

M.C.M.(with Credits)-Regular-Semester 2012 Sem I  
**1MCM1 - Introduction to Commercial Practices**

P. Pages : 3

Time : Three Hours



**GUG/W/16/3029**

Max. Marks : 80

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

1. a) Explain the Accounting concepts and conventions. 8  
b) Describe the capital Receipts & Revenue Receipts. 8

**OR**

- c) The following balances appear in various accounts on 31-3-2015 you are asked to prepare a trial Balance. 8

Capital	20,000	Apprentice Premium	300
Machinery	8000	Insurance Premium	200
Buildings	9000	Interest on Investment	600
Rates & taxes	500	Investments	6000
Debtors	6000	Bank charges	100
Stationary	900	Printing	300
Bills payable	1950	Creditors	3000
Loan from Raj and co.	8000	office exp.	650
opening stock	500	wages	1200
Bank	1500	sales	9000
Cash	500	Purchases	3500
Drawings	2000	Furniture	2000

- d) Prepare a Trading Account for the year ending 31<sup>st</sup> December 2015 from the following data: 8

	₹
Opening stock	24000
Cash purchases	80,000
Credit purchases	28000
Purchases Returns	6000
Goods withdrawn by the trader for personal use	1800
Cash sales	185000
Credit sales	40,000
Sales returns	5000
Wages	12000
Carriage inwards	8000
Import Duty	6000
Work manager's salary	6500
Stock damaged by fire	2000

2. a) Explain the types of costing. 8
- b) Explain the meaning of working capital. 8
- c) Prepare a cost sheet from the following data relating to the manufacture of the 'Smart Jeans' Number manufactured during the month – 1000. 8

Direct materials consumed	20,000
Direct Labour	8000
Indirect Labour (in works)	2500
Supervision costs (in works)	1000
Factory Premises rent	1600
Factory lighting	600
Oil for machines	100
Depreciation for machines	500
Office overheads	8000
Office salaries	2000
Misc. Office expenses	1000
Selling & distribution overheads	6000

A profit margin of 20% on Total cost of goods is expected on the "Smart Jeans".

- d) The following information is received from the books of Dilip Co. Ltd. 8

	₹
Sales (16,000 units)	6,40,000
(–) Variable cost	<u>4,80,000</u>
contribution	1,60,000
(–) Fixed cost	<u>1,20,000</u>
Net Profit	40,000

Calculate Profit Volume Ratio and by using the P/V Ratio calculate the following.

- 1) Break - Even Point.
- 2) Required sale to earn a profit of ₹ 90,000.
- 3) Profit from the sales of ₹ 10,00,000.
- 4) Amount of marginal safety on the profit of ₹ 90,000.
- 5) Sales on the PV Ratio 40%.

3. a) Explain the Essentials of valid contract. 8
- b) Write the contents included in Articles of association. 8

**OR**

- c) Explain the types of Partners. 8
- d) Explain the difference between shares & debentures. 8

4. a) Explain the Role & Importance of management. 8
- b) Describe the Process of Decision making. 8

**OR**

- c) Explain the Leadership and Communication. 8
- d) Explain the functional Areas of management. 8
5. Write short notes.
- a) Explain the Journal. 4
- b) Methods of costing. 4
- c) Features of partnership. 4
- d) Controlling. 4

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