

Master of Computer Management (M.C.M.) (Old & CBCS Pattern) First Semester
1MCM1 / PCMCMT101 - Commercial Practices

P. Pages : 4

Time : Three Hours



GUG/W/18/10754

Max. Marks : 80

- Notes : 1. All questions are compulsory.
2. All questions carry equal marks.

1. a) State the taxable income under salary. 8
b) Write the concept and convention of Accounting. 8

OR

- c) A book-keeper submitted to you the following trial balance, which he has not been able to tally. Rewrite the trial balance, correcting the mistakes committed by him. 8

Particular	Amount	Amount
Capital	-	15,000
Drawings	3,250	-
Stock (1-1-2016)	17,445	-
Return Inwards	-	554
Carriage Inwards	1,240	-
Deposits	-	1,375
Return outwards	840	-
Carriage outwards	-	725
Loan to Amol.	-	1,000
Interest on Loan	-	25
Rent.	820	-
Rent outstanding	130	-
Stock (31-12-2016)	-	18,792
Purchases	12,970	-
Debtors	4,000	-
Goodwill	1,730	-
Creditors	-	3,000
Advertisement Exp.	954	-
Provision for doubtful debts	-	1,200
Bad Debts	400	-
Prints and Partners	500	-
Cash	62	-
Sales	-	27,914
Discount Allowed	-	330
Wages.	754	-
	45,095	69,915

- d) From the following information prepare Trading A/c Profit & Loss A/c and Balance Sheet for the year ended 31st Dec. 2016

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Building	1,25,000	Sales	1,65,000
Furniture	13,000	Purchase Return	5,000
Opening Stock	15,000	Creditors	65,000
Investment	12,000	Bank Loan on Mortgage	35,000
Purchases	95,000	Long term loan taken	50,000
Sales Return	2,900	Discount Received	300
Wages	6,000	RDD & Bad Debts	1,500
Carriage	8,000	Share Capital	50,000
Godown Rent	1,000	Advertisement	1,600
Sundry Debtors	48,000	Printing and Stationary	2,900
Discount Allowed	900	Bad debts written off	850
Salary to employee	27,000	Cash at Bank	11,500
Cash in hand	1150		

Adjustment:-

- Stock at the end of year Rs. 25,000
- Write off Bad debt Rs. 150 and create R.D.D. 5% on Debtors
- Provide interest @ 10% p.a. for loan taken.
- Rs. 500 advance salary.
- It has been decided to pay dividend @ 9% on capital.
- Rs. 1500 are to be transferred to education. Reserve.

2. a) The following details are available from a companies book for one year the company manufactures plants:

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Stock of Raw materials (Opening)	Rs. 12,800
Stock of finished goods (Opening)	Rs. 28,000
Purchases	Rs. 2,92,000
Productive Wages	Rs. 1,98,800
Sale of finished Goods	Rs. 5,92,000
Stock of Finished Goods (closing)	Rs. 30,000
Stock of Raw Material (Closing)	Rs. 13,600
Works Overhead	Rs. 43,736
Office and general Expenses	Rs. 35,524

The company is about to send a tender for large plant. The costing department estimates that the material required would cost Rs. 20,000 and wages Rs. 12,000. Tender is to be made keeping a net profit 20% on selling price. State what would be the amount of the tender if works overheads are based on productive wages and office and general expenses are based on works cost.

- b) A product passes through two process A and B. From the following Information Prepare Process account. 8

Particular	Process A	Process B
Material Consumed	10,000	5,000
Wages	15,000	7,673
Indirect Expenses	2,500	2,500
Normal Wastage	2%	5%
Selling price of wastage Per 100 units	20	30
Output (units)	48,000	46,000

50,000 units of raw material were introduced in process A @Rs. 0.50 per unit.

OR

- c) Following are the trading & profit and loss Account of Rishal Products Ltd. for the year ending 31st March 2017 and balance sheet as on that date. 8

Trading & P/L A/c.
(For the year ended 31st March 2017)

Particular	Amount	Particular	Amount
To, op. Stock	1,40,000	By, Sales,	7,50,000
To. Purchases	6,10,000	By, Closing Stock	1,50,000
To, Gross Profit	1,50,000		-----
	-----		9,00,000
	9,00,000		-----
	-----	By, Gross Profit	1,50,000
To. Sundry Expenses	90,000		
To. Net Profit	60,000		
	1,50,000		1,50,000

Balance Sheet
(as on 31-03-2017)

Liabilities	Amount	Assets	Amount
Share Capital	6,00,000	Fixed Assets	5,50,000
Reserve and Surplus		Stock	1,55,000
Balance 50,000		Debtors	85,000
Profit for the year 60,000		Cash	2,10,000
-----	1,10,000		
Bank overdraft	80,000		
Creditors	2,10,000		
	10,00,000		10,00,000

You are required to calculate the following ratio.

- | | |
|-------------------------|--------------------------|
| i) Current Ratio | ii) Liquid Ratio |
| iii) Gross Profit Ratio | iv) Stock Turnover Ratio |

- d) The expenses budgeted for production of 10,000 units. 8

Particular	Per Unit Rs.
Material	7.00
Wages	2.50
Variable Expenses	2.00
Fixed Cost (Rs. 10,000)	1.00
Variable Expenses (Direct)	0.50
Selling Expenses (10% Fixed)	1.30
Distribution Expenses (20% Fixed)	0.70
Administrative Expenses (Rs. 5000)	0.50

Prepare a budget for the production of 8,000 and 6,000 units.

3. a) State the essentials features of offer. 8
- b) Discuss the causes of dissolution of partnership. 8

OR

- c) Explain the formation of company meeting. 8
- d) State the principles of Articles of association. 8
4. a) Explain the management is an art & science. 8
- b) State the process of decision making. 8

OR

- c) Write the qualities and styles of leadership. 8
- d) Explain the essential factors to influence communication. 8
5. Write short note.
- a) Elements of double entry accounting. 4
- b) Limitation of Cost Accounting. 4
- c) Prospectus. 4
- d) Duties of Human Resource Manager. 4
