

2022

B. Voc. (Retail Management)
Fifth Semester
RSC- 503: Accounting Applications

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt five questions in all, including Question No. 1 which is compulsory and selecting one question from each Unit. All questions carry equal marks.

x-x-x

1. Attempt any four of the following:-

- i) Explain "Separate Entity Concept".
- ii) Prepare a bank reconciliation statement with the following information:

| | |
|---|-----------|
| a) Balance as per Cash book: | Rs. 14000 |
| b) Cheques deposited but not collected: | Rs. 5500 |
| c) Cheques issued but not presented: | Rs. 2400 |
| d) Interest credited in pass book but not recorded in cash book: | Rs. 850 |
| e) Bank charges debited in Pass book but not recorded in cash book: | Rs. 150 |
- iii) What is factory cost?
- iv) Draw the diagrammatical presentation of Break Even Point showing all costs.
- v) How is sales account contain more information than sales book?

(4x4)

UNIT-I

2. a) What is Contra Entry? How does it come to existence? Give example
b) What makes accounting equation balanced?
c) What is called imprest system of petty cash book? (5,6,5)
3. Journalize the following transactions in the books of Ankita Ltd. and building and stock account for the same.
 - a) Ankita starts business with Rs. 80,000 cash, Stock Rs. 35,000, Furniture Rs. 25,000 and a building worth Rs.70, 000.
 - b) A portion of building worth Rs. 30,000 was sold for Rs. 27500 at the end of the year after charging depreciation @ 10% p.a.
 - c) Mr. Ram Kishore supplied goods to Ankita worth Rs. 35,000 after trade discount of Rs. 5000. He promised cash discount @ 10% if payment is made in 3 months.
 - d) Goods were sold in cash to Rohan costing Rs. 15,000 but at a price Rs. 12,000.
 - e) Payment was made to Mr Ram Kishore after two months.
 - f) Paid Rent Rs.1000 and insurance Rs.10,000
 - g) Salary was paid for 11 months @ Rs. 1000 per month and it was outstanding for one month.

(16)

UNIT-II

4. 'Trial balance is not the conclusive proof of accuracy.' Comment on this statement and list down in detail the errors even when trial balance do agree. (16)
5. From the following trial balance and information received for the books of Singh brothers on 31 Dec, 2019, you are requested to prepare Trading, Profit and Loss account and Balance Sheet:

| Particulars | Dr. (in Rs.) | Particulars | Cr. (in Rs.) |
|------------------|-----------------|---------------------------------|-----------------|
| Drawings | 18,000 | Capital | 80,000 |
| Purchases | 82,600 | Sales | 1,55,000 |
| Opening stock | 42,000 | 8% Bank loan taken on 1.10.2018 | 25,000 |
| Carriage inwards | 1,200 | Return outwards | 1,600 |
| Wages | 4,000 | Sundry Creditors | 18,900 |
| Power | 6,000 | | |
| Machinery | 50,000 | | |
| Furniture | 14,000 | | |
| Rent | 22,000 | | |
| Salary | 15,000 | | |
| Insurance | 3,600 | | |
| Debtors | 20,600 | | |
| Cash in hand | 1,500 | | |
| | 2,80,500 | | 2,80,500 |

P.T.O.

(2)

Additional Information:

- Stock on 31st December 2019 was Rs. 64,000.
- Write off Rs. 600 as bad debts and maintain a provision of 5% on debtors.
- Depreciation on Plant and Machinery is to be charged with Rs. 10% and furniture @5%
- Rent is paid for 11 months and Outstanding Wages Rs. 2,400.
- Goods of Rs. 2,000 were received on 29-03-2019 but purchase invoice was omitted to be recorded in purchase book.

(16)

UNIT-III

6. What do you mean by cost accounting? Why is this accounting prepared? Describe various steps involved in the preparation of cost statements. (16)
7. The accounts of Vihaan brothers for the year ended 31st December, 2019 show the following:

| | | | |
|-------------------------------|-----------|-------------------------------------|--------|
| Opening stock of raw material | 200,000 | General office salaries | 25000 |
| Sales | 20,15,000 | Depreciation on plant and machinery | 11,000 |
| Raw material purchased | 510,000 | Carriage on purchases | 11500 |
| Dividend | 10,000 | Selling expenses | 8400 |
| Gas and water-office | 1900 | General expenses | 10600 |
| Closing stock of raw material | 90,000 | Repairs of plant and machinery | 15600 |
| Transfer to general reserve | 10,000 | Depreciation on furniture | 1000 |
| wages | 210,000 | Travelling expenses | 15100 |
| Director fees | 38000 | Gas and water-factory | 2,600 |
| Carriage outward | 19600 | Factory office salaries | 21000 |

Prepare a statement of cost and profit giving the following information:

- a) Prime cost b) Factory cost c) Cost of production d) Cost of sales

(16)

UNIT-IV

8. a) The technique of marginal costing can be valuable aid to management. Discuss?
 b) How is Marginal costing different from Absorption costing?
 c) What do you mean by Break even analysis? How is it useful to management? (5, 6, 5)
9. Use the following information for the month of March, 2021 to answer questions that follow:
- | | |
|----------------------------|-----------------------|
| a. Direct labour | Rs. 100 per unit |
| b. Direct Material | Rs. 40 per unit |
| c. Variable overhead | 100% of direct labour |
| d. Fixed overhead: | Rs. 60,000 |
| e. Selling Price per unit: | Rs. 400 per unit |

Calculate the following:

1. In order to increase the efficiency in production, the concern proposes to install improved machinery which results in fixed overhead by Rs. 20,000 but the variable overheads would be reduced by 40%.
2. How much difference was found in P/V ratio and break-even point in case the proposal is accepted?
3. Should the company accept this proposal of installing new machinery? (16)