



Name : .....  
Roll No. : .....  
Invigilator's Signature : .....

**CS/BTTM/SEM-2/TTM-206/2011**

**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 alternative for any *ten* of the following:

10 × 1 = 10

- i) Stock is valued at
  - a) market price
  - b) cost price
  - c) cost or market price whichever is lower
  - d) historical price.
- ii) "Debit what comes in and credit what goes out" is related to
  - a) personal accounts      b) nominal accounts
  - c) real accounts          d) contract account.
- iii) Which of the following equations is/are correct ?
  - a) Capital = assets + liabilities
  - b) Assets = capital + liabilities
  - c) Assets = liabilities – capital
  - d) Liabilities = assets + capital.



- iv) Goodwill account is a
  - a) personal account
  - b) real account
  - c) nominal account
  - d) arbitrary account.
- v) Room booking Register of a hotel is a part of its
  - a) cash book
  - b) inventory management record
  - c) record for corporate taxation
  - d) income trend analysis.
- vi) Prime cost is the sum total of
  - a) Direct material, Direct labour and Direct expenses
  - b) Direct material, Indirect labour
  - c) Indirect material, Indirect labour and Direct expenses
  - d) Product and packaging costs.
- vii) Depreciation is charged on
  - a) Wasting assets
  - b) Fixed assets
  - c) Inventories
  - d) Current assets.
- viii) Ledger is the book of
  - a) Secondary entry
  - b) Final entry
  - c) Primary entry
  - d) Collaborative entry.
- ix) Petty cash book is maintained for recording
  - a) Cash expenses
  - b) Personal expenses
  - c) Petty expenses
  - d) Cash sales.
- x) GAAP stands for
  - a) Global Accounting and Audit Procedure
  - b) Generally Accepted Accounting Principles
  - c) Government Approved Audit Procedures
  - d) Generally Authenticated Audit Procedurs.





- c) Sales required at a desired profit of Rs. 1,00,000
  - d) Profit when sales is Rs. 10,00,000
  - e) Margin of safety at the above level of sales.
8. a) Explain the statement — "Cash book is a journalized ledger."  
b) Prepare a double column cash book from the following information :

**2011**

- March 1 Cash in hand Rs. 30,000 and cash at bank Rs. 40,000
- 5 Sold goods for cash Rs. 6,000
- 6 Goods purchased through cheque of Rs. 4,000 and by cash of Rs. 2,000
- 10 Rent paid Rs. 1,500
- 16 Interest received from Kapil Rs. 1,400 in cash
- 17 Salary paid to Dhoni Rs. 3,000 through cheque
- 19 Sold goods to Sachin on credit Rs. 4,000
- 22 Purchased a machinery from Zahir of Rs. 20,000
- 26 Rs. 2,400 withdrawn by the owner for private use from bank
- 30 A cheque of Rs. 1,200 received from Munaf and immediately deposited into bank.

9. State in detail the different types of errors arising in the process of financial accounting process. How are the errors rectified ? Write with examples.



10. Prepare Trading and Profit/Loss A/c of Mr. Mitra from the following information :

**Trial Balance as on 31.03.11**

Particulars	Dr. (Rs.)	Cr. (Rs.)
Purchases	90,000	—
Purchase returns	—	3,000
Wages	6,000	—
Salaries	12,000	—
Rent, Rates & Taxes	2,400	—
Insurances	1,800	—
Travelling expenses	4,800	—
Discount	1,000	1,00
Interest	1,200	—
Sales	—	1,16,500
Sales returns	4,000	—
Bad debts	600	—
Bank	50,000	—
Sundry creditors	—	70,000
Plant & Machinery	8,000	—
Bulding	10,000	—
Furniture & Fixture	6,000	—
Sundry Debtors	80,000	—
Cash in hand	4,000	—
Capital	—	1,10,000
Loans	—	45,800
Drawings	15,000	—
Sundry expenses	1,200	—
Advertisement expenses	2,400	—
Opening stock	45,000	—

CS/BTTM/SEM-2/TTM-206/2011



The following adjustments are required :

- i) Closing stock Rs. 50,000
- ii) Outstanding wages Rs. 500 & salaries paid in advance Rs. 100
- iii) Depreciate plant & machinery @ 10%, building @ 2% and furniture @ 2%
- iv) Create a provision for bad debt @ 2.5%.

11. Journalise the following transactions and prepare the ledger of all accounts :

**2011**

Jan. 1 Anand started business with cash Rs. 50,000 and furniture Rs. 30,000.

Jan. 3 Opened a bank account with ICICI Bank by Rs. 3,000.

Jan. 4 Purchased goods from Jagat of Rs. 20,000 and Mohan returned goods of Rs. 2,000 due to defective in nature.

Jan. 11 Paid to Jagat in full settlement of his dues of Rs. 17,900.

Jan. 15 Paid salary by cheque of Rs. 5,000.

Jan. 18 A furniture of Rs. 6,000 sold to Gagan in cash.

CS/BTTM/SEM-2/TTM-206/2011



- Jan. 20 Commission received of Rs. 1,500.
- Jan. 23 Proprietor taken a furniture for household purpose of Rs. 1,400.
- Jan. 28 Charge interest on capital of Rs. 3,000.
- Jan. 31 Withdrawn cash of Rs. 4,000 for office use.

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