**ACCOUNTING FOR MANAGERS :**

Journalize the following transactions:

April 1, 2012 – Started business with cash Rs.2,00,000; Goods Rs. 1,00,000; Furniture Rs.50,000

April 2, 2012 – Opened Current Account with Rs.1,00,000

April 3, 2012 – Placed an order with Ritik Roshan for the supply of the goods of the list price of Rs.1,00,000. In this connection, we paid 9% of the list price as an advance by cheque.

April 4, 2012 – Ritik Roshan supplied goods of the list price of Rs.1,00,000 less 12% trade discount. Packing and delivery charges Rs.1,000.

April 5, 2012 – Paid Life Insurance Premium Rs.1,000.

April 6, 2012 – Cash embezzled by an employee Rs.1,000.

The Trial Balance of Mr. Wise as 31st March 18 was as follows:

|  |  |  |
| --- | --- | --- |
| Particulars | Dr. Rs. | Cr. Rs. |
| Capital/Drawings | 3,200 | 1,80,000 |
| Stock on1/4/2017 | 9,000 |  |
| Purchase/Sales | 64,500 | 1,19,000 |
| Sales Return | 2,000 |  |
| Insurance Premium | 1,500 |  |
| Duty Paid on Purchase | 10,000 |  |
| Primary Expenses Packing | 2,000 |  |
| Carriage Outwards | 8,000 |  |
| Advertisements | 1,000 |  |
| Postage | 100 |  |
| Bad Debts | 300 |  |
| Bills Payable |  | 9000 |
| Discount received |  | 500 |
| Bank Overdraft |  | 3,000 |
| Debtors/Creditors | 25,400 | 42,000 |
| Land And Building | 90,000 |  |
| Plant & Machinery | 70,000 |  |
| Furniture | 1,000 |  |
| Cash in hand | 500 |  |
| Cash at Bank | 40,000 |  |
| Goodwill | 9,000 |  |
| Wages and Salaries | 16,000 |  |
| Total | 3,53,500 | 3,53,500 |

Adjustments:

1: Closing Stock as on 31st March, 2018 Rs.21,600

2: Interest on Bank OD unpaid Rs.275

3: Half-yearly Premium prepaid

4: Depreciate Land and Building at 10%; Plant & Machinery at 20%.

5: Write off Bad Debts of Rs.400 and make provisions for required Doubtful Debts at 5% on Debtors.

Prepare Final Account.

From the following information, prepare the cash flow statement for the year ended 31st March 2018. *Amount (Rs.)*

|  |  |  |
| --- | --- | --- |
| Capital and Liabilities | 31st March 2017 | 31st March 2018 |
| Share Capital | 2,00,000 | 2,50,000 |
| General Reserve | 50,000 | 60,000 |
| Profit and Loss Account | 30,500 | 30,600 |
| Bank Loan | 70,000 | Nil |
| Sundry Creditors | 1,50,000 | 1,35,200 |
| Provision for Taxation | 30,000 | 35,000 |
| Total | 5,30,500 | 5,10,800 |
| Assets |  |  |
| Land and Building | 2,00,000 | 1,90,000 |
| Plant and Machinery | 1,50,000 | 1,69,000 |
| Stock | 1,00,000 | 74,000 |
| Sundry Debtors | 80,000 | 64,200 |
| Cash | 500 | 600 |
| Bank | 0 | 8,000 |
| Goodwill | 0 | 5,000 |
| Total | 5,30,500 | 5,10,800 |

Additional Information:

1. Dividend of Rs.23,000 was paid.
2. The following assets of another company were purchased for a consideration of Rs.50,000 paid for in shares:

Stock Rs.20,000; Machinery Rs.25,000

1. Further machinery was purchased for Rs.25,000 during the year.
2. Depreciation written off on building Rs.10,000; Machinery Rs.14,000.
3. Income tax paid during the year Rs.28,000.

From the following data, calculate the cost of the closing inventory according to the FIFO and LIFO methods on 31st December 2012 using the perpetual inventory system. December 1: Stock in hand 400 units @ Rs.7.50 .

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Purchases | | | Sales | |
| Date | Qty. (Units) | Rate (Rs.) | Date | Qty. (Units) |
| December 5 | 600 | 8 | December 3 | 300 |
| December 15 | 500 | 9 | December 10 | 500 |
| December 15 | 400 | 8.50 | December 17 | 400 |
| December 15 | 300 | 9.5 | December 26 | 500 |
|  |  |  | December 31 | 200 |

Journalize the following transactions:

On ***April 01, 2017***  Anees started business with Rs. 100,000 and other transactions for the month are:

***2.***Purchase Furniture for Cash Rs. 7,000.

***8.***Purchase Goods for Cash Rs. 2,000 and for Credit Rs. 1,000 from Khalid Retail Store.

***14.***Sold Goods to Khan Brothers Rs. 12,000 and Cash Sales Rs. 5,000.

***18.***Owner withdrew of worth Rs. 2,000 for personal use.

***22.***Paid Khalid Retail Store Rs. 500.

***26.***Received Rs. 10,000 from Khan Brothers.

***30.***Paid Salaries Expense Rs. 2,000

The following is the Trading and Profit and Loss a/c and Balance Sheet of a firm.

**Trading and P & L A/c**

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Rs.** | **Particulars** | **Rs.** |
| To Opening Stock | 10,000 | By Sales | 1,00,000 |
| To Purchases | 55,000 | By Closing Stock | 15,000 |
| To Gross Profit c/d | 50,000 |  |  |
|  | **1,15,000** |  | **1,15,000** |
| To Administrative Expenses | 15,000 | By Gross Profit b/d | 50,000 |
| To Interest | 3,000 |  |  |
| To Selling Expenses | 12,000 |  |  |
| To Net Profit | 20,000 |  |  |
|  | **50,000** |  | **50,000** |

**Balance Sheet**

|  |  |  |  |
| --- | --- | --- | --- |
| **Liabilities** | **Rs.** | **Assets** | **Rs.** |
| Capital | 1,00,000 | Land and Buildings | 50,000 |
| Profit and Loss a/c | 20,000 | Plant & Machinery | 30,000 |
| Creditors | 25,000 | Stock | 15,000 |
| Bills Payable | 15,000 | Debtors | 15,000 |
|  |  | Bills receivable | 12,500 |
|  |  | Cash at Bank | 17,500 |
|  |  | Furniture | 20,000 |
|  | **1,60,000** |  | **1,60,000** |

Calculate the following ratios:

(a) Inventory turnover ratio

(b) Current Ratio

(c) Gross profit ratio

(d) Net profit ratio

(e) Operating ratio

(f) Liquidity ratio

(g) Proprietary ratio

The following information is given about *MIs* Gowda Ltd. for the year ending Dec. 31't 2003 :

(a) Share Capital Rs. 8,40,000

(b) Bank Overdraft Rs. 50,000

(c) Working Capital Rs. 2,52,000

(d) Current Ratio = 2.5 :1

(e) Quick Ratio = 1.5 : 1

(f) Gross Profit Ratio = 20 % on sales

(g) Stock Turnover Ratio = 5 times

(h) Sales for 2003 Rs. 5,00,000

(i) Trade Debtors Rs. 70,000

(j) Opening Creditors Rs. 40,000

(k) Closing Creditors Rs. 30,000

(I) Closing Stock is Rs. 20,000 higher than the opening stock

Find Out

(a) Current Assets and Current Liabilities.

(b) Cost of goods sold, Average stock and Purchases.

(c) Creditor's Turnover Ratio.

(d) Creditor's Payment Period.

(e) Debtor's Turnover Period.

(f) Debtor's Collection Period.

(g) Working Capital Turnover Ratio.

Prepare Store Leger Card (FIFO, LIFO and Average)

**July 01** Balance b/ 50 Units ……………………………@ 10 Each

**July 05** Purchases 30 Units ……………………………@ 12 Each

**July 09** Purchases 60 Units ……………………………@ 9   Each

**July 13** Sales 70 Units ……………………………@ 18 Each

**July 23** Purchases 40 Units ……………………………@ 8 Each

**July 26** Purchases 20 Units ……………………………@ 16 Each

**July 30** Sales 90 Units ……………………………@ 19 Each