MCO-14

Sl. No.

M.Com. (Previous) Degree Examination, May/June - 2026

COMMERCE

Accounting Theory and Practice

(Non-CBCS, SIM Annual Scheme)

Course-IV

Time : 3 Hours **Maximum Marks : 90**

PART - A

Answer any Three questions. Each question carries 15 marks. **(3×15=45)**

1. Define Accounting. Explain the functions and objectives of Accounting.

2. Explain the concept and conventions of Accounting.

3. Define Human Resource Accounting. Explain the Benefits and Limitation of Accounting.

4. Given the following particulars:

Debtor velocity	:	3 months
Creditor velocity	:	2 months
Stock velocity	:	8 times
Fixed assets turnover ratio	:	8 times
Gross profit turnover ratio	:	25%

Gross profit during the year amounted to Rs. 80,000, there is no long term loan Reserves and Surplus amounted to Rs. 28,000. Liquid assets are Rs. 97,333.33. Closing stock is Rs. 2,000 more than opening stock. Bills receivable and bills payable are Rs. 5,000 and Rs. 2,000 respectively.

Find out:

a. Sales.

b. Sundry creditors.

c. Closing stock.

d. Sundry debtors.

e. Fixed assets.

f. Proprietor fund.

Also make out to the balance sheet with as many as possible detail.

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5. The following are the summaries of the balance of Vijayalakshmi ltd., as at 31st March 2022 and 2023.

Liabilities	2022	2023	Assets	2022	2023
Share Capital	4,00,000	5,00,000	Land and buildngs	4,00,000	3,80,000
General reserve	1,00,000	1,20,000	Plant	3,00,000	3,48,000
Profit and loss A/c	61,000	61,600	Stock	2,00,000	1,48,000
Bank loan (short term)	1,40,000	--	Debtors	1,60,000	1,28,000
Creditors	3,00,000	2,70,000	Cash	1,000	1,600
Provision for tax	60,000	70,000	Bank	--	16,000
	10,61,000	**10,21,600**		**10,61,000**	**10,21,600**

Additional Information:

a) Depreciation was written off on plant Rs. 28,000 in 2022.

b) Dividend of Rs. 40,000 was paid during 2022.

c) Income tax provisions was made during the year Rs. 50,000.

d) A piece of land has been sold during the year at cost.

You are required to prepare a statement showing sources and applications of funds for the year 2023 and to schedule of changes in working capital.

PART - B

Answer any Three questions. Each question carries 10 marks. **(3×10=30)**

6. Explain the emerging trends in Accounting.

7. Disuss the Financial relation between Central and State Government System of Accounting.

8. Explain GAAP and International Accounting Standards.

9. Following information is available from the books of standard company ltd.

	2023	2022
Profit made during the year	2,50,000	--
Income received in advance	500	600
Prepaid expenses	1,600	1,400
Debtors	80,000	95,000
Bills receivable	25,000	20,000
Creditors	45,000	40,000
Bills payable	13,000	15,000
Outstanding expenses	2,500	2,000
Accrued income	1,500	1,200

Calculate cash flow from operations.

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10. Akash company started the accounting year 2022-23 with a opening inventory of Rs. 10 Lakh which was purchased in the previous year when the price index stood at 400. The company purchased Rs. 40 Lakh worth goods during the year 2022-23 and sold Rs. 48 Lakh worth goods. The average price for the year was 205 and 31st March 2023, it rose to 210. From this compute the cost of goods sold value of the year and inventory under current purchasing power method assuming that the company follows FIFO method.

PART - C

Answer any Three questions. Each question carries 5 marks. **(3×5=15)**

11. a. What are the difference between Single entry and Double entry system?

b. Explain present value of future earning model and economic valuation model.

c. Accounting is a Science or an Art. Discuss.

d. Explain inflation accounting.

e. What is meant by Bench Marking?
