

[Time: 3.00 Hrs]

[Marks: 75]

Please check whether you have got the right question paper.

Instructions :

1. Q1 (20 marks) & Q8 (15 marks) are compulsory.
2. Attempt Any Four (40 marks) out of Q2, Q3, Q4, Q5, Q6 and Q7.
3. Students have to attempt any four out of the remaining six questions and within each question; students have to attempt any two out of three sub – questions. Each sub – question would carry 05 Marks.
4. Figures to the right indicate full marks.
5. Draw neat diagrams wherever necessary.

Q.1 Read and attempt the following:**a. Fill in the Blanks:**

10 Marks

1. The accounting discipline that produces reports and insights specifically for internal management to aid in decision-making is referred to as _____.
2. The area of accounting that provides reports and information for both internal stakeholders and various external parties is termed _____.
3. Examples of _____ users of accounting information include investors, lenders, and suppliers who are associated with a business entity.
4. The formula that represents the relationship between a company's resources and obligations is expressed as $\text{Assets} = \text{Liabilities} + \text{_____}$.
5. The principle that serves as the basis for the double entry accounting system is known as _____.
6. Following each legitimate business transaction, the accounting equation is maintained in _____.
7. If a company has total assets valued at \$100,000 and owner's equity of \$60,000, then its liabilities must amount to _____.
8. The individual commonly recognized as the father of modern double entry accounting is _____.
9. In _____ accounting, both sides of each financial transaction are recorded.
10. The entire collection of accounts that a business manages is collectively referred to as _____.

b. State whether True or False:

10 Marks

1. The purpose of accounting is to provide financial information about a business to individuals and organizations.
2. Since financial information is communicated in accounting terms, accounting is said to be the "language of business."
3. Reviewing the events that have taken place and determining how this affects the business is called interpreting.
4. A partnership is owned by stockholders or shareholders.
5. A business that makes a product to sell is called a manufacturing business.
6. Generally accepted accounting principles are procedures and guidelines to be

followed in the accounting/reporting process.

- 7 Accountants design accounting information systems and analyze and Interpret information.
- 8 A business entity is an individual, association, or organization with control over economic resources and which engages in economic activities.
- 9 It is not necessary to measure a business transaction in pesos.
- 10 According to the accounting entity concept, a proprietor may include nonbusiness assets and liabilities in the business entity's accounting records.

Q.2. Attempt any one of the following:

10 Marks

A. Journalize the following transactions:

			Rs.
2016			
April.	1	Started business with cash	50,000
April.	3	Deposited cash into Bank	40,000
April.	5	Sold goods to Ganesh	22,000
April.	9	Goods returned by Ganesh	2,000
April.	11	Goods purchased from Kishore	30,500
April.	15	Goods returned to Kishore	1,500
April.	18	Bought Furniture & Fixture for office use by	9,000
April.	22	cheque	1,000
April.	22	Purchased goods for cash	50
April.	30	Paid carriage	500

B. Jeyaseeli is a sole proprietor having a provisions store. Following are the transactions during the month of January, 2018. Journalize them.

		Rs.
Jan.		
1	Commenced business with cash	80,000
2	Deposited cash with bank	40,000
3	Purchased goods by paying cash	5,000
4	Purchased goods from Lipton & Co. on credit	10,000
5	Sold goods to Joy and received cash	11,000
6	Paid salaries by cash	5,000
7	Paid Lipton & Co. by cheque for the purchases made on 4th Jan.	
8	Bought furniture by cash	4,000
9	Paid electricity charges by cash	1,000
10	Bank paid insurance premium on furniture as per standing instructions	300

Q.3 Answer any two the following:

10 Marks

- a. Classify the users of Accounting Information.
- b. Explain any two Accounting Concepts with examples.
- c. Explain any two Accounting Standards.

Q.4 Answer any two the following:

10 Marks

- a. List ten International Financial Reporting Standards (IFRS).
- b. Describe two types of assets in detail.
- c. Explain the different types of accounts, providing examples for each.

Q.5 Attempt any one of the following:

10 Marks

- a. Salman and Usman Bros. acquired a machine on July 1, 2008 at a cost of ₹ 70,000 and spent ₹ 5,000 on its installation. The firm writes off depreciation @ 10% on straight line method. The books are closed on December 31 every year. Show the machinery and depreciation account for three years.
- b. What is depreciation and how does it affect financial reporting?

Q.6 Attempt any One of the following:

10 Marks

(a) Calculate Economic Order Quantity (EOQ) from the following:

Annual consumption	6,000 units
Cost of ordering	Rs. 60
Carrying costs	Rs. 2

(b) From the following particulars, calculate the Economic Order Quantity (EOQ):

Annual requirements	1,600 units	Cost of materials per units
Rs. 40	Cost of placing and receiving one order:	Rs. 50
inventory value	10%.	Annual carrying cost for

Q.7 Attempt any One of the following:

10 Marks

(a) Calculate Stock turnover Ratio From the data given below

Items in Rs
Stock at the beginning of the year 10,000
Stock at the end of the year 5,000 Carriage 2,500
Sales 50,000
Purchase 25,000

(b) How is the Inventory Turnover Ratio calculated and what does it indicate about a company's efficiency in managing its inventory?

Q.8 Write short notes on Any three the following:

15 Marks

- a. What is inventory?
- b. What does inventory control refer to?
- c. How is the cost of inventory defined?
- d. What does the inventory turnover ratio indicate?
