

**STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.**  
**(For candidates admitted during the academic year 2015-2016 and thereafter)**  
**SUBJECT CODE : 15CM/AE/AP45**  
**B.A. / B.Sc. DEGREE EXAMINATION APRIL 2019**  
**FOURTH SEMESTER**

**COURSE : ALLIED ELECTIVE**  
**PAPER : ACCOUNTING PRACTICES**  
**TIME : 3 HOURS**

**MAX. MARKS: 100**

**SECTION – A**

**ANSWER ALL QUESTIONS:**

**(10 x 2 = 20)**

1. What is the purpose of Suspense Account?
2. Write a note on cost centre.
3. What is key factor?
4. Define Accounting.
5. What is Trend Analysis?
6. Calculate the amount of contribution. Profit – Rs.3,00,000/- and Fixed cost – Rs.4,00,000/-.
7. Find Accounting equation
  - (a) Ram started business with Rs.25,000/-
  - (b) Purchased goods from Ravi Rs.10,000/-
  - (c) Sold goods to Mani costing Rs.1500/- for Rs.1800/- on credit.
8. Journalise the following
 

Paid cash to Ram Rs.3000/-  
 Sold goods to Selvam Rs.10,000/-
9. Find out the Gross Profit
 

Net sales Rs.2,00,000/-  
 Gross Profit on 25% on cost.
10. Calculate Work cost.
 

Factory expenses Rs.700/-  
 Office expenses Rs.300/-  
 Selling expenses Rs.900/-  
 Materials consumed Rs.3400/-

**SECTION – B**

**ANSWER ANY FIVE QUESTIONS:**

**(5 x 8 = 40)**

11. The following figures related to the trading activities of a company for the year ended 31/12/1999

Particulars	Rs.	Particulars	Rs.
Sales	1,00,000	Salary of salesmen	1,800
Purchases	70,000	Advertising	700
Closing stock	14,000	Travelling expenses	500
Sales return	4,000	Salaries (office)	3,000
Dividend received	1,200	Rent	6,000
Profit on sale of fixed assets	600	Stationery	200
Loss on sale of shares	300	Depreciation	1,000
Opening stock	11,000	Other expenses	2,000
		Provision for tax	7,000

Calculate

- 1) Gross profit ratio
- 2) Operating profit ratio
- 3) Operating ratio
- 4) Net profit ratio.

12. A manufacturing company finds that while cost of making a component part is Rs.10 and the same is available in market at Rs.9 with an assurance of continuous supply. Give your suggestions whether to make or buy this part. Give also your views in case the supplier reduces the price from Rs.9 to Rs.8. The cost information is as follows:-

Particulars	Rs.
Material	3.50
Direct labour	4.00
Other variable expenses	1.00
Fixed expenses	1.50
Total	10.00

13. Julia and company Ltd., furnishes its balance sheet for the year 2012 and 2013 and request you to prepare a comparative balance sheet for those years.

**BALANCE SHEET**

Liabilities	2012 (Rs.)	2013 (Rs.)	Assets	2012 (Rs.)	2013 (Rs.)
Equity share capital	80,000	80,000	Land and building	80,000	74,000
8% Debentures	80,000	90,000	Plant and machinery	60,000	54,000
Retained earnings	40,000	49,000	Furniture	20,000	28,000
Sundry creditors	50,000	70,000	Inventory	40,000	60,000
Bills payable	10,000	15,000	Debtors	40,000	80,000
			Cash	20,000	8,000
Total	2,60,000	3,04,000	Total	2,60,000	3,04,000

14. From the following information related to Annie bros LTD., you are requested to find out

(a) P/V ratio (b) Break Even Point (c) Profit (d) Margin of Safety (e) Volume of sales to earn profit of Rs.6,000.

Particulars	Rs.
Total fixed cost	4,500
Total variable cost	7,500
Total sales	15,000

15. Journalise the following transactions

Purchased goods for cash	Rs.10,000.
Purchased stationary for cash	Rs.500.
Purchased furniture for cash	Rs.3,000.
Sold goods for cash	Rs.8,000.
Sold goods to Kavya for cash	Rs.3,000
Sold goods to James	Rs.2,000.
Paid rent to Krishnan, the landlord	Rs.800.
Paid salary of	Rs.8,000.

16. Prepare the trial Balance for the following ledger balance for the year ending 31.12.2016

Particulars	Rs	Particulars	Rs
Capital	50,000	Plant and machinery	80,000
Sales	1,77,000	Purchases	60,000
Returns outward	750	Returns inward	1,000
Stock (1.1.2019)	30,000	Discount (dr.)	350
Discount (cr.)	800	Bank charges	75

Debtors	45,000	Creditors	25,000
Salaries	6,800	Carriage inward	750
Wages	10,000	Carriage outward	1,200
Bad debts provision	525	Rent and taxes	10,000
Advertisements	2,000	Cash in hand	900
		Cast at bank	6,000

17. You are given the following information;

Particulars	Rs.
Cash	18,000
Debtors	1,42,000
Closing stock	1,80,000
Bills payable	27,000
Creditors	50,000
Outstanding expenses	15,000
Tax payable	75,000

Calculate (a) Current ratio (b) Liquidity ratio (c) Absolute liquidity ratio.

### SECTION – C

ANSWER ANY TWO QUESTIONS:

(2 x 20 = 40)

18. From the data, calculate

- I. Gross profit ratio
- II. Net profit ratio
- III. Return on total assets
- IV. Operating ratio
- V. Working capital to fixed assets
- VI. Net worth of debt

Particulars	Rs.
Sales	25,20,000
Cost of sales	19,20,000
Net profit	3,60,000
Inventory	8,00,000
Other current assets	7,60,000
Fixed assets	14,40,000
Net worth	15,00,000
Debt	9,00,000
Current liabilities	6,00,000
Operating expenses	2,40,000

19. Ambily Ltd. Furnished you the following related to the year 1996.

	First half of the year (Rs.)	Second half of the year (Rs.)
Sales	45,000	50,000
Total cost	40,000	43,000

Assuming that there is no change in price and variable cost and that the fixed expenses are incurred equally in the 2half year period, calculate for the year 1996:

- (a) The profit volume ratio
- (b) Fixed expenses
- (c) Break even sales
- (d) percentage of margin of safety

20. From the following Trial Balance of Riya, prepare Trading and Profit and Loss Account for the year ended March 31<sup>st</sup> 2017 and a Balance sheet as on that date:

**TRIAL BALANCE**

Particulars	Debit (Rs.)	Credit (Rs.)
Capital		40,000
Sales		25,000
Purchases	15,000	
salaries	2,000	
Rent	1,500	
Insurance	300	
Drawings	5,000	
Machinery	28,000	
Bank balance	4,500	
Stock 1-4-2017	5,200	
Cash	2,000	
Debtors	2,500	
Creditors		1,000
Total	66,000	66,000

Additional information:

- Stock on 31/3/2017 is Rs.4,900/-
- Salaries unpaid is Rs.300/-
- Rent paid in advance is Rs.200/-
- Insurance prepaid is Rs.90/-

21. The following Trial Balance of Dsouza ltd. As at 31<sup>st</sup> March 2013 is given to you:

Debit	Rs.	Credit	Rs.
Stock (1.4.2012)	80,000	8000 equity shares of Rs.100 each, Rs.75 paid	6,00,000
Bank	17,600	6% Debentures	2,00,000
Patents	60,000	Sundry creditors	1,00,000
Calls in arrears	20,000	General reserve	80,000
Retuns inward	30,000	sales	10,00,000
Purchases	7,72,000	Returns outward	20,000
Wages	1,08,000	P&L A/c (Cr.)	12,000
Insurance prepaid	400		
Bills receivable	30,000		
Sundry debtors	80,000		
Discount on issue of debentures	10,000		
Plant and machinery	4,00,000		
Land and building	3,00,000		
Insurance	4,000		
General expenses	40,000		
Establishment expenses	60,000		
Total	20,12,000	Total	20,12,000

Additional information:

- The value of stock as on 31<sup>st</sup> march 2013 was Rs.74,000.
- Outstanding wages totalled Rs.10,000.
- A provision 5% is to be created on sundry debtors for doubtful debts.
- Depreciate patents @ 10% , plant and machinery @ 7.5% and land and building @ 4%.

You are required to prepare Statement of Profit and Loss for the year ended 31<sup>st</sup> march 2013 and Balance Sheet as on that Date.

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