

Shivaji College
B.A. (H) Business Economics
Semester – I (2023-24)
Accounting for Managers (Set B)
Internal Assessment Test: 24.11.2023

Max Marks: 20

Max. Time: 1 Hour

Attempt any 2 of the following Questions. All Questions carry equal marks:

Q1. Write short notes on the following:

- a. Break Even Point
- b. Provision for discount on Debtors and creditors

Q2. Following are the details of 2 firms:

		R & Company	S & Company
Sales		1,00,000	1,00,000
Cost:			
	Fixed	30,000	50,000
	Variable	50,000	80,000
	Profit	20,000	20,000

- i. Calculate P/V Ratio
- ii. Calculate BEP
- iii. Calculate MOS
- iv. An importer is interested to buy products involving Fixed cost 7,000 (already recovered from domestic sales) and variable cost Rs. 12,500. What minimum selling price should be quoted by each of the firms? Will it make any difference if the fixed cost mentioned is additional fixed cost to be recovered from the export sales? Explain.

Q3.

From the following balances and information, prepare Trading and Profit & Loss Account of Mr. X for the year ended 31st March, 2017 and a Balance Sheet as on that date:

Particulars	Dr. (₹)	Cr. (₹)
X's Capital Account	-	10,000
Plant and Machinery	3,600	-
Depreciation on Plant and Machinery	400	-
Repairs to Plant	520	-
Wages	5,400	-
Salaries	2,100	-
Income-tax of Mr. X	100	-

Bahetya

Cash in Hand and at Bank	400	-
Land and Building	14,900	-
Depreciation on Building	500	-
Purchases	25,000	-
Purchases Return	-	300
Sales	-	49,800
Bank Overdraft	-	760
Accrued Income	300	-
Salaries Outstanding	-	400
Bills Receivable	3,000	-
Provision for Bad Debts	-	1,000
Bills Payable	-	1,600
Bad Debts	200	-
Discount on Purchases	-	708
Debtors	7,000	-
Creditors	-	6,252
Opening Stock	7,400	-
	<u>70,820</u>	<u>70,820</u>

Additional Information:

- Stock on 31st March, 2017 was ₹6,000.
- Write off further ₹600 for Bad Debts and maintain a provision for Bad Debts at 5% on Debtors.
- Goods costing ₹1,000 were sent to customer for ₹1,200 on 30th March, 2017 on sale or return basis. This was recorded as actual sales.
- ₹240 paid as rent of the office were debited to landlord account and were included in the list of debtors.
- General Manager is to be given commission at 10% of net profit after charging the commission of the Works Manager and his own.
- Works Manager is to be given commission at 12% of net profit before charging the commission of General Manager and his own.

Salitga

Shivaji College
B.A. (H) Business Economics
Semester – I (2023-24)
Accounting for Managers (Set A)
Internal Assessment Test: 24.11.2023

Max Marks: 20

Max. Time: 1 Hour

Attempt any 2 of the following Questions. All Questions carry equal marks:

Q1. Write short notes on the following:

- a. Margin of Safety
- b. Provision for bad and doubtful Debts

Q2. Present the following information to show to the management

- i. The contribution per unit
- ii. The total Profit from each of the following sales mixtures:

Sales Mixture:

- a. 1,000 units of product A and 2,000 units of product B
 - b. 1,500 units of product A and 1,500 units of product B
 - c. 2,000 units of product A and 1,000 units of product B
- Also recommend which of the sales mixtures should be adopted.

	Product	Per Unit (Rs.)
Sales Price	A	20
	B	15
Direct Material	A	10
	B	9
Direct Wages	A	3
	B	2

Fixed Expenses Rs. 800

Variable Expenses are allocated to the products as 100 % of Direct wages

Q3. Prepare the final Accounts from the following Trial Balance

Particulars	Dr	Cr
Capital Account	-	800000
Drawings Account	60000	-
Stock on 1st April, 2016	450000	
Purchase	2600000	
Sales		3100000
Furniture	100000	

U Sahil

✓ Sundry Debtors	400000	
✓ Freight & Octroi	46000	
✓ Trade Expenses	5000	
✓ Salaries	55000	
✓ Rent	24000	
✓ Advertising Expenses	50000	
✓ Insurance premium	4000	
Commission		13000
Discount	2000	
Bad Debts	16000	
Provision for Bad debts		9000
Creditors		200000
Cash in hand	52000	
Bank	58000	
Goodwill (at cost)	200000	
Total	41,22,000	41,22,000

Adjustments :

- (i) Stock on 31st March, 2017 was valued at Rs. 5,30,000
- (ii) Salaries have been paid so far 11 months only.
- (iii) unexpired insurance included in the figure of Rs. 4000 appearing in the trial balance is Rs. 1000
- (iv) commission earned but not yet paid received amounting to Rs. 1220 is to be recorded in books of account.
- (v) provision for bad debts is to be brought upto 3% of sundry debtors
- (vi) Manager is to be allowed a commission of 10% of net profits after charging such commission.
- (vii) Furniture is depreciated @ 10% per annum
- (viii) only one fourth of advertising expenses are to be written off.

Prepare trading and profit and loss account for the year ended 31st March 2017 and balance sheet as on that date.

Ushantika