

2019

B.Com. (Hons.)

2nd Semester Examination

MARKETING MANAGEMENT

Paper—C4T

Business Accounting

Full Marks : 40

Time : 2 Hours

*The figures in the margin indicate full marks.
Candidates are required to give their answers
in their own words as far as practicable.*

1. Briefly Answer any five of the following questions :

5×2=20

- (a) What is GAAP ?
- (b) What do you mean by IFRS ?
- (c) What is Entity Concept ?
- (d) What do you mean by Capital Expenditure ?
- (e) Define Revenue.
- (f) What is Suspense Account ?
- (g) State the formula of any two "Liquidity" ratio.

(h) What do you mean by Ratio ?

2. Answer any *four* of the following questions :

4×5=20

(a) Discuss the errors which are not usually reflected through the Trial Balance.

(b) A firm having a net working capital of Rs. 2 lakhs has a current ratio of 3 : 1. You are required to determine its—(i) Current Assets, (ii) Current Liabilities and (iii) Liquid assets, assuming that the inventory is of Rs. 2,20,000.

(c) Journalise the following transactions :

(i) Ratan started business with Rs. 20,00,000 in cash.

(ii) Purchased goods for cash from Anil-Rs. 75,000.

(iii) Sold goods to Madan Rs. 67,500.

(iv) Purchased furniture for cash Rs. 60,000.

(v) Paid rent to Landlord Rs. 5,400.

(d) A Plant was purchased for Rs. 5,00,000 on 01.01.2015. Some additions to the plant were made on 01.07.2016 for Rs. 1,00,000. The books of accounts are closed on 31st December

in each year. Depreciation on diminishing balance to be written off at 10% p.a. You are required to show Plant and Machinery Account for 2016 and 2017.

(e) Correct the following Trial Balance :

Dr.		Cr.	
Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Return Outward	16,000	Debtors	15,000
Opening Stock	34,200	Carriage Outward	5,000
Salaries	12,000	Capital	55,200
Creditors	28,000	Machinery	18,000
Bank	45,000	Return Inward	3,000
Carriage Inward	6,000	Discount Received	4,000
Rent Received	3,000	Trade Expenses	6,000
Discount Allowed	2,000	Sales	1,40,000
Purchases	1,00,000	Building	20,000
Bills Payable	20,000		
	2,66,200		2,66,200

- (f) From the following information calculate :
- (i) Gross Profit Ratio and (ii) Debt Equity Ratio : Net Sales Rs. 50,000; Cost of Sales Rs. 30,000; Net Profit Rs. 5,000; Debentures Rs. 25,000; Paid-up Share Capital Rs. 50,000; Current Liabilities Rs. 20,000.

[Turn Over]

3. Answer any *one* of the following questions :

1×10=10

- (a) From the following extractd from the books of a trader after the completion of the Trading Account, Prepare a Profit & Loss account for the year ended 31.03.2019 and a Balance Sheet as on that date.

Particulars	Amount	
	Rs. (Dr)	Rs. (Cr.)
Gross Profit		32,900
Office staff salary	8,400	
General Expenses	6,300	
Discount allowed & Receive	455	560
Provision for doubtful debts		210
Debtors and Creditors	6,300	4,900
Insurance	420	
Premises	42,000	
Bad debts	280	
Vehicles	5,600	
Stock on 01.04.2018	2,800	
Bank	1,750	
Cash	560	
Drawings	2,100	
Capital		24,395
Loan		14,000

- Notes :** (i) Depreciation is to be provided @ 10% on the cost of vehicle.
- (ii) The provision for doubtful debts is to be adjusted to 5% of debtors.
- (iii) A payment of Rs. 270 is due on General expenses
- (iv) Insurance paid in advance Rs. 105.

(b) From the following details relating to the accounts of Fine Ltd. prepare Cash Flow Statement :

Liabilities	31.03.17	31.03.18	Assets	31.03.17	31.03.18
	Rs.	Rs.		Rs.	Rs.
Share Capital	10,00,000	8,00,000	Plant and Machinery	7,00,000	5,00,000
Reserves	2,00,000	1,50,000	Land and Building	6,00,000	4,00,000
Profit and Loss A/c	1,00,000	60,000	Investment	1,00,000	—
Debentures	2,00,000	—	Sundry Debtors	5,00,000	7,00,000
Provision for Taxation	1,00,000	70,000	Stock	4,00,000	2,00,000
Proposed Dividend	2,00,000	1,00,000	Cash in hand/Bank	2,00,000	2,00,000
Sundry Creditors	7,00,000	8,20,000			
	25,00,000	20,00,000		25,00,000	20,00,000

- (i) Depreciation @ 25% was charged on the opening value of Plant and Machinery.
- (ii) During the year one old machine costing Rs. 50,000 (WDV Rs. 20,000) was sold for Rs. 35,000

[Turn Over]

- (iii) Rs. 50,000 was paid towards income tax during the year.
- (iv) Building under construction was not subject to any depreciation.

Prepare Cash Flow Statement as per AS-3 (revised)
