Name : ....

Roll No. : ....

Invigilator's Signature : ....

CS/HM/SEM-1/BHM-104/2009-10

2009

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 : $10 \times 1 = 10$

   i) Accounting does not record non-financial transactions, beacuse of

      a) Cost concept

      b) Materiality concept

      c) Money measurement concept

      d) none of these.

ii) Journal is a

a) Books of original entry

b) Classified summary of all transactions

c) Permanent record

d) all of these.

iii) Closing stock in trial balance implies that

a) it is already adjusted with the opening stock

b) it is already adjusted with the puchases

c) it is already adjusted with the sales

d) it is already adjusted with the capital.

iv) Which of the following comes under credit column of Trial Balance ?

a) Carriage inward b) Carriage outward

c) Return inward d) Return outward.

v) Which of the following is prepared to maintain artihmetical accuracy of records ?

a) Journal b) Ledger

c) Trial Balance d) Final Accounts.

vi) Which of the following is not an example of selling and distribution overhead ?

a) Advertisement

b) Salesmen salary

c) Carriage outward

d) Carriage inward.

vii) Depending upon which principle capital is taken as a liability of the business ?

a) double entry b) separate entity

c) going concern d) materiality.

viii) A sale of goods to P. Banerjee, should be debited to

a) Sales b) P. Banerjee

c) Cash d) Goods.

ix) Which of the following basis would you prefer to apportion "Depreciation" between production department ?

a) Light points b) Floor area

c) No. of employee d) Assets value.

x) Heavy advertisement to launch a new product is a

a) Capital expenditure

b) Revenue expenditure

c) Capital income

d) Deferred revenue expenditure.

xi) The adjustment to be made for provision for doubtful debts is

a) credit profit and loss account and deduct the provision from debtors

b) debit profit and loss account and deduct the provision from debtors

c) credit profit and loss account and add the provision to debtors

d) debit profit and loss account and add the provision to debtors.

xii) The adjustment to be made for prepaid expenses is

a) deduct prepaid expenses from respective expenses and show it as liability

b) add prepaid expenses to respective expenses and show it as asset

c) add prepaid expenses to respective expenses and show it as liability

d) no adjustment required.

GROUP – B

(Short Answer Type Questions)

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

2. Explain the differences between financial accounting and cost accounting ?

3. Why is journal called as Books of Primary Entry ?

4. What do you mean by overhead ? Classify the overheads with examples.

5. What is Suspense Accounts ? When is it required.

6. Distinguish between Trial Balance and Balance Sheet.

GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following. 3 ∞ 15 = 45

7. Journlise the following transactions in the books of Mr. Ghosh and post them in ledger accounts :

2008		**Rs.**
February, 1	Started business with cash	50,000
February, 3	Goods purchased for cash	15,000
February, 4	Cash deposited into bank	30,000
February, 7	Goods sold for cash	22,000
February, 9	Purchased furniture by cheque	8,000
February, 12	Purchased furniture by cheque	15,000
February, 15	Sold goods to Mr. Dhar	10,000
February, 22	Goods returned to Mr. Kar	2,000
February, 25	Paid salaries by cheque	10,000
February, 28	Withdrew cash for personal use	3,000

15

8. a) Prepare a Stores Ledger Account from the following particulars under FIFO and LIFO method :

2008

January, 1	Opening stock 1,000 units	@ Rs. 4 each
January, 4	Received 600 units	@ Rs. 5 each
January, 9	Issued 1,300 units	
January, 12	Received 800 units	@ Rs. 6 each
January, 16	Issued 900 units	
January, 20	Received 500 units	@ Rs. 7 each
January, 24	Issued 600 units	
January, 31	Stolen from Godown 10 units	

b) A manufacturing house purchases 2000 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. 10 + 5

9. What do you mean by depreciation ? How is depreciation calculated ? Why is depreciation called a "tax shield" ?

4 + 7 + 4

10. Write short notes on any *three* of the following : 3 ∞ 5

a) Errors not detected by Trial Balance

b) Bills payable

c) Administrative overhead

d) Contingent liabilities

e) Prepaid expenses

f) Sunk cost.

11. Following is the trial balance of Adhunik Traders as on 31st December, 2008. On the basis of the trial balance and additional informations given, you are required to prepare Trading and Profit & Loss Account for the year ended 31st December, 2008 and also prepare the Balance Sheet as at 31.12.2008 : 15

Trial Balance of Adhunik Traders as on 31st December, 2008

Particulars	***Debit (Rs.)***	***Particulars***	***Credit (Rs.)***
Purchases	72,000	Capital	60,000
Machinery	70,000	Sales	1,61,000
Wages	9,000	Provision for Bad debts (1.1.2006)	3,000
Trade expenses	4,400	Interest received on Loan to Mr. A	200
Freight	3,600	Discount Received	1,800
Opening stock	8,000	Creditors	36,000
Rent	3,000	Bank debt recovery	1,200
Debtors	48,000	Bank Interest	1,800
Stationary	3,000	Bills Payable	14,000
Repairs &	2,500	Miscellaneous Receipts	3,800
Bad debts	1,800		
12% Loan to Mr. A (1.1.2008)	10,000		
Salary	11,000		
Sales return	3,000		
Discount allowed	1,500		
Cash at bank	27,000		
Cash in hand	5,000		
Total	**2,82,800**	**Total**	**2,82,800**

Additional informations :

i) Closing stock valued at Rs. 15,000

ii) Stock destroyed by fire Rs. 2,000 (uninsured)

iii) Salary for the month of December, 2008 is remaining outstanding

iv) Depreciate fixed assets @ 10% per annum

v) Write off Rs. 2,000 at further bad debts and create provision for bad debts @ 10% on debtors.