

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 31<sup>st</sup> Dec, 2015. Also pass the necessary closing entries.

<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
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		
	<b>5,11,500</b>		<b>5,11,500</b>

**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.**