



Name :

Roll No. :

Invigilator's Signature :

**CS/BHMCT (N)/SEM-4/HM-405/2011
2011
BASIC ACCOUNTING**

Time Allotted : 3 Hours

Full Marks : 70

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

GROUP – A

(Multiple Choice Type Questions)

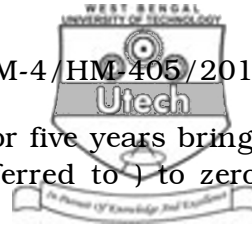
1. Choose the correct alternatives for any *ten* of the following : 10 × 1 = 10

- i) The idea of separation of the owners business transaction is referred to as
- a) Net worth
 - b) Entity concept
 - c) Prudence principle
 - d) Full disclosure concept.
- ii) A Journal is
- a) a book of account
 - b) a financial statement
 - c) a book of original entry
 - d) a ledger.

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- iii) Cash book is a
 - a) a Ledger account
 - b) Subsidiary book
 - c) Journal as well as ledger
 - d) None of these.
- iv) Trading account is a
 - a) Nominal account
 - b) Real account
 - c) Personal account
 - d) None of these.
- v) Recording of fixed assets at cost ensures adherence of
 - a) going concern concept
 - b) cost concept
 - c) conservation concept
 - d) both (a) & (b).
- vi) Rooms of a hotel are considered as
 - a) Inventories
 - b) Liabilities
 - c) Capital
 - d) Cash flow.
- vii) A hotel purchased 100 kg of margarine for its bakery division @ Rs. 30/kg. After one week they inspected that only 98 kg of margarine remain. This loss of 2 kg is known as
 - a) short
 - b) spoilage
 - c) normal loss
 - d) contraction error.



- viii) Depreciation provided on a Jacuzzi for five years brings its value (written down value is referred to) to zero. What will the hotel do ?
- a) Write-off the asset
 - b) Impose the asset at zero value
 - c) A notional value of Re. 1 will be noted
 - d) Fresh valuation will be done and recorded.
- ix) Swimming pool of a hotel is a
- a) fixed asset
 - b) current asset
 - c) current liabilities
 - d) long term liability.
- x) Real accounts are related to
- a) assets
 - b) losses
 - c) expenses
 - d) realty.
- xi) What comes in debit and what goes out credit is related to
- a) personal accounts
 - b) nominal accounts
 - c) real accounts
 - d) capital accounts.

GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following. $3 \times 5 = 15$

2. Differentiate between Trade discount and cash discount, taking examples from the hotel industry.
3. Differentiate between Journal and Ledger.
4. Differentiate between Trial balance and Balance sheet.

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5. Differentiate between Provision and Reserve.
6. Explain the errors, which are disclosed by the Trial balance.

GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following. $3 \times 15 = 45$

7. Record the Journal entries in the books of Indian Hotel, entries with narration for the following transactions :
 - a) Purchased hotel equipment from X Ltd. on credit Rs. 6,00,000
 - b) Sold food in cash after cash discount @ 10% of Rs. 1,00,000
 - c) Purchased veg. items from Y Ltd. of Rs. 2,00,000 on credit after trade discount
 - d) Donation to club by cheque Rs. 20,000
 - e) Withdrawn from office cash for personal use of Rs. 10,000
 - f) Sold household old furniture for Rs. 35,000 and paid the money into business cash
 - g) Distributed goods from stock as free samples to the value of Rs. 12,000 as part on an advertising campaign
 - h) Purchased on accounting machine for Rs. 2,30,000 on credit from Panda traders
 - i) Depreciation on hotel equipment @ 25% on Rs. 6,00,000.



8. a) State the importance of accounting in managing a large hotel in different locations.
- b) Explain the Business entity concept and Going concern concept.
9. Record the following transactions in the double column cash book with cash and bank column :

2010

- Aug, 1 Cash in hand Rs. 5,500
- 1 Cash at bank Rs. 1,24,800
- 3 Paid salary to staff by cheque Rs. 42,000
- 6 Received from Gora, cash Rs. 6,000 and a cheque Rs. 30,000 and the cheque was sent to Bank
- 8 Withdrawn cash from Bank for office use Rs. 45,000
- 9 Purchased furniture in cash Rs. 38,000
- 16 Paid Paul co. by cheque Rs. 23,000
- 23 The proprietor withdrew from office cash for his personal use Rs. 3,000
- 27 Sold goods to Abijit for cash Rs. 34,000
- 30 Deposited office cash into bank Rs. 25,000.

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10. From the following Trial Balance, prepare Trading A/c and Profit & Loss A/c for the year ended 31st December, 2010

and also prepare the Balance sheet as on that date of

M/S Dhrubjyoti Traders.

Debit Balances	Rs.	Credit Balances	Rs.
Drawings	10,000	Capital	1,20,000
Advertisement	4,000	Creditors	45,000
Debtors	60,000	Purchase return	2,000
Rent	20,000	Loan	80,000
General expenses	6,000	Sales	2,50,000
Sales return	2,500	Reserves	33,500
Insurance premium	3,000		
Machinery	80,000		
Wages	25,000		
Purchases	1,10,000		
Salaries	19,000		
Cash in hand	300		
Land & Buildings	80,000		
Electric charges	2,400		
Furniture	16,000		
Opening stock	28,000		
Telephone charges	2,400		
Cash at bank	59,800		
Discount	900		
Bad debts	1,200		
	5,30,500		5,30,500



The following adjustments entries are to be taken into account :

- i) Closing stock valued Rs. 30,000
- ii) Outstanding liabilities for : wages Rs. 5,000, Rent Rs. 3,000
- iii) Depreciation @ 10% per annum on machinery, @ 5% p.a. on land & building, @ 20% p.a. on furniture is to be provided
- iv) Bad debt is to be written off Rs. 1,000, provision for doubtful debts is to be maintained @ 5% on debtors.

11. Write short notes on any *three* of the following : 3 × 5

- a) Journal Proper
 - b) Application of computer in accounting
 - c) Compensating errors
 - d) Purchase day book
 - e) Amortization.
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