

Roll No.

Total No. of Pages : 03

Total No. of Questions : 09

BHSRM (2014 & Onwards) (Sem.-5)

PRINCIPLES OF ACCOUNTING

Subject Code : BHSRM-501

M.Code : 72069

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTION TO CANDIDATES :

1. SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
2. SECTION-B contains FIVE questions carrying FIVE marks each and students have to attempt any FOUR questions.
3. SECTION-C contains THREE questions carrying TEN marks each and students have to attempt any TWO questions.

SECTION-A

1. Answer briefly :
 - a) What is Comparative Income Statement?
 - b) What are the uses of ratios?
 - c) What is return inwards account?
 - d) What are subsidiary books?
 - e) Write the formula of Quick Ratio.
 - f) What is the role of Liquidity ratios in depicting the financial position of a business?
 - g) What is operating profit?
 - h) What is purchase return book?
 - i) What is Accounting equation?
 - j) Differentiate between books of original entry and ledger.

SECTION-B

- 2) Differentiate between P&L account and income & expenditure account.
- 3) “A trail balance is merely a proof of arithmetical accuracy”. Explain this statement.
- 4) Explain the procedure of preparing purchase returns subsidiary book.
- 5) Discuss the role of interpretation of financial statements in smooth running of business.
- 6) Prepare Journal from the transactions given below :
 - a) Salary due to clerk Rs. 1000
 - b) Paid for postage Rs.500, wages Rs.6000
 - c) Bank interest credited Rs.2600
 - d) Received Rs. 1200 of a bad debt written off last year.
 - e) Machinery purchase from Hira Lal for Rs. 15,000

SECTION-C

- 7) From the following particulars extracted from the financial statements of XYZ Ltd. Compute-
(a) Current ratio (b) Liquid ratio (c) Debtor turnover ratio (d) Creditor turnover ratio (e) Inventory turnover ratio

| Particulars | Amt | Particulars | Amt |
|---|-----|-------------|-----|
| Opening stock 50000 Debtors 42000 | | | |
| Closing Stock 55000 Cash 20,000 | | | |
| Sales less returns 2,52,000 Bank 10,000 | | | |
| Prov. For bad debts 2000 B/R 15000 | | | |
| Creditors 32000 Prov. For tax 15000 | | | |
| Loose tools 4000 B/P 29,000 | | | |
| Purchases 2,00,000 Securities 8000 | | | |

- 8) What is meaning and types of financial statements and explain the techniques of financial analysis?

- 9) Prepare trading account, Profit & Loss account and balance sheet in the books of M/S ABC for the year ending 31st Dec, 2015. Also pass the necessary closing entries.

| Liabilities | Amount | Assets | Amount |
|--------------------------|----------|------------------------|----------|
| Drawings | 13000 | Capital account | 2,00,000 |
| Purchases | 70000 | Bills payable | 6500 |
| Investment in debentures | 20000 | sales | 2,20,000 |
| Wages | 24000 | Creditors | 50,000 |
| Debtors | 70,300 | Purchases returns | 4000 |
| Legal expenses | 4000 | Interest on investment | 1000 |
| Cash in hand | 1200 | Loan account | 30,000 |
| Cash at bank | 21000 | | |
| Property | 60,000 | | |
| Machinery | 1,20,000 | | |
| Bills receivable | 7000 | | |
| Salaries | 13000 | | |
| Office expenses | 3000 | | |
| Discount allowed | 4500 | | |
| Opening stock | 45000 | | |
| Office rent | 2400 | | |
| Bad debts | 1700 | | |
| Insurance premium | 1500 | | |
| Gas and fuel | 2700 | | |
| Carriage inward | 3500 | | |
| Office welfare | 4500 | | |
| Tools | 6000 | | |
| Light & power | 5000 | | |
| Sales returns | 3200 | | |
| Furniture | 5000 | | |
| | 5,11,500 | | |
| | | | 5,11,500 |

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.