

**2014-16**

*Time : 4 Hours*

*Full Marks - 80*

*Candidates are required to give their answers  
in their own words as far as practicable*

*The questions are of equal value*

*Answer any five questions*

1. ✓ Discuss the principal functions of Management Accounting and show how does it help in solving managerial problems in key areas of the business.  
<http://www.biharpaper.com>
2. ✓ What is double entry system? What are its characteristics? Give the rule of debit & credit.
3. Define costing. Discuss the important methods of costing

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Turn Over

employed in different industries.

4. ✓ From the following prepare (a) Receipts & Payment Account and (b) Income and Expenditure Account for the year ending December 2014.

	Rs.
Subscription received for the last year	8,000
Subscription received for the current year	72,000
Subscription accrued for the current year	12,000
Receipts - <a href="http://www.biharpaper.com">http://www.biharpaper.com</a>	
Rent of Rooms	4,000
Receipts from table Tennis Room	24,000
Receipts from canteen	50,000
Payments -	
Salaries	40,000
Repairs	4,800
Printing & Stationary	12,000
Supplies for canteen	34,000
Wages	27,200

Fuel & Gas	16,000
Rent	20,000
Outstanding Expenses -	
Repairs Rs. 3200; Supplies for canteen Rs. 8,800;	
1-1-2014 cash in hand Rs. 7,200.	

Particulars	Amount	Particulars	Amount
To, Opening stock	1,45,000	By Sales	7,50,000
" Purchases	6,10,000	By Closing Stock	1,55,000
" Gross Profited	1,50,000		
	9,05,000		9,05,000
" Operating Profit	80,000	By Gross profit b/d	1,50,000
" Net Profit	70,000		
	1,50,000		1,50,000

<http://www.biharpaper.com>  
Balance Sheet

(As on 31st March, 2015)

Capital & Liabilities	Amount	Assets	Amount
Share Capital	7,00,000	Fixed Assets	5,50,000
Reserve & Surplus		Current Assets :	
Balance 50,000		Stock	1,55,000
Profit for 70,000	1,20,000	Debtors	80,000
(2013-14)		Bank	2,20,000
Bank overdraft	35,000		
Creditors	1,50,000		
	10,05,000		10,05,000

Calculate the following ratios :

5. Sudhir Ltd. has 50,000 equity shares of Rs. 10 each, Rs. 8 paid. The company transfers 10% of profit to general reserve every year. The expected profit (based on previous year performance) before tax is Rs. 10,00,000 and the rate of tax is 65% Normal rate of dividend is 16% p.a. Sudhir Ltd's 7% Preference share capital is Rs. 4,00,000 dividend into shares of Rs. 10 each. Find value of share by yield method.

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6. Financial statements of S. K. Engineering Works are summarised below :

Trading and Profit & Loss Account

(For the year ended 31st March, 2015)

- i) Current Ratio (ii) Quick ratio (iii) Gross Profit ratio  
iv) Debtors Turnover (v) Stock Turnover (vi) Net profit to paid up capital.

7. A firm having a capacity of 15,000 units per year produces 10,000 units which are consumed in the home market at Rs. 25 per unit. The cost sheet (per unit) on the basis of this output is under :

	Rs.
Materials	8.00
Labour	6.00
Fixed Factory Exp.	2.00
Variable Factory exp.	1.50
Office expenses	1.00
Selling Expenses :	<a href="http://www.biharpaper.com">http://www.biharpaper.com</a>
Fixed	0.50
Variable	1.00
Total cost	20.00

A Foreign customers is interested in the product but

he is willing to buy only 5,000 units and that price of Rs. 18 per unit. Do you advise the firm to accept the order?

8. Define standard costing and discuss its objects advantages & limitation.
9. Write an essay on Balance sheet and profit & loss Account. <http://www.biharpaper.com>
10. What is Depreciation & What are the reasons for charging depreciation & Differentiate with suitable examples between straight line method & Diminishing Balance Method of charging Depreciation.