

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2004-2005 & thereafter)

SUBJECT CODE : CM/AC/AP43

B.Sc. DEGREE EXAMINATION APRIL 2009
BRANCH I – MATHEMATICS
FOURTH SEMESTER

COURSE : **ALLIED – CORE**
PAPER : **ACCOUNTING PRACTICES**
TIME : **3 HOURS** **MAX. MARKS : 100**

SECTION – A

ANSWER ALL QUESTIONS: (10 x 3 = 30)

1. What is double entry system of accounting?
2. State the difference between receipts and payments and income and expenditure accounts.
3. What is prime cost?
4. State the difference between fixed cost and variable cost.
5. What is a common size statement?
6. Journalise the following transactions:
 - a) Jan.10, 2008 – Purchased goods for Rs.10,000.
 - b) Feb.10, 2008 – Purchased furniture for cash from Mr.Gopal Rs.10,000.
7. Calculate subscription received for the year 2008-09, from the following information:
Subscription outstanding on 1.4.2008 – Rs.50,000
Subscription due for the year Rs.3,00,000
Subscription outstanding on 31.3.2009 – Rs.30,000
Subscription received in advance – Rs.20,000.
8. Compute prime cost from the following information:
Opening stock of materials Rs.10,000
Purchases of material – Rs.1,20,000
Freight on purchase of materials – Rs.1,000
Closing stock of materials – Rs.5,000
direct labour – Rs.25,000.
9. From the following information, calculate Break Even point
Fixed cost – Rs.1,20,000
Contribution – 20% on sales, Selling price – Rs.100.

10. Ascertain the sales trend of X Ltd., taking 2006 as the Base year :

Sales 2006 – Rs.1,00,000
 2007 – Rs.1,50,000
 2008 – Rs.75,000
 2009 – Rs.1,20,000.

SECTION – B

ANSWER ANY FIVE QUESTIONS:

(5 x 8 = 40)

11. You are required to prepare a statement of cost and profit from the following information:

Material consumed – Rs.1,20,000
 Direct labour cost – Rs.60,000
 Works overhead – 100% of direct labour cost
 Administrative overhead – 20% of works cost
 Selling overhead – 25% of cost of production
 Profit – 20% on sales.

12. From the following information calculate:

- Contribution
- P/V ratio
- Break even point in units and rupees
- What will be the selling price per unit if the break even point is brought down to 25,000 units.

Fixed expenses – Rs.1,50,000, variable cost per unit – Rs.10 and selling price per unit Rs.15.

13. Prepare a common size income statement of Y Ltd. for the year 2006 and 2007 from the information given below:

	2006	2007
	Rs.	Rs.
Sales	2,00,000	2,50,000
Cost of goods sold	1,00,000	1,50,000
Selling expenses	50,000	75,000
Non-operating expense	10,000	25,000

14. Calculate from the information given below

- Gross profit ratio
 - Operating ratio
 - Operating profit ratio
 - Net profit ratio
- Sales – Rs.5,00,000
 Gross profit – 20% on sales
 Cost of goods sold – Rs.50,000
 Administrative and selling expenses – Rs.25,000
 Non operating expenses – Rs.75,000.

15. Prepare a trading and profit and loss account from the following information for the year endings 31.12.2008: (Rs.)

Sales	3,00,000
Opening stock	50,000
Purchases	75,000
Closing stock	50,000
Wages	10,000
Salaries	15,000
Depreciation	5,000
Bad debts	10,000
Printing and stationary	2,000
Advertising	1,000

16. Prepare Receipts and Payments account of a club for the year ended 31.12.2008 from the following particulars: (Rs.)

Cash 1.1.2008	40,000
Entrance fees received	8,000
Subscription received for 2008	16,000
Subscription received for 2007	1,600
Salaries	2,000
Miscellaneous expenses	200
Rent	1,200
Payment for purchase of cricket club	500
Purchase of cricket bats	1,600
Stationary purchased	100.

17. Write short notes on:
- Nominal account
 - Balance sheet
 - Contribution
 - Liquidity ratios

SECTION – C

ANSWER ANY TWO QUESTIONS:

(2 x 15 = 30)

18. From the following Balance, prepare a trading and profit and loss account for the year ending 31.12.2008 and Balance sheet as on that date.

Dr.	Rs.	Cr.	Rs.
Stock	50,000	Sales	3,00,000
Purchases	2,00,000	Capital	1,00,000
Wages	20,000	Creditors	30,000
Salaries	14,000	Returns outwards	3,000
Interest	4,000	Bills payable	5,500
Discount	3,500	Interest received	5,000
Postage	3,000	Loan	15,000
Advertising	2,000		
Debtors	40,000		
Buildings	87,000		
Cash	35,000		
	<u>4,58,500</u>		<u>4,58,400</u>

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Adjustments :

- a) Stock on 31.12.2008 – Rs.58,000
- b) Outstanding salaries – Rs.5,000
- c) Prepaid interest – Rs.500
- d) Provide depreciation on building at 10%
- e) Bad debts written off Rs.500.

19. Prepare a statement of cost and profit from the information given below:

Raw Material	1.9.2008-	Rs.1,00,000	30.9.2008-	Rs.1,23,500
Finished goods		71,500	30.9.2008	42,000
Work in progress		31,000	30.9.2008	34,500
Transaction during the month:				
Purchase of raw material		88,000		
Direct wages		70,000		
Works expenses		39,500		
Administration expenses		13,000		
Selling and distribution expenses		15,000		
Sales		2,84,000		
Sale of factory scrap		2,000		

20. Prepare a comparative Balance sheet of X Ltd.

Liabilities			Assets	(In Lakhs of Rs.)	
	2007	2008		2007	2008
Bills payable	50	75	Cash	100	140
Sundry creditors	150	200	Debtors	200	300
Tax payable	100	150	Stock	200	300
6% Debentures	100	150	Land	100	100
6% Preference capital	300	300	Buildings	300	270
Equity capital	400	400	Plant	300	270
Reserves	200	245	Furniture	100	140
	<u>1300</u>	<u>1520</u>		<u>1300</u>	<u>1520</u>

21. The Calcutta sports club gives you the following Receipts and Payments account for the year ended 31.12.2008:

Receipts	Rs.	Payments	Rs.
Cash in hand	150	Ground men's fees	1,500
Cash at bank	2,100	Mowing machine	1,100
Subscription	5,800	Rent	500
Tournament fund	1,500	Salaries to coaches	3,600
Life membership	2,000	Tournament expenses	900
Entrance fees	200	Office expenses	2,400
Donation for pavilion	3,000	Sports equipment purchased	1,220
Sale of grass	100	Cash in hand	350
		Cash at bank	3,300
	<u>14,850</u>		<u>14,850</u>
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Adjustments:

- a) Subscription due on 31.12.2007 and on 31.12.2008 were Rs.900 and Rs.800. Subscription received also include subscription for 2009 Rs.200.
- b) Sports equipment on hand on 31.12.2007 was Rs.1,100 the value placed on the equipment on hand on 31.12. was Rs.1,300.
- c) The mowing machines was purchased on 1.7.2008 and is to be depreciated at 20% per annum.
- d) Office expenses include Rs.300 for 2007 and Rs.400 are still due for payment.
- e) Tournament receipts and expenses are to be separated from general incomes and expenses. Prepare Income and Expenditure account for the year 2008.
