

DIPLOMA IN CULINARY ARTS : WINTER - 2017

SUBJECT: BASIC PRINCIPLES OF ACCOUNTING

Day: **Tuesday**
Date: **21/11/2017**

W-2017-1513

Time: **08.30 AM TO 11.30 AM**
Max. Marks: 80

N.B.:

- 1) Attempt any **SIX** questions including **Q. No. 1** is **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Use of pocket **CALCULATOR** is allowed.
- 4) Assume suitable data if necessary.

Q.1 Following is a Trail Balance of Ravindra Traders for the year ended 31st March, 2014. **(20)**

Trial Balance

Debt Balances	Rs.	Credit Balances	Rs.
Drawings	60,000	Capital	7,20,000
Purchase	5,30,000	Sales	15,00,000
Salaries	1,25,000	Purchases Returns	4,500
Rent	90,000	Creditors	85,000
Building	7,00,000	Commission	15,000
Furniture	78,000	Bank Loan	1,15,000
Insurance	45,000		
Stock	1,20,000		
Carriage Outward	30,000		
Trade Expenses	15,000		
Debtors	1,15,000		
Cash in hand	4,000		
Cash at Bank	1,40,000		
Vehicles	2,00,000		
Wages	40,000		
Carriage Inward	12,000		
Printing and stationary	62,000		
Advertisement	50,000		
Rent	22,000		
Sales Returns	1500		
Total:	24,39,500	Total:	24,39,500

Adjustments :

- a) Closing stock is valued of Rs. 90,000.
 - b) Outstanding expenses wages Rs. 5,000; Salaries Rs. 10,000.
 - c) Prepaid Insurance Rs. 5,000.
- Prepare Trading A/c, Profit and Loss A/c and Balance Sheet.

Q.2 Write short notes on any **THREE** of the following: **(12)**

- a) Convention of consistency
- b) Classification of Accounts
- c) Balancing of ledger accounts
- d) Imprest system of petty cash

P. T. O.

Q.3 Enter the following transactions in the Books of Manish. **(12)**

May, 2009

1. Manish started business with Cash Rs. 5,00,000.
4. Opened a bank account by depositing Rs. 1,50,000 in Bank of India.
6. Purchased goods of Rs. 30,000 from Manoj on credit.
9. Paid for Advertisement Rs. 25,000.
12. Purchased furniture of Rs. 70,000 by cheque.
16. Manish withdrew Rs. 5,000 from business for his personal use.
19. Sold goods to Shrikant on credit of Rs. 45,000.
22. Cash purchases Rs. 15,000.
24. Cash Sales Rs. 22,000.
27. Goods of Rs. 17,000 were distributed as free samples.
29. Received commission Rs. 10,000.

Q.4 A) Explain the following terms: **(04)**

- i) Balance
- ii) Bad Debts
- iii) Capital
- iv) Narration

B) Write a word or phrase for the following sentences. **(04)**

- i) Brief explanation of a transaction recorded in bracket after every journal or cash book entry.
- ii) Any amount or private, property owned by proprietor of a business introduced and invested initially by him to start his business.
- iii) Non recovery of debts due from debtors.
- iv) Difference between the totals of two sides of an account.

C) State whether the following statements are **True** or **False**. **(04)**

- i) Bad debts is a loss of business.
- ii) Capital Accounts shows a debit balance.
- iii) Journal entry is incomplete without narration.
- iv) Cash account shows credit balance.

Q.5 From the following prepare a Cash Book with Cash Bank and Discount **(12)**
Columns.

June, 2010

1. Cash in hand Rs. 17,500 and cash at bank Rs. 45,900.
3. Deposited into bank Rs. 2,000.
4. Cash sales Rs. 12,000 and cash purchase Rs. 7,000.
9. Received from Mohan a cheque of Rs. 4800 and allowed him discount of Rs. 200.
13. Cheque received from Mohan deposited into bank.
17. Received dividend Rs. 25,000.
20. Paid salaries Rs. 15,000 by cheque.
22. Paid to Sujata Traders Rs. 3,000 by cheque and received discount of Rs. 500.
27. Drawings by cheque Rs. 3,000.
30. Paid for commission Rs. 5,500.

Q.6 Answer the following questions: (12)

- a) State the reasons for preparation of Bank Reconciliation statement.
- b) Explain golden rules of Debit and Credit.

Q.7 A) From the following prepare Trial Balance. (06)

Particulars	Rs.
Salaries	3,50,000
Capital	5,00,000
Sales	3,00,000
Drawings	65,000
Sales Returns	1,200
Bank Loan	20,000
Creditors	80,000
Bill payable	15,000
Commission Received	10,000
Trade Expenses	23,800
Furniture	1,85,000
Goodwill	3,00,000

B) From the following prepare special Functions Book. (06)

June

1. Bill No. 235 Private Birthday Party 150 covers @ Rs. 300 per cover. Wine and Tobacco Rs. 25,000. Account to Mrs. Nilima Gupte.
9. Bill No. 252 Wedding Reception Party 400 covers @ Rs. 375 per cover. Wine and Tobacco Rs. 45,000. Sundry Extra Rs. 12,300. Account to Mrs. Mrunal Pande.
17. Bill No. 267 Luncheon Party of Surabhi Builders 230 covers @ Rs. 350. per cover. Account to Mrs. Nupur Sharm, Manager.
24. Bill No. 277 Seminar of Merchants Association 180 Covers @ 245 per cover. Account to Mr. Sujay Surve, Secretary.

Q.8 Answer the following Questions: (Any **THREE**) (12)

- a) Why trade discount is allowed?
- b) Explain any two subsidiary books.
- c) Explain with example capital expenditure and revenue expenditure.
- d) Explain with example contra entry.

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