



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

1. Discuss the basic concepts and conventions accounting process in double entry accounting system. **16**

OR

- From the following details prepare Trial Balance for the year ended on 31-03-12 of Krishna Electric Co. Ltd. **16**

Equity shares of Rs.10 each (on 31-03-11)	7,50,000
New issue during the current year	50,000
Pref. shares of Rs.10 each (on 31-03-11)	2,00,000
8% Debentures (on 31-03-11)	1,00,000
8% Debentures issued during current year	1,00,000
Sundry creditors	7,440
Contingency Reserve	5,970
Unclaimed dividend	200
Stores (Purchased during 2011-12)	3,400
Transformers (Purchased during 2011-12)	30,000
Bills payable	86,740
Licence fees	2,420
Building (on 31-03-11)	8,53,300
New Motor purchased (on 31-03-12)	2,00,000
Mains (on 31-03-11)	1,00,000
Additions in mains as on 31-03-12	19,200
Meters (on 31-03-11)	10,500
Preliminary Expenses	10,000
Accrued Interest	5,000
Investments	22,000
Sundry Debtors	2,900
Cash in hand	10,600
Cash at Bank	31,030

2. Work out suitable contract cost account from the financial aspect of a contract, for construction of temporary buildings, undertaken by a firm in a river valley project. Your answer should be based on the following figures extracted from the financial books of the firm. The term of the contract is Rs.140 per square ft of the covered floor area as accepted and certified to be correct by the engineering authority of the project. **16**

a) Materials:-

Building material in stock at the commencement of work Rs.1,00,000 purchases during the currency of the contract.

- i) Cement 9000 bags @ Rs.50 per bag.
- ii) Bricks 1,00,000 @ Rs.500 per thousand
- iii) Sand 10,000 cu.ft @ Rs.1,000 per 1000 cu.ft.
- iv) Wood work 900 c.f.t. @ Rs.100 per c.f.t. value of the balances of various materials in hand after the completion of the work in Rs.1,10,000

b) Labour:-

100 masons @ Rs.50 per day for 40 days.

500 coolies @ Rs. 30 per day for 40 days.

- c) Tools and Plant:
Two new concrete mixed were bought at Rs.1,00,000 each, at the beginning of the contract. Residual value as assessed after completion of the contract is Rs.35,000 each.
- d) Supervision:-
50% of 4 engineers pay at Rs.5,000 p.m. for each engineer for 2 months.
50% of 10 overseers pay Rs.2,000 p.m. for each overseer for 4 months.
- e) Administrative overhead:-
20% of head office expenses for the period of the contract. The total head office expenses amounted Rs.15,000.
- f) Quantity for work done:- certified 12,000 sq.ft.

OR

ABC Ltd, a newly started company wishes to prepare cash budget from January. Prepare a cash budget for the first six months from the following estimated revenue and expenses. **16**

Month	Total sales Rs.	Materials Rs.	Wages Rs.	Overhead production Rs.	Selling distribution Rs.
Jan	20,000	20,000	4,000	3,200	800
Feb.	22,000	14,000	4,400	3,300	900
March	28,000	14,000	4,600	3,400	900
April	36,000	22,000	4,600	3,500	1,000
May	30,000	20,000	4,000	3,200	900
June	40,000	25,000	5,000	3,600	1,200

Cash balance on 1st January was Rs.10,000. A New machinery is to be installed at Rs.20,000 on credit, to be repaid by two equal instalments in March & April sales commission @ 5% on total sales is to be paid within a month following actual sales.

Rs.10,000 being the amount of 2nd call may be received in March. Share premium amounting to Rs.2,000 is also obtainable with the 2nd call.

Period of credit allowed by suppliers – 2 months

Period of credit allowed to customers – 1 months

Delay in payment of overheads – 1 months

Delay in payment wages - ½ months

Assume cash sales to be 50% of total sales.

3. Describe the formation of company, memorandum of association and its articles. **16**

OR

Explain the salient features of partners. Discuss the duties, liabilities and dissolution of partnership. **16**

4. Explain the concept of management. Describe the role and importance of management. **16**

OR

Write the process of decision making. Discuss the term controlling leadership and communication. **16**

5. Write short notes. **16**

- Capital Receipt and Revenue Receipt.
- Working capital.
- Prospectus.
- Marketing HR & production.
