2010

Time : 3 hours

Full Marks : 80

Candidates are required to give their answers in their own words as far as practicable.

The figures in the margin indicate full marks.

Answer from both the Groups as directed.

Group – A

(Objective Type Questions)

Answer all questions.

1. Choose the correct answer of the following :  
   2\times10 = 20

   (a) Credit sale create :
   (i) Trade Debtors
   (ii) Trade Creditors
   (iii) Supplier
   (iv) Agent

SB – 8/3  
(Turn over)
(b) To choose “Rent Received Account” at the end of the year what closing entry is drawn in journal proper?

(i) Rent Received A/c Dr
(ii) P/L A/c
(iii) Rent Received A/c Dr to Total Dr A/c
(iv) Trading A/c Dr to Rent Received A/c

(c) Two methods of preparing Trial Balance are:

(i) Journalising and Ledger
(ii) Total method and Balance method
(iii) Debit method and Credit method
(iv) Horizontal method and Vertical method

(d) Outstanding wages on 31.12.2006 and 31.12.2007 are Rs. 5,600 and Rs. 7,500 respectively. The actual wages paid during the year amounted to Rs. 74,000, what is the amount of wages for the year 2007?

(i) Rs. 80,000
(ii) Rs. 78,000
(iii) Rs. 75,900
(iv) Rs. 75,000
(e) Debit and credit balance of journal balance should match:

(i) Always
(ii) Sometimes
(iii) Both (i) and (ii)
(iv) None of these

(f) Formal record of a particular type of transaction is known as:

(i) Ledger
(ii) Account
(iii) Posit
(iv) Balancing

(g) Building purchased is the expenditure of:

(i) Capital nature
(ii) Revenue nature
(iii) Deferred Revenue nature
(iv) None of these

(h) 10% Debenture is:

(i) General liability
(ii) Fixed liability

SB – 8/3 ( 3 ) ( Turn over )
(iii) Total liability
(iv) None of these

(i) Which of the following equation is correct?
   (i) Fixed assets + Current assets = Current liability + Loan term liability + Proprietary fund
   (ii) Fixed assets + Current assets = Capital employed
   (iii) Proprietor's fund + Current liability = Fixed assets
   (iv) None of these

(j) Depreciation means:
   (i) Hide and seek
   (ii) Wear and tear
   (iii) To and fro
   (iv) None of these

Group – B
(Long-answer Type Questions)
Answer any four questions: \[ 15 \times 4 = 60 \]

2. What do you mean by Final Accounts? Explain the importance and purpose of it.
3. What is the limitation of financial statements? Discuss briefly.

4. Calculate Gross Profit from the following information:

   | Description                                      | Rs.  
---|--------------------------------------------------|------
   | Capital as on 01. 01. 2008                       | 15,500 |
   | Drawing made during the year                     | 4,000  |
   | Fresh capital introduced during the year         | 10,000 |
   | Purchased a cycle for Proprietor                 | 50    |
   | Capital as in 31. 12. 2008                       | 22,500 |

5. Distinguish between Trade Discount and Cash Discount.

6. Write notes on the following:
   (a) Element of cost
   (b) Variance Analysis

7. The Standard Cost Card reveals the following information:
   (a) Quantity of linseed required to produce 1 kg of oil — 4kg.
   (b) Price of linseed per kg — Rs 200.

   Actual production data are as follows:
   (i) production during the month — 100 kg.

SB – 8/3 (5) (Turn over)
(ii) Quantity of linseed used — 500 per kg.

(iii) Price of linseed — Rs. 2 per kg.

Calculate (1) Material Cost Variance, (2) Material Price Variance and (3) Material Quantity Variance.

8. Prepare Fund Flow Statement from the following Balance Sheet:

<table>
<thead>
<tr>
<th>Balance Sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Share Capital</td>
</tr>
<tr>
<td>Revenue</td>
</tr>
<tr>
<td>P/LA/c</td>
</tr>
<tr>
<td>6% Debentures</td>
</tr>
<tr>
<td>Creditors</td>
</tr>
<tr>
<td>Bank Overdraft</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

9. Discuss the different elements of cost and explain the components of total cost.

SB -- 8/3 (6) Contd.
10. Calculate from the following data:
   (a) P/V ratio.
   (b) Profit when sales are Rs. 10,000.
   (c) New Break-even Point if selling price is reduced by 10%.
   (d) Sales in Rs. To earn profit of Rs. 4,000 after reducing selling price by 20%.

Fixed expenditure: Rs. 2,000
BEP: Rs. 9,000