

Roll No.

Total No. of Pages : 04

Total No. of Questions : 07

M.Sc.(Fashion Marketing Management) (2018 Batch) (Sem.-1)

PRINCIPLES OF ACCOUNTING

Subject Code : MSFMM108-18 (Non core)

M.Code : 75291

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTION TO CANDIDATES :

1. **SECTION-A is COMPULSORY consisting of TEN questions carrying ONE mark each.**
2. **SECTION-B consists of THREE Sub-sections : Units-I, II & III.**
3. **Each Sub-section contains TWO questions each, carrying FIVE marks each.**
4. **Attempt any FOUR questions, ONE from each Sub-section and fourth from any sub-section.**

SECTION-A

1. State True/False :

- a) Accounting is the language of business.
- b) In accounting all business transactions are recorded having as dual aspect.
- c) The posting is done in Journal
- d) Ledger records transactions in an analytical order.
- e) Trial balance helps in knowing authenticated accuracy of accounting entries.
- f) Accounting records both cash and credit transactions.
- g) The balance in petty cash represents account spent.
- h) Cash book records credit transactions.
- i) Trading account calculates net profit or net loss.
- j) Sole proprietor is the only owner of the business.

SECTION-B

UNIT-I

2. Discuss Accounting as an information system.
3. Define Accounting. Explain objectives and limitations of accounting.

UNIT-II

4. Mr. Sadanand operates two bank accounts both of which are maintained in the columnar Cash Book itself. You are required to draw up the Cash Book and show how the following transactions relating to 28 feb, 2015 will appear therein and close Cash Book for the day.

A) Opening balance :

Cash Rs. 150; National Bank Rs. 11240(O/D); Overseas Bank Rs. 35,460.

B) Received cheque for Rs. 1250 in respect of sales for realising which the National Bank charged Rs.1.50 and credited the balance.

C) Purchased goods for Rs. 13,210 and a cheque issued on the overseas Bank, the Bank charged Rs. 3 for collection of the cheque to the concerned party.

D) Paid office expenses: Rs. 45 and Rs. 15.50 for stationery.

E) Out of cash sales of Rs. 13,265 a sum of Rs. 10,000 was deposited in the National Bank.

F) Credit purchases of Rs. 15,000 were made from Mr. Smith who sent the documents relating to the goods through Overseas Bank for 90 percent of their value.

G) Deposited Rs. 5,000 in National Bank.

H) A “Bill Receivable” for Rs. 10,000 was discounted with Overseas Bank which charges 1 percent towards discounting.

I) Withdrew Rs. 5,000 from Overseas Bank.

J) A demand draft was purchased for Rs. 3,000 from a bank after paying Rs. 2 towards their charges and paid to the Electricity Department as deposit.

K) Interest of Rs. 122 and Rs. 50 was credited and debited respectively by the Overseas Bank and National Bank.

L) An amount of Rs. 1500 was withdrawn from Overseas Bank and salaries paid to that extent.

M) Manager’s salary of Rs.1000 was paid by cheque drawn on the National Bank.

N) Overseas Bank collected dividends of Rs. 1250 and sent a credit note.

O) An amount of Rs. 1500 was transferred from the overseas Bank to the National Bank.

5. Prepare Ledger Accounts from the following transactions in the books of Imran :

2015 June		Rs.	2015 June		Rs.
1	Started business with cash	45,000	21	Withdrew from bank for private use	1,000
1	Paid into bank	25,000		Withdrew from bank for use in business	5,000
2	Goods purchased for cash	15,000	25	Paid telephone rent for one year	400
3	Purchase of furniture and payment by cheque	5,000	28	Cash paid to Amrit Lal in full settlement of his account	5940
5	Sold goods for cash	8,500	30	Paid for: stationery	200
8	Sold goods to Arvind Walia	4,000		Rent	1,000
10	Goods purchased from Amrit Lal	7,000		Salary to staff	2,500
12	Goods returned to Amrit Lal	1,000			
15	Goods returned by Amrit Walia	200			
18	Cash received from Arvind Walia Rs. 3,760 and discount allowed to him	40			

UNIT-III

6. Following are the balances in the Ledger of Mr. Suresh for the year ended 31st March, 2015 :

	Rs.		Rs.
Discount(Dr.)	2500	Advertisement	12,000
Carriage inwards	10,200	Miscellaneous Expenses	3,300
Rent, Taxes & Rates	13,300	Interest paid	10,792
Printing and Stationary	2,600	Fuel and Coal	14,200
Purchase of raw materials	3,59,800	Factory power	25,000
Sales		Insurance (fire)	1,760
(Inclusive of sales taxes 20,000)	5,80,000	Staff Salaries	13,800
Opening stock of raw materials	1,24,000	Electricity	2,500
Opening stock of finished goods	63,800	Bad Debts	6,080
Factory wages	59,700	Depreciation on plant & Machinery	11,690
Cash subsidy on purchases	10,000	Depreciation on Furniture & Fixture	2,860
Carriage outwards	12,400	Sale of scrap	3,000

Prepare Manufacturing, Trading and Profit and Loss account for the year ended 31st March, 2015. Stock as at 31-3-2015 was Raw materials Rs. 46,900 and Finished Goods Rs. 1,52,300.

7. Following balances are given in the Trial Balance :

	Dr. (Rs.)	Cr. (Rs.)
Capital	-	1,00,000
Drawings	20,000	
Bad debts	1,200	
Sundry Debtor	20,500	
Provision for Doubtful Debts		
Salaries Outstanding		2,000
Prepaid Insurance	200	1,000
Interest on Investment Account		
Commission Received in advance		500
		400

Adjustments :

- a) Further Bad Debts Rs. 500;
- b) Make provision for doubtful debts @ 5% on sundry Debtor;
- c) interest on capital Rs. 10,000
- d) Interest on Drawings Rs. 1,000.

Show how the above balances and adjustments will appear in the final accounts.

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.