

VidyaVikasMandal's
Shree Damodar College of Commerce & Economics, Margao – Goa
FY B.Com, Semester – I, Semester End Examination, October 2019
Principles & Practice of Accounting (GE-1)

Duration: 2 hrs**Marks: 80**

Instructions: Q1 is compulsory

From Q2 to Q6 attempt any three

Answer short notes not more than 125 words

Q1) From the following information, Prepare Stores Ledger Account using LIFO method of pricing the issues for the year 2019

Jan 1st Opening Balance of 5,425 kgs @ Rs. 130 per kg.
 Jan 2nd Purchased 10,000 kgs @ Rs. 134 per kg.
 Jan 3rd Issued 3,375 kgs to Production Department.
 Jan 5th Issued 4,250 kgs to Production Department.
 Jan 6th Received back 275 kgs from Production Department being surplus.
 Jan 7th Purchased 8,775 kgs @ Rs. 128 per kg.
 Jan 8th Issued 5,625 kgs to Production Department
 Jan 10th Issued 4,475 kgs to Production Department.
 Jan 12th Issued 3,150 kgs to Production Department.
 Jan 15th Purchased 5,000 kgs @ Rs. 132 per kg.
 Jan 16th Issued 3,875 kgs to Production Department

(20 Marks)

Q2 a) Vinson Ltd had Rs. 2, 00,000 as cash at bank on 1/4/2018. The consumer price index on that day was 200. During the year ended 31/03/2019, the receipts and payments were as follows:

On 1st June the company sold one of its machinery for Rs. 5,00,000.
 On Jan 15th the company purchased grinding machinery worth Rs. 18,00,000.
 The company had a sales of Rs. 25,00,000 and Purchases of Rs. 22,00,000 made evenly throughout the year. The company also incurred operating expenses worth Rs. 1,25,000.
 The general price index for the year was as under:

31st March – 240
 1st June – 210
 15th January – 230

You are required to ascertain the general purchasing power gain or loss.

(10 Marks)

b) From the following details compute the total value of human resources of skilled and unskilled group of employees according to Lev and Schwartz Model.

Particulars	Skilled	Unskilled
Average Annual Earning of an Employee till the date of retirement	60,000	40,000
Age of Retirement	65 years	62 years
Discount Rate	15%	15%
No. of Employees in Group	30	40
Average Age	62 years	60 years

(10 marks)

Q3 (a) DWZ Ltd. uses three types of materials Bronze, Zinc and Copper for production of "X" the final product. The relevant monthly data for the components are as given below:

Particulars	Bronze (kgs)	Zinc (kgs)	Copper (kgs)
Normal Usage	4,000	3,000	3,600
Minimum Usage	2,000	2,000	1,800
Maximum Usage	6000	5,000	5,400
Reorder Quantity	15,000	18,000	14,400
Reorder Period (Months)	2 to 3	3 to 4	2 to 3

Calculate for each component:-

- (a) Reorder Level
- (b) Minimum Level
- (c) Maximum Level
- (d) Average Stock Level

(15 marks)

(b) Kia fabricates are the manufactures of Cotton Fabrics. From the following details calculate the Economic Order Quantity (EOQ).

Annual consumption of material 4000 tones

Cost of placing one Order Rs. 5000

Cost per ton Rs. 2000

Storage and carrying cost 8 % on average inventory

(5 Marks)

Q4) Answer *any four* of the following: -

(4 x 5 marks = 20 marks)

- a) Matching Concept
- b) Going Concern Concept
- c) Convention of Conservatism
- d) Objectives of Accounting
- e) International Financial Reporting Standards
- f) Cost Accounting
- g)

Q5) Answer *any four* of the following: -

(4 x 5 marks= 20 marks)

- a) Neutrality and Prudence in preparation of Financial Statements.
- b) Equity and Liability
- c) Assets of the company
- d) Expenses of the company
- e) Gains of the company
- f) Understandability of Financial Statement.

Q 6) Answer *any four* of the following: -

(4x 5 marks = 20 marks)

- a) Events occurring after Balance Sheet dates as per AS-4
- b) Provisions as per AS – 29
- c) AS 26 – Intangible Assets
- d) Contingent Liabilities
- e) Corporate Social Responsibility Accounting
- f) Need for Environmental Accounting