



ADVANCED ACCOUNTS

SEMESTER - 4



Time : 3 Hours]

[Full Marks : 70

GROUP - A

(Multiple Choice Type Questions)

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

i) Mr. Raj, owner of the firm, withdrew money from the bank account for his personal use. The entry to be recorded in the books of the business is

- | | |
|---------------------|---------------------|
| a) Cash Account Dr. | b) Drawings A/c Dr. |
| to Bank A/c | to Bank A/c |
| c) Bank A/c Dr. | d) Drawings A/c Dr. |
| to Cash A/c | to Mr. Raj A/c. |

ii) A credit sale of goods to Shivendra should be debited to

- | | |
|--------------------|------------------|
| a) Sales A/c | b) Goods A/c |
| c) Shivendra's A/c | d) Purchase A/c. |

iii) Commission received is an example of

- | | |
|-------------------|------------------|
| a) Real A/c | b) Nominal A/c |
| c) Impersonal A/c | d) Personal A/c. |



iv) A return inward book is maintained by a business to record

- a) returns of goods sold for cash
- b) returns of goods purchased on credit
- c) returns of goods sold on credit
- d) returns of capital goods sold on credit.



v) Which of the following is an Intangible Asset ?

- a) Furniture
- b) Patents
- c) Computers and accessories
- d) Vehicles.

vi) Which of the following is an example of a real account ?

- a) Salaries A/c
- b) Cash A/c
- c) Ram's A/c
- d) Repairs to Machinery A/c.

vii) The idea of separation of the owner's business transactions is referred to as

- a) net worth
- b) entity concept
- c) prudence principle
- d) full disclosure concept.

viii) A Journal is

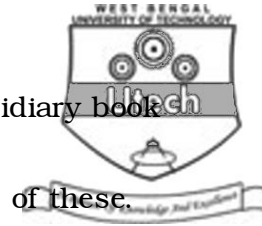
- a) a book of accounts
- b) a financial statement
- c) a book of original entry
- d) a ledger.



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ix) Cash book is a

- | | |
|------------------------------|--------------------|
| a) ledger account | b) subsidiary book |
| c) journal as well as ledger | d) none of these. |



x) Profit and Loss Account is a

- | | |
|---------------------|-------------------|
| a) Nominal account | b) Real account |
| c) Personal account | d) none of these. |

xi) Recording of fixed assets at cost ensures adherence of

- | | |
|--------------------------|--------------------|
| a) going concern concept | b) cost concept |
| c) conservation concept | d) both (a) & (b). |

xii) Depreciation is provided on

- | | |
|----------------------|-------------------|
| a) Current assets | b) Fixed assets |
| c) Fictitious assets | d) none of these. |

GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following.

3 ∞ 5 = 15

2. Discuss about the advantages of Bank Reconciliation Statement.
3. What do you mean by food costing ? Discuss about its objects and advantages.
4. Write a short note on Petty Cash Book.



5. Briefly describe the meaning of 'deferred revenue expenditure'.

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6. Explain the advantages of Visitors' Tabular Ledger Or Guest Ledger.



GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following.

3 ∞ 15 = 45

7. Record the following transactions in the double column cash book with cash and bank column :

2008

Aug, 1 Cash in hand Rs. 55,000

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.

7 Withdraw cash from Bank for office use Rs. 45,000

9 Purchase Hotel Equipment by cash Rs. 38,000

15 Donation to club by cheque of Rs. 2,500

16 Paid Paul & Co. by cheque Rs. 23,000

20 Purchase raw material cost of Rs. 12,000

23 The Proprietor withdrew from office cash for his personal use Rs. 3,000

27 Sold goods to Abhijit for cash Rs. 12,000

30 Deposited office cash into bank Rs. 25,000

31 Interest credited by Bank of Rs. 1,000 & Bank charges debited by Bank of Rs. 500.



8. Mr. A arrives in Mumbai and checks into a room in a five star hotel at 4 p.m. on 1st June, 2009 at Rs. 5,000 per day plus 10% for service charges on European plan.

Check-out time in the hotel is 12 noon. Calculate the amount payable by Mr. A in each of the following circumstances :



- i) If Mr. A checks out at 10 p.m. on the same day
- ii) If Mr. A checks out at 9 a.m. on 2nd June, 2009
- iii) If Mr. A checks out at 6 a.m. on 2nd June, 2009
- iv) If Mr. A checks out at 4 p.m. on 3rd June, 2009.

Show also the amount payable by Mr. A, if the charges were payable at the rate of Rs. 5,000 for a stay of every 24 hours or part thereof plus service charges at 10%.

9. From the following Trial Balance and other information prepare a Trading, Profit & Loss Account and a Balance Sheet in respect of Hotel & Co. as on December 31, 2008.

	<i>Dr. (Rs.)</i>	<i>Cr. (Rs.)</i>
Captial		1,00,000
Drawing	1,000	
Building	1,00,000	
Plant & Machinery	45,000	
Furniture	20,000	
Equipment	10,000	
Stock (01-01-07)	15,000	
Debtors	8,000	
Cash in hand	1,500	
Cash at bank	2,000	
Purchase (veg. & non-veg. items)	30,000	

Contd...



8

	Dr. (Rs.)	Cr. (Rs.).
Creditors		15,000
Bills payable		10,000
Loan		5,000
Returns outward		2,000
Sales (food & others)		1,30,000
Wages	8,700	
Salaries	4,500	
Power & fuel	2,500	
Carriage inward	500	
Insurance	4,000	
Rates & Taxes	6,500	
Bad debts	500	
Advertisement	2,300	
	2,62,000	2,62,000

Adjustments :

- i) Closing Stock is valued at Rs. 20,000.
- ii) Depreciate on Building @ 5%, Plant & Machinery @10%, Furniture @20% and on Equipment @10%
- iii) Wages unpaid Rs. 300 and Salary unpaid Rs. 500
- iv) Insurance prepaid Rs. 500.

10. Following is the information in respect of Hotel Miva Mar for 14th April, 2009.

You are required to write up Visitors (Guest) Ledger in respect of the same given that there are no opening balance :

- a) The hotel has four rooms with room charges @Rs. 3,000 per day and one suite @ Rs. 5,000 per day. An advance of Rs. 5,000 is taken from each customer in cash except from Gold Card Holders.



- b) Room No. 3 was vacant and Room No. 4 was occupied after 2 P.M. for which the Manager has agreed to grant a rebate of 30% on room charges of the guest for that day. The guest in the suite checked out on that day.
- c) Details of other expenses & facilities used by the guests are as under :

Particulars	Room – 101	Room – 102	Room – 103	Room – 104	Room – 105
	Rs.	Rs.	Rs.	Rs.	Rs.
Food	1,500	1,000	—	1,000	1,500
Beverage	100	300	—	100	150
Wine	1,000	—	—	—	1,500
Cigarettes	300	200	—	100	200
Laundry	300	200	—	100	300
Telephone and telex	200	100	—	100	—
Health Club 500	500	—	—	400	—
Car Rental	—	—	—	—	1,000
Sundries	500	100	—	200	100

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

3 ∞ 5

- Bank overdraft
- Advertisement expenses
- Bad debts
- Written Down Value (WDV) method of depreciation
- Cash flow statement
- FIFO.

END