

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
F.Y.B.Com Semester-I, Semester End Examination, October 2018
Principle & Practices of Accounting

Duration: 2hrs

Marks: 80

Instruction: Q1 is Compulsory

From Q2 to Q6 attempt any three

Figures to the right indicate maximum marks

Q1) Prepare a stores ledger account from the following information adopting **FIFO method** of pricing of issues of materials:- **20 marks**

2018 March 1 Opening balance 500 tonnes @ Rs. 200
March 3 Issue 70 tonnes
March 4 Issue 100 tonnes
March 8 Issue 80 tonnes
March 13 Received from supplier 200 tonnes @ Rs. 190
March 14 Returned from Department A 15 tonnes out of the issue made on March 3rd.
March 16 Issue 180 tonnes
March 20 Received from supplier 240 tonnes @ Rs. 195
March 24 Issue 300 tonnes
March 25 Received from supplier 320 tonnes @ Rs. 200
March 26 Issue 115 tonnes
March 27 Returned from Department B 35 tonnes out of the issue made on March 26th.
March 28 Received from supplier 100 tonnes @ Rs. 200

Q2) A company had the following monetary items on January 1, 2017:

Debtors	Rs. 41,000
Bills Receivable	Rs. 10,000
Cash	<u>Rs. 20,000</u>
Total	Rs. 71,000
Less: Bills Payable	Rs. 10,000
Creditors	<u>Rs. 25,000</u>
Net Monetary Assets	Rs. 36,000

The transactions affecting monetary items during the year were:

- (a) Sales of Rs. 1, 40,000 made evenly throughout the year.
- (b) Purchases of Goods of Rs. 1, 05,000 made evenly during the year.
- (c) Operating expenses of Rs. 35,000 were incurred evenly throughout the year.
- (d) One machine was sold for Rs 18,000 on July 1
- (e) One machine was purchased for Rs. 25,000 on December 31, 2017

The general price index was as follows:-

On January 1st:- 300

Average for the year: - 350

On July 1st:- 360

On December 31st:- 400

You are required to compute the general purchasing power, gain or loss for the year stated in terms of the current year end rupee **(20 marks)**

Q3) i) A company gardener is deciding on Economic Order Quantity for 2 brands of fertilizers X and fertilizers Y. The following information is collected:-

- a) Annual Demand for X 2000 bags and Y 1200 bags
- b) Ordering Cost per purchase order Rs.1200 for X and Rs. 1400 for Y
- c) Carrying Cost for X Rs.480 and for Y Rs. 560

- 1) Calculate EOQ for X and Y fertilizers
- 2) For the EOQ compute the number of deliveries per year for X and Y. **(10 marks)**

ii) Shriram Enterprises manufactures a special product "Zed". The Following particulars were collected for the current year:-

Normal Usage 50 units per week

Maximum Usage 75 units per week

Minimum Usage 25 units per week

Reorder period 4 to 6 weeks

Compute from the above (a) Reorder Level, (b) Minimum Level, (c) Maximum Level
(d) Average Stock Level. **(10 marks)**

Q4) Write Short Note on any four of the following: - **(5 marks x 4 = 20 marks)**

- a) Objectives of Accounting
- b) Entity Concept
- c) Money Measurement Concept
- d) Principle of Conservatism
- e) Cost Accounting
- f) Uses of Accounting

Q5) Write Short Note on any four of the following

(5 marks x 4 = 20 marks)

- a) Understandability of Financial Statements
- b) Reliance of Financial Statements
- c) Reliability of Financial Statements
- d) Comparability of Financial Statements
- e) Assets & Liabilities
- f) Income & Expenses

Q6) Write Short Note on any four of the following

(5 marks x 4 = 20 marks)

- a) Need for Environmental Accounting
- b) Meaning of Human Resource Accounting
- c) Corporate Social Responsibility Accounting
- d) Features of Intangible Assets
- e) Current Cost Accounting Method
- f) Contingent Assets and Contingent Liabilities