

P1 - Commercial Practices

P. Pages : 3

Time : Three Hours

**GUG/W/16/3055**

Max. Marks : 80

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

1. a) Explain the term Capital Receipt and Revenue Receipt **8**
b) Explain the Accounting Process in Double Entry Accounting System. **8**

OR

- c) Journalise the following transaction. **8**

2011 July

- 1 Shri Rahul started his business with cash Rs. 81000, Building Rs 100000 and borrowed from friend Rudra Rs 25000.
5 Purchased furniture from Pama and issued him a Cheque Rs 6000
7 Credit purchase from Kishor Rs 15000 less 4% Trade Discount.
11 Credit Sales to Ashok Rs 3000 less trade discount 2%.
16 Paid Postage Rs 100 and Electricity Bill of Rs 600.
19 Sent a Telegram of Rs 30 to Kishor to supply goods of Rs 7500 immediately.
21 Purchased Computer and Printer of Rs 25000 from Pravin and in part Payment gave him cash of Rs 15000.
29 Paid Telephone Deposit for new telephone connection by cheque Rs 2000

- d) Prepare a Trial Balance as on 31st March 2015 from the following balances extracted from Ledger of Rashi – Rudra **8**

Particular	Rs
Opening Stock	60000
Drawing	2500
Insurance	600
Salaries and Wages	4500
Purchases	65000
Sunday Debtors	18000
10% Investment	12000
Free Hold Building	20000
Capital	40000
General Reserve	21000
Interest Received	600
Carriage	2500
Sales	130000
Creditors	16000
Travelling Expenses	3000
Furniture and Fixture	10000
Bills Receivable	600
Bills Payable	1000
Rent	3500
Unpaid Wages	800
Return Inward	1000
Return Outward	500
Cash at Bank	4000
Office Expenses	2700

2. a) Define costing. Explain different methods of costing. 8
- b) Define Management Accounting. Explain the role of Management Accounting. 8

OR

- c) In a Factory two types of Tape – Recorder are Manufactured i.e. 'Rashi' and 'Rudra' models. From the following particular prepare a statement showing cost and profit per model sold. There is no opening or closing stock. 8

	Rashi	Rudra
Material	Rs 27300	Rs 108680
Labour	Rs 15600	Rs 62920

Works Overhead is charged 80% on labour and office Overhead is taken at 15% on works cost. The selling Price of both the Tape Recorder is Rs 1000. 78 'Rashi' and 286 'Rudra' Models were sold.

- d) Draw up a Flexible Budget for Overhead Expenses on the basis of the following data and Determine Overheads rate at 70%, 80% and 90% plant capacity. 8

	At 70% Capacity Rs	At 80% Capacity Rs	At 90% Capacity Rs
Variable Overheads			
Indirect Labour		12000	
Stores Including spares		4000	
Semi – Variable Overheads			
Power (30% Fixed, 70% variable)		20000	
Repairs and Maintenance (60% Fixed, 40% Variable)		2000	
Fixed Overheads			
Depreciation		11000	
Insurance		3000	
Salaries		10000	
Total Overheads		62000	
Estimated Direct Labour Hours		124000	

3. a) What do you meant by after and Acceptance. Explain it's salient Features. 8
- b) Explain Duties and Liabilities of partnership 8

OR

- c) Define shares. Explain different types of shares. 8
- d) Explain the term 'Memorandum of Association' and 'Articles of Association'. 8

4. a) Define Management. Explain Role of Management. 8
- b) What do you mean by communication. Explain it's characteristic. 8

OR

- c) Define Decision Making. Explain the Decision Making Process. 8
- d) Define controlling. Explain it's Functions. 8
5. Write short Answers
- a) Explain the deduction under 80 C of Income Tax Act. 4
- b) Explain the limitation of Ratio Analysis. 4
- c) Explain the Annual General Meeting in Business. 4
- d) Explain the concept Marketing HR and production. 4

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