

Name : .....

Roll No. : .....

Invigilator's Signature : .....

**CS/B.HMCT/SEM-4/HM-405/2013**

**2013**

**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 questions : 10 × 1 = 10

i) A journal is a

- a) book of account                      b) financial statement  
c) book of original entry              d) ledger.

ii) Profit and Loss Account is a

- a) Nominal Account                      b) Real Account  
c) Personal Account                      d) None of these.

iii) Which of the following assets is an intangible asset ?

- a) Furniture                                      b) Copyright  
c) Inventory                                      d) Cash.



- iv) A Balance Sheet discloses
- a) Profit earning capacity of a business
  - b) Financial position of a business
  - c) Income position of a business
  - d) None of these.
- v) Depreciation is provided on
- a) Fixed Asset
  - b) Current Asset
  - c) Fictitious Asset
  - d) None of these.
- vi) Cash Book is a
- a) ledger
  - b) subsidiary book
  - c) journal as well as ledger
  - d) none of these.
- vii) Cost which remains fixed with the increase or decrease of production unit is called
- a) Fixed Cost
  - b) Variable Cost
  - c) Direct Cost
  - d) Indirect Cost.



- viii) The Trial Balance is
- a) an account
  - b) a statement
  - c) a journal
  - d) a ledger.
- ix) Discount Received is a
- a) Personal Account
  - b) Nominal Account
  - c) Real Account
  - d) None of these.
- x) Ledger is called "Books of Final Entry".
- a) *True*
  - b) *False*.
- xi) Trading Account shows
- a) Gross Profit
  - b) Net Profit
  - c) Financial position of the firm
  - d) Cost of Production.

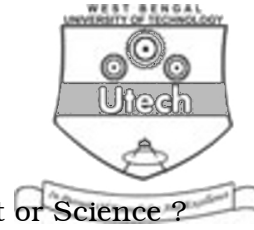
**GROUP – B**

**( Short Answer Type Questions )**

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

2. What is Suspense Account ? When is it required ? State the difference between Trial Balance and Balance Sheet.
3. Explain the errors disclosed by Trial Balance.
4. Differentiate between Accounting and Book-keeping.

CS/B.HMCT/SEM-4/HM-405/2013



5. Differentiate between Journal and Ledger.
6. What is Accounting ? Is Accounting an Art or Science ?

**GROUP – C**

**( Long Answer Type Questions )**

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

7. Correct the Trial Balance drawn up by a novice :

<b>Particulars</b>	<b>Dr. (Rs.)</b>	<b>Cr. (Rs.)</b>
Capital		20,000
Furniture and Fixture		2,000
Deposit With Bank	15,000	
Interest received from Bank	750	
Miscellaneous Receipts	1,500	
Sundry Creditors		2,500
Sundry Debtors	7,000	
Discount Allowed		500
Discount Received	400	
Purchases	60,000	
Sales		80,000
Return inwards	1,000	
Return outwards		1,500
Carriage inwards	1,500	
Carriage outwards		1,000
Salaries and Wages	5,000	
Miscellaneous Expenses		2,000
Cash in Hand	250	
Cash at Bank	10,400	
Closing Stock	5,700	
	<b>1,09,500</b>	<b>1,09,500</b>



8. Journalise the following transactions, post them in Ledger balance :

November		(Rs.)
1	Started Hotel with cash	1,00,000
2	Purchased hotel equipment	2,00,000
3	Salaries paid to hotel staff	50,000
4	Wages paid to Group D staff	10,000
5	Purchased medicine from Dey's Medical	5,00,000
6	Purchased stationeries	2,00,000
7	Sold Medicine	7,00,000
8	Paid Electricity Bill by cheque	10,000
9	Returned goods to Dey's Medical	50,000
10	Deposited Cash into Bank	20,000

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

- (i) External and Internal User of Accounting information
- (ii) Classification of Accounts
- (iii) Errors of Commission
- (iv) Difference between Journal and Ledger
- (v) Balance Sheet.

10. What is Accounting ? What are the objectives of Accounting ?  
What are its limitations ? 5 + 5 + 5



11. A manufacturing house purchases 5000 units of a particular item per year at unit cost of Rs. 20. The ordering cost per order is Rs. 50 and inventory carrying cost is 25% of the average inventory. Find EOQ and number of orders.
12. From the following ledger balances prepare Trading Account and Profit and Loss Account for the half year ended on 31st December, 2009 and a Balance Sheet as on that date.

	<b>Rs.</b>		<b>Rs.</b>
Capital	3,500	Salaries	650
Drawings	300	Printing Charges	110
Machinery	760	Rent and Taxes	90
Purchases	10,400	Debtors	640
Carriage Inward	100	Creditors	680
Sales Return	320	Opening Stock	1,000
Purchases Return	240	Bills Receivable	270
Wages	700	Investment in Govt. Securities @ 4%	1,400
Sales	13,200	Cash in Hand	140
Bills Payable	460	Cash at Bank	1,200

Additional Information :

- (i) Closing stock – Rs. 1,700
- (ii) Depreciation on Machinery – @ 10% p.a.
- (iii) Outstanding Wages – Rs. 100
- (iv) Rent and Taxes prepaid – Rs. 50
- (v) Goods drawn by proprietor for his personal use– Rs. 75.



13. On 1st January, 2004, machinery was purchased by X for Rs. 50,000. On 1st July, 2005, additions were made to the extent of Rs. 10,000. On 1st April, 2006, further additions were made to the extent of Rs. 6,400.

On 30th June, 2007 machinery, the original value of which was Rs. 8,000 on 1st January, 2004 was sold for Rs. 6,000. Depreciation is charged at 10% p.a. on original cost. Show Machinery A/c, Depreciation A/c for the years from 2004 to 2007 in the books of X. X closes his books on 31st December.

=====