

Semester End Examination, Oct-Nov. 2019

Programme: B.COM

Subject: Commerce

Course Code: GE-01

Course Title: Principles and Practice of Accounting

Category: Generic Elective I

Semester: I

Paper No: I

Time: 2 Hours

Max. Marks: 80

Instructions:

1. *The question paper contains 6 questions spread across 2 pages*
2. *Q.1 is compulsory*
3. *Answer **any 3** from Q.2 to Q.6*
4. *Figures to the right in brackets indicate maximum marks*

Q1. SR Ltd furnishes the following record of receipts and issue of a material coded 011 for the month of December 2018. Prepare a store ledger card using weighted average price method of pricing material issues. [20mks]

- 1 Dec. Opening Balance 400 units valued at 5,200
- 3 Dec. Received 600 units @ 14 per unit
- 5 Dec. Issued 700 units
- 8 Dec. Received 300 units @ 14.50 per unit
- 10 Dec. Received 400 units @15 per unit
- 15 Dec. Issued 200 units
- 18 Dec. Issued 400 units
- 22 Dec. Received 600 units @ 16 per unit
- 28 Dec. Issued 500 units
- 31 Dec. Shortage 10 units

Q2. Prepare a Stores Ledger Account from the following details using LIFO method of pricing the issue of materials for the month of April 2019. [20mks]

- April 1 Opening Balance 10.850 kgs @ Rs. 130.00 per kg
- April 2 Purchased 20,000 kgs@ Rs. 134.00 per kg
- April 3 Issued 6,750 kgs to production
- April 5 Issued 8.500 kgs to production
- April 6 Received back 550 kgs from production being surplus
- April 7 Purchased 17,550 kgs @Rs. 128.00 per kg
- April 8 Issued 11.250 kgs to production
- April 9 Physical stock verification revealed a loss of 250 kgs
- April 10 Issued 8,950 kgs to production
- April 12 Issued 8,950 kgs to production
- April 15 Purchased 10,000 kgs @Rs. 132.00 per kg
- April 16 Issued 7750 kgs to production

Q.3. Answer the following:

[2x10=20mks]

- a) What is accounting standard? Explain the accounting standards setting process in India.
- b) The Complete Gardener is deciding on the economic order quantity for two brands of lawn fertilizer: Super Grow and Nature's Own.

The following information is collected.

Particular	Super Grow Fertilizer	Nature's Own Fertilizer
Annual Demand	2,000 Bags	1,280 Bags
Relevant Ordering cost per purchase order	Rs. 1,200	Rs. 1,400
Annual relevant carrying cost per bag	Rs. 480	Rs. 560

You are required to:

- (i) Compute EOQ for Super Grow and Nature's Own
- (iii) For the EOQ, compute the number of deliveries/orders per year for Super Grow and Nature's Own.

Q. 4. Answer the following:

[2x10=20mks]

- a) Explain any 5 elements of financial statements.
- b) X Co. Ltd. uses three types of materials A, B and C for production of P, the final product.

The relevant monthly data for the components are given below

Particulars	A	B	C
Normal usage (units)	200	150	180
Maximum Usage (units)	100	100	90
Minimum Usage (units)	300	250	270
Reorder quantity (units)	750	900	720
Reorder period (months)	2 to 3	3 to 4	2 to 3

Calculate for each type of material (a) Reorder level, (b) Minimum level, (c) Maximum level, and (d) Average stock level.

Q.5. Answer the following:

[2x10=20mks]

- a) Who are the users of accounting information?
- b) State and explain any 5 qualitative characteristics of financial statements.

Q.6. Write a short note on **any 4** the following

[4x5=20mks]

- a) Social responsibility accounting.
- b) Human resource accounting.
- c) Inflation Accounting.
- d) Objectives of Human Resource Accounting
- e) AS-26.
- f) Need of IFRS.