

## VIKRAMA SIMHAPURI UNIVERSITY :: NELLORE.

CBCS B.Sc. (Mathematics-Accounts-Computers) **Accountancy**  
Course Structure w.e.f. 2015-16 (Revised in April, 2017)

| Year      | Semester                | Paper                             | Subject   | Hrs.  | Credits  | IA | EA  | Total |     |     |
|-----------|-------------------------|-----------------------------------|---|---|--|----|-----|-------|-----|-----|
| 1         | I                       | I                                 | Fundamentals of Accounting-1  | 4   | 3  | 25 | 75  | 100   |     |     |
|           |                         |                                   | Practical   | 2   | 2  | -  | 50  | 50    |     |     |
|           | II                      | II                                | Financial Accounting-2  | 4   | 3  | 25 | 75  | 100   |     |     |
|           |                         |                                   | Practical   | 2   | 2  | -  | 50  | 50    |     |     |
| 2         | III                     | III                               | Advanced Accounting - 1   | 4   | 3  | 25 | 75  | 100   |     |     |
|           |                         |                                   | Practical   | 2   | 2  | -  | 50  | 50    |     |     |
|           | IV                      | IV                                | Advanced Accounting - 2   | 4   | 3  | 25 | 75  | 100   |     |     |
|           |                         |                                   | Practical   | 2   | 2  | -  | 50  | 50    |     |     |
| 3         | V                       | V                                 | Corporate Accounting  | 4   | 3  | 25 | 75  | 100   |     |     |
|           |                         |                                   | Practical   | 2   | 2  | -  | 50  | 50    |     |     |
|           |                         | VI                                | VI  | Principal of cost Accounting                          | 4  | 3  | 25  | 75    | 100 |     |
|           |                         |                                   |   | Practical   | 2  | 2  | -   | 50    | 50  |     |
|           | VI                      | VII                               | <b>Electives: (any one)</b><br>VII-(A) Statistical Methods and their Applications |   | 4  | 3  | 25  | 75    | 100 |     |
|           |                         |                                   |   | Practical   | 2  | 2  | -   | 50    | 50  |     |
|           |                         |                                   |   | VII-(B) Taxation                                      |  | 4  | 3   | 25    | 75  | 100 |
|           |                         |                                   |   |   | Practical                                      | 2  | 2   | -     | 50  | 50  |
|           |                         |                                   |   | VII-(C) Financial Management                          |  | 4  | 3   | 25    | 75  | 100 |
|           |                         |                                   |   |   | Practical                                      | 2  | 2   | -     | 50  | 50  |
|           |                         | VIII                              | <b>Cluster Electives:</b><br>VIII-A-1(a) : Advanced corporate Accounting          |   | 4  | 3  | 25  | 75    | 100 |     |
|           |                         |                                   |   | VIII-A-1(b) : Advanced corporate Accounting Practical | 2  | 2  | -   | 50    | 50  |     |
|           |                         |                                   |   | VIII-A-2 (a) : Management Accounting                  |  | 4  | 3   | 25    | 75  | 100 |
|           |                         |                                   |   |   | VIII-A-2 (b) : Management Accounting Practical | 2  | 2   | -     | 50  | 50  |
|           |                         |                                   |   | VIII-A-3 : Tally Lab                                  | 5  | 3  | 25  | 75    | 100 |     |
|           |                         |                                   |   | VIII-A-4 : Seminar                                    | 2  | 2  | 50  | -     | 50  |     |
| <b>Or</b> | VIII-B-1: Business Laws |                                   | 5   | 5   | 25   | 75 | 100 |       |     |     |
|           |                         | VIII-B-2: Business organisation   | 5   | 5   | 25   | 75 | 100 |       |     |     |
|           |                         | VIII-B-3(a) : Project Mid Seminar | 2   | 2   | 100  | -  | 100 |       |     |     |
|           |                         | VIII-B-3(b) : Project work        | 5   | 3   | 25   | 75 | 100 |       |     |     |

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**VIKRAMA SIMHAPURI UNIVERSITY::NELLORE**  
**CBCS – B.Sc (MACS) – I - YEAR – SEMESTER – I (w.e.f. 2017-18)**  
**FUNDAMENTALS OF ACCOUNTING**

**PPW: 06Hours**

**Unit-I – Introduction to Accounting**

Need for Accounting – Definition – Objectives, Advantages – Book keeping and Accounting– Accounting concepts and conventions - Accounting Cycle -Accounting equation - Classification of Accounts and its rules – Double entry book keeping – Journalizing – Posting to ledgers, Balancing of ledger accounts- problems.

**Unit –II – Subsidiary Books**

Types of Subsidiary Books -Cash Book, Three column Cash Book- Petty cash Book - Problems.

**Unit-III- Bank Reconciliation Statement**

Need for bank reconciliation - Reasons for difference between Cash Book and Pass Book Balances- Preparation of Bank Reconciliation Statement- Problems on both favorable and unfavorable balances.

**Unit-IV -Bills of Exchange**

Meaning of Bill –Features of bill – Parties in the Bill – Discounting of Bill – Renewal of Bill – Entries in the books of Drawer and Drawee. Problems

**Unit -V -Trial Balance & Rectification of Errors**

Preparation of Trial Balance –Types of errors – Rectification of Errors suspense Account- Problems.

**Text Books :**

1. Accountancy –I, S.P. Jain & K.L Narang, Kalayani Publishers.
2. T.S.Reddy & A.Murthy , Financial Accounting , Margham Publications .

**Reference Books**

1. Principles and Practice of Accounting, R L Gupta & V. K Gupta, Sulthan Chand & sons.
2. Accountancy – I, Tulasian , Tata Mcgraw Hill Co.
3. Financial Accounting , Dr. V.K.Goyal, Excel Books.
4. K. Arunjothi, Fundamentals of Accounting, Maruthi Publications.

**Instruction to Paper Setter:**

**Two questions must be given from each unit in Section-A and Section-B**

**VIKRAMA SIMHAPURI UNIVERSITY :: NELLORE.**  
**THREE YEAR B.Sc (MACS) DEGREE EXAMINATION**  
**FIRST YEAR EXAMINATION**  
**SEMESTER – I : FUNDAMENTALS OF ACCOUNTING**  
**MODEL PAPER**

*Time: 3 Hours*

*Max. Marks : 75*

**PART-A**

*Answer any FIVE of the following Questions*

*(5 X 3=15 Marks)*

1. From the following particulars prepare Raju's A/c Rs.

|  |        |
|--|--------|
| 1-1-2014 Amount due from Raju          | 8,000  |
| 5-1-2014 Sold goods to Raju            | 14,000 |
| 8-1-2014 Purchased goods from Raju     | 5,000  |
| 14-1-2014 Cash received from Raju      | 6,000  |
| 24-1-2014 Cash paid to Raju            | 4,000  |
| 31-1-2014 Raju's A/c settled by cheque |        |
  
2. What are the rules relating to different types of accounts?
3. A trader maintains Petty cash book under imprest system. Record the following Transactions in his Petty Cash Book:

|        |                             |     |
|--------|-----------------------------|-----|
| 2014   |                             | Rs. |
| Sep. 1 | Received for Petty payments | 500 |
| 2      | Postage                     | 40  |
| 5      | Stationery                  | 25  |
| 8      | Advertising                 | 50  |
| 12     | Wages paid                  | 20  |
| 16     | Carriage                    | 15  |
| 20     | Conveyance                  | 22  |
| 30     | Postage                     | 50  |
  
4. Explain Different type of Subsidiary Books?
5. From the following particulars prepare bank Reconciliation statement as on 30.04.2010
  - a) Bank Balance as per Pass book Rs 12000.
  - b) Cheques deposited but not collected Rs.2000
  - c) Cheques issued but not presented Rs 1500
  - d) Bank Charges appeared in Passbook Rs 200
6. What are the causes for the difference in cash book and pass book balance ?
7. On 1<sup>st</sup> April 2010 Mr. Ramesh sold goods worth Rs 5000/- to Suresh and drew a four months bill and got his acceptance. On 1<sup>st</sup> may Ramesh Discounted the bill with bank at 12% per annum. On the due date the bill was honored and write journal entries in the books of Ramesh.
8. Noting Charges
9. From the following particulars Prepare Trial Balance.

|                  |       |            |       |
|------------------|-------|------------|-------|
| Cash             | 4000  | Plant      | 30000 |
| Capital          | 25000 | Bank Loan  | 6000  |
| Stock            | 5000  | Sales      | 10000 |
| O/S Expenses     | 1000  | Reserve    | 3000  |
| Drawing          | 3000  | O/S Income | 4000  |
| Purchase Returns | 1000  | Creditors  | 15000 |
| Purchases        | 15000 |            |       |
10. What are the errors disclosed by trial balance?

**PART-B**

**Answer any FIVE questions. All questions carry equal marks. 5 X 12 = 60M**

11. Classify the following into Personal, Real and Nominal Accounts

- (a) Capital (b) Rent recovered (c) Accrued Interest  
(d) Discount (e) Bad debts (f) Carriage (g) goodwill  
(h) Premises (i) Investments (j) Work-in-Progress.

12. Journalise the following transactions.

- (a) Rao starts business with Rs.10,000 cash and a building worth Rs.50,000  
(b) Purchased goods worth Rs.20,000 out of which goods worth Rs.12,000 was on credit from Shyam.  
(c) Sold goods on credit worth Rs.16,000 to Ram.  
(d) Received Rs.15,600 from Ram in full settlement of his account.  
(e) Paid Rs.11,800 to Shyam in full settlement of Rs.12,000 due to him.  
(f) Paid wages Rs.500 and salaries Rs.2,000

13. Enter the following transactions in suitable subsidiary books.

|                                     | Rs.   |
|-------------------------------------|-------|
| Jan.1 Purchased goods from Rekha    | 7,500 |
| 4 Sold goods to Midhum              | 8,000 |
| 5 Returned goods to Rekha           | 500   |
| 6 Sridevi bought goods from us      | 4,000 |
| 8 Received goods returned by Midhun | 400   |
| 10 Rajesh sold goods to us          | 4,000 |
| 15 Sold goods to Kishore            | 3,000 |
| 16 Returned goods to Rajesh         | 600   |
| 20 Kishore returns goods            | 500   |

14. Enter the following transactions in a three column cash book.

| 2015   | Rs.    |
|--|--------|
| January 1 Started business with cash           | 40,000 |
| 2 Opened savings bank account with Vijaya Bank | 16,000 |
| 5 Bought goods by cheque                       | 350    |
| 6 Received cheque from Suhas                   | 400    |
| Allowed him discount                           | 20     |
| 8 Sold goods for cash                          | 80     |
| 10 Paid into bank – Cash                       | 60     |
| Cheque   | 400    |
| 14 Paid Sateesh by cheque                      | 690    |
| Discount received                              | 10     |
| 17 Paid Carriage                               | 300    |
| 20 Drew from bank for office                   | 400    |
| 31 Paid Salaries by cheque                     | 200    |

15. From the following particulars prepare Bank Reconciliation Statement.

- (a) Debit balance as per cash book is Rs. 10,000.  
(b) Cheques issued but not presented for payments Rs. 1,500.  
(c) Cheques paid into bank but not credited Rs. 1,000.  
(d) Interest credited in pass book only Rs. 100.  
(e) Cheques received, entered in cash book but omitted to send to bank Rs. 500.  
(f) Bills collected and credited in pass book only Rs. 2,000.

16. From the following transactions prepare bank reconciliation statement as on 30.04.2010
- Overdraft balance as per pass book Rs. 20,000
  - On 24<sup>th</sup> . April Cheques worth Rs. 8000 were issued of which cheques worth Rs 5000 were presented for payment.
  - On 29<sup>th</sup> April Cheques worth Rs. 10000 were Deposited with the bank of which cheques worth Rs 8000 were only collected.
  - Interest on Investments Rs. 2000 was collected by bank which was appeared in passbook
  - Bank Charges Rs 200 and interest on overdraft Rs 150 were debited in pass book.
17. On 1<sup>st</sup> January 2015 Venkatesh sold goods worth Rs.5,000 to Nagarjuna and drew a bill on Nagarjuna for 3 months for the same amount. Nagarjuna accepted the bill and returned it to Venkatesh. On 1<sup>st</sup> February 2015, Venkatesh endorsed the bill in favour of his creditor Prabhakar in settlement of his debt. The bill was honoured on due date. Pass the necessary journal entries in the books of Venkatesh, Nagarjuna and Prabhakar.
18. Narayana purchased goods for Rs.15,000 from Ravindra on 1<sup>st</sup> March 2015. Ravindra drew upon Narayana a bill of exchange for the same amount payable after two months. The bill was immediately discounted by Ravindra with his bank @ 6% p.a. On the due date the bill was dishonoured and Bank paid Rs.100 as noting charges. Pass the necessary journal entries in the books of Ravindra and Narayana.
19. The following trial balance was prepared by a clerk appointed newly by Rao & Company. Some errors were found in the Trial Balance due to lack of experience in preparing accounts. Prepare Trial Balance by rectifying these mistakes.

| S.No | Particulars          | Debit<br>Rs. | Credit<br>Rs. |
|------|----------------------|--------------|---------------|
| 1.   | Opening Stock        | 5,000        |               |
| 2.   | Capital              |              | 60,000        |
| 3.   | Discount allowed     |              | 500           |
| 4.   | Discount<br>received |              | 700           |
| 5.   | Fixed Assets         |              | 60,000        |
| 6.   | Sales                | 85,000       |               |
| 7.   | Purchases            |              | 45,000        |
| 8.   | Purchase returns     |              | 1,000         |
| 9.   | Sales returns        | 2,000        |               |
| 10.  | Carriage inwards     |              | 600           |
| 11.  | Carriage<br>outwards |              | 700           |
| 12.  | Wages, Salaries      | 25,000       |               |
| 13.  | Bills receivable     | 7,000        |               |
| 14.  | Debtors              | 9,000        |               |
| 15.  | Bills Payable        |              | 7,000         |
| 16.  | Rent                 | 3,000        |               |
| 17.  | Interest Paid        |              | 2,000         |
| 18.  | Cash                 | 800          |               |
| 19.  | Creditors            | 6,900        |               |
| 20.  | Closing Stock        | 33,800       |               |
|      |                      | 1,77,500     | 1,77,500      |

20. Rectify the following errors by using Suspense account.

- a. Sales Day book was overcast by Rs. 100.
  - b. A sale of Rs. 50 to X was wrongly debited to Y account.
  - c. General expenses Rs. 180 was posted in the account as Rs. 810.
  - d. A bill receivable for Rs. 155 was written in bills payable book. The bill was given by P.
  - e. Legal expenses Rs. 119 paid to James was debited to his personal account.
  - f. Cash received from C. Dass was debited to G. Dass Rs. 150.
  - g. While carrying forward the total of one page of purchases book to the next, the amount of Rs. 1,235 was written as Rs. 1,325.
- Show Suspense a/c and Journal Entries.

**Instruction to Paper Setter:**

**Two questions must be given from each unit in Part-A and Part-B**

**VIKRAMA SIMHAPURI UNIVERSITY::NELLORE**

**I-B.Sc (MACS)**

**SEMESTER-II**

**FINANCIAL OF ACCOUNTING - II**

**No. of Hours per week: 5**

**Credits: 4**

**Max. Marks: 100**

**External: 75**

**Internal: 25**

**Unit-I : Final Accounts :**

Final Accounts – Preparation of Trading account, Profit and Loss Account and Balance Sheet.

**Unit-II : Consignment Accounts :**

Consignment – Features – Account sales – Delcredere Commission – Valuation of Closing Stock – Proforma invoice Price – Normal and abnormal Loss – Differences between consignment and sale.

**Unit-III : Joint venture Accounts :**

Features – Differences between joint venture and consignment – Accounting procedure – Method of recording in co-ventures books – Separate set of books method.

**Unit-IV : Depreciation :**

Depreciation – Meaning – Causes – accounting treatment – methods of providing depreciation – straight line method - diminishing Balance Method – Annuity Method – only – simple problems.

**Unit-V : Provisions and Reserves :**

Provision for bad debts account – Bad debts accounts - Provision for discount on Debtors and Creditors – Treatment in balance sheet – provision for repairs and renewals account.

**Text Books :**

1. Accountancy –I, S.P. Jain & K.L Narang, Kalayani Publishers.
2. T.S.Reddy & A.Murthy , Financial Accounting , Margham Publications .

**Reference Books :**

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3. Financial Accounting , Dr. V.K.Goyal, Excel Books.
4. K. Arunjothi, Fundamentals of Accounting, Maruthi Publications.

**Instruction to Paper Setter:**

**Two questions must be given from each unit in Part-A and Part-B**

**VIKRAMA SIMHAPURI UNIVERSITY::NELLORE**  
**CBCS - I-B.Sc (MACS) SEMESTER-II**  
**FINANCIAL OF ACCOUNTING - II**  
**MODEL QUESTION PAPER**

**Time: 3 Hours**

**Max. Marks : 75**

**PART - A**

**Answer any FIVE of the following Questions : (5 X 3 = 15 Marks)**

1. From the following particulars prepare Profit and Loss Account for the year ending 31-3-2005.  
Salaries and Wages – Rs. 10,000 ; Rent and Taxes – Rs. 15,000 ; Bad debts – Rs. 5,000 ; Depreciation – Rs. 6,000, Discount allowed - Rs. 4,000 ; Gross Profit – Rs. 80,000.
2. Explain the difference between revenue expenditure and capital expenditure
3. From the Following Particulars prepare Account Sales.  
Sales - Rs. 2,00,000 ; Expanses paid by consignee ; Commission 5% on sales, advance paid Rs. 70,000.
4. Explain the Difference between consignment and sale.
5. prabhu and kalyan enter into a joint venture to sell a consignment of timber sharing profits and losses equally. prabhu provides timber from his stock at a mutually agreed value of Rs.5,000. He pays expenses amounting to Rs.250. Kalyan incurs further expenses on cartage, storage, etc. amounting to Rs.650 and receives cash for sales Rs.6,000. He also takes over goods of the value of Rs.1,000 for his use in his own business. Prepare joint venture a/c in the books of prabhu.
6. Explain the Difference between consignment and Joint venture
7. From the following Particulars find the amount of depreciation.  
On 1-1-2005 a Machinery was purchased for Rs. 90,000 and Erection charges Rs. 10,000. The Estimated Scrap value after 10 years was Rs. 20,000.
8. Write the causes for Depreciation.
9. On 1-1-2005 Provision for Bad debts showed a balance of Rs. 5,000. During the year Bad debts were Rs. 8,000. 31-12-2005 Debtors Amount to Rs. 2,00,000. Provide Reserve for bad debts at 5%. Prepare Bad debts account and Reserve for Bad debts Account.
10. Explain the Difference between Provision and Reserve.

**PART - B**

**Answer any FIVE of the following Questions : (5 X 12 = 60 Marks)**

11. The following are the figures extracted from the Books of Krishna Murthy on 30-09-2006 ;  
Prepare Final Accounts :

|                            | Debit<br>Rs.    | Credit<br>Rs.   |
|----------------------------|-----------------|-----------------|
| Capital                    |                 | 50,000          |
| Plant & Machinery          | 20,000          |                 |
| Furniture                  | 11,500          |                 |
| Sundry Debtors & Creditors | 15,000          | 20,000          |
| Bills Receivable & Payable | 10,000          | 5,000           |
| Opening Stock              | 20,000          |                 |
| Purchases & Sales          | 60,000          | 90,000          |
| Depreciation               | 1,200           |                 |
| Outstanding Salaries       |                 | 800             |
| Salaries                   | 10,000          |                 |
| Wages                      | 22,000          |                 |
| Insurance                  | 1,000           |                 |
| Prepaid Insurance          | 100             |                 |
| Carriage                   | 400             |                 |
| 10% Loan                   |                 | 5,400           |
| <b>Total</b>               | <b>1,71,200</b> | <b>1,71,200</b> |

**Adjustments :**

- (a) Write off Rs. 1,000 as Bad Debts and provide 5% on debtors for bad debts.  
(b) Closing Stock was valued at Rs. 40,000. (c) Allow 10% Interest on Capital.

**12.** On 31<sup>st</sup> March 2007, the following figures are extracted from the Books of Ranga Rao. Prepare final accounts for the year after taking into account the following adjustments :

- (a) Depreciation 5% off plant and 10% on fixtures.  
(b) Provide for a March rent unpaid Rs. 150.  
(c) Provide for Reserve for Bad Debts  $2\frac{1}{2}$  % on Debtors.  
(d) Outstanding wages Rs. 800 and salaries Rs. 350  
(e) Stock on 31<sup>st</sup> March, 2007 Rs. 16,580 and  
(f) Insurance unexpired on 31-3-2007 Rs. 70.

|                      | <b>Rs.</b> |                   | <b>Rs.</b> |
|----------------------|------------|-------------------|------------|
| Plant                | 55,000     | Cash at Bank      | 2,245      |
| Fixtures             | 1,720      | Cash in Hand      | 68         |
| Capital              | 93,230     | S. Debtors        | 47,800     |
| Factory Fuel & Power | 542        | S. Creditors      | 22,680     |
| Office Salaries      | 3,745      | Purchases         | 83,290     |
| Lighting (Factory)   | 392        | Wages             | 9,915      |
| Sales                | 1,26,177   | Rent and Taxes    | 1,765      |
| Travelling Expenses  | 925        | Office Expenses   | 2,778      |
| Carriage Outwards    | 960        | Carriage Inwards  | 897        |
| Discount             | 422        | Return Outwards   | 3,172      |
| Drawings             | 6,820      | Bills Payable     | 6,422      |
| Stock                | 21,725     | Commission        | 260        |
| Mfg. Expenses        | 2,680      | Return Inwards    | 7,422      |
| Insurance            | 570        | Insurance Prepaid | 100        |

**13.** Ramana consigned goods worth Rs. 50,000 to Murthy invoicing the same at Rs. 60,000. He has incurred Rs. 10,000 as expenses and drawn a bill on Murthy for Rs. 50,000. Murthy accepted the bill and received the consignment. His expenses are Rs. 10,000.  $\frac{3}{4}$ ths of the goods are sold for Rs. 60,000. Murthy is entitled to a Commission of 10% on sales. Prepare Ledger Accounts in the books of both the parties.

**14.** Gopal of Madras consigned 300 cycles at Rs. 2,000 per cycle to Kiran of Hyderabad. Gopal paid freight Rs. 4,000 and other expenses Rs. 2,000. Kiran sold 250 cycles at Rs. 2,500 per cycle and 25 cycles at Rs. 2,200 per cycle. Kiran spent for freight Rs. 3,000 and other expenses Rs. 1,000. He remitted the amount due to Gopal after deducting his normal commission at 5% and del credere commission at 3% on total sales. One debtor of Kiran paid only Rs. 4,800 against Rs. 5,000 in full settlement.

**15.** A and B enter into a joint venture to sell a consignment of timber sharing profits and losses equally. A provides timber from his stock at a mutually agreed value of Rs. 5,000. He pays expenses amounting to Rs. 250. B incurs further expenses on cartage, storage, etc. amounting to Rs. 650 and received cash for sales Rs. 3,000. He also takes over goods of the value of Rs. 1,000 for his use in his own business. At the date of close A takes over the balance of stock in hand which is valued at Rs. 1,100. Prepare joint venture account and co-venture's account in the book of A.

**16.** Akbar and Arul entered into a joint venture to construct a building for a company for a contract price of Rs. 1,50,000 payable in cash. A joint banking account was opened with Akbar paying in Rs. 40,000 and Arul Rs. 30,000. They were to share profit or loss in the proportion of  $\frac{3}{4}$  and  $\frac{1}{4}$  respectively. The joint venture operations were as under :

|                             | <b>Rs.</b> |
|-----------------------------|------------|
| Paid architects fee         | 3,000      |
| Paid wages                  | 50,000     |
| Purchased materials         | 60,000     |
| Materials supplied by Akbar | 3,000      |

Materials supplied by Arul 6,000

The contract was completed and the agreed price duly received, out of which, Rs. 20,000 was received by Akbar directly. Arul took up unused materials at Rs. 4,000 and the joint venture was closed.

**17.** X company Ltd., closes its accounts on 31<sup>st</sup> December each year. X company Ltd., purchased on 1-1-1999 a plant for Rs. 40,000 and spent Rs. 10,000 as erection charges. On 1-7-1999, Rs. 25,000 worth of additional machinery was purchased. The plant purchased on 1-1-1999 was sold for Rs. 10,000 on 1-7-2001 as it became obsolete. On the same date a new machinery was purchased for Rs. 60,000. The Company provides for depreciation @ 5% p.a. on the diminishing balance method.

**18.** On 1-1-2001 X Co. Ltd. Purchased a machine for Rs. 60,000 and Rs. 20,000 were spent on its erection immediately. On 1-7-2002 another machine was purchased for Rs. 52,000 and on 1-7-2003 the first machine was sold for Rs. 64,000. On the same date, another machine was purchased for Rs. 50,000. On 1-1-2004, the second machine was sold for Rs. 46,000. Depreciation was provided on machine at the rate for 10% per annum on the original cost annually on 31<sup>st</sup> December. Prepare machine account for the above four calendar years.

**19.** On 31<sup>st</sup> December 2006, provision for Repair A/c of X Ltd. Shows a balance of Rs. 700. In that year actual repairs amounted to Rs. 400. The business has practice of transferring Rs. 300 every year to provision for repairs accounts. Show provision for Repairs Account for 2006.

**20 .** On 1-1-2005 Provision for bad debts in the books stood at Rs. 2,000. During the year bad debts were ` Rs.5,000. On 31-12-2005 debtors amounted to `Rs 1,00,000. Make a provision for bad debts at 5%.

On 31-12-2006 debtors amounted to Rs 2,00,000. During the year bad debts were Rs 8,000. Make a provision for bad debts at 5%.

Prepare Bad debts account and Reserve for Bad debts Account.

**Instruction to Paper Setter:**

**Two questions must be given from each unit in Part-A and Part-B**

**VIKRAMA SIMHAPURI UNIVERSITY::NELLORE**  
**CBCS – B.Sc (MACS) – II- YEAR – SEMESTER – III (w.e.f. 2017-18)**  
**ADVANCED ACCOUNTING-I**

**No. of Hours per week: 5**

**Credits: 4**

**Max. Marks: 100**

**External: 75**

**Internal: 25**

**Unit – I: Royalty Accounts:**

Royalty Accounts – minimum rent account – landlord account – Short workings accounting – Royalty account – (excluding land lard books and sub-lease)

**Unit – II: Hire Purchase Accounts:**

Hire purchase account – features of hire purchase system – calculation of interest and calculation of cash price – Journal and ledger in the books of buyer and Vendor (excluding default and Re-possession and Hire purchase trading account.

**Unit – III: Single entry system:**

Single entry system (statement of affairs method only) – feature of single entry system – defects of single entry system – opening statement of affairs – closing statement of affairs – calculation of Net Profit.

**Unit – IV: Accounts of Non-trading Concerns:**

Account of non-trading concerns – revenue expenditure – capital expenditure – Income and Expenditure account – capital fund – balance sheet.

**Unit – V: Branch Accounts:**

Branch account (excluding Independent branches and foreign branches) branch account – Goods sent on branch account – invoice price – (Excluding stock and debtors system).

**Text Books:**

1. Accountancy –I, S.P. Jain & K.L Narang, Kalayani Publishers.
2. T.S.Reddy & A.Murthy , Financial Accounting , Margham Publications .

**Reference Books:**

1. Principles and Practice of Accounting, R L Gupta & V. K Gupta, Sulthan Chand & sons.
2. Accountancy – I, Tulasian , Tata Mcgraw Hill Co.
3. Financial Accounting, Dr. V.K.Goyal, Excel Books.
- K. Arunjothi, Fundamentals of Accounting, Maruthi Publications.

**Instruction to Paper Setter:**

**Two questions must be given from each unit in Section-A and Section-B**

**VIKRAMA SIMHAPURI UNIVERSITY :: NELLORE.**  
**THREE YEAR B.Sc (MACS) DEGREE EXAMINATION**  
**SECOND YEAR EXAMINATION**  
**SEMESTER - III**  
**ADVANCED ACCOUNTING-I**  
**MODEL PAPER**

*Time: 3 Hours*

*Max. Marks : 75*

**PART-A**

Answer any **FIVE** of the following Questions:

(5 X 3 = 15 Marks)

1. Sanjeev leased a mine from Mr. Rajeev on the condition that minimum rent per annum should be Rs 10000/- and short workings if any should be recouped during the first four years only . The actual royalty as follows :

|                     |      |      |       |       |
|---------------------|------|------|-------|-------|
| Year                | 2003 | 2004 | 2005  | 2006  |
| Actual Royalty (Rs) | 4000 | 6000 | 10000 | 16000 |

Prepare short workings a/c in the books of Sanjeev.

2. Recoupment of short workings.
3. From the following particulars prepare a Receipts and payments A/c :

|                       | <u>Rs</u> |             | <u>Rs</u> |
|-----------------------|-----------|-------------|-----------|
| cash in hand          | 600       | Rent Paid   | 400       |
| Subscription received | 3300      | General exp | 210       |
| Donation Received     | 260       | Postage     | 70        |
| Investment purchased  | 1000      | Sundry Exp  | 30        |

4. Income and Expenditure A/c
5. Find out the profit from the following data :  
 Capital at the beginning of the year Rs .60000/-  
 Drawings during the year Rs .7500/-  
 Capital at the end of the year Rs.67500/-  
 Additional capital introduced during the year Rs.3750/-
6. Distinguish between single entry system and double entry system.
7. The Bombay Textiles limited opened a branch at Delhi on 1-1-2005. From the following particulars prepare branch a/c for 2005 in the books of Head office.  
 Goods sent to branch Rs. 45000/-  
 Cash sent to branch for expenses Rs.12800/-  
 Cash received from branch Rs. 70000/-  
 Stock on 31-12-2005 Rs.7000/-  
 Cash in Hand on 31.12.2005 Rs 120/-
8. Give any three objectives of branch accounting.
9. Cash price of the machinery was Rs. 30,000. Rs. 6,000 was to be paid on signing of the agreement and the balance was to be paid three annual installments of Rs. 10,000 each. Find the amount of interest for each Installment.
10. Explain features of hire purchase system.

**PART-B**

Answer any **FIVE** questions. All questions carries equal marks:-

5 X 12 = 60M

11. Hindusthan Co. Ltd took at coal mine from G on 1-1-1960 at a royalty of Rs. 1 per ton of coal raised, with a minimum rent of Rs. 12,000 per annum, with power to recoup short workings during the first 3 years of lease, the annual output is as follows:

|        |      |       |        |        |
|--------|------|-------|--------|--------|
| Year   | 1960 | 1961  | 1962   | 1963   |
| Output | NIL  | 4,000 | 20,000 | 40,000 |

Prepare Ledger in the books of Hindusthan Co. Ltd.

12. Assam mine co obtained a mine on lease for 20 years beginning from 1-1-2003 on the following terms :
- To pay a minimum rent of Rs. 40,000 per year.
  - Each years excess of minimum rent over royalties can be recovered during the subsequent 2 years.
  - In the event of strike or accident minimum rent is to be reduced by 20% in that year.
  - Royalty was to be calculated Rs. 1.50 per ton production during four years from 2003 to 2006 was as follows :

| Year | Production (in tons)         |
|------|------------------------------|
| 2003 | 18,000                       |
| 2004 | 22,000                       |
| 2005 | 31,000                       |
| 2006 | 24,000 (Strike for 4 Months) |

Prepare minimum rent A/c, Royalties A/c, Landlord A/c and Short workings A/c in the books of mine company.

13. On 1<sup>st</sup> January, 2008, the Tirupati Industries bought a machine from Hyderabad Machine Make Co. on the hire purchase system. The cash price of the machine was Rs. 26,350 and the payment was to be made as below :
- Rs.10,000 on signing of the agreement and the balance in three yearly installments of Rs. 6,000 each, 5% interest is charged by the vendors.
- Record necessary ledger accounts in the books of the Hire Buyer depreciating machinery at 15% p.a. on the Diminishing Balance Method.
14. A mini bus is purchased for Rs. 1,60,000 under hire purchase agreement on 1.1.2008. The amount payable is Rs. 40,000 on 1.1.2008 on entering the agreement and the balance in three annual installments of Rs. 50,000 each at the end of each year. Depreciation is charged at 10% on written down value method.
- Show the asset account and hire vendor's account in the books of the purchaser.
15. From the following particulars prepare a Statement of Profit and Loss for the year ended 31<sup>st</sup> dec 2006

| PARTICULARS | 1-1-2006<br>Rs. | 31-12-2006<br>Rs. |
|-------------|-----------------|-------------------|
| Cash        | 4,000           | 3,000             |
| Bank        | 10,000          | 5,000(overdraft)  |
| Debtors     | 80,000          | 75,000            |
| Stock       | 30,000          | 28,000            |
| Creditors   | 42,000          | 37,000            |
| Machinery   | 10,000          | 15,000            |
| Furniture   | 1,000           | 1,000             |

The Proprietor drew at the rate of Rs. 750 per month. He introduced Rs. 3,000 as fresh capital

16. Calculate profit earned by the trader from the following. The trader follows single entry system.

| PARTICULARS   | 1.1.1990<br>Rs. | 31.12.1990 Rs. |
|---------------|-----------------|----------------|
| Creditors     | 1,50,000        | 1,60,000       |
| Bills payable | 40,000          | 30,000         |
| Plant         | 1,00,000        | 1,50,000       |
| Machinery     | 3,00,000        | 2,80,000       |
| Stock         | 1,00,000        | 1,10,000       |
| Debtors       | 1,50,000        | 1,40,000       |
| Cash          | 10,000          | 15,000         |

Provide depreciation on fixed assets at 5% and on stock and debtors at 10%

17. The following is the Receipts and payments Account of Sai Nursing home for the year ended 31-12-2003 :

| <u>Receipts</u>          | <u>Rs.</u>   | <u>Payments</u>        | <u>Rs.</u>   |
|--------------------------|--------------|------------------------|--------------|
| To balance b/d           | 2,010        | By Salaries            | 656          |
| To subscriptions         | 1,115        | By Boarding etc.,      | 380          |
| To Fees from non-members | 270          | By Rent and Taxes      | 200          |
| To municipal Grant       | 1,000        | By Cost of Vehicle     | 2,000        |
| To Donation for Building | 1,560        | By Expenses of Vehicle | 840          |
| To Interest              | 38           | By Drugs               | 670          |
|                          | <u>5,993</u> | By Balance c/d         | <u>1,247</u> |
|                          |              |                        | <u>5,993</u> |

The Home owns freehold land Rs. 8,000. A donation of Rs. 100 received for the building was wrongly included in the subscriptions account. A bill for medicines purchased during the year amounting Rs. 129 was outstanding. Prepare Income and Expenditure Account for the year and Balance Sheet as at 31-12-2003.

18. From the Following Receipts and Payments accounts prepare final accounts of sports club :

| <u>Receipts</u>        | <u>Rs.</u>      | <u>Payments</u>       | <u>Rs.</u>      |
|------------------------|-----------------|-----------------------|-----------------|
| To Subscription        | 15,000          | By Land               | 10,000          |
| To Donations           | 50,000          | By Buildings          | 40,000          |
| To Legacies            | 10,000          | By Furniture          | 10,000          |
| To Entrance fee        | 5,000           | By Sports materials   | 5,000           |
| To Life membership fee | 3,000           | By Sports expenditure | 6,000           |
| To Sports income       | 17,000          | By General expenses   | 1,000           |
| To Sundries            | 5,000           | By Magazines          | 1,500           |
| To Sale of old papers  | 500             | By Ground expenses    | 4,000           |
|                        | <u>1,05,500</u> | By Closing balance    | <u>28,000</u>   |
|                        |                 |                       | <u>1,05,500</u> |

Capitalize half of donations, legacies, entrance fee and life membership fee. Subscriptions still outstanding amounts to Rs. 5,000. Depreciate fixed assets by 5% and sports materials by 10%.

19. From the following particulars relating to Delhi branch for the year ending 31<sup>st</sup> March-2011, prepare Branch account in the head office books :

|                                      | <u>Rs.</u>      |                               | <u>Rs.</u>   |
|--------------------------------------|-----------------|-------------------------------|--------------|
| Balances as on 1-4-2010              |                 | Credit sales during 2010-11   | 2,28,000     |
| Stock at the branch                  | 15,000          | Cheques sent to branch during |              |
| Debtors at the branch                | 30,000          | the year:                     |              |
| Petty cash at the branch             | 300             | For salaries                  | 9,000        |
| Goods sent to branch during the Year | 2,52,000        | For rent and taxes            | 1,500        |
| Remittance from the branch:          |                 | For petty cash                | <u>1,100</u> |
| For cash sales                       | 60,000          | Balances as on 31-3-2011 :    | 11,600       |
| Received from                        |                 | Stock at the branch           | 25,000       |
| Debtors                              | <u>2,10,000</u> | Petty cash                    | 200          |
| Goods returned by the branch         | 2,000           | Debtors                       | 48,000       |

20. A head office in Mumbai has a branch in Ahmadabad to which goods are invoiced by the head office at cost price plus 25%. All cash received by the branch is remitted to head office. All expenses are paid from Mumbai. From the following particulars, show how the Branch Account will appear in the books of the head office :

|  |               |                   |
|--|---------------|-------------------|
| Stock on 1 <sup>st</sup> July 2010(at Invoice Price) |               | <b><u>Rs.</u></b> |
| Debtors on 1 <sup>st</sup> July, 2010                |               | 12,500            |
| Goods invoiced from Mumbai                           |               | 12,000            |
| Remittances to Mumbai :                              |               | 40,000            |
| Cash sales   | 16,000        |                   |
| Cash received from Debtors                           | <u>29,500</u> | 45,500            |
| Goods returned to the head office                    |               | 2,400             |
| Cheques received from Mumbai :                       | <b>Rs.</b>    |                   |
| Wages and Salaries                                   | 11,000        |                   |
| Rent, rates, etc.                                    | 3,000         |                   |
| Sundry Expenses                                      | <u>500</u>    | 14,500            |
| Stock on 31 <sup>st</sup> Dec, 2010(Invoice Price)   |               | 15,000            |
| Debtors on 31 <sup>st</sup> Dec, 2010                |               | 22,500            |
| Liability for petty expenses                         |               | 420               |

**Instruction to Paper Setter:**

**Two questions must be given from each unit in Section-A and Section-B**

# VIKRAMA SIMHAPURI UNIVERSITY::NELLORE

## B.Sc (MACS) : SECOND YEAR - SEMESTER-IV

### ADVANCED ACCOUNTING-II

No. of Hours per week: 5

Credits: 4

Max. Marks: 100

External: 75

Internal: 25

#### **Unit – I: Self Balancing Ledger system :**

Self balancing ledger system – Bought ledger – sales ledger – general ledger. Total debtors account – total creditors account.

#### **Unit – II: Issue of Shares :**

Issue of shares at par – at premium – at discount – calls in arrears – Forfeiture of shares – Re-issue of shares.

#### **Unit – III : Redemption of debentures :**

Issue of Debentures - Redemption of debentures (sinking fund method only) – Debenture Account-Sinking Fund Account –Sinking fund investment account-Simple Problems

#### **Unit – IV: Final Accounts of Joint Stock Companies :**

Trading accounts – Profits and loss account – profit and loss appropriation account – balance sheet – Adjustments.

#### **Unit – V: Profit Prior to Incorporation :**

Formation of Company – Legal Proceedings on formation of company – Calculation of profit prior to Incorporation – Calculation of Profit Post Incorporation- Rules regarding usage of profit prior to Incorporation.

#### **Text Books :**

1. Accountancy –I, S.P. Jain & K.L Narang, Kalayani Publishers.
2. T.S.Reddy & A.Murthy , Financial Accounting , Margham Publications

#### **Reference Books :**

1. Principles and Practice of Accounting, R L Gupta & V. K Gupta, Sulthan Chand & sons.
2. Accountancy – I, Tulasian , Tata Mcgraw Hill Co.
3. Financial Accounting , Dr. V.K.Goyal, Excel Books.
4. K. Arunjothi, Fundamentals of Accounting, Maruthi Publications.

**VIKRAMA SIMHAPURI UNIVERSITY :: NELLORE.**

**B.Sc (MACS) DEGREE EXAMINATION  
SECOND YEAR - SEMESTER - IV  
ADVANCED ACCOUNTING-II  
MODEL PAPER**

*Time: 3 Hours*

*Max. Marks : 75*

**PART - A**

*Answer any FIVE of the following Questions :*

*(5 X 3 = 15 Marks)*

1. Prepare Debtors ledger adjustment account from the following figures  
Balance of Debtors on 1st January, 1978 : Rs. 15,300  
Credit Sales : Rs. 41,200  
Cash received from customers : Rs. 37,400  
Discount allowed to them : Rs. 900  
Bad-debts : Rs. 600  
Bills receivable received : Rs. 4,100  
Bills receivable dishonored : Rs. 800
2. Explain advantages of self balancing ledger system.
3. ABC Co. Ltd., forfeited the following shares each share value Rs. 10. A holds 300 shares on which he paid Rs. 3 per application Rs. 3 on allotment. He failed to pay first and final call Rs. 4 per share. The company reissued all share at face value. Write Journal Entries.
4. Define share. Explain different types of shares.
5. Varma Ltd., issued 4,000, 6% debentures of Rs. 100 Each. Pass necessary entries in the following cases.  
(a) Issued at par redeemable at par. (b) Issued at 5% premium and redeemable at par.  
(c) Issued at 10% discount and redeemable at par.
6. Distinguish between shares and debentures.
7. Prakash Ltd., carried forward balance of 20,50,000 (cr) in the profit & Loss A/c for the last year. During the year it made a profit of 52,40,000. It was decided that following decisions be carried out :  
(i) Transfer Rs. 12,50,000 to General Reserve. (ii) Transfer Rs. 5,00,000 to Dividend equalization reserve. (iii) Pay dividend Rs. 12,00,000. (iv) Transfer Rs. 7,50,000 to debenture redemption fund.  
Prepare profit and loss appropriation account showing the above decisions.
8. Define company Explain its features.
9. A company was incorporated on 1-07-2001. It acquired a running business on 1-04-2001. For the year ending 31-3-2001 Prepare a statement showing the profit prior and after incorporation.  
(i) Sales for the year Rs. 6,00,000 out of which sales up to July 2001 Rs. 2,00,000.  
(ii) Gross profit for the year Rs. 1,80,000. (iii) The expenses debited to profit & loss account.  
Rent – Rs. 9,000, Salary – Rs. 15,000, Director fee-Rs. 4,000, Advertisement Rs. 24,000, Depreciation – Rs. 6,000.
10. What do you mean by profit prior to incorporation?

**PART - B**

Answer any **FIVE** of the following Questions :

(5 X 12 = 60 Marks)

**11.** From the following particulars extracted from the books of a company who keeps sales ledger, bought ledger and general ledger on the self balancing systems. Show how the various adjustments accounts will appear in each of the ledger.

|   | <u>Rs.</u> |
|---|------------|
| Debtors Balance (1-3-1985)                  | 45,750     |
| Creditors balance (1-3-1985)                | 54,900     |
| (Transactions for the month of March (1985) |            |
| Credit Purchases                            | 20,300     |
| Credit sales                                | 22,700     |
| Returns Inwards                             | 400        |
| Returns outwards                            | 600        |
| Cash received from customers                | 25,500     |
| Discount allowed                            | 450        |
| Cash paid to creditors                      | 30,700     |
| Discount received                           | 670        |
| Acceptance received from debtors            | 8,500      |

**12.** From the following particulars, prepare necessary Ledger Adjustment Accounts under self-balancing system.

|  |        |
|--|--------|
| Balance of Debtors Ledger (1-1-2004)   | 42,000 |
| Balance of Creditors Ledger (1-1-2004) | 38,000 |
| Credit sales                           | 51,000 |
| Credit Purchases                       | 43,000 |
| Cash received                          | 12,000 |
| Cash paid                              | 15,000 |
| Acceptances received                   | 4,000  |
| Acceptance issued                      | 3,000  |
| Bad debts written off                  | 1,000  |
| Discount allowed                       | 600    |
| Discount received                      | 400    |
| Returns inwards                        | 500    |
| Returns outwards                       | 600    |
| Cash sales                             | 4,000  |
| Cash purchases                         | 3,000  |
| Acceptances received dishonored        | 1,000  |
| Acceptance issued dishonored           | 2,000  |

**13.** Raman Ltd. Issued 10,000 equity shares of Rs. 10 each payable Rs. 2 on application Rs. 5 on allotment and Rs. 3 on call. Public applied for 8,000 shares, which were allotted. All the money due on shares was received except the final call money Mr. Arul, who was allotted 100 shares. These shares were forfeited and reissued at Rs. 8 per share. Show the journal entries.

**14.** A limited company has an authorized capital of Rs. 5,00,000 divided into shares of Rs. 10 each. Of these Rs. 8,000 shares were issued as fully paid in payment of building purchase. 16,000 shares were issued to the public Rs. 5 being payable on application, Rs. 3 on allotment and Rs. 2 on call. The full amount due on the shares received except form holder of 750 shares on which only application money was received. His shares were forfeited after giving him due notice. Subsequently, these shares were reissued at Rs. 7 per share.

Give entries to record the transactions in the books of the company and show how they would be shown in balance sheet.

15. On January 1st-2005 Mehata Metal Co. Ltd. Issued Rs. 1,00,000 debentures of Rs. 100 each to be redeemed at the end of 5th year at par. A sinking fund was established for this purpose. The investment will earn 5 percent interest annually. Sinking fund table shows that Rs. 0.180975 invested at the end of each year at 5 percent compound interest will produce Rs. 1.00 at the end of 5 years. At the end of 5th year the investments were sold at a loss of Rs. 300. Debentures were paid off.

Prepare sinking fund account and sinking fund investment account for the 5 years.

16. On 1-1-1994 a company issued 4,000, 6% debentures at Rs. 100 each repayable at the end of 4 years at par. The company decided to create a sinking fund (to provide for payment) at 4% per annum sinking fund table shows that 0.235490 amount to Rs. 1 at 4% in 4 years. On 31-12-1997 the bank balance was Rs. 2,00,000 and the investment realized Rs. 3,11,500. The debentures were paid off. Show sinking fund A/c and sinking fund investment account.

17. The following is the Trial Balance of National Company Ltd., as on 31-3-2006, Prepare company Final A/c as on that Date :

| <u>Debits</u>          | <u>Rs.</u>      | <u>Credits</u>        | <u>Rs.</u>      |
|------------------------|-----------------|-----------------------|-----------------|
| Premises               | 75,000          | Equity Share Capital  | 1,80,000        |
| Salaries               | 28,350          | 6% Debentures         | 75,000          |
| Carriage               | 4,650           | Reserve for Bad Debts | 2,100           |
| Insurance              | 780             | Sales                 | 6,26,850        |
| Motor Lorry            | 16,500          | Bills Payable         | 23,000          |
| Postage                | 3,165           | Discount              | 4,255           |
| Machinery              | 1,20,000        | Creditors             | 30,180          |
| Rent and Rates         | 2,850           | P & L Account         | 1,980           |
| Purchases              | 2,69,100        |                       |                 |
| Directors Fees         | 4,695           |                       |                 |
| Office Expenses        | 5,085           |                       |                 |
| Bad Debts              | 915             |                       |                 |
| Furniture              | 4,380           |                       |                 |
| Goodwill               | 45,000          |                       |                 |
| Opening Stock          | 52,500          |                       |                 |
| Wages                  | 2,28,450        |                       |                 |
| Interest on Debentures | 2,250           |                       |                 |
| Cash at Bank           | 51,195          |                       |                 |
| Debtors                | 28,500          |                       |                 |
|                        | <u>9,43,365</u> |                       | <u>9,43,365</u> |

Adjustments :- (a) Stock on 31-3-2006 Rs. 52,905 (b) Maintain reserve for bad debts at 5% on debtors (c) Unexpired insurance amounted to Rs. 500 (d) Depreciate premises by 5% machinery by 10% and motor lorry by 20% (e) Transfer Rs. 25,000 to reserve fund (f) Directors recommended to declare 15% dividend on equity shares.

18. The following is the trial balance of Lakshmi Co. Ltd., as at 31<sup>st</sup> March 2007 :

|  | <u>Rs.</u> | <u>Rs.</u> |
|--|------------|------------|
| Stock, 31 <sup>st</sup> March, 2006                                  | 75,000     |            |
| Sales  |            | 3,50,000   |
| Purchases  | 2,45,000   |            |
| Wages  | 50,000     |            |
| Discount   |            | 5,000      |
| Furniture and Fittings   | 17,000     |            |
| Salaries   | 7,500      |            |
| Rent   | 4,950      |            |
| Sundry Expenses  | 7,050      |            |
| Profit and Loss Appropriation Account<br>31 <sup>st</sup> March-2006 |            | 15,030     |
| Dividends Paid   | 9,000      |            |
| Share capital  |            | 1,00,000   |
| Debtors and Creditors  | 37,500     | 17,500     |
| Plant and Machinery  | 29,000     |            |

|                        |                 |                 |
|------------------------|-----------------|-----------------|
| Cash and bank          | 16,200          |                 |
| Reserve                |                 | 15,500          |
| Patents and Trade Mark | <u>4,830</u>    |                 |
|                        | <u>5,03,030</u> | <u>5,03,030</u> |

Prepare Trading Account, Profit and Loss Account, Profit and Loss Appropriation Account for the year ended 31<sup>st</sup> March, 2007 and Balance sheet as at that date. Take into consideration the following adjustments :

- Stock on 31<sup>st</sup> March, 2007 was valued at Rs. 82,000
- Depreciation on fixed assets @ 10%
- Make a provision for income-tax @ 50%
- Ignore corporate dividend tax.

19. A company was incorporated on 1-10-2001. It acquired a running business on 1-7-2001. For period ending 31-3-2002. The profit and loss as below :

| <u>Debit</u>              | <u>Rs.</u>      | <u>Credit</u>   | <u>Rs.</u>      |
|---------------------------|-----------------|-----------------|-----------------|
| To salaries               | 12,000          | by gross Profit | 1,00,000        |
| To Advertisement          | 6,000           |                 |                 |
| To Rent & taxes           | 9,000           |                 |                 |
| To Audit fees             | 6,000           |                 |                 |
| To Showroom expenses      | 8,000           |                 |                 |
| To Printing & Stationery  | 3,000           |                 |                 |
| To Insurance              | 6,000           |                 |                 |
| To Bad Debts              | 3,000           |                 |                 |
| To Discount allowed       | 1,000           |                 |                 |
| To Director's fees        | 5,000           |                 |                 |
| To Warehouse expenses     | 4,000           |                 |                 |
| To Carriage on sales      | 1,000           |                 |                 |
| To Interest on debentures | 2,000           |                 |                 |
| To Preliminary expenses   | 1,000           |                 |                 |
| To Travelling expenses    | 2,000           |                 |                 |
| To Sales men's salary     | 6,000           |                 |                 |
| To Depreciation           | 3,000           |                 |                 |
| To net Profit             | <u>22,000</u>   |                 |                 |
|                           | <u>1,00,000</u> |                 | <u>1,00,000</u> |

Sales for the year ending 31-3-2002 Rs. 8,00,000 out of which sales up 1-10-2001

Rs. 2,00,000. Prepare a statement showing profit prior and after incorporation.

20. Rajendra Ltd was incorporated on 1-07-2002 to take over the business of G.K. Enterprises as a going concern with effect from 1-4-2002. Their profit & loss account for the year ending 31-3-2003 is as follows :

| <u>PROFIT &amp; LOSS ACCOUNT</u> |                 |                          |                 |
|----------------------------------|-----------------|--------------------------|-----------------|
| <u>Dr</u>                        |                 |                          | <u>Cr</u>       |
| To Opening Stock                 | 60,000          | By Sales (upto 30-6-2002 |                 |
| To Purchases                     | 87,500          | sales 50,000)            | 1,50,000        |
| To Administration exp.           | 9,000           | By Closing Stock         | 35,000          |
| To Directors fee                 | 1,500           |                          |                 |
| To Selling expenses              | 18,000          |                          |                 |
| To Audit fee                     | 500             |                          |                 |
| To Preliminary exp               | 1,500           |                          |                 |
| To Net profit                    | <u>7,000</u>    |                          |                 |
|                                  | <u>1,85,000</u> |                          | <u>1,85,000</u> |

Prepare a statement showing the profit earned prior and after incorporation.

**Instruction to Paper Setter :**

**Two questions must be given from each unit in Part-A and Part-B**

**VIKRAMA SIMHAPURI UNIVERSITY::NELLORE**  
**CBCS – B.Sc (MACS) – III : YEAR – SEMESTER – V (w.e.f. 2017-18)**  
**SEMESTER-V**  
**CORPORATE ACCOUNTING –I**

**Unit-I : Accounting Standards – Valuation of Goodwill:**

**Valuation of Goodwill** – Need and Importance – Methods of valuation of Good will--Average profit Method (or) Normal Profit Method – Super Profit Method – Annuity Method – Capitalization Method.

**Unit-II : Valuation of Shares :**

Need and Importance of Valuation of Shares – Methods of Valuation of Shares – Net Assets Method – Yield basis Method – Fair Value Method.

**Unit-III : Bonus Shares :**

Provisions of Companies Act regarding issue of Bonus Shares –Journal Entries for Issue of Bonus Shares – preparation of Balances Sheet after issue of Bonus Shares – Simple problems.

**Unit-IV : Insurance Claims :**

Concept of insurance –Advantages of Insurance – Problems in Fire Insurance Claims – Loss of Stock only(Simple Problems).

**Unit-V : Internal Reconstruction :**

Alteration of Shares capital – Capital reduction – procedure for capital reduction – Accounting entries for Internal reconstruction – preparation of Balance sheet after internal reconstruction – Simple problems

**Reference Books :**

1. Corporate Accounting – Haneef & Mukherji,
2. Corporate Accounting – RL Gupta & Radha swami
3. Corporate Accounting – P.C. Tulsian
4. Advanced Accountancy: Jain and Narang
5. Advanced Accountancy : R.L. Gupta and M.Radhaswamy, S Chand.
6. Advanced Accountancy : Chakraborty
7. Modern Accounting: A. Mukherjee, M. Hanife Volume-II McGraw Hill
8. Accounting standards and Corporate Accounting Practices: T.P. Ghosh Taxman
9. Corporate Accounting: S.N. Maheswari, S.R. Maheswari, Vikas Publishing House.
10. Advanced Accountancy: Arutanandam, Raman, Himalaya Publishing House.
11. Advanced Accounts: M.C. Shukla, T.S. Grewal, S.C. Gupta, S. Chand & Company Ltd.,
12. Management Accounting: Shashi K. Gupta, R.K. Sharma, Kalyani Publishers.

**Instruction to Paper Setter:**

**Two questions must be given from each unit in Section-A and Section-B**

**VIKRAMA SIMHAPURI UNIVERSITY :: NELLORE.**  
**CBCS – B.Sc (MACS) – III : YEAR – SEMESTER – V (w.e.f. 2017-18)**  
**SEMESTER-V (MODEL QUESTION PAPER)**  
**CORPORATE ACCOUNTING –I**

No. of Hours per week: 5  
Credits: 4

Max. Marks: 100  
External: 75  
Internal: 25

Time: 3 Hours

Max. Marks : 75

**SECTION - A**

Answer any **FIVE** questions. Each question carries 3 Marks.

5 X 3 = 15M

1. What are the factors influencing the Goodwill?
2. Compute the Normal Profit :  
Capital Invested 60,000/-  
Market rate of interest on investment 12%  
Rate of risk return on capital investment 4%
3. Value of Share by Net Assets Method.
4. Average annual profit after depreciation and taxes Rs. 75,000/- paid up capital 1,50,000. Normal rate of return 10%. Find the expected rate of return.
5. Brief Explain the necessity of issue of Bonus shares.
6. Give Journal entries to the following Aspects.  
A limited company has 6,000 equity shares of Rs. 10 each, Rs. 6 per share paid up. Its reserves consisted of the following  

|                                  | <u>Rs.</u> |
|----------------------------------|------------|
| (i) Share Premium                | 24,000     |
| (ii) Profit & Loss Account (Cr.) | 30,000     |
| (iii) General Reserve            | 60,000     |

It was decided to make the partly paid shares as fully paid and also to issue fully paid bonus shares to the existing shareholders at the rate of 2 shares for 3 already held. For this purpose share premium and general reserve are to be utilized.
7. Explain the fire insurance claims.
8. Find claim to be lodged with insurance company by average clause.  
Insurance policy value Rs. 13,000/-  
Stock on the date of fire at close Rs. 14,000/-  
Value of stock destroyed by fire Rs. 7,000/-
9. Explain the internal reconstruction.
10. Write the Journal Entry :
  1. The Equity share of Rs. 10 to be reduced to Rs. 1.
  2. The preference share of Rs. 10 to be reduced by Rs. 3.

**SECTION - B**

Answer any **FIVE** questions carries equal marks :-

**5 X 12=60 M**

**11.** From the following information calculate the value of Goodwill of the business.

Average capital employed in the business Rs. 40,000.

Net trading profit of the firm for the past 4 years.

2006 : Rs. 12,200 : 2007 Rs. 11,000; Rs. 2,000 and 2009 : Rs. 21,000

Rate of Interest expected from capital Rs. = 10%.

Fair remuneration to the services of Samson Rs. 3,600.

3 Years purchase of additional / Super Profits on the basis of average profit of previous Four year be treated as Goodwill.

**12.** From the following Balance Sheet of ABC Co. Ltd., as at 31<sup>st</sup> December – 2009 find out the value of Goodwill.

| <i>Liabilities</i>                  | <i>Rs.</i> | <i>Assets</i>   | <i>Rs.</i> |
|-------------------------------------|------------|---|------------|
| Share Capital                       |            | Good will   | 25,000     |
| 8% preference shares of Rs.100 each | 2,00,000   | Land & Buildings  | 1,00,000   |
| 2,500 equity shares of Rs. 100 each | 2,50,000   | Plant and Machinery                                       | 2,50,000   |
| General Reserve                     | 20,000     | Stock   | 1,80,000   |
| Profit & Loss Account               | 25,000     | Sundry Debtors  | 50,000     |
| 9% Debentures                       | 1,00,000   | Investments 5% Govt. Securities<br>(face value Rs.25,000) | 30,000     |
| Sundry Creditors                    | 30,000     | Cash at Bank  | 10,000     |
| Provision for taxation              | 35,000     | Preliminary Expenses                                      | 15,000     |
|                                     | 6,60,000   |   | 6,60,000   |

Goodwill should be valued at 5 years purchase of super profits. The average profits of the company for the last three years charging income tax is Rs. 75,000. Fair return on capital employed is 10%. Assets to be revalued. Land and Buildings Rs. 1,50,000 and plant and machinery Rs. 2,00,000.

**13.** The Balance Sheet of Roopa Ltd., as on 31-3-2004 was as under

| <i>Liabilities</i>                  | <i>Rs.</i> | <i>Assets</i>                                   | <i>Rs.</i> |
|-------------------------------------|------------|---|------------|
| 4,000 Equity shares of Rs. 100 each | 4,00,000   | land and Buildings                              | 2,50,000   |
| General Reserve                     | 50,000     | Machinery                                       | 1,20,000   |
| Profit and Loss Account             | 50,000     | Investment at cost<br>(Market value Rs. 60,000) | 70,000     |
| Creditors                           | 90,000     | Debtors   | 1,00,000   |
| Provision for taxation              | 40,000     | Stock   | 80,000     |
|                                     |            | Cash at Bank                                    | 10,000     |
|                                     | 6,30,000   |   | 6,30,000   |

**Additional Information :**

(a) Land and Buildings and machinery are valued at Rs. 2,40,000 and Rs. 95,000.

(b) Of the total debtors Rs. 5,000 are bad.

(c) Goodwill is to be taken Rs. 50,000

(d) The normal rate of dividend declared by such type of companies is 15% on paid up capital.

(e) The average rate of dividend declared and paid by this company is 20% on its paid up capital.

Calculate fair value of equity shares.

14. The following is the Balance sheet of Raju Co. Ltd., as on 31-12-2007.

| <i>Liabilities</i>                             | <i>Rs.</i> | <i>Assets</i>        | <i>Rs.</i> |
|--|------------|----------------------|------------|
| 5,000 Equity Shares of Rs. 100 each fully paid | 5,00,000   | Goodwill             | 60,000     |
| 1,000 8% preference shares of Rs. 100 each     | 1,00,000   | Land and Buildings   | 2,00,000   |
| General Reserve                                | 40,000     | Machinery            | 1,50,000   |
| Profit and Loss Account                        | 20,000     | Furniture            | 30,000     |
| Bank Loan                                      | 40,000     | Stock                | 1,20,000   |
| Sundry Creditors                               | 20,000     | Sundry Debtors       | 90,000     |
|  |            | Cash at Bank         | 60,000     |
|  |            | Preliminary expenses | 10,000     |
|  | 7,20,000   |                      | 7,20,000   |

*The value of Assets is assessed as followings :*

Goodwill Rs. 70,000, Machinery Rs. 1,76,000. Land and Buildings Rs. 2,25,000, Stock Rs. 1,30,000 Furniture to be depreciated at 10% and debtors are expected to realize 80% of book value. Find out the value of each Equity Shares.

15. The Balance Sheet of A Ltd., as on 31-12-2000 is given below.

| <i>Liabilities</i>                    | <i>Rs.</i> | <i>Assets</i>  | <i>Rs.</i> |
|---------------------------------------|------------|----------------|------------|
| 1,00,000 Equity Shares of Rs. 10 each | 10,00,000  | Fixed Assets   | 15,00,000  |
| 1,00,000 Equity Shares of Rs. 10 each |            | Current Assets | 5,00,000   |
| Rs. 7.50 per share paid up            | 7,50,000   |                |            |
| General Reserve                       | 4,00,000   |                |            |
| Share Premium                         | 2,00,000   |                |            |
| Profit and Loss Account               | 2,50,000   |                |            |
| Creditors                             | 4,00,000   |                |            |
|                                       | 20,00,000  |                | 20,00,000  |

The Company decided to make partly paid shares fully paid out of P & L Account. It was also decided to issue one fully paid bonus share for every two shares held and for this purpose the share premium was to be fully used first and later general reserve. Give Journal entries for the above.

16. S.V. Ltd., has the following items in the Balance Sheet.

- 1,00,000 Equity shares of Rs. 50 Each Rs. 40 Paid up.
- General Reserve Rs. 11,00,000
- Share Premium : Rs. 5,00,000
- Capital Reserve Rs. 7,00,000

The Company Decided

- To Capitalize its general reserve.
- To Convert the existing shares into fully paid up.
- To issue 20,000 bonus share of Rs. 50 each at a premium of Rs. 10 per share out of Share Premium and Capital Reserve.

The Pass Journal Entries.

17. On 15<sup>th</sup> February 2004 a fire occurred in the premises of a company. From the following particulars ascertain the amount of claim to be lodged in case of loss of stock which was insured :

|   | <u>Rs.</u> |
|---|------------|
| Stock on 1 <sup>st</sup> January 2004                           | 1,00,000   |
| Purchases from 1 <sup>st</sup> January 2004 to the date of fire | 1,50,000   |
| Wages   | 50,000     |
| Manufacturing of Expenses                                       | 30,000     |
| Sales from 1 <sup>st</sup> January 2004 to the date of fire     | 2,40,000   |
| The gross profit ratio is 25%                                   |            |
| The stock salvaged was valued at                                | 19,500     |

18. A Fire occurred in the business premises of M/s. Hima Traders on 15<sup>th</sup> October 2008. From the following particulars ascertain the loss of stock and prepare a claim for insurance.

|                                       | <u>Rs.</u> |
|---------------------------------------|------------|
| Stock on 1-1-2007                     | 30,600     |
| Stock on 31-12-2007                   | 27,000     |
| Purchases from 1-1-2007 to 31-12-2007 | 1,22,000   |
| Sales from 1-1-2007 to 31-12-2007     | 1,80,000   |
| Purchases from 1-1-2008 to 14-10-2008 | 1,47,000   |
| Sales from 1-1-2008 to 14-10-2008     | 1,50,000   |

The Stocks were always valued at 90% of the cost. The stock saved from fire following particulars ascertain the loss of stock and prepare a claim for insurance.

19. The Balance Sheet SRISAI Limited on 31<sup>st</sup> December – 2006 was as given below :

| <i>Liabilities</i>                  | <i>Rs.</i>       | <i>Assets</i>           | <i>Rs.</i>       |
|-------------------------------------|------------------|-------------------------|------------------|
| <i>Share Capital</i>                | -                | Goodwill                | 30,000           |
| 4,000 Pref. Shares of Rs. 100 each  | 4,00,000         | Freehold premises       | 4,00,000         |
| 8,000 Equity Shares of Rs. 100 each | 8,00,000         | Plant & Machinery       | 6,00,000         |
| 5% debentures                       | 2,00,000         | Stock                   | 80,000           |
| Bank overdraft                      | 1,00,000         | Debtors                 | 1,00,000         |
| Creditors                           | 2,00,000         | Profit and Loss Account | 4,90,000         |
|                                     | <b>17,00,000</b> |                         | <b>17,00,000</b> |

The Company adopted the following scheme of capital reduction, which was duly approved by the court.

- The preference shares be reduced to Rs. 75 per share and equity shares to Rs. 37.50
- The debenture holders had taken over stock and debtors in full satisfaction of their claim.
- The goodwill account is to be written off.
- The freehold properties to be depreciated by 50% and
- The value of Plant and Machinery to be increased by Rs. 50,000. Give Journal Entries to implement the above scheme and prepare. Revised Balance Sheet of the company.

20. The following is the Balance Sheet of weak Ltd as on 31-12-2007 :

| <i>Liabilities</i>   | <i>Rs.</i>       | <i>Assets</i>            | <i>Rs.</i>       |
|--|------------------|--------------------------|------------------|
| <b>Capital :</b>   | -                | <b>Goodwill</b>          | <b>2,00,000</b>  |
| 1,00,000 Equity Shares of Rs. 10 each fully paid             | 10,00,000        | <b>Machinery</b>         | <b>10,00,000</b> |
| 10% Cumulative preference shares of Rs. 100 Each, Fully paid | 2,00,000         | <b>Stock</b>             | <b>2,50,000</b>  |
| <b>Sundry Liabilities</b>                                    | <b>10,00,000</b> | <b>Debtors</b>           | <b>2,00,000</b>  |
|  |                  | <b>Bank</b>              | <b>50,000</b>    |
|  |                  | <b>P &amp; L Account</b> | <b>5,00,000</b>  |
|  | <b>22,00,000</b> |                          | <b>22,00,000</b> |

Preference share dividend is in arrears for last four year and the following scheme of reconstruction is passed by the shareholders and approved by the court.

- The equity shares of Rs. 10 each are to be reduced to an equal number of equity shares Re 1 each.
- 50% of the preference share dividend in arrears is to be paid in cash immediately and the preference shareholders have agreed to forego the balance.
- Machinery and stock to be depreciated by 5% and a provision for doubtful debts is to be created at 10% on debtors.
- All intangible and fictitious assets are to be written off.

**Instruction to Paper Setter:**

**Two questions must be given from each unit in Section-A and Section-B**

**VIKRAMA SIMHAPURI UNIVERSITY :: NELLORE**  
**CBCS – B.Sc (MACS) – III - YEAR – SEMESTER – V (w.e.f. 2017-18)**  
**SEMESTER-V**  
**PRINCIPLES OF COST ACCOUNTING**

**Unit-I: Introduction:** Classification of Cost – Meaning of Cost, Costing, Cost Accounting and Cost Accountancy - Distinguish between Financial Accounting and Cost Accounting - Preparation of Cost Sheet (including problems).

**Unit-II: Quotation or Tender:** Preparation of Cost Sheet and Tender/ Quotation (including problems)

**Unit-III: Elements of Cost: Materials:** Economic Order Quantity (EOQ) - Stock levels – Reorder Level, Minimum Level, Maximum Level, Average Stock Level - Methods of pricing issues – FIFO, LIFO, Weighted average, Simple average only (including problems)

**Unit-IV: Labour :** Labour: Control of labor costs – time keeping and time booking – Idle time – Methods of remuneration – labour incentives schemes – Time Rate Method, Piece Rate Method, Halsey Method, Rowan Method – Straight Piece Rate Method and Taylor Piece Rate Methods only (including problems).

**Unit-V: Over heads:** Overheads: Allocation and apportionment of overheads – Production Centres and Service Centres - Primary distribution and Secondary distribution (repeated distribution method only) Excluding Simultaneous Equation Method.

**References :**

1. T.S. Reddy and Y. Hariprasad Reddy- Cost Accounting, Margham Publications, Chennai
2. S.P. Jain and K.L. Narang – Advanced Cost Accounting, Kalyani Publishers, Ludhiana.
3. M.N. Aurora – A test book of Cost Accounting, Vikas Publishing House Pvt. Ltd.
4. S.P. Iyengar – Cost Accounting, Sultan Chand & Sons.
5. Nigam & Sharma – Cost Accounting Principles and Applications, S.Chand & Sons.
6. S.N .Maheswari – Principles of Management Accounting.
7. I.M .Pandey – Management Accounting, Vikas Publishing House Pvt. Ltd.
8. Sharma & Shashi Gupta – Management Accounting, Kalyani Publishers. Ludhiana.

**Instruction to Paper Setter:**

**Two questions must be given from each unit in Section-A and Section-B**

**VIKRAMA SIMHAPURI UNIVERSITY :: NELLORE**  
**CBCS – B.Sc (MACS) – III : YEAR – SEMESTER – V (w.e.f. 2017-18)**  
**SEMESTER-V (MODEL QUESTION PAPER)**  
**PRINCIPLES OF COST ACCOUNTING**

No. of Hours per week: 5  
Credits : 4

Max. Marks: 100  
External: 75  
Internal: 25

Time: 3 Hours

Max. Marks : 75

**SECTION - A**

Answer any **FIVE** questions. Each question carries 3 Marks.

5 X 3 = 15M

1. Write five advantages of cost accounting?
2. From the following particulars find the amount of Material consumed

|                                 | <u>Rs.</u> |
|---------------------------------|------------|
| Stock of Materials on 1-4-2015  | 5,000      |
| Stock of Material on 30-09-2015 | 3,000      |
| Purchase of Raw materials       | 84,000     |
| Freight on Material Purchased   | 6,000      |

3. Difference between Direct & Indirect Cost.
4. Find the price to be quoted for the following Job:  
Direct labour Rs.1200; Changeable expenses Rs. 100; Direct materials Rs.1,500; Works overhead is 50% of prime cost and office overhead is 10% of works cost. 25% profit on selling price is expected.
5. Write a short notes on (a) FIFO (b) LIFO
6. From the following particulars find out EOQ?
  - (i) Annual usage – 6000 units.
  - (ii) Cost of Material per unit Rs. 20
  - (iii) Cost of Placing and received one order Rs. 60
  - (iv) Annual carrying cost of one unit : 10% of Inventory value.
7. Discuss about various wage incentive plans.
8. From the following particulars calculate the Earnings of the worker under Halsey method.  
Time Taken 20 hrs.  
Time Allowed 30 hrs.  
Hourly rate Rs. 5
9. Write the basis for the distribution the following over heads
  - (a) Rent and Rates
  - (b) Lighting
  - (c) Depreciation on Machinery
  - (d) Power
  - (e) Canteen Expenses
10. Prepare Primary distribution statement for department A and B
  - (a) Insurance Rs. 130/-
  - (b) Leave Salary Rs. 520/-
  - (c) Plant Repairs Rs. 450/-

The following information also available in respect of departments.

| <b>Basis</b>        | <b>A</b>     | <b>B</b>   |            |  |
|---------------------|--------------|------------|------------|--|
| Number of Employees | 18           | 42         |            |  |
| Value of Plant      | Rs. 10,000   | Rs. 2,500  |            |  |
|                     | Direct wages | Rs. 10,000 | Rs. 15,000 |  |

**SECTION - B**

Answer any **FIVE** questions carries equal marks :- **5 X 12=60 M**

**11.** Following extract of costing information relates to commodity 'A' for the half year ending 31st December 2009.

|                                      | Rs.      |                                | Rs.      |
|--------------------------------------|----------|--------------------------------|----------|
| Purchases of Raw Materials           | 1,20,000 | Stock (31st Dec. 2009):        |          |
| Works Overheads                      | 48,000   | Raw Materials                  | 22,240   |
| Direct Wages                         | 1,00,000 | Finished Products (2,000 tons) | 32,000   |
| Carriage on Purchases                | 1,440    | Work-in-Progress               | 4,800    |
| Stock (1 <sup>st</sup> July, 2009) : |          | (1 <sup>st</sup> July, 2009)   |          |
| Raw Materials                        | 20,000   | Work-in-Progress               | 16,000   |
| Finished products                    | 16,000   | (31st Dec., 2009)              |          |
| (1,000 tons)                         |          | Sales-Finished Products        | 3,00,000 |

Selling and distribution overheads are Re. 1 per ton sold. 16,000 tons of commodity were produced during the period.

You are to ascertain (i) Cost of materials used, (ii) Cost of output for the period (iii) Cost of Sales (iv) Net Profit for the period, and (v) Net Profit per ton of the commodity.

**12.** Prepare a statement of cost from the following data to show material consumed, Prime cost, factory cost, cost of goods sold and profit.

|                                       | <u>1-1-2009</u> |  | <u>31-12-2009</u> |
|---------------------------------------|-----------------|--|-------------------|
|                                       | <u>Rs.</u>      |  | <u>Rs.</u>        |
| Raw material                          | 60,000          |  | 50,000            |
| Work-in-progress                      | 24,000          |  | 30,000            |
| Finished goods                        | 1,20,000        |  | 1,10,000          |
| Purchase of materials during the year |                 |  | 9,00,000          |
| Wages paid                            |                 |  | 5,00,000          |
| Factory overheads                     |                 |  | 2,00,000          |
| Administration overheads              |                 |  | 50,000            |
| Selling and distribution overheads    |                 |  | 30,000            |
| Sales                                 |                 |  | 20,00,000         |

**13.** From the following data prepare a cost and profit statement of Popular stoves manufacturing Co. for the year 2009 :

|                                  | Rs.    |                                       | Rs.      |
|----------------------------------|--------|---------------------------------------|----------|
| Stock of Materials on 1-1-2009   | 35,000 | Establishment expenses                | 10,000   |
| Stock of Materials on 31-12-2009 | 4,900  | Completed stock in hand on 1-1-2009   | NIL      |
| Purchase of Materials            | 52,500 | Completed stock in hand on 31-12-2009 | 35,000   |
| Direct wages                     | 95,000 | Sales                                 | 1,89,000 |
| Factory Expenses                 | 17,500 |                                       |          |

The number of stoves manufactured during year 2009 was 4,000.

The company wants to quote for a contract for the supply of 1,000 Electric stoves during the year 2010. The stoves to be quoted are of uniform quality and make and similar to those manufactured in the previous year : but cost of materials has increased by 15% and cost of factory labour by 10%.

Prepare a statement showing the price to be quoted to give the same percentage of net profit on turnover as was realized during the year 2009, assuming that the cost per unit of overheads will be the same as in the previous years.

**14.** In respect of a factory the following figures have been obtained for the year 2008 :

Cost of materials Rs. 6,00,000 : Direct wages Rs. 5,00,000 : Factory overheads Rs. 3,00,000 : Administrative overheads Rs. 3,36,000 : Selling overheads Rs. 2,24,000 : Distribution overheads Rs. 1,40,000 and Profit Rs. 4,20,000.

A Work order has been executed in 2009 and the following expenses have been incurred Materials Rs. 8,000 and wages Rs. 5,000.

Assuming that in 2009 the rate of factory overheads has increased by 20%, distribution overheads have gone down by 10% and selling and administration overheads have each gone up by

12 ½%, at what price should the product be sold so as to earn the same rate of profit on the selling price as in 2008?

Factory over head is based on direct wages while all other overheads are based on factory cost.

**15.** Calculate the minimum stock level, maximum stock level, re-ordering level and average stock level from the following information :

- (i) Minimum consumption = 100 units per day
- (ii) Maximum consumption = 150 units per day
- (iii) Normal consumption = 120 units per day
- (iv) Re-order period = 10-15 days
- (v) Re-order quantity = 1,500 units
- (vi) Normal re-order period = 12 days.

**16.** The “Received” side of the Stores Ledger Account shows the following particulars :

|        |                        |                      |
|--------|------------------------|----------------------|
| Jan-1  | Opening Balance :      | 500 units @ Rs. 4    |
| Jan-5  | Received from vendor : | 200 units @ Rs. 4.25 |
| Jan-12 | Received from vendor : | 150 units @ Rs. 4.10 |
| Jan-20 | Received from vendor : | 300 units @ Rs. 4.50 |
| Jan-25 | Received from vendor : | 400 units @ Rs. 4    |

Issues of material were as follows : Jan.4-200 units ; Jan.10-400 units ; Jan.15-100 units ; Jan.19-100 units ; Jan.26-200 units ; Jan.30-250 units.

Issues are to be price on the Principle of ‘First in First out. Write out the Stores Ledger Account in respect of the materials for the month of January.

**17.** From the following particulars calculate the earnings of a worker under :

- (a) Rowan premium bonus systems and
  - (b) Halsey premium bonus system
- Hourly rate of wages Rs. 0.75  
Standard time for producing 1 dozen articles is 3 hours  
Actual time taken by the worker to produce 20 dozen articles is 48 hours.

**18.** From the following particulars calculate labour cost per man day of 8 hours

- (a) Basic wage : Rs. 4 per day
- (b) DA : 0.50 paise for every point over 100 cost of living index current cost of living index is 700 points
- (c) Leave Salary : 100% of (a) and (b)
- (d) Employer’s contribution to P.F. : 8% of (a), (b) and (c) items
- (e) Employer’s contribution to ESI : 12.5% of (a), (b) and (c) items
- (f) Expenditure on amenities to labour : Rs. 40 per head per month
- (g) Number of working days in a month : 25 days of 8 hours each

19. The “Modern Company” is divided into four departments : A, B C are producing departments and D is a service department. The actual costs for a period are as follows :

|                                    |            |                                    |            |
|------------------------------------|------------|------------------------------------|------------|
|                                    | <b>Rs.</b> |                                    | <b>Rs.</b> |
| Rent                               | 1,000      | Supervision                        | 1,500      |
| Repairs to plant                   | 600        | Fire insurance in respect of stock | 500        |
| Depreciation of Plant              | 450        | Power                              | 900        |
| Employer’s liability for insurance | 150        | Light                              | 120        |

Following information is available in respect of the four departments :

|                      |               |               |               |               |
|----------------------|---------------|---------------|---------------|---------------|
|                      | <b>Dept-A</b> | <b>Dept-B</b> | <b>Dept-C</b> | <b>Dept-D</b> |
| Area (Sq. Metres)    | 1,500         | 1,100         | 900           | 500           |
| Number of Employees  | 20            | 15            | 10            | 5             |
| Total Wages (Rs.)    | 6,000         | 4,000         | 3,000         | 2,000         |
| Value of Plant (Rs.) | 24,000        | 18,000        | 12,000        | 6,000         |
| Value of stock       | 15,000        | 9,000         | 6,000         | ----          |
| H.P. of Plant        | 24            | 18            | 12            | 6             |

Apportion the costs to the various departments on the most equitable basis.

20. A Company has three departments A,B,C and also two service departments D and E. The expenses incurred by them during the month are A : Rs. 80,000, B : 70,000, C : Rs. 50,000, D : Rs. 23,400, E : Rs. 30,000.

The expenses of service departments are apportioned to the production departments on the following basis.

|               |                 |                 |                 |                 |                 |
|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|               | <u><b>A</b></u> | <u><b>B</b></u> | <u><b>C</b></u> | <u><b>D</b></u> | <u><b>E</b></u> |
| Expenses of D | 20%             | 40%             | 30%             | -               | 10%             |
| Expenses of E | 40%             | 20%             | 20%             | 20%             | -               |

Prepare a statement showing the distribution of the two service department expenses to the three departments under the ‘Repeated Distribution Method’.

**Instruction to Paper Setter:**

**Two questions must be given from each unit in Section-A and Section-B**

**VIKRAMA SIMHAPURI UNIVERSITY :: NELLORE**  
**III – B.Sc – (MACS)**  
**SEMESTER-VI**  
**STATISTICAL METHODS AND THEIR APPLICATIONS**

**Unit-I :**

Introduction measures of central tendency, computation of Arithmetic mean, Median and Mode only for ungrouped data and grouped data. (Numerical Applications Only)

**Unit-II :**

Measures of Dispersion, Computation of Range – Coefficient of Range – Quartile Deviation – Coefficient of Quartile Deviation – Mean Deviation – Coefficient of Mean Deviation. (Numerical Applications Only)

**Unit-III :**

Measures of Dispersion, Variance standard Deviation – Coefficient of Variation for grouped and ungrouped data. (Numerical Applications Only)

**Unit-IV :**

Concept of Skewness, Karl-Pearson's coefficient of skewness, Bowley's coefficient of skewness. (Numerical Applications Only)

**Unit-V :**

Meaning of Correlation, Types of correlation Karl-Pearson's coefficient of correlation (for individual series only) Spearman's Rank correlation.

**NOTE :** 1. Concentration on numerical problems Only.

2. Proofs of theorems and Derivations of expressions are omitted.

**Text Books :**

1. Statistical Methods – Dr. S.P. Gupta – Chand & Sons.
2. Quantitative Techniques by C. Sathyadevi – S. Chand.

**Reference Books :**

1. Statistical Methods – Snedecor G.W. & Cochran W.G. Oxford & + DII.
2. Elements of Statistics – Mode. E.B. - Prentice Hall.

**Instruction to Paper Setter:**

**Two questions must be given from each unit in Section-A and Section-B**

# VIKRAMA SIMHAPURI UNIVERSITY :: NELLORE

CBCS – B.Sc (MACS) – III YEAR – SEMESTER–VI (w.e.f. 2017-'18)

**SEMESTER-VI (MODEL QUESTION PAPER)**

**STATISTICAL METHODS AND THEIR APPLICATIONS**

**No. of Hours per week: 5**

**Credits: 4**

**Max. Marks: 100**

**External: 75**

**Internal: 25**

*Time: 3 Hours*

*Max. Marks : 75*

## SECTION - A

*Answer any FIVE questions. Each question carries 3 Marks.*

*5 X 3 = 15M*

1. From the following data the monthly income of ten employees in an office. Calculate the Arithmetic mean  
**Income (Rs) : 4780, 5760, 6690, 7750, 4840, 4920, 6100, 7210, 7050, 6950.**
2. In Asymmetrical Distribution, mode=32.1, Mean=35.4, find out the value of Median.
3. Find Median, and Mode to the following data :  
4, 5, 6, 4, 5, 4, 10
4. Find the range to the following data 200, 210, 208, 160, 220, 250.
5. Compute Quartile Deviation From the following data  

|                        |           |           |           |           |           |           |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Marks</b>           | <b>10</b> | <b>20</b> | <b>30</b> | <b>40</b> | <b>50</b> | <b>60</b> |
| <b>No. of Students</b> | <b>4</b>  | <b>7</b>  | <b>15</b> | <b>8</b>  | <b>7</b>  | <b>2</b>  |
6. If mean of a distribution is 160, Mode 157 Standard deviation is 50. Find co-efficient of Variation.
7. Find Karl-Pearsons Coefficient of Skewness to the following data mean=150, mode=185, standard deviation( $\sigma$ ) = 55
8. Find Bowleys Coefficient of Skewness for  $Q_1=16.4, Q_2=24.2, Q_3=26.4$ .
9. Find Correlation Coefficient to the Following data  $\Sigma x^2 = 222, \Sigma y^2 = 364, \Sigma xy = 261$
10. Find Coefficient of variation for  $\Sigma x = 100, n=10, \sigma = 5$

**SECTION - B**

Answer any **FIVE** questions carries equal marks :-

**5 X 12=60 M**

11. Calculate Arithmetic Mean for the following data

|          |          |          |           |           |           |           |          |
|----------|----------|----------|-----------|-----------|-----------|-----------|----------|
| <b>X</b> | <b>1</b> | <b>2</b> | <b>3</b>  | <b>4</b>  | <b>5</b>  | <b>6</b>  | <b>7</b> |
| <b>F</b> | <b>5</b> | <b>9</b> | <b>12</b> | <b>17</b> | <b>14</b> | <b>10</b> | <b>6</b> |

12. Find Mode to the following data :

|                       |             |              |              |              |              |
|-----------------------|-------------|--------------|--------------|--------------|--------------|
| <b>Marks</b>          | <b>0-10</b> | <b>10-20</b> | <b>20-30</b> | <b>30-40</b> | <b>40-50</b> |
| <b>No of students</b> | <b>3</b>    | <b>15</b>    | <b>7</b>     | <b>10</b>    | <b>12</b>    |

13. Calculate Mean Deviation for the following data :

|          |          |           |           |           |           |           |
|----------|----------|-----------|-----------|-----------|-----------|-----------|
| <b>X</b> | <b>5</b> | <b>10</b> | <b>15</b> | <b>20</b> | <b>25</b> | <b>30</b> |
| <b>F</b> | <b>3</b> | <b>4</b>  | <b>8</b>  | <b>12</b> | <b>7</b>  | <b>2</b>  |

14. Compute Coefficient of Quartile Deviation to the following data

|                       |             |              |              |              |              |              |              |              |              |               |
|-----------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| <b>Marks</b>          | <b>0-10</b> | <b>10-20</b> | <b>20-30</b> | <b>30-40</b> | <b>40-50</b> | <b>50-60</b> | <b>60-70</b> | <b>70-80</b> | <b>80-90</b> | <b>90-100</b> |
| <b>No of students</b> | <b>10</b>   | <b>15</b>    | <b>28</b>    | <b>32</b>    | <b>40</b>    | <b>35</b>    | <b>26</b>    | <b>14</b>    | <b>10</b>    | <b>5</b>      |

15. The following are the runs scored by two batsmen A and B in 10 Innings. Find out who is better run getter and who is more consistent player

|               |           |            |           |           |            |           |           |           |            |           |
|---------------|-----------|------------|-----------|-----------|------------|-----------|-----------|-----------|------------|-----------|
| <b>A runs</b> | <b>90</b> | <b>110</b> | <b>5</b>  | <b>10</b> | <b>125</b> | <b>15</b> | <b>35</b> | <b>16</b> | <b>134</b> | <b>10</b> |
| <b>B runs</b> | <b>65</b> | <b>68</b>  | <b>52</b> | <b>47</b> | <b>63</b>  | <b>25</b> | <b>25</b> | <b>60</b> | <b>55</b>  | <b>60</b> |

16. Compute Variance and Standard Deviation for the following data :

|            |                |                |                |                |                |                |                |
|------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>C.I</b> | <b>100-110</b> | <b>110-120</b> | <b>120-130</b> | <b>130-140</b> | <b>140-150</b> | <b>150-160</b> | <b>160-170</b> |
| <b>F</b>   | <b>4</b>       | <b>14</b>      | <b>22</b>      | <b>30</b>      | <b>20</b>      | <b>8</b>       | <b>2</b>       |

17. Compute Karl-Pear sons Coefficient of Skewness to the following data :

|                      |           |           |           |           |           |
|----------------------|-----------|-----------|-----------|-----------|-----------|
| <b>Distance (km)</b> | <b>10</b> | <b>20</b> | <b>30</b> | <b>40</b> | <b>50</b> |
| <b>No.of Buses</b>   | <b>16</b> | <b>20</b> | <b>29</b> | <b>49</b> | <b>61</b> |

18. Compute Bowley's coefficient of skewness to the following data :

|                  |            |             |              |              |              |              |
|------------------|------------|-------------|--------------|--------------|--------------|--------------|
| <b>Class</b>     | <b>0-5</b> | <b>5-10</b> | <b>10-15</b> | <b>15-20</b> | <b>20-25</b> | <b>25-30</b> |
| <b>Frequency</b> | <b>5</b>   | <b>10</b>   | <b>22</b>    | <b>28</b>    | <b>16</b>    | <b>9</b>     |

19. Calculate coefficient of correlation of the following data :

|          |           |           |           |           |           |           |           |           |           |
|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>X</b> | <b>10</b> | <b>12</b> | <b>13</b> | <b>16</b> | <b>17</b> | <b>20</b> | <b>25</b> | <b>30</b> | <b>34</b> |
| <b>Y</b> | <b>20</b> | <b>22</b> | <b>26</b> | <b>27</b> | <b>29</b> | <b>33</b> | <b>37</b> | <b>40</b> | <b>42</b> |

20. Calculate Rank Correlation for the data given below :

|          |            |            |            |            |            |            |            |            |            |            |
|----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>X</b> | <b>72</b>  | <b>70</b>  | <b>46</b>  | <b>69</b>  | <b>56</b>  | <b>65</b>  | <b>65</b>  | <b>45</b>  | <b>35</b>  | <b>75</b>  |
| <b>Y</b> | <b>111</b> | <b>110</b> | <b>105</b> | <b>112</b> | <b>115</b> | <b>115</b> | <b>101</b> | <b>118</b> | <b>107</b> | <b>120</b> |

**Instruction to Paper Setter:**

**Two questions must be given from each unit in Section-A and Section-B**

# VIKRAMA SIMHAPURI UNIVERSITY :: NELLORE

## III – B.Sc – (MACS)

### SEMESTER-VI

### TAXATION

#### **Unit-I : Introduction :**

Indian Taxation system-Overview of Direct Taxes-Income Tax – Basic concepts: Income – Person – Assessee - Assessment year - Previous year – Income - Casual Income - PAN - Gross total income - Agricultural income and its assessment - Capital and Revenue - Incomes exempt from tax.(Theory Only)

**Unit –II : Residential status and incidence of tax :** Residential status of an individual – Ordinary Resident – Not Ordinarily Resident – Non Resident – Incidence of tax of an individual (Simple problems).

#### **Unit-III : Income from Salary :**

Salary – meaning – allowances – perquisites - profits in lieu of salary and their treatment - deductions from salary income - computation of salary income.(Simple Problems)

#### **Unit-IV : Income from House Property :**

Meaning - Annual value - let-out house - Self-occupied house - deemed to be let-out house - deductions from annual value - unrealized rent - computation of income from house property (Simple problems).

#### **Unit-V : Income from Business and profession :**

**Depreciation:** Meaning basis - rates- block of assets - unabsorbed depreciation.

**Income from business and profession :** Chargeability - deductions expressly allowed and disallowed - General deductions - computation of profits and gains from business and profession (Simple Problems).

#### **References :**

1. Gaur & Narang : Income Tax, Kalyani Publishers.
2. Vinod K. Singhania : Direct Taxes - Law and Practice, Taxman Publication.
3. B.B. Lal : Direct Taxes, Konark Publisher (P) Ltd.
4. Bhagwati Prasad : Direct Taxes – Law and Practice, WishwaPrakashan.
5. Dr. Mehrotra and Goyal : Direct Taxes – Law and Practice, Sahitya Bhavan Publication.
6. DinakarPagare : Law and Practice of Income Tax, Sultan Chand and sons.

#### **Instruction to Paper Setter:**

**Two questions must be given from each unit in Section-A and Section-B**

**VIKRAMA SIMHAPURI UNIVERSITY :: NELLORE**  
**III – B.Sc – (MACS)**  
**SEMESTER-VI**  
**FINANCIAL MANAGEMENT**

Unit-I: Financial management: meaning, nature and scope of finance; financial goals: profit maximization, wealth maximization; finance functions,- investment, financing and dividend decisions.

Unit-II: Capital budgeting: nature of investment decisions; investment evaluation criteria- net present value, internal rate of return, profitability index, payback period, accounting rate of return , NPV and IRR comparison; capital rationing; risk analysis in capital budgeting.

Unit-III: Working capital: meaning, significance and types of working capital; financing of working capital; sources of working capital; management of inventory; management of cash; management of account receivables; optimum credit policy; credit collection; factoring service; various committee reports on bank finance; dimensions of working capital management.

Unit-IV: Capital structure theories: traditional and MM hypotheses; determining capital structure in practice; Capital structure planning. Cost of capital: meaning and significance of cost of capital; calculation of cost of debt, preference capital, equity capital and retained earnings; Operating and financial leverages; measurement of leverages; effects of operating and financial leverages on profit.

Unit-V: Dividend decisions—Types of dividend- dividend models - Determinants of dividend policy - Practical aspects of dividend.

**References:**

1. Bhattacharya, Hrishikesh: Working Capital Management: Strategies & Techniques; PHC, New Delhi.
2. Chandra, Prasanna: Financial Management; Tata McGraw Hill, Delhi.
3. Pandey, I.M.: Financial Management, Prentice Hall of India, New Delhi.
4. Khan M.Y. and Jain P.K.: Financial Management; Tata McGraw Hill, Delhi.
5. Vanhorne, J.C.: Financial Management and Policy; Prentice Hall of India, New Delhi.
6. Ravi M Kishore: Fundamentals of Financial Management, Taxman Publications.

**Instruction to Paper Setter:**

**Two questions must be given from each unit in Section-A and Section-B**

**VIKRAMA SIMHAPURI UNIVERSITY::NELLORE**  
**III-B.Sc (MACS)**  
**SEMESTER-VI**  
**ADVANCED CORPORATE ACCOUNTING**

**Unit-I : Amalgamation of company Accounts :**

Meaning and definitions of Amalgamation – Types of in Amalgamation – Amalgamation in the nature of merger – Amalgamation in the nature of purchase – Calculation of purchase consideration – Lump sum Method – Net Asset Method – Accounting Entries – Preparation of Balance Sheet After Amalgamation – Simple problems

**Unit-II : Bank Accounts part –I :**

Preparation of Profit and Loss Account – Rules of Schedule 13, 14, 15 and – 16 Appropriations – Calculation of Rebate on Bills discounted – Preparation of Discount Received Account – Simple problems

**Unit-III : Bank Accounts Part –II:**

**Preparation of Balance Sheet – Rules of Schedule 1,2,3,4,5,6,7,8,9,10,11 and 12 – Problems on Balance Sheet – Simple problem.**

**Unit-IV: Accounts of Life Insurance companies' part -II**

Preparation of Financial Statement – Preparation of Revenue Account – Provisions regarding Schedule 1,2,3 and 4 – Computation of correct Life Insurance Fund – Simple Problems.

**Unit-V Accounts of Life Insurance Companies – Part –II**

Preparation of Balance – Provisions regarding. 5,6,7,8,9,10,11,12,13 – Preparation valuation Balance Sheet – Problems on Balance Sheet – Simple problems.

**Reference Books :**

1. Corporate Accounting – Haneef & Mukherji,
2. Corporate Accounting – RL Gupta & Radha swami
3. Corporate Accounting – P.C. Tulsian
4. Advanced Accountancy: Jain and Narang
5. Advanced Accountancy : R.L. Gupta and M.Radhaswamy, S Chand.
6. Advanced Accountancy : Chakraborty
7. Modern Accounting: A. Mukherjee, M. Hanife Volume-II McGraw Hill
8. Accounting standards and Corporate Accounting Practices: T.P. Ghosh Taxman
9. Corporate Accounting: S.N. Maheswari, S.R. Maheswari, Vikas Publishing House.
10. Advanced Accountancy: Arutanandam, Raman, Himalaya Publishing House.
11. Advanced Accounts: M.C. Shukla, T.S. Grewal, S.C. Gupta, S. Chand & Company Ltd.,
12. Management Accounting: Shashi K. Gupta, R.K. Sharma, Kalyani Publishers.

**Instruction to Paper Setter:**

**Two questions must be given from each unit in Section-A and Section-B**

# VIKRAMA SIMHAPURI UNIVERSITY :: NELLORE

CBCS – B.Sc (MACS) – III YEAR – SEMESTER–VI (w.e.f. 2017-'18)

**SEMESTER-VI (MODEL QUESTION PAPER)**

## **ADVANCED CORPORATE ACCOUNTING**

No. of Hours per week: 5

Credits: 4

Max. Marks: 100

External: 75

Internal: 25

Time: 3 Hours

Max. Marks : 75

### SECTION - A

Answer any FIVE questions. Each question carries 3 Marks. 5 X 3 = 15M

1. What is Amalgamation.
2. Compute Purchase Consideration :

|                 |          |
|-----------------|----------|
| Land & Building | 75,000   |
| Machinery       | 1,00,000 |
| Sundry Creditor | 20,000   |
| Debtors         | 35,000   |
| Cash at Bank    | 15,000   |
3. What is rebate on Bill discount.
4. Prepare 13th Schedule in Profit & Lose of During Bank Ltd.

|                              |          |
|------------------------------|----------|
| Interest on Loan             | 3,49,000 |
| Interest on C.C.             | 2,24,000 |
| Interest on O/D              | 1,28,000 |
| Discount on Bills Discounted | 1,94,000 |
| Postage & Telegram           | 20,000   |
| Commission Exchange          | 9,100    |
5. Money at call with short Notice.
6. Prepare 9th Schedule of Bank Balance Sheet

|                                |       |
|--------------------------------|-------|
| Loans and over draft           | 7,000 |
| Bills discounted and Purchased | 8,000 |
| Rebate on Bill Discounted      | 75    |
| Cash in hand & Bank            | 1560  |
7. What are the use of life insurance.
8. Compute the Adjusted life Insurance fund :

|                                |           |
|--------------------------------|-----------|
| Life Insurance on 1-1-2011     | 73,17,000 |
| Bonus in Reduction of Premises | 12,000    |
| Income tax                     | 2,000     |
| Out standing premises          | 500       |
| Re-Insurance claims            | 400       |
9. Explain Valuation Balance Sheet.
10. Prepare 12th Schedule of Balance sheet

|                                   |          |
|-----------------------------------|----------|
| Accrued interest                  | 1,50,000 |
| Out standing premises             | 10,000   |
| Bills receivable                  | 5,000    |
| Amount due from insurance company | 10,000   |
| Bills payable                     | 5,000    |

**SECTION - B**

Answer any **FIVE** questions carries equal marks :-

**5 X 12=60 M**

**11.** Two companies A Ltd and B Ltd carrying on similar business enter into a contract to Amalgamate. A new company called AB Ltd is formed to take over the assets and liabilities of the two companies. The following are the Balance Sheets showing the values of assets agreed in the contract and it is provided that fully paid Rs. 50 shares shall be issued by the New company to be the value of the assets to each of the old companies.

| <b><u>BALANCE SHEETS AS AT 31<sup>ST</sup> MARCH 1986</u></b> |                           |                           |                      |                           |                           |
|---|---------------------------|---------------------------|----------------------|---------------------------|---------------------------|
| <b><u>Liabilities</u></b>                                     | <b><u>A Ltd (Rs.)</u></b> | <b><u>B Ltd (Rs.)</u></b> | <b><u>Assets</u></b> | <b><u>A Ltd (Rs.)</u></b> | <b><u>B Ltd (Rs.)</u></b> |
| Share Capital   |                           |                           | Land & Buildings     | 95,000                    | 75,000                    |
| Share of Rs. 10   |                           |                           | Machinery            | 90,000                    | 1,00,000                  |
| Each fully paid   | 2,50,000                  | 2,00,000                  | Stock                | 75,000                    | 45,000                    |
| Reserve fund  | ---                       | 50,000                    | Debtors              | 9,000                     | 35,000                    |
| P & L Account   | ---                       | 10,000                    | Cash in Bank         | 11,000                    | 35,000                    |
| Sundry Creditors  | <u>50,000</u>             | <u>30,000</u>             | Profit & Loss A/c    | <u>20,000</u>             | <u>---</u>                |
|   | <b><u>3,00,000</u></b>    | <b><u>2,90,000</u></b>    |                      | <b><u>3,00,000</u></b>    | <b><u>2,90,000</u></b>    |

State what shares the liquidator of each company will receive form the New company. Give the closing entries in the Books A Ltd and B Ltd and opening entries in the books of A B Ltd and give its Balance Sheet.

**12.** A company Limited and B company Limited decided to amalgamate on 31-12-1991 on which date, their balance sheets stood as follows :

| <b><u>BALANCE SHEET OF 'A' COMPANY</u></b> |                        |                      |                        |
|--|------------------------|----------------------|------------------------|
| <b><u>Liabilities</u></b>                  | <b><u>Rs.</u></b>      | <b><u>Assets</u></b> | <b><u>Rs.</u></b>      |
| 20,000 shares of Rs. 10 each               | 2,00,000               | Buildings            | 1,00,000               |
| Less : call in areas                       | <u>2,000</u>           | Furniture            | 1,00,000               |
| Reserve fund                               | 96,000                 | Debtors              | 1,00,000               |
| P & L Account                              | 96,000                 | Stock                | 50,000                 |
| Sundry creditors                           | 96,000                 | Prepaid expenses     | 5,000                  |
| (Due to B company Ltd Rs. 2,000)           | <u>50,000</u>          | Cash                 | <u>85,000</u>          |
|  | <b><u>4,40,000</u></b> |                      | <b><u>4,40,000</u></b> |

| <b><u>BALANCE SHEET OF 'B' COMPANY</u></b> |                        |                      |                        |
|--|------------------------|----------------------|------------------------|
| <b><u>Liabilities</u></b>                  | <b><u>Rs.</u></b>      | <b><u>Assets</u></b> | <b><u>Rs.</u></b>      |
| 10,000 equity Shares fully paid            | 2,00,000               | Buildings            | 1,00,000               |
| Reserve fund                               | 30,000                 | Machinery            | 1,00,000               |
| P & L Account                              | 70,000                 | Debtors              | 1,20,000               |
| Sundry creditors                           | 1,10,000               | Less : provision     | <u>20,000</u>          |
| Less : Reserve for Discount                | <u>10,000</u>          | (due from A company  | 1,00,000               |
| On creditors                               | 1,00,000               | Ltd Rs.2,000         |                        |
|  | <u>85,000</u>          | Stock                | 1,00,000               |
|  | <b><u>4,00,000</u></b> |                      | <b><u>4,00,000</u></b> |

A company Limited forfeited five hundred equity shares on which the final call of Rs. 4 per share was not received.

A and B Combines Limited the new company, issued equity shares of Rs. 10 each at a premium of Rs. 5 per share on the basis of the ITRINSIC value of the shares in the two companies. Write Journal entries.

**13.** From the following particulars prepare the profit and los account of Regional Bank for the year ended 31st March 2009.

|                      |                                |                              |                                |
|----------------------|--------------------------------|------------------------------|--------------------------------|
| Interest on deposits | <b><u>Rs.</u></b><br>32,00,000 | Discount on bills discounted | <b><u>Rs.</u></b><br>14,90,000 |
|----------------------|--------------------------------|------------------------------|--------------------------------|

|                      |           |   |           |
|----------------------|-----------|---|-----------|
| Commission (Cr)      | 1,00,000  | Interest on overdrafts                    | 16,00,000 |
| Interest on loans    | 24,90,000 | Interest on cash credits                  | 23,20,000 |
| Sundry Charges (dr)  | 1,00,000  | Auditors Fees                             | 35,000    |
| Rent and taxes       | 2,00,000  | Directors Fees                            | 16,000    |
| Payment to employees | 5,00,000  | Bad debt to be in written off amounted to | 3,00,000  |

14. The following in an extract from the Trail Balance of Andhra Bank as at 31-3-2008.

|   |            |            |
|---|------------|------------|
|   | <u>Rs.</u> | <u>Rs.</u> |
| Bills Discounted                            | 51,50,000  |            |
| Rebate on bills discounted due April – 2007 |            | 30,501     |
| Discount received                           |            | 1,45,500   |

An analysis of bills discounted as shown above shows the following :

| <u>Due of Bills</u> | <u>Amount</u> | <u>Term (Months)</u> | <u>Discounts @ % PA</u> |
|---------------------|---------------|----------------------|-------------------------|
| Jan. 13th           | 7,50,000      | 4                    | 12                      |
| Feb. 17th           | 6,00,000      | 3                    | 10                      |
| March. 6th          | 4,00,000      | 4                    | 11                      |
| March. 16th         | 2,00,000      | 2                    | 10                      |

Find out the amount of discount to be credited to Profit and Loss Account and Pass appropriate entries.

15. Prepare the balance sheet of Aravind Bank Ltd., as on 31<sup>st</sup> December 2004 from the following particulars.

| <u>Debit</u>                   | <u>Rs.</u>    | <u>Credit</u>                | <u>Rs.</u>    |
|--------------------------------|---------------|------------------------------|---------------|
| Money at call and short notice | 5,000         | Paid up capital              | 10,000        |
| Investments                    | 30,000        | Authorized capital Rs.50,000 |               |
| Bills discounted and purchased | 4,000         | Bills payable                | 5,000         |
| Furniture and fixtures         | 1,000         | Current accounts             | 25,000        |
| Land and Buildings             | 17,000        | Fixed deposits               | 14,000        |
| Loans                          | 8,000         | Profit for the year          | 4,000         |
| Cash credits                   | 3,000         | Savings Bank accounts        | 10,000        |
| Cash on hand and at bank       | <u>10,000</u> | Reserve fund                 | <u>10,000</u> |
|                                | <u>78,000</u> |                              | <u>78,000</u> |

The profit for the year is arrived at before making adjustments for unexpired discount Rs. 50 on bills discovered during the year not matured on 31st December 2004.

Acceptance and endorsements on behalf of customers Rs. 2,000 and claims against the bank not acknowledged as debts amounted to Rs. 500.

**16.** The following are the ledger balances of P Bank Ltd Prepare the Profit and Loss account and Balance Sheet as on 31<sup>st</sup> March 2004 as per requirements of Banking Regulation Act.

|  | <b><u>Rs.</u></b> |
|--|-------------------|
| Share Capital (20,000 shares of Rs. 1,000 each Rs. 100 paid) | 20,00,000         |
| Reserve fund Investments                                     | 10,00,000         |
| General Expenses   | 1,82,000          |
| Current Accounts   | 2,02,44,000       |
| Interest paid  | 1,61,000          |
| Savings Bank Accounts  | 29,20,000         |
| Fixed Deposits   | 40,00,000         |
| Profit and Loss Account (balance brought forward)            | 2,30,000          |
| Discount received  | 1,80,000          |
| Rebate on bills discounted                                   | 64,000            |
| Commission, exchange and brokerage                           | 44,000            |
| Cash   | 2,27,000          |

**17.** Prepare Revenue Account of LIC – West Zone from the following :

| <b><u>Particulars</u></b>           | <b><u>Rs.</u></b> | <b><u>Particulars</u></b> | <b><u>Rs.</u></b> |
|-------------------------------------|-------------------|---------------------------|-------------------|
| Claims by death                     | 76,000            | Claims by maturity        | 30,250            |
| Premiums                            | 7,26,690          | Transfer fees             | 129               |
| Consideration for annuities granted | 82,120            | Annuities paid            | 53,454            |
| Bonus paid in cash                  | 2,420             | Expenses of Management    | 31,924            |
| Commission                          | 9,570             | Interest dividend         | 97,836            |
| IT on Interim dividend              | 35,710            | Surrenders                | 13,140            |
| Bonus in reduction of Premium       | 980               | Dividends paid on capital | 5 500             |

Paid up capital of the corporation is Rs. 5,00,000 and the net liability as per actuary's valuation is Rs. 10,00,000 on 31-12-2004.

**18.** The Revenue Account of life insurance company showed the life fund of Rs. 23,71,000 on 31-12-2006 before taking into account the following items.

- (a) Claims intimated but not admitted Rs. 89,250
- (b) Bonus utilized in reduction of premium Rs. 13,500
- (c) Interest accrued on investments Rs. 29,750
- (d) Outstanding premium Rs. 27,000
- (e) Claims covered under reinsurance Rs. 40,500
- (f) Provision for taxation Rs. 31,500

Pass Journal entries giving effect to the above adjustments and show, the statement of Adjusted life fund.

**19.** A Life insurance company gets its valuation made once in every two years. The Life Insurance fund on 31st Decemeber-2005 amounted to Rs. 41,92,000 before providing for Rs. 32,000 for the shareholders dividend for the year 2005. Its actual valuation on 31st December-2005 disclosed net liability of Rs. 40,40,000 under the assurance and annuity contracts. An interim bonus of Rs. 40,000 was paid to the policy holders during the period ending 31st December – 2005.

Prepare a statement showing the amount now available as bonus to policy holders.

20. From the following particulars, prepare Revenue Account and Balance Sheet of Life Insurance Corporation as on 31-12-2004.

| <u>Debit Balance</u>           | <u>Rs.</u>       | <u>Credit Balance</u>       | <u>Rs.</u>       |
|--------------------------------|------------------|-----------------------------|------------------|
| Claims by death                | 1,00,000         | Capital                     | 1,00,000         |
| Claims by maturity             | 3,00,000         | Insurance Fund              | 8,00,000         |
| Surrenders                     | 30,000           | Reserve fund                | 3,00,000         |
| Annuities                      | 20,000           | Premiums                    | 3,00,000         |
| Cash bonus                     | 10,000           | Registration fee            | 1,00,000         |
| Bonus in reduction of Premiums | 20,000           | Consideration for annuities | 50,000           |
| Buildings                      | 3,70,000         | Bills payable               | 5,000            |
| Investments                    | 5,00,000         |                             |                  |
| Loans                          | 3,00,000         |                             |                  |
| Bills receivable               | 5,000            |                             |                  |
|                                | <u>16,55,000</u> |                             | <u>16,55,000</u> |

Adjustments :-

- (i) Claims admitted by maturity but not paid Rs. 15,000.
- (ii) Further bonus utilized for reduction of premiums Rs. 5,000
- (iii) Outstanding premiums Rs. 25,000
- (iv) Reinsurance claims recoveries by death Rs. 10,000.

**VIKRAMA SIMHAPURI UNIVERSITY::NELLORE**  
**III-B.Sc (MACS)**  
**SEMESTER-VI**  
**MANAGEMENT ACCOUNTING**

**Unit-I: Management Accounting:** Meaning – Characteristics of Management Accounting – Scope of Management Accounting – Management Accounting vs. Cost Accounting (Theory only)

**Financial Statements:** Financial Statement analysis and interpretation: Comparative analysis and common size statements and trend analysis (including problems).

**Unit-II: Break-Even Analysis - I:** Break –Even analysis – Break Even point, In terms of Rupees and Units - Profit Volume Ratio and Margin of Safety - Estimation of Sales when desired Profit – Estimation of Profit when Sales are given – (including problems)

**Unit-III: Standard costing and variance Analysis:** Meaning of Standard Cost and Standard Costing – Analysis of Variance – Material Variances – MCV – MPV – MUV – MMV - MYV. (including problems).

**Unit-IV: Budgets and Budgetary Control :** Meaning – Definition of Budgets – Types of Budget – Meaning and definition & Budgetary control – Difference between Budgets and Budgetary control – Flexible Budget – Sales Budget – Cash Budget – Production Budget (including problems).

**Unit-V: Ratio Analysis :** Meaning – Advantages – Limitations General Profitable ratios – Gross Profit Ratios – Net Profit Ratios – Net Operating Ratios – Stock Turnover Ratios – Debtors Turnover Ratios – Creditor Turnover Ratios – Current Ratios – Liquid Ratios only (Simple Problems).

**References :**

1. T.S. Reddy & Y. Hariprasad Reddy, Management Accounting, Margham Publication, Chennai
2. S.N. Maheswari, A Textbook of Accounting for Management, S. Chand Publishing, New Delhi.
3. I.M Pandey, “Management Accounting”, Vikas Publishing House, New Delhi,
4. Shashi K. Gupta & R.K. Sharma, “Management Accounting: Principles and Practice”, Kalyani Publishers, Ludhiana.
5. Jawahar Lal, Accounting for Management, Himalaya Publishing House, New Delhi.
6. Charles T. Horngren, [et.al](#), “Introduction to Management Accounting” Person Education India, New Delhi, 2002.
7. Murthy & Guruswamy – Management Accounting, Tata McGraw Hill, New Delhi.
8. Dr. Kulsreshtha & Gupta – Practical problems in Management Accounting.
9. Bhattacharya, D., “Management Accounting”, Pearson Education India, New Delhi.
10. S.P. Gupta – Management Accounting, S. Chand Publishing, New Delhi.

**Instruction to Paper Setter:**

**Two questions must be given from each unit in Section-A and Section-B**

**VIKRAMA SIMHAPURI UNIVERSITY :: NELLORE**  
CBCS – B.Sc (MACS) – III YEAR – SEMESTER–VI (w.e.f. 2017-'18)  
**SEMESTER-VI (MODEL QUESTION PAPER)**  
**MANAGEMENT ACCOUNTING**

**No. of Hours per week: 5**  
**Credits : 4**

**Max. Marks: 100**  
**External: 75**  
**Internal: 25**

*Time: 3 Hours*

*Max. Marks : 75*

**SECTION - A**

**Answer any FIVE questions. Each question carries 3 Marks. 5 X 3 = 15M**

1. Define Management Accounting? Explain objectives of Management Accounting.
2. Calculate the Trend Ratios from the following figures relating to Friends LTD. Tacking January as the Base month and comment there on.

|                  | <u>January</u> | <u>February</u> | <u>March</u> |
|------------------|----------------|-----------------|--------------|
| Sales            | 3,10,000       | 3,27,500        | 3,20,000     |
| Wages            | 1,07,500       | 1,07,500        | 1,15,000     |
| Selling Expenses | 25,750         | 29,000          | 29,750       |

3. What is meant by break Even Analysis? Explain its two advantages?
4. From the following information calculate Break-even point units and rupees.  
Production in units = 3,000      Selling Price per unit = Rs. 30  
Variable cost per unit = Rs. 20      Total fixed cost = Rs. 20,000
5. Difference between standard costing and Historical Costing?
6. From the following compute Material Cost Variance (MCV)

|                                | <u>Standard</u> | <u>Actual</u> |
|--------------------------------|-----------------|---------------|
| Material usage per unit (kgs.) | 2               | 2.2           |
| Price per kg. (Rs.)            | 14              | 15            |
| Actual units produced          | -               | 100           |

7. What is meant by budgetary control?
8. Find the production units for the following information given below :  
Sales Rs. 50,000/- (Selling Price per unit Rs. 10/-)  
Opening Stock – 1000 units.  
Closing Stock – 500 Units.
9. Explain any three Profitability Ratios?
10. Find current asset from the following information given below :  
Current Ratio = 2:1  
Current Liabilities – Rs. 50,000/-

**SECTION - B**

Answer any **FIVE** questions carries equal marks :-

**5 X 12=60 M**

**11.** The following are the Balance Sheet of the concerned for the year 1991 and 1992. Prepare the Comparative Balance Sheet and Study the financial Position of the Concern.

| <b>Liabilities</b>        | <b>1991</b>      | <b>1992</b>      | <b>Assets</b>        | <b>1991</b>      | <b>1992</b>      |
|---------------------------|------------------|------------------|----------------------|------------------|------------------|
| Equity Share Capital      | 6,00,000         | 8,00,000         | Land and Buildings   | 3,70,000         | 2,70,000         |
| Reserves & Surplus        | 3,30,000         | 2,22,000         | Plant & Machinery    | 4,00,000         | 6,00,000         |
| Debentures                | 2,00,000         | 3,00,000         | Furniture & Fittings | 20,000           | 25,000           |
| Term lons or Mortgage     | 1,50,000         | 2,00,000         | Other Fixed Assets   | 25,000           | 30,000           |
| Bills Payable             | 50,000           | 45,000           | Cash in hand         | 20,000           | 80,000           |
| Sundry creditors          | 1,00,000         | 1,20,000         | Bills Receivable     | 1,50,000,        | 90,000           |
| Other Current liabilities | 5,000            | 10,000           | Sundry debtors       | 2,00,000         | 2,50,000         |
|                           |                  |                  | Prepaid expenses     | -----            | 2,000            |
|                           |                  |                  | Stock                | 2,50,000         | 3,50,000         |
|                           | <b>14,35,000</b> | <b>16,97,000</b> |                      | <b>14,35,000</b> | <b>16,97,000</b> |

**12.** You are required to prepare an Income statement on common Size basis and interpret the changes.

|                         | <b><u>2003</u></b> | <b><u>2004</u></b> |
|-------------------------|--------------------|--------------------|
| Sales                   | 88,000             | 65,200             |
| Cost of goods sold      | 47,600             | 49,200             |
| Administrative expenses | 1,016              | 1,000              |
| Selling expenses        | 1,840              | 1,920              |
| Non-Operating expenses  | 140                | 155                |
| Non- Operating Incomes  | 96                 | 644                |
| Sales returns           | 2,000              | 1,200              |
| Tax incomes             | 43.75%             | 43.75%             |

**13.** ABC Ltd and XYZ Ltd companies are produces the same type of products and sells them in the market. The data as given as follows :

| <b>Particulars</b> | <b>ABC Ltd</b>   |                  | <b>XYZ Ltd</b>   |                  |
|--------------------|------------------|------------------|------------------|------------------|
|                    | <b>Dr</b>        | <b>Cr</b>        | <b>Dr</b>        | <b>Cr</b>        |
| Sales              |                  | 25,00,000        |                  | 25,00,000        |
| Variables Cost     | 20,00,000        |                  | 15,00,000        |                  |
| Fixed Cost         | 2,50,000         |                  | 7,50,000         |                  |
| Profit             | 2,50,000         |                  | 2,50,000         |                  |
| Total              | <b>25,00,000</b> | <b>25,00,000</b> | <b>25,00,000</b> | <b>25,00,000</b> |

Calculate P/V Ratio, B.E.P. and Margin of safety of the companies.

14. The sales and profit during the years were as follows :

| <u>Year</u> | <u>Sales (Rs.)</u> | <u>Profit (Rs.)</u> |
|-------------|--------------------|---------------------|
| 2007        | 2,40,000           | 30,000              |
| 2008        | 2,70,000           | 42,000              |

**Calculate :** (a) P/V Ratio (b) Break – Even Sales (c) Profit when sales are Rs. 1,50,000 (d) Sales required to earn a profit of Rs. 5,70,000.

15. From the following data, calculate Material variances

| <i>Product</i> | <i>Standard Quantity (Units)</i> | <i>Standard Price Rs.</i> | <i>Actual Quantity (Units)</i> | <i>Actual Price Rs.</i> |
|----------------|----------------------------------|---------------------------|--------------------------------|-------------------------|
| A              | 1050                             | 2-00                      | 1100                           | 2-25                    |
| B              | 1500                             | 3-25                      | 1400                           | 3-50                    |
| C              | 2100                             | 3-50                      | 2000                           | 3-75                    |

16. The standard cost of a chemical Mixture is

40% Material A at Rs. 20 per Kg.

60% Material B at Rs. 30 per Kg.

A standard loss of 10% is expected in production.

During a period there is used :

90 Kgs. Material A at a cost of Rs. 18 per Kg.

110 Kgs. Material B at a Cost of Rs. 34 per Kg.

The weight produced is 182 Kgs. of goods produced, Calculate :

(a) Material Cost variance (b) Material Price Variance (c) Material Usage variance

(d) Material Mix variance (e) Material Yield variance.

17. Following information relates to a company for a 60% capacity. Prepare a flexible budget for production at 80% and 100% capacity with the following

Production at 60% capacity = 1,200 units.

Material Rs. 200 per unit

Labour Rs/ 80 per unit

Expenses Rs. 20 per unit

Factory overheads Rs. 80,000 (40% fixed)

Administrative overheads Rs. 60,000 (60% fixed)

18. From the following forecasts of income and expenditure prepare a cash budget for the three months commencing 1st June, when the bank balance was Rs. 1,00,000.

|               | <i>Sales (Rs.)</i> | <i>Purchases (Rs.)</i> | <i>Wages (Rs.)</i> | <i>Factory Expenses (Rs.)</i> | <i>Admin. And Selling Expenses (Rs.)</i> |
|---------------|--------------------|------------------------|--------------------|-------------------------------|--|
| <b>April</b>  | 80,000             | 41,000                 | 5,600              | 3,900                         | 10,000                                   |
| <b>May</b>    | 76,500             | 40,500                 | 5,400              | 4,200                         | 14,000                                   |
| <b>June</b>   | 78,500             | 38,500                 | 5,400              | 5,100                         | 15,000                                   |
| <b>July</b>   | 90,000             | 37,000                 | 4,800              | 5,100                         | 17,000                                   |
| <b>August</b> | 95,000             | 35,000                 | 4,700              | 6,000                         | 13,000                                   |

A sales commission of 5 per cent on sales, due two months after sales, is payable in addition to selling expenses. Plant valued at Rs. 65,000 will be purchased and paid for in August, and on the

dividend for the last financial year of Rs. 15,000 will be paid in July. There is a two month credit period allowed to customers and received from suppliers.

19. Following is the Profit and Loss Account of a Electrical Company for the year ended of 31st March – 2007.

| <i>Dr</i>                            |            | <i>Cr</i>                        |            |
|--------------------------------------|------------|----------------------------------|------------|
| <u>Particulars</u>                   | <u>Rs.</u> | <u>Particulars</u>               | <u>Rs.</u> |
| To Opening Stock                     | 100        | By Sales                         | 560        |
| To Purchases                         | 350        | By Closing Stock                 | 100        |
| To Wages                             | 9          |                                  |            |
| To Gross Profit c/d                  | 201        |                                  |            |
|                                      | <b>660</b> |                                  | <b>660</b> |
| To Administrative expenses           | 20         | By Gross Profit b/d              | 201        |
| To Selling and Distribution expenses | 89         | By Interest on Investment        | 10         |
| To Non - Operating expenses          | 30         | By Profit on sale of Investments | 8          |
| To Net Profit                        | 80         |                                  |            |
|                                      | <b>219</b> |                                  | <b>219</b> |

**Calculate :** (a) Gross Profit Ratio (b) Net Profit Ratio (c) Operating Ratio (d) Operating Profit Ratio (e) Administrative Expenses Ratio.

20. Following are the Trading Profit and Loss Account and Balance Sheet of Madusudana Ltd.

**Dr. Trading and Profit and Loss Account for the year ended 31-3-2005 Cr.**

| <u>Particulars</u>  | <u>Rs.</u>       | <u>Particulars</u>  | <u>Rs.</u>       |
|---------------------|------------------|---------------------|------------------|
| To Opening Stock    | 5,80,000         | By Sales            | 30,00,000        |
| To Purchases        | 24,40,000        | By Closing Stock    | 6,20,000         |
| To Gross Profit c/d | 6,00,000         |                     |                  |
|                     | <b>36,20,000</b> |                     | <b>36,20,000</b> |
| To Sundry expenses  | 3,20,000         | By Gross Profit b/d | 6,00,000         |
| To Net Profit       | 2,80,000         |                     |                  |
|                     | <b>6,00,000</b>  |                     | <b>6,00,000</b>  |

**Balance Sheet as on 31-03-2005**

| <u>Particulars</u>   | <u>Rs.</u>       | <u>Particulars</u> | <u>Rs.</u>       |
|----------------------|------------------|--------------------|------------------|
| Share capital        | 28,00,000        | Assets             | 22,00,000        |
| Reserves and surplus | 2,00,000         | Stock              | 6,20,000         |
| Profit for the year  | 2,80,000         | Debtors            | 3,20,000         |
| Bank over draft      | 1,40,000         | Cash               | 8,80,000         |
| Creditors            | 6,00,000         |                    |                  |
|                      | <b>40,20,000</b> |                    | <b>40,20,000</b> |

**Calculate :** (a) Current Ratio (b) Quick Ratio (c) Gross Profit Ratio (d) Stock Turnover Ratio (e) Debtors Turnover Ratio.

**VIKRAMA SIMHAPURI UNIVERSITY::NELLORE**  
**III-B.Sc (MACS)**  
**SEMESTER-VI**  
**BUSINESS LAWS**

Unit-I: Law of Contract – Definition, Essentials of valid contract, Kinds of contract, Offer, Acceptance, consideration, Capacity of Parties to contract, Free Consent, Stranger to the Contract.

Unit-II: Contingent Contracts, Performance of Contract, Discharge of Contract, Quasi Contracts, Breach of Contracts and remedies.

Unit-III: Specific Contract – Contract of Indemnity, Guarantee Contract, Contract of Bailment, Pledge, Contract of Agency.

Unit-IV: Sale of Goods Act – Meaning and definition, Essentials of sale contract, sale and agreement to sale, conditions and warranties, unpaid seller, Rules of transfer of property.

Unit-V: The essential Commodity Act. Right to information Act. The Consumer Protection Act, 1986.

**References:**

1. Indian Contract Act – by Bare Act, Government of India.
2. N.D. Kapoor Mercantile Law, Sultan Chand & Company, New Delhi.
3. Avatar Singh Mercantile Law, Vikas Publication.
4. Balchandani: Business Laws.
5. S.D.Geet and M.S. Patil: Business Laws.
6. S.S. Gulshan: Business Laws.
7. N.M. Wechlakar: Business Laws.

**Instruction to Paper Setter:**

**Two questions must be given from each unit in Section-A and Section-B**

**VIKRAMA SIMHAPURI UNIVERSITY::NELLORE**  
**III-B.Sc (MACS)**  
**SEMESTER-VI**  
**BUSINESS ORGANIZATION**

**Unit-I – Introduction**

Concepts of Business, Trade , Industry and Commerce – Features of Business -Trade Classification - Aids to Trade – Industry – Classification – Relationship of Trade, Industry and Commerce.

**Unit II- Business Functions and Entrepreneurship**

Functions of Business and their relationship - Factors influencing the choice of suitable form of organization – Meaning of Entrepreneurship – Characteristics of a good entrepreneur - Types – Functions of Entrepreneurship.

**Unit –III – Forms of Business Organizations**

Sole Proprietorship – Meaning – Characteristics – Advantages and Disadvantages – Partnership - Meaning – Characteristics- Kinds of partners – Advantages and Disadvantages – Partnership Deed – Hindu-undivided Family – Cooperative Societies.

**Unit-IV- Joint Stock Company**

Joint Stock Company – Meaning – Characteristics –Advantages – Kinds of Companies - Differences between Private Ltd and Public Ltd Companies.

**Unit-V- Company Incorporation**

Preparation of important Documents for incorporation of Company – Memorandum of Association – Articles of Association – Differences Between Memorandum of Association and Articles of Association - Prospectus and its contents.

**Reference Books**

1. C.D.Balaji and G. Prasad, Business Organization - Margham Publications, Chennai.
2. R.K.Sharma and Shashi K Gupta, Business Organization - Kalyani Publications.
3. C.B.Guptha, Industrial Organization and Management, Sultan Chand.
4. Y.K.Bushan, Business organization and Management, Sultan Chand.
5. Sherlekar, Business Organization and Management, Himalaya Publications.

**Instruction to Paper Setter:**

**Two questions must be given from each unit in Section-A and Section-B**

VIKRAMA SIMHAPURI UNIVERSITY :: NELLORE.

I, II, III, IV, V & VI SEMESTER

CBCS B.Sc (MACS) Course Structure w.e.f. 2017-18 (Revised in June, 2017)

MODEL QUESTION PAPER FOR ALL SUBJECTS

Time: 3 Hours

Max. Marks : 75

SECTION-A

Answer any FIVE of the following Questions:

(5 X 3 = 15 Marks)

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

SECTION-B

Answer any FIVE questions each question carries equal marks:-

5 X 12 = 60M

- 11.
- 12.
- 13.
- 14.
- 15.
- 16.
- 17.
- 18.
- 19.
- 20.

Instruction to Paper Setter:

Two questions must be given from each unit in Section-A and Section-B

Handwritten notes in green ink: "125", "A-S-32", "3", "13/27/2017", and "S.V.P."