

PART B — (5 × 16 = 80 marks)

11. (a) State the functions of accounting. Elaborate in detail.

Or

(b) What are the advantages of Human resource accounting? Explain.

12. (a) From the following ledger balance, prepare Trial Balance.

Opening stock Rs. 30,000 ; Purchase Rs. 3,00,000, Closing stock Rs. 14,000, Debtors Rs. 1,20,000, Cash Rs. 3,000, Discount allowed Rs. 3,400, Bank Rs. 5,600, Creditors Rs. 90,000, Sales Rs. 4,20,000, Salaries Rs. 42,000, Rent Rs. 9,000, Postage Rs. 4,500, Taxes Rs. 1,500, Machinery Rs. 1,20,000, Drawings Rs. 20,000, Capital Rs. 1,52,000, Purchase return Rs. 6,000, Sales returns Rs. 9,000.

Or

(b) From the following balance taken out at the close of the year ended 31st December 2002, prepare a Profit & Loss account.

	Amount		Amount
	Rs.		Rs.
Gross profit	1,02,000	Discount (dr.)	1,000
Carriage outwards	5,000	Apprentice premium (cr.)	3,000
Salaries	1,10,000	Printing and stationery	500
Rent	2,200	Rates and Taxes	700
Insurance premium	1,800	Traveling expenses	400
Bad debts	4,200	Depreciation	12,000
Sundry trade expenses	600	Repairs and maintenance	5,600

13. (a) Discuss the importance of financial statement.

Or

(b) The Balance Sheet of Sriram Ltd., as on 31.12.2008 is as follows :

Liabilities	Rs.	Assets	Rs.
Equity share capital	5,00,000	Land and buildings	6,00,000
Preference capital	2,00,000	Plant and machinery	5,00,000
Reserves and surplus	3,00,000	Stock in trade	2,40,000
Debentures	4,00,000	Sundry debtors	1,95,000
Sundry creditors	1,50,000	Cash in hand	60,000
Bank overdraft	50,000	Prepaid expenses	5,000
	<u>16,00,000</u>		<u>16,00,000</u>

Calculate :

- (i) Current Ratio,
- (ii) Liquid Ratio
- (iii) Debt-equity Ratio
- (iv) Capital gearing Ratio
- (v) Proprietary Ratio.

14. (a) Describe various methods of cost accounting.

Or

(b) A Ltd manufactures products X and Y. During January 1998 it expects to sell 10,000 kg of X and 40,000 kg of Y at Rs. 20 and Rs. 10 respectively. Direct materials P, Q and S are mixed in equal proportions to product X and materials Q, R & S are mixed in the ratio of 3 : 5 : 2 to product Y. There is no loss of weight in production.

Actual and Budgeted stocks in quantities and costs for the month are as follows :

	Opening stock (kg)	Closing stock (kg)	Anticipated cost (per kg) Rs.
Material			
P -	3,000	2,000	5.5
Q -	2,000	4,000	5.0
R -	20,000	6,000	1.0
S -	10,000	12,000	3.5
Product			
X -	2,000	1,000	-
Y -	10,000	12,000	-

You are required to prepare

- (i) The production Budget and
- (ii) Materials purchase budget including the expenditure on raw materials for January.

15. (a) Explain the accounting software.

Or

(b) How important is an accounting system to business? Explain.

