MCOM(P)04

Sl.No. : **Total No. of Pages : 4**

First Year M.Com. Degree Annual Examination, Sept./Oct. - 2023

(Non-CBCS) (SLM Scheme)

COMMERCE

Course-IV : Accounting Theory and Practice

Time : 3 Hours **Max. Marks : 80**

Instruction : ***Answer all the sections.***

SECTION - A

Answer any Four questions. Each question carries Five marks. [4 × 5 = 20]

Q1) What is Responsibility Accounting?

Q2) Write a note on International Accounting Standards.

Q3) What are the methods of accounting for price level changes?

Q4) What are the objectives of Human Resource Accounting?

Q5) What do you mean by Financial Statement Analysis?

Q6) Explain the managerial uses of ratio analysis.

SECTION - B

Answer any three questions. Each question carries ten marks. [3 × 10 = 30]

Q7) Explain the accounting concepts and conventions.

Q8) Write an explanatory note on 'comptroller and auditor general of India.

Q9) What are the benefits and limitations of Human Resource Accounting?

Q10) Following are the Balance sheet of a company as on 31st December 2021 and 2022.

Liabilities	2021 ₹	2022 ₹	Assets	2021 ₹	2022 ₹
Share Capital	1,39,000	1,45,000	Cash in Hand	18,000	15,600
Securities Premium	1,000	3,000	Trade Debtors	29,600	35,400
Debentures	24,000	12,000	Stock in Trade	98,400	85,400
Trade Creditors	20,000	23,680	Land	40,200	60,000
Provision for doubtful Debt	1,400	1,600	Goodwill	20,000	10,000
Profit and Loss A/c	20,800	21,120			
	2,06,200	2,06,400		2,06,200	2,06,400

Additional Information :

a) Dividend was paid Rs. 7,000.

b) Land was purchased for Rs. 20,000 and the amount provided for amortisation of goodwill was Rs. 10,000.

c) Debenture redeemed worth Rs. 12,000.

You are required to prepare fund flow statement of changes in working capital.

Q11) X Ltd. made a profit of Rs. 1,85,000 after considering the following :

		Rs.
a)	Depreciation on fixed asset	5,000
b)	Profit on sale of buildings	10,000
c)	Loss on sale of machinery	4,000
d)	Provision for taxation	30,000
e)	Provision for doubtful debts	500
f)	Transfer to general reserve	12,000
g)	Amortisation of fictitious assets	2,000

The following additional information is also given :

	31.12.2021	31.12.2022
	Rs.	Rs.
Debtors	18,000	17,000
Creditors	12,000	9,000
Bills receivable	7,000	4,000
Bills payable	3,000	3,500
Outstanding expenses	4,000	2,000
Prepaid expenses	2,000	2,500

You are required to ascertain the cash flow from operations.

SECTION - C

Answer any <u>two</u> questions. Each question carries <u>fifteen</u> marks. [2 × 15 = 30]

Q12) "Accounting plays an important role in the economic development of a country" . Explain.

Q13) 'Accounting process is always influenced by various environmental factors'. Elaborate this statement.

Q14) From the following Balance sheets of Joy Ltd. as on 31st December 2021 and 31st December 2022.

You are required to prepare a Fund flow statement for the year 2022.

Liabilities	2021	2022	Assets	2021	2022
Share Capital	50,000	60,000	Plant & Machinery	30,000	25,000
General Reserve	8,000	12,000	Land & Building	20,000	40,000
Profit and Loss A/c	6,000	10,000	Stock	26,000	20,000
Bank Loan	10,000	2,000	Debtors	13,000	20,000
(Long term)			Cash	5,000	6,000
Sundry Creditors	12,000	16,000			
Provision for taxation	4,000	6,000			
Outstanding expenses	4,000	5,000			
	94,000	1,11,000		94,000	1,11,000

Additional Information :

a) Interest paid on bank loan amounted to Rs. 1,000

b) Income - Tax paid for the year 2022 Rs. 4,400.

c) Assets of another company was purchased for a consideration of Rs. 10,000 and paid in shares. Assets consisting of Land and Building Rs. 4,000 and stock Rs. 6,000.

d) A machinery costing Rs. 5,000 (WOV Rs. 3000) was sold for Rs. 1,000 and the loss being written off against general reserve.

e) Closing stock of 2,000 was over valued by Rs. 5,000.

f) Outstanding expenses paid during the year were Rs. 4,500.

Q15) The following information is obtained from the books of Evergreen Co. Ltd. Mumbai, for the year ended 31st December, 2021 and 2022.

Balance Sheet

Liabilities	2021 Rs.	2022 Rs.	Assets	2021 Rs.	2022 Rs.
Creditors	20,000	16,000	Cash at bank	15,380	26,020
Bills Payable	12,750	6,500	Trade debtors	11,260	11,710
Debentures	1,00,000	1,00,000	Stock on hand	56,160	49,460
Reserves	67,250	84,500	Fixed assets	2,17,200	2,19,810
Share Capital	1,00,000	1,00,000			
	3,00,000	3,07,000		3,00,000	3,07,000

	2021 Rs.	2022 Rs.
Sales	1,80,000	1,95,000
Net Profit	16,000	17,250
Gross Profit	40,000	65,000

You are required to arrange the above Balance sheet figures in a form suitable for analysis and show separately the following ratios :

a) Gross profit ratio

b) Operating ratio

c) Proprietary ratio

d) Current ratio

e) Debtors' turnover ratio

