

2021
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

I. Attempt the following:-

a. Explain "Dual Aspect Concept".

b. Prepare a bank reconciliation statement with the following information:

Balance as per Cash book	25,000
Cheques deposited in the bank but not collected	4,500
Cheques issued to customers but not presented	3,650
Interest credited in pass book but not recorded in cash book	500
Bank charges debited in Pass book but not recorded in cash book	300
Cheque issued and paid to Nyesha but omitted in cash book	1,500

c. Draw a Performa of Historical cost sheet.

d. Soami Ltd has sold 10000 units of its products @ Rs. 12 per unit. It has added 20% profit in its cost and variable cost is 50% of the cost. Calculate contribution ratio and margin of safety. (4*4= 16)

UNIT-I

2. a) Define financial accounting? Differentiate it with Management Accounting. (8)

b) What are subsidiary books? How does subsidiary books differ from ledger accounts? (8)

3. Journalize the following transactions in the books of Bhavyam Ltd and prepare cash book for the same.

a. He starts business with Rs. 200,000 cash and material of Rs. 50,000.

b. He purchased goods worth Rs.17,000 at 10% trade discount and 5% cash discount, out of which goods worth Rs.10,000 were in cash and 7000 on credit from Dinesh.

c. He sold goods on credit worth Rs.24000 to Mr. Pawan at a trade discount of 5%.

d. He paid expenses for salary 7000, Rent 5000 and advertisement expenses Rs. 10,000.

e. Mr. Pawan paid 21000 in full settlement of his account.

f. Bhavyam paid Rs. 6150 in full settlement with Dinesh for purchase.

g. He purchased Plant worth Rs. 35,000 from Mr Moon in cash and paid 33950 in full settlement.

h. Withdrew Rs.5000 from the business for personal expenses.

UNIT-II

4. 'Trial balance is the conclusive proof of accuracy.' Explain the various types of errors in the light of above statement. Explain the instances when trial balance does tally even there are errors in accounting. (16)
5. From the given information in trial balance of M/s Madaan traders for the year ended 2020, you are requested to prepare Trading, Profit and Loss account and Balance Sheet: (16)

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	Return outward	1,600
Carriage inward	1,200	8% bank loan	25,000
Wages	4,000	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

Additional Information:

- Stock on 31st March 2020 was Rs. 64,000.
- Wages outstanding Rs. 2,400.
- Bad debts Rs. 600 and make provision for bad and doubtful debts to be 5%.
- Rent is paid for 11 months.
- Loan from bank was taken on 1st October, 2019.
- Provide depreciation on machinery @ 10% and on furniture @ 5%.
- Goods of Rs. 2000 was received on 29th March, 2020 but purchase invoice was omitted to be recorded in purchase book.

UNIT-III

6. Preparation of cost statements include various steps involved in it. Do explain these steps along with reason to prepare cost statements. (16)

(3)

7. The accounts of Neelam Ltd. for the year ended 31st December, 2020 show the following:

Carriage on purchases	57,200	Sales	36,88,800
Gas and water-factory	9,600	Carriage outward	34,400
Gas and water-office	3,200	Raw material purchased	14,80,000
General office salaries	100,800	Factory office salaries	52,000
Dividend	8,000	Productive wages	10,08,000
Transfer to general reserve	40,000	Closing stock of raw material	384,000
General expenses	27,200	Selling expenses	16,800
Depreciation on furniture	2,400	Repairs of plant and machinery	35,600
Director fees	48,000	Travelling expenses	61,600
Depreciation on plant and machinery	52,000	Opening stock of raw material	5,02,400

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

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

UNIT-IV

8. Explain the following:

- What does Break Even Analysis indicate? Should a business unit be closed at Break Even Point? (10)
- State the instances where marginal cost is applied in decision making. (6)

9. Use the following information for the month of March, 2020 to answer questions that follow:

- Variable cost per unit: Rs. 20
- Fixed factory overhead: Rs. 620,000
- Fixed selling overhead: Rs. 280,000
- Sales per unit: Rs. 40

Calculate the following:

- How many units are to be sold to reach at break-even point? (6)
- How many units must be sold to earn a target net income of Rs. 120,000? (5)
- If the business made a sales of 100,000 units, what should be the volume of profits? (5)