



Name : .....

Roll No. : .....

Invigilator's Signature : .....

**CS/B.TECH (CE)/SEP. SUPPLE/SEM-8/CE-804/2012**

**2012**

**ACCOUNTANCY & ECONOMICS**

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 in any *ten* of the following :

10 × 1 = 10

- i) Perfectly elastic demand curve is
  - a) downward sloping
  - b) parallel to vertical axis
  - c) upward rising
  - d) parallel to horizontal axis.
- ii) Budgetary control serves the purpose of
  - a) planning
  - b) co-ordination
  - c) control
  - d) all of these.
- iii) Primary factors of production are
  - a) land & organization
  - b) labor & organization
  - c) labor & land
  - d) none of these.



- iv) Cash account is a
  - a) personal account      b) real account
  - c) nominal account      d) none of these.
- v) Goods worth of Rs. 100 lack by the proprietor for personal use should be credited to
  - a) sales account
  - b) proprietor's personal account
  - c) purchase account
  - d) expenses account.
- vi) At break-even point
  - a) Total sales = Variable cost
  - b) Total sales = Fixed cost
  - c) Total sales = Total cost
  - d) none of these.
- vii) Goodwill is
  - a) fixed asset      b) current asset
  - c) fictitious asset      d) wasting asset.
- viii) In the long run all costs are
  - a) fixed
  - b) variable
  - c) both fixed and variable
  - d) none of these.
- ix) If annual demand is 1600 units, EOQ is 400 units, then the number of order will be
  - a) 4      b) 6
  - c) 7      d) None of these.



- x) The opportunity cost of a factor of production with specific use is
- a) very high                                      b) infinite
  - c) zero                                              d) constant.
- xi) The trial balance check
- a) arithmetic accuracy of books
  - b) honesty of book keeper
  - c) valuation of closing stock
  - d) none of these.
- xii) Debit what comes in, Credit what goes out is a rule for :
- a) Real account                                      b) Nominal account
  - c) Personal account                                      d) None of these.
- xiii) A furniture account will indicate a
- a) Debit balance                                      b) Credit balance
  - c) both (a) & (b)                                      d) none of these.
- xiv) A brief explanation about a journal entry is
- a) Narration                                              b) Ledger
  - c) Journalising                                              d) Posting.
- xv) The statement for every debit, there is a corresponding and equal credit is applicable to
- a) Double entry principle
  - b) Single entry principle
  - c) both (a) & (b)
  - d) none of these.



xvi) Wages paid for installation of machinery buy debited to wages a/c, it is a/an

- a) Error of commission      b) Error of omission
- c) Error of principle        d) Compensating error.

### GROUP – B

#### ( Short Answer Type Questions )

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

- 2. Distinguish between budget & budgetary control.
- 3. Write a short note on ledger.
- 4. State the assumptions of C-V-P analysis.
- 5. Discuss the objectives of financial management.
- 6. The following transactions took place in the newly started proprietary business of Sri Apurba Banerjee :

Started business with cash of Rs. 12,000;

Goods purchased in cash for Rs.8,000;

Purchased some furniture in cash Rs. 1,500;

Sold goods in cash for Rs. 6,500;

Paid salary to the assistant Rs. 600;

Purchased goods on credit from Saha & Company for Rs. 10,000;

Paid carriage for bringing the goods Rs. 250;

Paid electric charges Rs. 100;

Cash paid to Saha & Company Rs. 6,000;

Record the above transactions in the Journal of Sri Banerjee.



7. Prepare a Trial Balance as at 31.12.98 from the following ledger balances :

Capital Rs. 40,000; Purchases Rs. 36,000; Discount Allowed Rs. 1,200; Carriage Inwards Rs. 7,800; Carriage Outwards Rs. 2,300; Sales Rs. 60,000; Return Inwards Rs. 300; Return Outwards Rs. 700; Rent & Taxes Rs. 1,200; Plant & Machinery Rs. 10,700; Stock on 1.1.98 Rs. 15,500; Sundry Debtors Rs. 20,200; Sundry Creditors Rs. 12,000; Commission paid Rs. 1,800; Cash in hand Rs. 1,000; Cash at Bank Rs. 10,100; Motor Cycle Rs. 4,600; Stock on 31.12.98 Rs. 18,300.

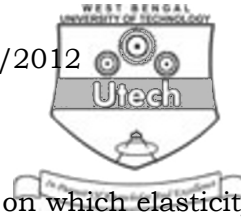
### GROUP – C

#### ( Long Answer Type Questions )

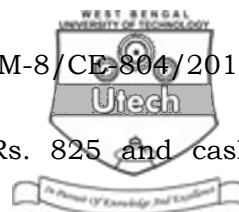
Answer any *three* of the following.  $3 \times 15 = 45$

8. Write short notes on any three of the following :
- margin of safety
  - master budget,
  - joint stock company.
9. a) Define double entry system of book keeping.
- b) Distinguish between journal & ledger
- c) Journalize the following transaction :
- purchase of goods for Rs. 50,000/- in each
  - sale of goods for Rs. 2,00,000 in cash
  - cash deposited into banks Rs. 50,000
  - capital introduced into between business Rs. 60,000

$$3 + 4 + (4 \times 2)$$



10. a) Define elasticity of demand.
- b) State and explain the various factors on which elasticity of demand depends.
- c) Deduce the relationship between marginal revenue and demand elasticity. 3 + 6 + 6
11. a) Long run cost curve is the envelop of short run cost curve.
- b) What are the objectives of the demand forecasting ? 10 + 5
12. Distinguish between the following : 3 × 5
  - a) Developed economy and Underdeveloped economy
  - b) Shares and Debentures
  - c) Capitalist economy and Socialistic economy.
13. From the following cash transactions of Arup Kumar, prepare a triple column Cash Book :  
1999  
Jan. 1, Cash balance in hand Rs. 1,500  
Bank balance with S.B.I. Rs. 6,500  
3, Cash received from P, Roy Rs. 1,200 and discount allowed Rs. 100.  
5, Paid for stationery Rs. 200 and postal stamps Rs. 50 in cash  
8, Paid K. Hazra by cheque Rs. 1,420 and discount received Rs. 80.  
10, Cash sale of goods Rs. 400 and for cheque Rs. 500 and deposited the cheque into Bank.



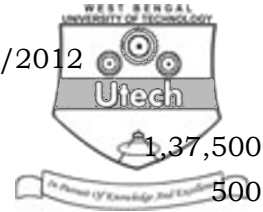
- 15, Goods purchased and cash paid Rs. 825 and cash discount received Rs. 75.
- 18, M. Sen settled his account of 1,200 at 5% cash discount.
- 20, Cash deposited into Bank Rs. 1,000.
- 22, Cash taken for household purposes Rs. 600.
- 24, Cash received from sale of goods Rs. 1,050 after allowing cash discount Rs. 50.
- 27, Cheque issued for salary to staff Rs. 500.
14. From the following Trial Balance as on 31<sup>st</sup> December, 1998, prepare Trading and Profit & Loss Account for the year ending on 31<sup>st</sup> December, 1998 and Balance Sheet as on that date.

**Trial Balance as on 31.12.98**

|                      | Dr.    | Cr. |
|----------------------|--------|-----|
|                      | Rs.    | Rs. |
| Stock as on 1.1.98   | 10,000 |     |
| Debtors              | 20,000 |     |
| Furniture & Fittings | 6,000  |     |
| Plant & Machinery    | 20,000 |     |
| Land & Buildings     | 30,000 |     |
| Wages                | 12,000 |     |
| Salaries             | 6,000  |     |
| Rent & Taxes         | 2,500  |     |
| Bad Debts            | 500    |     |
| Travelling Expenses  | 1,000  |     |
| Purchases            | 75,000 |     |
| Electric Charges     | 750    |     |
| Telephone Charges    | 1,250  |     |
| General Expenses     | 50     |     |
| Postage & Telegram   | 1,450  |     |

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|                   |                 |                 |
|-------------------|-----------------|-----------------|
| Sales             |                 | 1,37,500        |
| Purchases Return  |                 | 500             |
| Creditors         |                 | 20,000          |
| Capital           |                 | 50,000          |
| Sales Return      | 500             |                 |
| Insurance Premium | 750             |                 |
| Cash in hand      | 250             |                 |
| Cash at Bank      | 20,000          |                 |
|                   | <u>2,08,000</u> | <u>2,08,000</u> |

Following adjustments are to be considered :

- i) Closing stock valued at Rs. 2,500.
- ii) Outstanding liabilities for (a) Wages Rs. 500;  
(b) Salaries Rs. 1,000.
- iii) Prepaid Insurance Rs. 250.
- iv) Depreciation is to be provided @ 10% p.a. on all fixed assets except on Land & Buildings.
- v) Provision for Doubtful Debt is to be made @ 5% on debtors.

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