

**B.Sc. RETAIL AND FASHION MERCHANDISE  
(BSCRFM)**

**Term-End Examination**

00734

**June, 2017**

**BFR-002 : BASIC OF ACCOUNTS AND MANAGERIAL  
ECONOMICS**

*Time : 3 hours*

*Maximum Marks : 70*

**Note :** Attempt any **seven** questions. All the questions carry equal marks.

1. Pass journal entries for the following : 10

- (i) Provided depreciation on furniture ₹ 500 and on machinery ₹ 2,000.
- (ii) Received cash ₹ 1,000 for bad debts written off last year.
- (iii) Goods worth ₹ 5,000 given as charity.
- (iv) Paid Life Insurance Premium ₹ 10,000.
- (v) Ram returned goods worth ₹ 2,000.
- (vi) Sold goods to Paras for ₹ 7,000.
- (vii) Purchased furniture of ₹ 6,000 for the Proprietor for his use.
- (viii) Invested ₹ 20,000 as additional capital.
- (ix) ₹ 5,000 received as dividend.
- (x) Paid wages ₹ 500 and office expenses ₹ 2,000 by cheque.

2. From the Balance Sheet of ABC Ltd, find the following ratios.

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- (i) Current Ratio
- (ii) Acid-test Ratio

*Information :*

Cash — ₹ 60,000  
Debtors — ₹ 1,40,000  
Inventory — ₹ 2,20,000  
Outstanding Wages — ₹ 40,000  
Creditors — ₹ 60,000  
Short-term Loan — ₹ 80,000  
Preliminary Expenses — ₹ 20,000

3. Prepare an accounting equation from the following information :

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- (i) Started business with cash ₹ 1,75,000 and goods ₹ 5,00,000.
- (ii) Purchased a motor cycle for personal use ₹ 20,000.
- (iii) Goods costing ₹ 50,000 sold at a profit of 25% out of which ₹ 27,500 received in cash.
- (iv) Paid to Gopal ₹ 3,000.
- (v) Withdrew for personal use, goods costing ₹ 5,000.
- (vi) Introduced fresh capital ₹ 40,000.
- (vii) Received from debtor ₹ 10,000.
- (viii) Prepaid commission of ₹ 4,000.
- (ix) Goods costing ₹ 20,000 sold at a loss of 5% out of which ₹ 12,000 received in cash.
- (x) Outstanding rent of ₹ 7,000.

4. Rectify the following entries :

- (i) Sales tax ₹ 2,000 posted to his A/c as ₹ 200. 10
- (ii) Paid ₹ 500 was recorded twice.
- (iii) Sale of old machine at ₹ 1,500 has been credited to Sale a/c.
- (iv) Credit sale to Ramesh of ₹ 10,000 posted as ₹ 1,000.
- (v) Purchase of ₹ 2,500 from Y posted to his a/c as ₹ 3,500.
- (vi) Sales Book was found short by ₹ 700.
- (vii) Purchase of furniture on cash ₹ 10,000 was not posted.
- (viii) Returns Outward Book was overcast by ₹ 1,000.
- (ix) Goods worth ₹ 250 distributed as free sample.
- (x) Received ₹ 1,000 from Y recorded in Cash Book as ₹ 100.

5. What is Supply ? Explain the Law of Supply. Explain briefly the various determinants of supply of a commodity. 10

6. What is Perfect Competition ? What are its features ? How is the price of a commodity determined under perfect competition in the short run ? 10

7. Explain and illustrate the Returns to Scale (with a diagram). 10
8. Define Economics. What are economic problems ? Are these problems different from central problems ? Explain central problems of an economy and how these can be solved in an economy. 10
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