

- 8 Paid rent for April, Rs.200.
- 9 Installed neon sign at a cost of Rs. 1,000.
Paid for postage stamps, Rs.10.
- 10 Received cash from M/s. Mohanlal & Co., Rs.1,470 ; allowed them discount, Rs.30.
- 11 Issued cheque for Rs.5,500 in full settlement (i.e., nothing more is due them) to M/s. Rao & Murty.
- 12 Deposited Rs.1,200 in bank.
- 13 Received bill for two table fans, Rs.300, from M/s. Electrician Bros.
- 15 One electric fan stolen.
- 16 Paid insurance premium, Rs.450, by cheque.

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OR

- 2 Write short notes on any two of the following :
 - (i) Margin of safety
 - (ii) Types of Budget
 - (iii) Applications of Marginal costing.

10x2=20

- 3 (a) Explain advantages and limitations of cost accounting.
- (b) Explain the procedure of setting up of Budgetary control system in a business enterprise.

7+8=15

- 4 From the following Trial Balance and additional information, you are required to prepare Final Accounts.

TRIAL BALANCE
as on 31st December, 2008

Particulars	Dr.Amount Rs	Cr. Amount Rs
Capital	--	20,000
Sundry Debtors	5,400	
Drawings	1,800	
Machinery	7,000	
Sundry Creditors	--	2,800
Wages	10,000	
Purchases	19,000	
Opening Stock	4,000	
Bank Balance	3,000	
Carriage Charges	300	
Salaries	400	
Rant and Taxes	900	
Sales	--	29,000
--	51,800	51,800



Additional Information

- (i) Closing Stock Rs1,200.
- (ii) Outstanding rent and Taxes Rs 100.
- (iii) Charge depreciation on machinery at 10%.
- (iv) Wages prepaid Rs 400.

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- 5** Prepare a Cash Budget for the months of May, June and July, 2008 on the basis of the following information :
- (i) Income and Expenditure Forecasts :

Months	Credit sales Rs.	Credit Purchases Rs.	Wages Rs.	Manufacturing Expenses Rs.	Office Expenses Rs.	Selling Expenses Rs.
March	60,000	36,000	9,000	4,000	2,000	4,000
April	62,000	38,000	8,000	3,000	1,500	5,000
May	65,000	33,000	10,000	4,500	2,500	4,500
June	58,000	35,000	8,500	3,500	2,000	3,500
July	56,000	39,000	9,500	4,000	1,000	4,500
August	60,000	34,000	8,000	3,000	1,500	4,500

- (ii) Cash balance on 1st May, 2008 Rs. 8,000.
- (iii) Plant costing Rs.16,000 is due for delivery in July, payable 10% on delivery and the balance after 3 months.
- (iv) Advance Tax of Rs8,000 each is payable in March and June.
- (v) Period of credit allowed (a) by suppliers-two months, and (b) to customers-one month.
- (vi) Lag in payment of manufacturing expenses-1/2 month.
- (vii) Lag in payment of office and selling expenses-one month.

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OR

What do you mean by Ratio Analysis? Explain various types of ratios which are used in analysis of financial position of a business concern.

3+12=15

