

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. Bad Debts
- ii. Inventory Errors
- iii. Credit Note
- iv. Break Even Point
- v. Convention of Conservatism
- vi. Amortization
- vii. Common Size Statement
- viii. Horizontal Analysis
- ix. Sundry Creditors
- x. Lead Time

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 various functional areas of management accounting and their information needs.

OR

What is a trial balance? Explain its objective.

UNIT II

Q3. Discuss the concept of non cash transactions.

OR

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. The following is the balance sheet of New India Ltd. Ending 31 Dec, 2015:

| Liabilities | Rs | Assets | Rs |
|-----------------------------|-----------|-----------------------|-----------|
| 9% Preference Share Capital | 500000 | Goodwill | 100000 |
| Equity Share Capital | 1000000 | Land and Building | 650000 |
| 8% Debentures | 200000 | Plant | 800000 |
| Long term Loan | 100000 | Furniture and Fixture | 150000 |

| | | | |
|----------------------|---------|------------------------|---------|
| Bills Payable | 60000 | Bills Receivable | 70000 |
| Sundry Creditors | 70000 | Sundry Debtors | 90000 |
| Bank Overdraft | 30000 | Bank Balance | 45000 |
| Outstanding Expenses | 5000 | Short Term Investments | 25000 |
| | | Prepaid Expenses | 5000 |
| | | Stock | 30000 |
| | 1965000 | | 1965000 |

From the balance sheet calculate:

- a) Current Ratio
- b) Acid Test Ratio
- c) Absolute Liquid Ratio
- d) Comment on these Ratios

Q9. Discuss margin of safety and steps to improve it.

Q10. Explain methods of recording depreciation when

- a) A provision for depreciation account is maintained.
- b) A provision for depreciation account is not maintained.

Q11. Discuss in detail modern challenges faced by corporate houses during working in tally environment.