

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

P. Pages : 4

Time : Three Hours



**GUG/W/22/10754**

Max. Marks : 80

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

1. a) Journalise the following transaction in the book of Jugallal.

**8**

2010

March

- 1 Started business with cash Rs. 10,000
- 2 Goods purchased for cash Rs. 500
- 3 Sold goods for cash Rs. 300
- 7 Goods purchased from Mohanlal Rs. 250
- 9 Purchase of Furniture Rs. 1000
- 10 Sold goods to Ramlal Rs. 400
- 14 Paid Rent Rs. 450
- 25 Paid to Mohanlal Rs. 350
- 28 Received cash from Ramlal Rs. 200
- 30 Paid for Salary Rs. 1000.

- b) From the following transactions make the trail balance as on 31<sup>st</sup> Dec. 2015.

**8**

	Rs.
Opening Stock (1-1-2015)	75,000
Sales	3,50,000
Purchases	2,45,000
Wages	50,000
Discount Allowed	2,000
Salary	7,500
Rent and Insurance	4,950
General Expenses	15,050
Profit and Loss A/c (31-12-2014) Cr	15,030
Dividend paid	9,000
Reserve Fund	6,030
Furniture	6,030
Share Capital	1,00,000
Debtors	37,500
Creditors	17,500
Machinery	29,000
Cash in hand	26,200
5% Debentures	10,000
General reserve fund	15,500
Loan to Managing director	3,250
Bad Debts	1,580
Remuneration to directors	1,500
Audit Fees	500

**OR**

- c) The following balances extracted from the books of Rajesh Kumar co. Ltd as on 31<sup>st</sup> Dec. 2010. 8

	Rs.
Opening Stock (1-1-2010)	12,750
Purchases	41,650
Wages	8,500
Discount Allowed	340
Salary	1,275
Rent and Insurance	842
General expenses	2,559
Dividend paid	1,530
Debtors	6,375
Machinery	4,930
Directors Remuneration	255
Audit Fees	85
Sales	59,500
Creditors	2,975
5% Debentures	1,700

Adjustments:

- 1) Provide 5% R.D.D. on Debtors
  - 2) In insurance account of Rs. 68 is related of next year.
  - 3) Depreciation charged on machinery at 10%
  - 4) Outstanding director Fees Rs. 650
  - 5) Value of stock on 31<sup>st</sup> Dec. 2010 is Rs. 14450
  - 6) Make a provision for discount fund at 3% on creditors
- Prepare Trading A/c and profit and loss A/c.

- d) The Chandrapur Co. Ltd Showed his balance on 31<sup>st</sup> Dec. 2015 as per follows issued and called up share capital Rs. 100000. 8

	Rs.
6% Debentures	75,000
Machinery	12,500
Building	85,000
Calls in arrears	1,875
Furniture	1,800
Debtors	21,750
Creditors	22,000
Bank Balance	20,163
Preliminary Expenses	1,250
Reserve fund investment	18,750
Profit and loss Appropriation A/c	3,628
Reserve Fund	18,750
R.D.D.	875
Net Loss of current year	27,615

Adjustment:

- 1) Depreciate Machinery by 10%
  - 2) Write off preliminary exp. of Rs. 125.
  - 3) Transfer Rs. 3750 to reserve fund investment.
  - 4) Make a provision for interest of 6 months on debentures.
  - 5) Provide Rs. 1076 for bad debts.
  - 6) Closing stock of Rs. 27750
- Prepare balance sheet as on 31<sup>st</sup> Dec. 2015.

2. a) Prepare cost sheet for the month of March 2015 and find out the amount of profit. 8

	Rs.
Raw material Purchases	3,11,000
Direct wages	2,40,000
Factory Rent	1,00,000
Exp. on purchase	3,600
Octroi on Purchase	10,000
Sale of Gunny bags	9,000
Damage material return	11,000
Stock on 1 <sup>st</sup> March 2015:	
Raw material	50,000
Finished goods (10000 units)	40,000
Stock on 31 <sup>st</sup> March 2015:	
Raw material	65,600
Finished goods (20000 units)	80,000
Sale	7,50,000

Selling and distribution Exp. per units Rs. 0.25 Production 40000 unit.

- b) A firm of building contractors undertook a contract on 1<sup>st</sup> June 2005. The position preparing to contract No. 51 was as follows which commenced 10 months ago:- 8

Material supplied Rs. 3,75,000

Material purchase Rs. 15,000

Wages paid Rs. 4,37,500

Wages out-standing Rs. 6,250

Proportionate share of indirect expenses Rs. 18,750 cost of plant Rs. 62,500.

The value of work certified was Rs. 9,00,000 of which Rs. 6,75,000 had been received in cash. Works completed but uncertified amounted Rs. 25,000. The contract price Rs. 15,00,000. The plant on site Rs. 50,000

Prepare contract No. 51 Account.

**OR**

- c) The following budget prepared for 10,000 units per unit cost will be as under. 8

Material Rs. 60 per unit

Wages Rs. 55 per unit

Fixed cost (Rs. 1,00,000) Rs. 10 per unit

Variable expenses Rs. 5 per unit

Selling exp (10% fixed) Rs. 15 per unit

Administrative Exp. (Rs. 70,000) Rs. 7 per unit.

Distribution Exp. (20%, fixed) Rs. 15 per unit.

Prepare budget for 8000 units.

- d) A company is expecting to have Rs. 25,000 cash in hand of 1<sup>st</sup> April 2007 and it requires you prepare an estimate of cash position during three months April to June. The following information is supplied to you. 8

Month	Sales	Purchases	Wages	Expenses
February	70000	40000	8000	6000
March	80000	50000	8000	7000
April	92000	52000	9000	7000
May	100000	60000	10000	8000
June	120000	55000	12000	9000

Other Information :-

- 1) Period of credit allowed by suppliers two months.
- 2) 25% of sale is cash and period of credit allowed to customers for credit sales one month.
- 3) Delay in payment of wages and expenses one month.
- 4) Income tax of Rs. 25,000 is to be paid in June 2007.

3. a) Explain the policies of offer and acceptance. 8
- b) Discuss the formation of company meeting. 8

**OR**

- c) State the process of dissolution of partnership. 8
- d) Narrate the duties and liabilities of partnership. 8
4. a) Discuss the management is an Art, Science and profession. 8
- b) Stat the role and importance of management. 8

**OR**

- c) Elaborate the process of decision-making. 8
- d) Explain the barriers in communication. 8
5. Write short note.
- a) Capital receipt. 4
- b) Break Even Analysis. 4
- c) Prospectus. 4
- d) Styles of leadership. 4

\*\*\*\*\*