

2124
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 16 marks.

x-x-x

- I. Attempt any four of the following:-
- Discuss functions of accounting.
 - Explain the double entry system of book-keeping.
 - What is break-even point?
 - Discuss the following:-
 - Error of principle
 - Compensating error
 - What are the advantages of cost accounting?

UNIT - I

- II. What do you mean by cashbook? Explain its features and advantages.
- III. Journalize the following transactions in the books of Amarinder:-

2016		
Jan 1	Commenced business with cash	30,000
Jan 2	Deposited in the bank	8,000
Jan 2	Purchased goods from Balwinder	10,000
Jan 5	Purchased furniture from Chetan furniture	2,500
Jan 6	Cash sales	9,000
Jan 8	Cash purchases	10,000
Jan 8	Sold goods to Dinanath	12,000
Jan 13	Dinanath returned goods	2,000
Jan 15	Paid cash to Balwinder	9,500
	Balwinder allows cash discount	500
Jan 20	Dinanath declared insolvent final dividend of 40 paise in the rupee received	
Jan 25	Amarinder withdraw cash	1,500
	and goods for personal use	800
Jan 27	Gave away as charity cash	101
	and goods	101
Jan 28	Sold goods to Eknath list price trade 10%, cash discount 5%	8,000
Jan 29	Eknath makes the payment of 80% of the amount due availing the proportionate cash discount	
Jan 30	Paid telephone bill	450
Jan 31	Paid salaries of the office staff	1,200

P.T.O.

UNIT - II

- IV. What is Trial Balance? Discuss the errors revealed and not revealed by Trial Balance.
- V. On 30th September 2016 the following trial balance was extracted from the books of Mr. A.

<i>Balances</i>	<i>Dr Rs</i>	<i>Balances</i>	<i>Cr Rs</i>
Plant and Machinery	78,000	Capital	50,000
Furniture	2,000	Sales	1,77,000
Purchases	60,000	Return outwards	750
Return inwards	1,000	Discount	800
Opening stock	30,000	Sundry creditors	25,000
Discount	425	Provision for bad debts	525
Sundry debtors	45,000		
Salaries	7,550		
Manufacturing wages	10,000		
Carriage outwards	1,200		
Rent and taxes	10,000		
Advertisement	2,000		
Cash and Bank	6,900		
	2,54,075		2,54,075

Prepare Trading and Profit and Loss Account for the year ending and a Balance Sheet as on September 30, 2016 after taking into considerations the following:-

- Closing Stock was valued at Rs. 34,220.
- Provision for bad debts is to be kept at 500 Rs.
- Allow interest on capital @ 5% per annum.
- Furniture was sold for Rs. 760 in exchange of new furniture costing Rs. 1,680.
The net invoice of Rs. 920 was passed through purchases book.
- Depreciate plant and machinery @ 10% p.a.
- Proprietor used goods worth Rs. 5,000 for personal use and distributed goods worth Rs. 2,000 as samples.

UNIT - III

- VI. What do you understand by a cost sheet? How is it prepared?
- VII.
 - State briefly the objectives of cost accounting.
 - Difference between cost accounting and financial accounting.

UNIT - IV

- VIII. 'Marginal costs are primarily used in guiding decisions yet to be made'. Explain the statement giving examples.
- IX. What is meant by break-even analysis? Discuss the assumptions and the limitations of this technique.