

CENTRAL UNIVERSITY OF JAMMU

COURSE TITLE: Accounting for Managers with Application Software

COURSE CODE: PGSCM1C003T

MAX MARKS: 100

CREDITS: 04

DURATION: 03 Hours

Section A

All questions in this section are compulsory. Each carries 1.5 marks.

Q1. Define

- i. Operating Leverage
- ii. Debit Note
- iii. Day Book
- iv. Convention of Consistency
- v. Goodwill
- vi. CVP Analysis
- vii. Vertical Analysis
- viii. Sinking Funds
- ix. Economic Order Quantity
- x. Ordering Cost

Section B

This section consists of a total of 10 questions, 02 from each unit. The candidate is required to answer 05 questions only selecting 01 from each unit. Each question carries 08 marks.

UNIT I

Q2. Explain process of accounting in detail.

OR

Write a note on terminology of accounting.

UNIT II

Q3. Discuss a) Vertical Analysis b) Horizontal Analysis.

OR

Explain classification of ratios according to tests.

UNIT III

Q4. Define ABC. Enlist its various benefits and limitations.

OR

From the following particulars, calculate:

- 1) Breakeven point in terms of sales value and in units.
- 2) Number of units that must be sold to earn a profit of Rs 90000.

Fixed Factory Overheads Cost	Rs 60000
Fixed Selling Overheads Cost	Rs 12000
Variable Manufacturing Cost per unit	Rs 12
Variable Selling Cost per unit	Rs 03
Selling Price per unit	Rs 24

UNIT IV

Q5. Explain retail method of inventory costing with the help of an illustration.

OR

A firm purchases a plant for a sum of Rs 10000 on 1st January, 2016. Installation charges are Rs 2000. The plant is estimated to have a scrap value of Rs 1000 at the end of its useful life of 05 years. You are required to prepare a plant account for five years, charging depreciation according to Straight Line Method.

UNIT V

Q6. Discuss a) Entry of payment voucher and receipt voucher b) Transaction of purchase return.

OR

Write a note on creation of multiple ledger.

SECTION C

This section consists of 05 long answer type questions and the candidate is required to answer any 03 of them including compulsory question. Each question carries 15 marks.

Q7. (Compulsory): Prepare a ledger account and trial balance on the basis of following information:

Debit Balances on Jan. 1, 1999:

Cash in Hand Rs 8000, Cash at Bank Rs 25000, Stock of Goods Rs 20000, Furniture Rs 2000, Building Rs 10000, Sundry Debtors: Vijay Rs 2000, Anil Rs 1000 and Madhu Rs 2000.

Credit Balances on Jan. 1, 1999:

Sundry Creditors: Anand Rs 5000, Loan from Bablu Rs 10000.

Following were further transactions in the month of January, 1999:

- 02 Jan. 1, Purchased goods worth Rs 5000 for cash less 20% trade discount and 5% cash discount.
- 03 Jan. 4, Received Rs 1980 from Vijay and allowed him Rs 20 as discount.
- 04 Jan. 6, Purchased goods from Bharat for Rs 5000.
- 05 Jan. 8, Purchased plant from Mukesh for Rs 5000 and paid Rs 100 as cartage for bringing the plant to the factory and another Rs 200 as installation charges.
- 06 Jan. 12, Sold goods to Rahim on credit Rs 600.
- 07 Jan. 15, Rahim became insolvent and could pay only 50 paise in a rupee.
- 08 Jan. 18, Sold goods to Ram for cash Rs 1000.
- 09 Jan. 20, Paid salary to Ratan for Rs 2000.
- 10 Jan 21, Paid Anand Rs 4800 in full settlement.
- 11 Jan 26, Interest received from Madhu Rs 200.
- 12 Jan 28, Paid to Bablu interest on loan Rs 500.
- 13 Jan 31, Sold goods for cash Rs 500.
- 14 Jan 31, Withdrew goods from business for personal use Rs 200.

Q8. Calculate the liquidity ratios from the following information and comment on them:

Liabilities	Rs	Assets	Rs
Equity Share Capital	600000	Goodwill	100000
7% Debentures	350000	Land and Building	230000
Long Term Debts	200000	Plant and Machinery	300000
Bank Overdraft	75000	Trade Investments	300000
Sundry Creditors	60000	Sundry Debtors	150000
Bills Payable	30000	Bills Receivables	40000
Liability for Tax	20000	Cash in Hand	50000
		Cash at Bank	60000
		Stock	100000
		Prepaid Rent	5000
	1335000		1335000

Q9. Calculate:

- i) The amount of fixed expenses
- ii) The number of units to break even
- iii) The number of units to earn a profit of Rs 40000

The selling price per unit can be assumed at Rs 100.

The company sold in two successive periods 7000 units and 9000 units and has incurred a loss of Rs 10000 and earned Rs 10000 as profit respectively.

Q10. Explain in detail how you will classify cost of fixed assets.

Q11. Explain in detail a) Meaning of group and its utility b) Checking of inventory.