

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2008 – 2009)

SUBJECT CODE : CM/MC/AA64

B.Com. DEGREE EXAMINATION APRIL 2011
COMMERCE
SIXTH SEMESTER

COURSE : MAJOR CORE
PAPER : AUTOMATED ACCOUNTING PRACTICES (THEORY)
TIME : 2 HOURS **MAX. MARKS : 70**

SECTION A

ANSWER ALL QUESTIONS:

20 x 1 = 20

I FILL IN THE BLANKS:

1. To fit a trend line _____ type of data is used.
2. _____ is a process of predicting the value of the dependent variable that depends on one or more number of independent variable.
3. In the _____ each transaction is dealt separately in Tally.
4. Financial statements usually include income statement and _____.
5. Interpretation of financial statements include processes like establishing _____ between the accounting data.
6. _____ displays the capability whether you can work with Tally on a single system or multiple systems simultaneously.
7. Working capital is the difference between _____ and _____.
8. Purchase transactions are entered in _____.
9. _____ option in Tally is useful when you wish to create a number of sub groups in a group having same properties as their parent group.
10. _____ voucher is used for fund transfers between cash and bank accounts.

II CHOOSE THE CORRECT ANSWER:

11. A ratio is a
 - a. Journal entry
 - b. Relationship between two items
 - c. business transaction
 - d. proportion
12. The ideal current ratio is
 - a. 5
 - b. 3
 - c. 4
 - d. 2
13. Trend analysis is significant for
 - a. Profit planning
 - b. Capital rationing
 - c. working capital management
 - d. forecasting and budgeting
14. Financial statement are meaningful and useful only when they are
 - a. Verified
 - b. Analyzed and interpreted
 - c. presented to owners
 - d. published
15. These help in making inter period and inter firm comparisons and highlight the trends in performance efficiency and financial position
 - a. Ratio analysis
 - b. Common size statements
 - c. Trend analysis
 - d. Comparative statements

III STATE WHETHER THE FOLLOWING STATEMENTS ARE TRUE OR FALSE:

16. Debit note vouchers are raised in case of sales returns.
17. Operating ratio is a profitability ratio.
18. Customers account should not be opened under the Group Sales Account.
19. Current ratio indicates the ability to meet short term obligations.
20. While making posting in the ledger the concerned account which has been debited or credited in the journal should not be debited or credited in the ledger.

SECTION B

ANSWER ANY TEN QUESTIONS:

3 x 10 = 30

21. Distinguish between manual book keeping and computerized accounting system.
22. Explain the procedure to create a company in tally.
23. What is the purpose of 'allow multi currency option' in tally.
24. What are debit note vouchers? How is it useful?
25. Explain any three statistical functions used in Excel.
26. What are direct and indirect incomes? How is it classified under tally.
27. Illustrate it with an example the creation of new individual account group and sub group creation in tally.
28. What is called a cost centre?
29. What is called a delivery note?
30. Prepare a common size statement using EXCEL. from the following information

	2006	2007
Sales	10,00,000	16,00,000
Cost of sales	8,00,000	12,00,000
Gross profit	2,00,000	4,00,000

31. Fit a trend line using the method of least squares for the following data using EXCEL.

Year	2005	2006	2007	2008	2009
Production	90	83	86	97	92

32. Assume that a deposit is made this year that will earn 8% compounded annually. It is desired to withdraw Rs 5000 three years from now and 7000 six years from now. Calculate the present value of the deposits that will produce these future payments using EXCEL.
(PVF 8%,3 = 0.794 & PVF 8%,6 = 0.630)

SECTION C

ANSWER ANY FOUR QUESTIONS:

(4 x 5 = 20)

33. Illustrate the hierarchy of accounts with suitable examples to organize accounts ledgers and groups.
34. Explain stock group, stock category and stock item with suitable examples.
35. Journalize the following transactions and show the voucher types.
- Sold good to Kavitha for Rs 8,000 cash
 - Meetu returned goods worth Rs 500 which in turn was sent to Binu.
 - Bought 1000 shares of Rs. 100 each in Alpha Ltd at Rs 100 per share, brokerage paid was Rs 1000.
 - Amount withdrawn for personal use Rs 6,000
 - Received cash from Vineet Rs 12,800 in full settlement of Rs 13,000.
36. A firm whose cost of capital is 10% is considering two mutually exclusive projects X and Y the details of which are,

	Year	Project X	Project Y
Cost	0	70,000	70,000
Cash inflows	1	10,000	50,000
	2	20,000	40,000
	3	30,000	20,000
	4	45,000	10,000
	5	60,000	10,000

Compute the Net present Value. PVF at 10% for the first five years are (0.909, 0.826, 0.751, 0.683, 0.621) using EXCEL.

37. Given

Current ratio = 2.8

Acid test ratio = 1.5

Working capital = Rs 1,62,000

Calculate

- Current assets
- Liquid assets
- Current liabilities
- Stock using EXCEL.

38. Prepare a comparative statement using EXCEL from the following information

Liabilities	Big Ltd	Small Ltd	Assets	Big Ltd	Small Ltd
Share capital	50,00,000	25,000	Fixed Assets	60,00,000	10,000
Reserves	5,00,000	20,000	Inventories	25,00,000	5,000
Term Loans	20,00,000	-	Debtors	10,00,000	20,000
Current Liabilities	25,00,000	5,000	Cash	5,00,000	15,000
	100,00,000	50,000		100,00,000	50,000

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PAPER : AUTOMATED ACCOUNTING PRACTICES (PRACTICAL - I)
TIME : 1 HOUR **MAX. MARKS : 30**

SECTION A

1. Calculate the coefficient of correlation by Karl Pearsons' method using EXCEL and verify your answer using statistical function. **(10)**

X	120	180	190	140	280	160	170
Y	90	110	150	180	270	190	140

2. The following are the balances extracted from the books of Alpha ltd on 31st March 2011. You are required to make the necessary closing entries and prepare **(20)**
- a. Trial balance
 - b. Trading account
 - c. Profit and loss account
 - d. Balance sheet

Opening stock	6,000	Cash at bank	12,000
Bills payable	12,000	Rent	6,000
Creditors	5,000	Trade expenses	1,000
Wages	6,800	Office expenses	2,500
Insurance	4,400	Capital	20,000
Cash in hand	2,250	Bills receivable	7,200
Carriage inwards	4,000	Purchases	28,000
Commission (Dr)	2,800	Carriage out	700
Furniture	5,000	Sales	45,000
Stationery	2,200	Sundry Debtors	4,000
Secured loan	11,100	Commission (cr)	1,750

The closing stock was valued at 22,000

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SECTION A

1. Fit a regression line of Y on X for the following data using EXCEL. (10)

X	40	50	38	60	65	50	35
Y	38	60	55	70	60	48	30

2. The following are the balances extracted from the books of Beta Ltd on 31st March 2011. You are required to make the necessary closing entries and prepare

- e. Trial balance
- f. Trading account
- g. Profit and loss account
- h. Balance sheet

(20)

Opening stock	12,000	Cash at bank	12,000
Bills payable	24,000	Rent	8,000
Creditors	18,000	Trade expenses	5,000
Wages	12,800	Office expenses	4,500
Insurance	8,400	Capital	46,000
Cash in hand	4,250	Bills receivable	9,200
Carriage inwards	8,000	Purchases	23,000
Commission (Dr)	4,800	Carriage out	900
Furniture	10,000	Sales	35,000
Stationery	2,200	Sundry Debtors	4,000
Secured loan	13,300	Commission (Cr.)	2,750

The closing stock was valued at 32,000
