

**PCCCAT101 - Commercial Practics**

P. Pages : 2

Time : Three Hours

**GUG/W/16/8105**

Max. Marks : 80

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

1. a) Explain the advantages of double entry system. **8**  
b) Pass necessary Journal entries in the books of M/S Lal & Co. **8**  
2007

June	1 -	Started business with capital of	₹ 1,80,000
	2 -	Deposited into bank	90000
	4 -	Purchased goods from Kamal on credit	30,000
	6 -	Paid to Kamal ₹ 14760 and discount allowed by him	₹ 240
	8 -	Cash Sales	60,000
	12 -	Sold to Gulab	20,000
	18 -	Paid salaries	16000
	20 -	Received from Gulab & allowed discount ₹ 60	7740
	25 -	Withdrawn for personal use	4000
	30 -	Paid to Kamal by cheque	9000

**OR**

- c) From the following Trial Balance of Novelty stores, Prepare Trading & profit & loss A/C **16**  
for the year ended 31<sup>st</sup> Dec 2000 and Balance Sheet as on that data, after giving effect to the under mentioned adjustments.

Trial Balance			
Opening Stock	17445	Purchase Returns	840
Purchases	12970	Sales	27914
Carriage inward	1240	Interest on loan to Ashok	25
Carriage outward	725	Provision for Bad debts	1200
Wages	754	Capital	15000
Sales Returns	554	Outstanding Rent	130
Rent	820	Creditors	3000
Advertisement	954		
Bad debts	400		
Discount	330		
Drawings	3250		
Deposits with A	1375		
and Loan to Ashok	1000		
@ 5% on 1 -1 -200			
Debtors	4000		
Goodwill	1730		
Patents	500		
Cash	62		
	48109		48109

Adjustments:

- a) The value of closing stock is ₹ 18792.  
b) ₹ 200 out of the advertisement are to be for the next year.  
c) Stock valued at ₹ 1500 destroyed by fire on 25 – 12, 2000 but the Insurance Co. admitted a claim for ₹ 950 only and paid it in 2001.  
d) Outstanding Wages amounted to ₹ 146.

- e) Increase bad debts by ₹ 600. Make provision for doubtful debts 10% and provision for discount on debtors 5%.
- f) The manager of Novelty stores is entitled to commission of 10% of Net Profit calculated after charging such commission.

2. a) Explain the difference between cost & management Accounting. 8
- b) Rudra construction company took a contract of ₹ 10,00,000 and starts the work on 1<sup>st</sup> Jan, 2014. Positive of contracts on 31<sup>st</sup> Dec, 2014 is as 8

Purchase of Materials	₹	93000
Direct wages	₹	73200
Other expenses	₹	25000
Work certified	₹	2,40,000
Plant issued to contract	₹	1,00,000
Depreciation on plant	₹	20% p.a.
Cash Received	₹	2,00,000
Work Uncertified	₹	5000
Material in Hand	₹	2400

Prepare contract Account for the year 2014.

**OR**

- c) The budgeted Expenses for the production of 10,000 unit in a Factory are below. 16

<u>Particulars</u>	<u>Per unit ₹</u>
Material	70
Labour	25
Variable O.H.	20
Fixed O.H. (1,00,000)	10
Direct Variable O.H.	5
Selling exp. (Fixed 15%)	13
Distribution exp. (20% Fixed)	7
Administrative exp. (50,000 ₹)	5

Prepared budget for the production of 8000 units.

3. a) Explain the essentials of valid contract. 8
- b) Give the contents of Articles of association. 8

**OR**

- c) Explain Partnership and give the types of Partners. 16

4. a) Explain the concept & Role of Management. 8
- b) Explain the Process of decision Making. 8

**OR**

- c) Explain the functional Areas of management. 16

5. Short answers questions.

- a) Explain Capital Receipts 4
- b) Explain the scope of cost Accounting. 4
- c) Explain Dissolution of Partnership. 4
- d) Explain Importance of Management. 4

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