

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

00415

Term-End Examination

December, 2016

**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. Shyam Consultant India Ltd. was incorporated 10
on January 1st, 2010. The following transactions
occurred during June, 2010. Prepare an
Accounting Equation of the following :
- 1st June Business was started with capital of
₹ 5,00,000.
- 4th June Machinery was rented and paid
₹ 50,000 for it.
- 8th June Stationery purchased on credit of
₹ 25,000.
- 15th June The company charged ₹ 80,000 as
consulting fees from customer.
- 20th June General Expense of ₹ 15,000 was paid.
- 29th June Salaries of ₹ 18,000 for the month
were paid.
- 30th June Purchased goods for cash of ₹ 50,000
and on credit for ₹ 80,000.
- 31st June Land was purchased by borrowing
₹ 5,00,000 from Bank.

2. From the following Balance Sheet of M/s. H.M.R. Ltd. calculate the : 10

(a) Current Ratio

(b) Quick Ratio

Information :

Cash	₹ 40,000
Debtors	₹ 1,20,000
Stock	₹ 2,10,000
Outstanding wages	₹ 50,000
Creditors	₹ 80,000
Short-term loan	₹ 60,000

3. Pass the Journal Entries and transfer into Ledger A/c. 10

(a) Ram Commenced Business with cash ₹ 20,000.

(b) Paid into Bank ₹ 4,000.

(c) Purchased Machinery of ₹ 3,000.

(d) Furniture purchased from Shyam worth ₹ 1,000.

(e) Commission received ₹ 500.

(f) Paid Salary of ₹ 1,000.

(g) Charged interest on capital of ₹ 500.

(h) Depreciation charged on Building ₹ 400.

(i) Rent from tenants ₹ 800.

(j) Withdrew ₹ 1,500 from Bank.

(k) Withdrew for his personal use ₹ 1,000.

4. Rectify the following Errors : 10
- (a) Purchase Account is overcasted by ₹ 500.
 - (b) Discount of ₹ 1,000 received was posted to the Debit of discount A/c.
 - (c) Sales book was undercast by ₹ 1,000.
 - (d) ₹ 1,200 paid to Ram wrongly credited to his Account.
 - (e) ₹ 15,000 Received from Gobind was credited to Har Gobind Account.
 - (f) ₹ 2,000 being Purchase Return were Posted to Purchase Account.
 - (g) Sale of ₹ 1,000 passed in Purchase Account.
 - (h) Purchased a Car for office use worth ₹ 5,00,000 was entered in Purchase Account.
 - (i) Sales Return book was overcast by ₹ 2,000.
 - (j) Charged Depreciation of ₹ 500 on machine but debited to Machine A/c.
5. Define Demand. What are the factors affecting demand ? Why the demand curve slopes downward direction ? What are the exceptions of law of demand ? 10
6. Explain and illustrate with graph the variable Return's to factors. 10
7. Distinguish between perfect competition and monopolistic competition. How to determine the price under monopoly market in short run ? 10
8. Describe the following in terms of short run cost's with the help of a graph. 10
- (a) Total cost
 - (b) Average fixed cost
 - (c) Average variable cost
 - (d) Average cost
 - (e) Marginal cost