

M.C.M. (CBCS Pattern) Semester - I  
**PCMCMT101 - Commercial Practices**

P. Pages : 3

Time : Three Hours



**GUG/S/23/10754**

Max. Marks : 80

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

1. a) Explain Capital Receipt and Revenue Receipt. 8  
b) Explain Accounting process in Double Entry accounting system. 8

**OR**

- c) Journalise the following transaction in the books of Narendra General Stores. 8  
2022 April 1 Narendra commenced business with cash Rs. 80,000/-  
3 Purchased goods from Kiran Rs. 40,000 on credit  
5 Paid Rent Rs. 2000  
10 Sold goods to Mr. Vikas 55000 on credit  
15 Purchased furniture of Rs. 30,000  
18 Received a cheque of Rs. 25000 from Mr. Vikas.  
21 Paid to Kiran by cheque of Dena Bank Rs. 20,000  
30 Paid salary Rs. 5000
- d) The following Trial Balance of Ramesh Enterprises prepare Trading Account, Profit & Loss Account and Balance sheet as on 31<sup>st</sup> March 2022. 8

Trial Balance as on 31<sup>st</sup> March 2022

Particulars	Debit Rs.	Credit Rs.
Opening Stock	45,200	
Capital		3,00,000
Drawings	20,000	
Furniture	60,000	
Prepaid Insurance	1,770	
Debtors & Creditors	70,000	1,29,250
Purchase & sales	57,000	1,20,000
Plant & Machinery	50,000	
Investment	68,000	
Factory Insurance	26,000	
Audit Fees	21,000	
Carriage Inward	1,800	
Land & Building	1,40,000	
Rent	7,120	
Reserve for Bad debts		6,000
Carriage outward	8,360	
Returns	2,000	9,000
Discount	1,000	7,000
Commission Received		8,000
	<b>5,79,250</b>	<b>5,79,250</b>

- d) Adjustment:
- 1) Write off Bad debts Rs. 2000 and provide 2.5% reserve for bad debts on debtors
  - 2) Closing Stock Rs. 40,000
  - 3) Provide Depreciation @ 5% on Building & 10% on machinery.
  - 4) Rent Prepaid Rs. 3,560.
  - 5) Outstanding carriage Inward is Rs.1,200.

2. a) Explain the types of costing. 8

b) Following information Shital Product Ltd. Shows. 8

Year	Sales (Rs.)	Profit (Rs.)
2011	20,000	1,000
2012	18,000	400

Calculate:

- i) P/V ratio
- ii) Fixed Cost
- iii) Variable cost for two years
- iv) Margin of safety if profit is Rs. 1,600.

**OR**

c) What do you mean by Budget? Explain Flexible Budget. 8

d) Following particulars have been extracted from the costing accounts of Rudra manufacturing company. 8

	Rs.
<u>Opening Stock:</u>	
Raw Material	3,211
Finished goods	1,564
<u>Closing Stock:</u>	
Raw Material	4,675
Finished Goods	2,192
<u>Work in Progress:</u>	
Opening	2463
Closing	2947
Purchase of Raw material	16724
Sales	37293
Direct Wages	8640
Indirect Wages	956
Carriage on Purchase	317
Carriage on sale	673
Factory Expenses	1172
Office expenses	995
Traveler Salaries	1746
Packing & Advertising	1229
Repairs of plant & machinery	274

You are required to prepare a statement showing:

- |                   |                        |
|-------------------|------------------------|
| i) Prime cost     | ii) Cost of production |
| iii) Gross Profit | iv) Net Profit         |

3. a) Explain the term: "Articles of Association" and "Memorandum of Association". 8
- b) What do you mean by offer and Acceptance. Explain it's features. 8
- OR**
- c) Explain Duties & liabilities of partnership. 8
- d) Define shares. Explain different types of shares. 8
4. a) Define Leadership. Explain it's principles. 8
- b) Explain the characteristics of controlling. 8
- OR**
- c) Describe the process of Decision making. 8
- d) Define controlling. Explain it's function. 8
5. a) Explain concept of Income Tax. 4
- b) Explain meaning of management Accounting. 4
- c) Explain the term Dissolution of Partnership. 4
- d) Management is an art. Explain. 4

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