



Name :

Roll No. :

Invigilator's Signature :

CS/BHM (OLD)/SEM-4/HM-410/2010
2010
ADVANCED ACCOUNTS

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) Closing stock features is the
- a) Balance sheet
 - b) Profit and loss account
 - c) Both in balance sheet and profit and loss account
 - d) Cash flow statement.
- ii) Which of the following is *not* a fixed asset ?
- a) Land and building
 - b) Plant and machinery
 - c) Bank
 - d) Furniture.

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- iii) If per unit cost of manufacturing of a certain product is Rs. 34.50 per piece, when 50 products are manufactured and it remains the same when 100 units are manufactured, the cost component is known as
- a) Fixed cost
 - b) Variable cost
 - c) Sunk cost
 - d) Constant cost
 - e) Concurrent cost.
- iv) Identify the *intangible asset* from the following assets :
- a) Cash
 - b) Bank overdraft
 - c) Copyright
 - d) Accounts receivables.
- v) According to going concern concept, a business is viewed as having
- a) A limited life
 - b) An indefinite life
 - c) A very long life
 - d) No life at all.
- vi) The effect of 'debit' is
- a) Increase in liabilities
 - b) Increase in assets
 - c) Increase in incomes
 - d) Increase of revenues.
- vii) Current liabilities do not include
- a) Unclaimed dividends
 - b) Sundry creditors
 - c) Prepaid insurance
 - d) Accounts receivables.



- viii) Cost of air conditioning the office of the managing director is a
- a) Capital expenditure
 - b) Revenue expenditure
 - c) Deferred revenue expenditure
 - d) Perquisite.
- ix) Purchase for office furniture on account is recorded in
- a) Purchase Book b) General Journal
 - c) Cash Book d) Credit Note Recorder.
- x) Trial balance is a proof that
- a) Every transaction is recorded twice
 - b) No error remains in the books of accounts
 - c) Books are authentically and correctly written
 - d) It has followed the going concern concept.
- xi) Profit and Loss Account of business shows the
- a) Balance of all accounts
 - b) Gross profit earned
 - c) Net profit earned
 - d) Net realizable value of business.

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- xii) Balance Sheet shows the
- Financial position of a business
 - Balance of all accounts
 - Net profit earned during a period.
 - Future profit.
- xiii) A business has assets of Rs. 44, 312 and owner's equity Rs. 13,210. What is the amount of liabilities ?
- Rs. 31,102
 - Rs. 41,102
 - Rs. 52,700
 - None of these.

GROUP – B
(Short Answer Type Questions)

Answer any *three* of the following. 3 × 5 = 15

- Differentiate between 'debit' and 'credit'.
- State the nature of errors *not* detected by Trial Balance.
- State briefly the importance of valuation of stock.
- Elucidate the importance of disclosing the cash flow statement.
- Differentiate between debit note and credit note.



GROUP – C

(Long Answer Type Questions)

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

7. Write short notes on any *five* of the following : 5×3
- Debit note
 - Depreciation
 - Deferred revenue expenditure
 - Guest ledger and its uses
 - Register of reservation
 - Purchase day book
 - Business entity concept and going concern concept.
8. Record the following transactions in the double column cash book with cash and bank column :

2006

- August
- Cash in hand Rs. 5,50,000.
 - Cash at bank Rs. 12,48,000.
 - Paid salary to staff by cheque Rs. 4,20,000.
 - Received from Gora cash Rs. 60,000 and a cheque Rs. 3,00,000 and the cheque was sent to Bank.
 - Purchase of veg. & non-veg. items cost of Rs. 50,000.
 - Purchases wine & minerals cost of Rs. 25,000.
 - Purchase furniture in cash Rs. 3,80,000.
 - Donation to club by cheque Rs. 20,000
 - Paid Paul & Co., by cheque Rs. 2,30,000.
 - The Proprietor withdraw from office cash for his personal use Rs. 30,000.
 - Sold food for cash Rs. 3,40,000.
 - Deposited office cash into bank Rs. 25,000.
 - Interest credited by bank of Rs. 15,000 & bank charges debited by bank Rs. 10,000.

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9. From the following Trial Balance, prepare a Trading Account and Profit and Loss Account :



Trial Balance as on 31st December, 2009

Dr. Side	Rs.	Cr. Side	Rs.
Purchases	16,000	Sales	30,000
Wages	6,500	Capital	10,655
Discount	1,300	Mortgage and Interest to date	3,050
Salaries	2,000	S. Creditors	2,100
Travelling Expenses	500		
Carriage inward	275		
Insurance	150		
Commission	325		
Rent and Rates	500		
Cash in hand	25		
Cash at Bank	2,725		
Repairs	300		
Sundry Expenses	55		
Mortgage Interest	150		
Building	4,000		
Machinery	1,500		
Horses and Carts	500		
Opening Stock (1. 1. 2008)	5,750		
S. Debtors	3,250		
Total	45,805	Total	45,805

Closing Stock on 31st December, 2009 was Rs. 6,075.

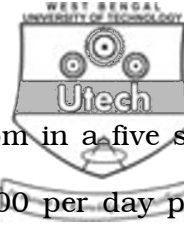


10. a) State the importance of drawing the trial balance.
 b) Given below is a Trial Balance prepared by an inexperienced accountant and the Trial Balance has not tallied. Rewrite the Trial Balance. 5 + 10

Trial Balance of Sandip & Co. as on December 31, 2005

Name of Account	L.F.	Dr. Balance (Rs.)	Cr. Balance (Rs.)
Capital		—	1,12,600
Buildings		1,70,000	—
Motor Car		—	30,000
Sales		6,00,000	—
Purchases		—	3,40,000
Furniture		25,000	—
Stock		—	44,000
Bank Overdraft		12,000	—
Cash		3,000	—
Interest on Bank Loan		—	400
Discount Received		2,600	—
Discount Allowed		—	4,600
Salaries		14,000	—
Wages		—	12,000
Printing & Stationery		4,000	—
Investments		10,000	—
Advertisement		6,000	—
Legal Charges		2,000	—
Audit Fees		1,000	—
Bad Debts		3,000	—
Debtors		2,31,000	—
Creditors		—	1,72,800
Total		10,83,600	10,83,600

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11. Mr. A arrives in Delhi and checks into a room in a five star hotel at 4 p.m. on 1st May 2010 at Rs. 5,000 per day plus 12·50% 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 May 2010
- iii) If Mr. A checks out at 6 a.m. on 2nd May 2010
- iv) If Mr. A checks out at 4 p.m. on 3rd May 2010.

Show also the amount payable by Mr. A, if the charges were leviable at the rate of Rs. 5,000 for a stay of every 24 hours or part thereof plus service charges at 12·50%.

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