 2024 with the stock figure as on 31st December, 2023 and some other information is available to you:

- (i) The cost of stock on 31st December, 2023 as shown by the inventory sheet was Rs. 80,000.
- (ii) On 31st December, stock sheet showed the following discrepancies:
 - (a) A page total of Rs. 5,000 had been carried to summary sheet as Rs. 6,000.
 - (b) The total of a page had been undercast by Rs. 200.
- (iii) Invoice of purchases entered in the Purchase Book during the quarter from January to March, 2024 totalled Rs. 70,000. Out of this Rs. 3,000 related to goods received prior to 31st December, 2023. Invoices entered in April 2024 relating to goods received in March, 2024 totalled Rs. 4,000.
- (iv) Sales invoiced to customers totalled Rs. 90,000 from January to March, 2024. Of this Rs. 5,000 related to goods dispatched before 31st December, 2023. Goods dispatched to customers before 31st March, 2024 but invoiced in April, 2024 totalled Rs. 4,000.
- (v) During the final quarter, credit notes at invoiced value of Rs. 1,000 had been issued to customers in respect of goods returned during that period. The gross margin earned by the company is 25% of cost.

You are required to prepare a statement showing the amount of stock at cost as on 31st March, 2024.

Question No. 7

Manish closed his books of account on 31st March, each year. Inventory taking for the year ended 31st March, 2024 was completed by 10th April, 2024 on which date value of the stock available in godown was of Rs. 4,50,000 at cost.

Following are the details of transactions that took place between 31st March, 2024 and 10th April, 2024:

- (i) Goods sold to customers Rs. 1,10,000.

- (ii) Sales return Rs. 10,000.
- (iii) Purchases Rs. 85,000 (Including Cash Purchases Rs. 10,000).
- (iv) Purchases return amounted to Rs. 2,500.
- (v) Goods costing 15,000 received in March, for sale on consignment basis, out of which 60% of goods had been sold by 10th April. These sales are not included in above sales.
- (vi) After the stock was taken, it was found that there was certain very old slow- moving items costing Rs. 14,850, which should be taken at Rs. 9,500 to ensure disposal to an interested customer.

Goods are sold at a profit margin of 25% on cost. Ascertain the value of inventory for inclusion in the final accounts for the year ended 31st March, 2024.

Question No. 8

Physical verification of stock in a business was done on 23rd June, 2023. The value of the stock was Rs. 4,80,000. The following transactions took place between 23rd June, 2023 and 30th June, 2023:

- (i) Out of the goods sent on consignment, goods at cost worth Rs. 24,000 were unsold.
- (ii) Purchase of Rs. 40,000 were made out of which goods worth Rs. 16,000 were delivered on 5th July, 2023
- (iii) Sales were Rs. 1,36,000 which include goods worth Rs. 32,000 sent on approval. Half of these goods were returned before 30th June 2023, but no information is available regarding the remaining goods.
- (iv) Goods are sold at cost plus 25%. However, Goods costing Rs. 24,000 had been sold for Rs. 12,000.

Determine the value of stock on 30th June, 2023.