

056/23

Total Number of Questions : 30

Time : 3.00 Hours

Max. Marks : 150

1. "Accounting today is more of an information system rather than a mere recording system". Discuss. (3 Marks)
2. "It must be recognised that financial statements can never portray with infallible and irrefutable accuracy an exact picture of business enterprise". Comment. (3 Marks)
3. What are the objectives of providing depreciation ? (3 Marks)
4. Define Bill of Exchange. (3 Marks)
5. How Address Commission is calculated and its treatment in voyage account ? (3 Marks)
6. How to classify the expenditure on amounts representing losses of an exceptional nature, e.g. property confiscated in a foreign country, heavy loss of non-insured assets through fire etc. ? (3 Marks)
7. How to calculate Prime Cost ? Also explain how to compute Direct Material Cost. (3 Marks)
8. What are the different methods of payment of wages ? (3 Marks)
9. What is double account system ? (3 Marks)
10. Describe the reasons for maintaining subsidiary books. (5 Marks)
11. What are the basic limitations of accounting ? (5 Marks)
12. Differentiate between Trial Balance and Balance Sheet. (5 Marks)
13. Draw a proforma Balance Sheet for a Sole Proprietor based on Liquidity order as the principle of marshalling. (5 Marks)
14. Pass the journal entries for recording depreciation on assets when a provision for depreciation account is maintained. (5 Marks)
15. List the various methods for providing depreciation. (5 Marks)
16. A sold goods to B on 30th October, 2022 for Rs. 14,000/- and received three bills for Rs. 2,000/-, Rs. 4,000/- and Rs. 8,000/- at 2, 3 and 4 months respectively. He kept the first bill till maturity. Endorsed the second bill in favour of the creditor C and discounted the third bill on 3rd December, 2022 @ 6% p.a. All bills are met on maturity. Pass journal entries in A's account. (5 Marks)
17. Explain the special terms (items) associated with Voyage Accounts. (5 Marks)
18. Describe the special treatment required for Freight and Expenses related to Voyage in progress (incomplete voyage). (5 Marks)
19. List the advantages of self balancing system. (5 Marks)

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20. State which items of the following expenditure would be charged to Capital and which to revenue for an industry removing their works to a more suitable premises. Give reasons also. (5 Marks)
- a) A sum of Rs. 4,750 was spent on dismantling, removing and reinstalling plant, machinery and fixtures.
 - b) Plant and machinery which stood in the books at Rs. 7,500 included a machine at a book value of Rs. 1,700. This being obsolete was sold off at Rs. 450 and was replaced by a new machine which cost Rs. 2,400.
 - c) The freight and cartage on the new machine amounted to Rs. 150 and the erection charges cost Rs. 275.
 - d) A sum of Rs. 1,100 was spent on painting the new factory.
21. Draw the proforma for a Manufacturing Account. (5 Marks)
22. Explain the contents of a Cost Sheet with imaginary figures. (5 Marks)
23. Explain the treatment of cost of obsolescence of Fixed Assets in Cost Accounts. (5 Marks)
24. Enumerate the differences between Single Account System and Double Account System. (5 Marks)
25. Explain the procedure for rectification of errors based on the effect of such errors on Trial Balance. (8 Marks)
26. Explain with necessary journal entries the various adjustments to be made in the books of accounts to give a true picture of the state of affairs of the business after preparing Trial Balance. (8 Marks)
27. Describe the various types of crossing cheques under Negotiable Instrument Act, 1881. (8 Marks)
28. Differentiate between Receipts and Payments Account and Income and Expenditure Account. (8 Marks)
29. Explain the procedure of Process Costing. (8 Marks)
30. What are the advantages and disadvantages of Double Account System ? (8 Marks)
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