

1129

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.

x-x-x

1. Explain "Historical Cost Concept".
2. Prepare a bank reconciliation statement with the following information:

a. Balance as per Pass book:	Rs. 18000
b. Cheques deposited but not collected:	Rs. 9000
c. Cheques issued but not presented:	Rs. 7600
d. Interest credited in pass book but not recorded in cash book:	Rs. 1000
e. Bank charges debited in Pass book but not recorded in cash book:	Rs. 400
3. Draw a performance cost sheet.
4. Jealous limited has supplied you the following information:

a. Total fixed costs:	Rs. 27,000
b. variable cost:	Rs. 4.5 per unit
c. Sales:	Rs. 9 per unit
d. Units sold:	10000 units

Calculate a) contribution per unit b) Break Even Point per unit
5. Differentiate between Purchase book and Purchase account. (4*4= 16)

UNIT-I

1. a) Define financial accounting? What kind of information does financial accounts provide? (8)
 b) Why does total of balance sheet tally? Explain its underlying concept in detail. (8)
2. Journalize the following transactions in the books of Singla ltd. and prepare cash book for the same.
 - a. Anupriya starts business with Rs. 100,000 cash, Stock Rs. 50,000, Furniture Rs. 40,000 and a building worth Rs.50,000.
 - b. Purchased goods worth Rs.70,000 at 20% trade discount, out of which goods worth Rs.37,000 were on credit from Ajay Kumar.
 - c. Sold goods on credit worth Rs.19000 to Mr. Parveen sharma.
 - d. Received Rs.17,600 from Parveen sharma in full settlement of his account.
 - e. Paid Rs.35,800 to Ajay Kumare in full settlement of Rs.37,000 due to him.
 - f. Paid wages Rs.1500 and salaries Rs.12,000
 - g. Withdrew Rs.5000 from the business for personal expenses.

(2)

UNIT-II

1. What are the various types of errors reported by trial balance? Explain the instances when trial balance does tally even there are errors in accounting. (16)
2. From the following trial balance and information received for the books of Sukhpreet Singh and sons 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.)
Plant and Machinery	10,000	Capital	25,000
Repairs on Plant	800	Sales	124,500
Wages	14,000	Bank loan	2,900
Salaries	2,000	Bills Payable	1,500
Income Tax	250	Sundry Creditors	16,650
Cash in hand	1,000		
Land and Building	38,500		
Purchases less returns	61,750		
Accrued Income	750		
Bills Receivable	5,000		
Bad debts	500		
Debtors	17,500		
Opening Stock	18,500		
	1,70,550		1,70,550

Additional Information:

- Stock on 31st December 2019 was Rs. 30,000.
- Write off Rs. 3,000 as bad debts and maintain a provision of 5% on debtors.
- Depreciation on Plant and Machinery is to be charged with Rs. 2000 and building by Rs. 2,500.
- Outstanding Wages Rs. 5,000. (16)

(3)

UNIT-III

1. Explain about cost accounting. Describe various steps involved in the preparation of cost statements. (16)
2. The accounts of Vihaan brothers for the year ended 31st December, 2019 show the following:

Carriage on purchases	28600	Sales	1844400
Gas and water-factory	4800	Carriage outward	17200
Gas and water-office	1600	Raw material purchased	740000
General office salaries	50400	Factory office salaries	26000
Dividend	4000	Productive wages	504000
Transfer to general reserve	20000	Closing stock of raw material	192000
General expenses	13600	Selling expenses	8400
Depreciation on furniture	1200	Repairs of plant and machinery	17800
Director fees	24000	Travelling expenses	30800
Depreciation on plant and machinery	26000	Opening stock of raw material	251200

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

- a) Raw material consumed b) Prime cost c) Factory cost d) Cost of production e) Cost of sales

UNIT-IV

1. a) How does management accounting help in decision making? (5)
b) How does Marginal costing differ from Absorption costing by showing its format (5)
c) What do you mean by Break even analysis? Draw the chart of it (6)
2. Use the following information for the month of March, 2018 to answer questions that follow:
 - a. Variable cost per unit: Rs. 10
 - b. Fixed factory overhead: Rs. 310,000
 - c. Fixed selling overhead: Rs. 140,000
 - d. Sales per unit: Rs. 20

Calculate the following:

1. What is the break-even point expressed in rupee sales?
2. How many units must be sold to earn a target net income of Rs. 60,000?
3. Profit volume ratio.