



Name : .....

Roll No. : .....

Invigilator's Signature : .....

**CS/BTTM/SEM-2/TTM-206/2012**

**2012**

**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.*

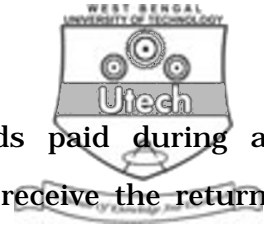
**GROUP - A**

**( Multiple Choice Type Questions )**

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

10 × 1 = 10

- i) This document is prepared when business transactions in respect of sale or purchase of goods are on credit and not for cash, *i.e.* money is to be paid at a later date
  - a) Receipt Book
  - b) Cash Memo
  - c) Bill or Invoice
  - d) Cheque.



- ii) This indicates the amount of funds paid during a certain period with the intention to receive the return during the same period
- a) Capital Expenditure
  - b) Revenue Expenditure
  - c) Capital Receipt
  - d) Revenue Receipt.
- iii) Which principle states that for every transaction, one account is debited while another one is credited ?
- a) Matching Principle
  - b) Duality Principle
  - c) Consistency Principle
  - d) Conservatism Principle.
- iv) Which is not a transaction ?
- a) Paid salaries to staff Rs. 20,000
  - b) Opened a bank account by depositing Rs. 40,000
  - c) Received a Pass Book from bank with a balance of Rs. 10,000
  - d) Received interest from bank Rs. 400.



v) Interest charges recorded in journal, not posted to ledger

- a) Error of Principle
- b) Compensating Error
- c) Error of Omission
- d) Error of Commission.

vi) Which of the following is an intangible asset ?

- a) Fixture
- b) Patent
- c) Computer
- d) Plant.

vii) Salim is the debtor of Shorav Ltd. for Rs. 2,500 as well as creditor of this organization for Rs. 3,000. How much should he deduct as set off from the total figure of Sundry Debtors and Sundry Creditors ?

- a) Rs. 500
- b) Rs. 3,000
- c) Rs. 2,500
- d) Rs. 5,500.



viii) The closing stock account in the stock ledger shows a balance of Rs. 644, but the actual year-end stock on counting was valued at Rs. 499. Give the closing journal entry

a) Closing Stock A/C..... Dr.

To Trading A/C

b) Trading A/C..... Dr.

To Closing Stock A/C

c) Closing Stock A/C..... Dr.

To Trading A/C

d) Trading A/C..... Dr.

To Closing Stock.

ix) Depreciation is provided on

a) current assets

b) fixed assets

c) long term investments

d) fictitious assets.



- x) Contribution means
- a) contribution = sales-variable cost
  - b) contribution = fixed cost + profit
  - c) contribution = sales-loss
  - d) contribution = no profit no loss.
- xi) Marshalling of balance sheet means
- a) ordering of assets
  - b) ordering of assets and liabilities
  - c) totaling of assets and liabilities
  - d) none of these.
- xii) Telephone rent is an example of
- a) fixed cost
  - b) variable cost
  - c) semi-variable cost
  - d) none of these.



**GROUP - B**

**( Short Answer Type Questions )**

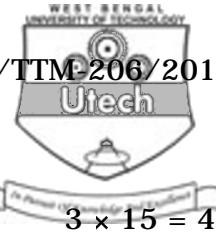
Answer any *three* of the following.

3 × 5 = 15

2. What do you mean by accounting concept ? 2 + 3
  
3. Prepare Trial balance from the following ledger account balances as on 31st March 2012 :

Capital	Rs. 10,00,000
Building	Rs. 1,25,000
Land	Rs. 8,25,000
Purchase	Rs. 75,000
Sales	Rs. 25,000
Closing stock	Rs. 10,000

4. What are the importance of preparing Trial balance ?
  
5. What do you mean by cost ? How are they classified on the basis of variability ? 2 + 3
  
6. State the different methods of calculating depreciation.



**GROUP - C**

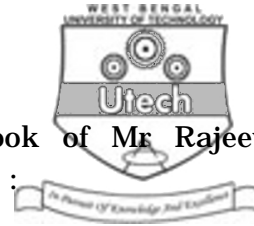
**( Long Answer Type Questions )**

Answer any *three* of the following.

3 × 15 = 45

7. Journalize the following entries and prepare the ledger of all accounts as on 31st March, 2012 : 15
- March, 1 Kaplan Stores started business with cash  
Rs. 25,000 and bank deposits Rs. 15,000
- March, 2 Cash deposited into bank Rs. 3,000
- March, 4 Goods purchased from samar worth Rs. 10,000
- March, 6 Paid to samar Rs. 9,200 with a cash discount  
Rs. 800
- March, 10 Wages and salaries paid by cheque Rs. 6,000
- March, 15 Purchased furniture from M/s. Mobel of worth  
Rs. 6,000
- March, 17 Interest received from bank Rs. 700
- March, 20 Proprietor withdrew cash from business for  
personal use of Rs. 2,000
- March, 24 Interest paid on loan Rs. 800 by cheque
- March, 26 Goods sold Rs. 3000 on credit
- March, 28 Cash sales Rs. 40,000
- March, 31 Withdrew cash from bank for office use  
Rs. 15,000.

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8. a) Prepare a double column cash book of Mr Rajeev Kumar from the following information :

**2012**

January, 1 Cash in hand Rs. 30,000 and cash at bank Rs. 35,000

January, 4 Rent paid Rs. 1,000

January, 9 Goods sold in cash Rs. 3,500

January, 12 Goods purchased through cheque Rs. 3,000 and by cash Rs. 4,000

January, 15 Interest received Rs. 2,000

January, 17 Salaries paid Rs. 300 and rent paid Rs. 200

January, 20 Goods purchased on credit from Md Shaman Rs. 6,000

January, 22 Machinery purchased from Madam Rs. 13,000

January, 25 Cash withdrew from office box for personal purpose Rs. 2,400

January, 28 Cash deposited into bank Rs. 8,000

January, 31 Cash withdrew from bank for office use Rs. 4,000.

- b) Distinguish between cash discount and trade discount.

10 + 5





9. The following information is obtained from the records of Shyam Ltd.

Sales Rs. 1,60,000, Variable Cost Rs. 8,00,000, Fixed Cost Rs. 3,00,000.

You are required to

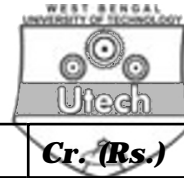
- a) Find the P/V ratio, Break even point and Margin of safety.
- b) Calculate the effect of the following on the above :
  - i) 10% Increase in Fixed Cost
  - ii) 20% Increase in Fixed Cost
  - iii) 10% Increase in Variable Cost
  - iv) 10% Decrease in Variable Cost.

15

10. The following is the trial balance of Sri A. Dutta as on 31.12.2011 :

<b>Heads of Accounts</b>	<b>DR. (Rs.)</b>	<b>Cr. (Rs.)</b>
Capital		25,000
Building	30,000	
Furniture	2,640	
Scooter	4,000	
Returns	2,300	1,600
Opening Stock	8,000	
Purchases & Sales	33,800	56,040

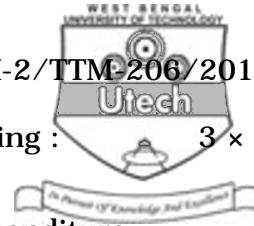
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<b>Heads of Accounts</b>	<b>DR. (Rs.)</b>	<b>Cr. (Rs.)</b>
Bad Debts	400	
Carriage Expenses	600	
General Expenses	1,200	
Provision for Doubtful Debts		700
Bank Loan (at 10% p.a. interest)		5,000
Inerest on Bank Loan	300	
Commission		900
Insurance and Taxes	2,000	
Scooter Expenses	2,600	
Salaries	4,400	
Cash	2,000	
Debtors and Creditors	3,000	8,000
<b>Total</b>	<b>97,240</b>	<b>97,240</b>

You are required to prepare Trading Account, Profit & Loss Account for the year ended 31.12.2011 and a Balance Sheet as on that date after taking into consideration the following adjustments :

- a) Closing Stock Rs. 4,340
- b) Prepaid Insurance Rs. 200 and outstanding Carriage Inwards Rs. 100
- c) Salaries have been paid for 11 months
- d) Depreciation on Building @5% p.a. and on scooter @15% p.a.
- e) Further bad debts Rs. 200 and provision for doubtful debts is to be increased by 5% on debtors.
- f) The scooter is used for business as well as for private purpose equally.



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

- a) Capital Expenditure and Revenue Expenditure
- b) Money measurement concept
- c) Sub-division of Ledger
- d) Suspense Account
- e) Treatment of abnormal Loss in Final Account.

