

CS / HM / SEM-1 / BHM-104 /2010-11

2010-11

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) Wages outstanding account is

- a) Personal Account b) Real Account
- c) Nominal Account d) Suspense Account.

ii) The Trial Balance checks

- a) arithmetic accuracy of books
- b) the integrity of book-keeper
- c) the valuation of closing stock
- d) the profit from operations.

iii) Fixed Costs and Variable Costs are obtained in cost classification under

- a) Function basis b) Nature basis
- c) Behaviour basis d) Control basis.

iv) If the rate of profit on sales is 25%, then the rate of profit on cost will be

- a) 20% b) 33.33%
- c) 120% d) 125%.

v) Preparation of Balance sheet of a registered company is

- a) compulsory at the end of a year

- b) optional during half yearly results are declared
 - c) unnecessary to the shareholders
 - d) presented in Sustainability statement.
- vi) Which of the following bases would you prefer to apportion “canteen expenses” between production departments ?
- a) Light points b) Floor area
 - c) No. of employees d) Rent.
- vii) Which of the following is true ?
- a) Prime cost + Overhead = Sales
 - b) Prime cost + Overhead = Cost of goods sold
 - c) Prime cost + Overhead + Profit = Cost of goods sold
 - d) Prime cost + Overhead + Sales = Investment.
- viii) Depending upon which principle the amount of profit is added to capital ?
- a) Double entry b) Separate entity
 - c) Going concern d) Materiality.
- ix) Prime cost is
- a) total of overheads
 - b) total of direct expenses
 - c) total of indirect expenses
 - d) total of all costs.
- x) Trading account of the Taj Group of Hotels is
- a) Real Account
 - b) Nominal Account
 - c) Personal Account
 - d) a subsidiary account of Tata Sons Limited.
- xi) Balance Sheet discloses
- a) profit earning capacity of the business

- b) financial position of the business
 - c) income position of the business
 - d) goodwill of a business in operation.
- xii) Bank Reconciliation Statement tries to settle between which accounts ?
- a) Bank account and Cost account
 - b) Cash account and Debtor's account
 - c) Bank account in cash book and bank account held by bank.
 - d) Bank financial statement and the pass book.
- xiii) Which of the following is not an item of selling & distribution overhead ?
- a) Advertisement
 - b) Carriage inward
 - c) Carriage outward
 - d) Free sample distribution.

GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following. $3 \times 5 = 15$

2. Is it compulsory for the Hotels registered as companies to prepare the Trial Balance ? What type of errors are not disclosed by the Trial Balance ?
3. Explain the difference between Cost Accounting and Financial Accounting systems of companies supplying manpower services to hotels for cleaning services.
4. Distinguish between
 - i) Journal & Ledger
 - ii) Trading Account and Profit & Loss Account of a hospital.
5. A multispeciality hospital requires 2,000 units of raw

materials per year costing Rs. 100 per unit. The cost of placing an order is Rs. 40 and carrying cost is 16% per year per unit of the average inventory.

Determine :

i) the Economic Order Quantity (EOQ)

ii) Cycle Time

If the lead is 3 months, calculate the order point.

6. From the following data ascertain total earning of each worker separately and also calculate effectively hours rate of wages.

Sachin Sourav

Actual time taken (Hours) 12 18

Time allowed (Hours) 20 30

Rate of wages per hour (Rs.) 3 5

Incentive scheme Halsey Rowan

GROUP – C

(Long Answer Type Questions)

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

7. The following particulars are available in respect of cost structure for the product 'MM' for the quarter ended

31.03.2010 :

Opening stock of raw materials Rs. 15,000

Purchase of raw materials Rs. 75,000

Freight & Insurance of materials Rs. 6,000

Carriage Inward Rs. 4,000

Return of materials to suppliers Rs. 5,000

Closing stock of materials Rs. 20,000

Normal loss of materials Rs. 2,000

Abnormal loss Rs. 6,000

Productive wages Rs. 52,000

Contd.....

Wages outstanding Rs. 4,000

Factory expenses Rs. 20,000

Office & Administrative expenses Rs. 32,000

Office expenses pre-paid Rs. 2,000

Cash discount Rs. 3,000

Selling expenses Rs. 20,000

Distribution expenses Rs. 5,000

The selling price is fixed by a profit of 20% on selling price.

Prepare a cost sheet.

8. On 1st July, 2009 the stocks of a component in the stores was 554 units at Rs. 35 per hundred. During six months the receipts and issues were as follows :

2003 Purchased Issued

July 434 units @ Rs. 30 per hundred 400 units

Aug. 500 units @ Rs. 40 per hundred 610 units

Sept. 750 units @ Rs. 50 per hundred 950 units

Oct. Surplus returned from Department,

125 units @ Rs. 40 per hundred.

Nov. Received from Vendor 100 units

@ Rs. 45 per hundred.

Dec. Transfer 40 units @ Rs. 40 per

hundred from one site to another site.

When the stock was taken at 31st Dec. 2009, a discrepancy of 19 units was revealed. Prepare a Stores Ledger Account under the appropriate pricing method and also calculate value of materials as on 31st Dec. 2009 and calculate value of materials issued from the store.

9. From the following ledger balances prepare a Trading and Profit & Loss Account for the half year ended 31st September, 2010 and a Balance Sheet as at that date :

Capital 3,500 Salaries 650

Drawings 300 Printing Charges 110

Machinery 760 Rent & Taxes 90

Purchases 10,400 Debtors 640

Carriage Inward 100 Creditors 680

Sales Return 320 Opening Stock 1,000

Purchase Return 240 Bills Receivable 270

Wages 700 Investment 1,400

Sales 13,200 Cash in Hand 140

Bills Payable 460 Cash at Bank 1,200

Adjustments required :

(i) Closing Stock Rs. 1,700

(ii) Depreciation on Machinery @ 10% p.a.

(iii) Outstanding Wages Rs. 100

(iv) Rent and Taxes prepaid Rs. 50

(v) Goods drawn by proprietor for his personal use Rs. 75.

10. a) What do you mean by Cost Accounting ? Explain the limitations of Cost Accounting.

b) "Cash Book is a Journalized Ledger." Discuss it.

2 + 5 + 8

11. In a multispeciality hospital, what are the possible sources of revenue ? Write a note on pricing principles to be applied for the bypass surgery of a patient.

5 + 10

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