



Name : .....

Roll No. : .....

Invigilator's Signature : .....

**CS/HM/SEM-1/BHM-104/2012-13**  
**2012**  
**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) Balance Sheet equation concept refers to
    - a) Assets = Liabilities + Capital
    - b) Assets = Capital - Liabilities
    - c) Assets = Capital + Profit
    - d) None of these.
  - ii) The Golden rule "debit the receiver" and "Credit the giver" is applicable to
    - a) Nominal Account
    - b) Real and Personal Account
    - c) Real Account
    - d) Personal Account.



- iii) Returns Outward Book makes a record of
- a) Goods returned to the suppliers
  - b) Goods returned by the customers
  - c) Goods returned by the proprietors
  - d) Goods returned by the employees.
- iv) Accounting does not record non-financial transactions because of
- a) Entity concept
  - b) Accrual concept
  - c) Measurement concept
  - d) none of these.
- v) According to which of the following concepts even the owner of the business who provides capital is treated as a creditor of the business ?
- a) Entity concept
  - b) Cost concept
  - c) Money measurement concept
  - d) Accrual concept.
- vi) Prime cost is
- a) total of overheads
  - b) total of direct expenses
  - c) total of indirect expenses
  - d) total of all costs.



- vii) Which of the following is true ?
- Prime cost + Overhead = Sales
  - Prime cost + Overhead = Cost of goods sold
  - Prime cost + Overhead + Profit = Cost of goods sold
  - Prime cost + Overhead + Sales = Investment.
- viii) Which of the following is not an example of selling and distribution overhead ?
- Advertisement
  - Salesman's salary
  - Carriage outward
  - Carriage inward.
- ix) Cost which remain fixed with the increase or decrease of production unit is called
- fixed cost
  - variable cost
  - direct cost
  - indirect cost.
- x) In a period of rising prices, which inventory pricing method should be applied ?
- LIFO
  - FIFO
  - Weighted Average Method
  - HIFO.
- xi) Machinery A/c is
- Personal A/c
  - Real A/c
  - Nominal A/c
  - Expense.
- xii) Which of the following bases would be used to apportion canteen expenses ?
- Floor area
  - Light points
  - No. of employees
  - Rent.



**GROUP - B**  
**( Short Answer Type Questions )**

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

2. Journalize the following transactions :

**Rs.**

2006	January	1	Mr. G Commenced business with cash	7,500
2006	January	3	Purchased goods in cash	1,000
2006	January	4	Bought goods from Hari	500
2006	January	8	Purchased furniture from M/s. M	1,500
2006	January	12	Sold goods in cash to Rabi	1,000

3. What do you mean by EOQ ? How is it calculated ?
4. Define the term "Accounting". State the difference between Transaction & Event.
5. Explain :
  - a) Accounting Period Concept
  - b) Accrual Concept.
6. From the following data ascertain the total earnings of each worker separately under Halsey Scheme :

<b>Name of worker</b>	<b>Sunil</b>	<b>Sushil</b>
Time Allowed ( Hrs. )	5	5
Actual Time Taken ( Hrs.)	4	6
Basic Rate of Wages (Per Hr.)	Rs. 3	Rs. 3



**GROUP - C**  
**( Long Answer Type Questions )**

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

7. Write short notes on any *three* of the following :  $3 \times 5$
- Just in time inventory control
  - Machine hour rate
  - Incentive scheme in remuneration
  - Trial Balance
  - Business entity concept
  - Allocation of overheads.
8. A company has two production departments A & B and the service departments X & Y. The following information is available :

	<b>Rs.</b>
Depreciation	1,90,000
Rent, rates & taxes	36,000
Insurance	15,200
Power	20,000
Indirect wages	10,800
Lighting	4,800

	<b>A</b>	<b>B</b>	<b>X</b>	<b>Y</b>
Area (Sq. yds)	1000	800	200	400
Assets (Rs.)	100000	50000	30000	10000
H.P. of machines	100	50	40	10
No. of workers	80	40	40	20
Light points	45	27	18	18

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9. From the following information prepare stores ledger using LIFO :

<b>Date</b>	<b>Particulars</b>	<b>Units</b>	<b>Price Per Unit (Rs.)</b>
March 1	Purchased	500	6.00
March 5	Purchased	100	7.00
March 7	Issued	400	
March 9	Purchased	300	8.00
March 19	Issued	250	
March 22	Issued	50	
March 25	Purchased	300	7.50
March 30	Issued	250	

10. The Trial Balance of KKHH Ltd. prepared on 31st March, 2010 is given below. On the basis of this Trial Balance and other information given, you are required to prepare the Trading and Profit & Loss A/c for the year ended 31st March, 2010 and a Balance Sheet as on that date :

<b>Particulars</b>	<b>Debit (Rs.)</b>	<b>Particulars</b>	<b>Credit (Rs.)</b>
Cash in hand	5,700	Miscellaneous	1,500
Cash at Bank	30,000	Bills Payable	19,500
Telephone Charge	1,680	Sales	10,50,000
Bills Receivable	37,500	Creditors	45,000

*Contd.*



<b>Particulars</b>	<b>Debit (Rs.)</b>	<b>Particulars</b>	<b>Credit (Rs.)</b>
Opening Stock	1,50,000	Discount	1,800
Machinery	2,55,000	Purchase returns	5,850
Purchases	5,25,000	Capital	2,70,000
Office Rent	16,500		
Salary	33,000		
Sales returns	3,600		
Discount	1,050		
Debtors	75,000		
Carriage inward	7,050		
Furniture	19,500		
Land and Building	2,20,000		
Carriage outward	10,070		
Fire Insurance Premium	3,000		
	13,93,650		13,93,650

*Other Information :*

- Closing Stock on 31st March, 2010 is valued at Rs. 2,30,000.
- On 31st March, 2010, outstanding office rent was Rs. 1,200 and salary paid in advance amounted to Rs. 1,000.
- Create a provision for bad debts @5% on debtors.
- Depreciate Machinery @ 10% per annum and Furniture @ 20% per annum. 4 + 6 + 5

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11. a) State and explain the various errors not disclosed by Trial Balance. 5
- b) The following Trial Balance has been prepared and placed by a bookkeeper for the preparation of the final accounts. Redraft the same to correct the mistakes.

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**Trial Balance**  
**for the year ended 31st December, 2011**

	<b>Dr. (Rs.)</b>	<b>Cr. (Rs.)</b>
Stock at 31st December 2011	12,100	
A's Capital Account	6,450	
B's Capital Account (Overdrawn)		3000
Cash in Hand	400	
Bank Overdraft	9,320	
Sales		1,36,400
Purchase	86,400	
Return Inward		3,400
Return Outward	2,960	
Carriage Outward	2,360	
Carriage Inward		4,260
Salaries	9,600	
Wages	3,600	
Sundry Debtors	16,300	
Creditors		26,300
Stock at 1st January, 2011		14,120
Land & Building	20,000	
Plant & Machinery	15,900	
Trade expenses	2,090	