

B.Sc. FOOTWEAR TECHNOLOGY (BSCFWT)

Term-End Examination

00062

June, 2014

BFW-045 : BASIC ACCOUNTING

Time : 3 hours

Maximum Marks : 70

Note : All questions are compulsory.

1. What are Generally Accepted Accounting Principles ? Explain in detail. 20
2. Answer any *ten* of the following. Choose the correct alternative from the given alternatives. 2×10=20
 - (i) Which of the following is *not* considered a subcategory of owner's equity ?
 - (a) Expense
 - (b) Revenue
 - (c) Draws
 - (d) Assets
 - (ii) Which of the following is a liability ?
 - (a) Accounts receivable
 - (b) Notes receivable
 - (c) Accounts payable
 - (d) Owner's capital

- (iii) If Assets = 1,00,000 and Liabilities = 75,000, then Owner's equity (capital) is
- (a) 1,75,000
 - (b) 25,000
 - (c) 75,000
 - (d) None
- (iv) When choosing a type of business structure which of the following is *not* a consideration ?
- (a) Tax consequences
 - (b) Degree of control
 - (c) Ease and cost of formation
 - (d) None of the given
- (v) Which of the following is *not* a type of asset ?
- (a) Cash
 - (b) Land
 - (c) Accounts receivable
 - (d) Mortgage payable
- (vi) The concept that requires revenue to be recognised when earned is called the
- (a) Matching concept
 - (b) Monetary measuring concept
 - (c) Revenue realisation concept
 - (d) Materiality concept
- (vii) The book-keeping system that has built in checks and balances is called
- (a) Double entry system
 - (b) Single entry system
 - (c) Both systems
 - (d) None of the given systems

- (viii) The detailed listing of General ledger account is called
- (a) T-Account
 - (b) Chart of accounts
 - (c) Account groups
 - (d) None of the above
- (ix) Which of the following is *not* a version of accounting equation ?
- (a) $\text{Assets} = \text{Liabilities} + \text{Beginning Capital} + \text{Investments} + \text{Revenues} - \text{Expense} - \text{Drawings}$
 - (b) $\text{Property} = \text{Property Rights}$
 - (c) $\text{Assets} = \text{Liabilities} + \text{Owner's Equity}$
 - (d) All of the above are correct
- (x) Which of the following items would *not* fall under the definition of an asset ?
- (a) Land
 - (b) Machinery
 - (c) Cash
 - (d) Owner's equity
- (xi) Which of the following accounts is *not* increased by a credit ?
- (a) Owner's equity
 - (b) Asset
 - (c) Revenue
 - (d) Liability
- (xii) Which of the following accounts is known as a temporary or nominal account ?
- (a) Owner's equity
 - (b) Asset
 - (c) Liability
 - (d) Revenue

3. Define any *ten* of the following terms : 2×10=20

- (a) Liability
- (b) Accounting Equation
- (c) Accountant
- (d) Expenses
- (e) Accounting Cycle
- (f) Revenue
- (g) Creditors
- (h) Cost
- (i) Stock
- (j) Loss
- (k) Transaction
- (l) Profit

4. Analyse any *five* entries for the following statements : 2×5=10

- (a) Shri Ram commenced business with ₹ 50,000.
- (b) Paid rent in advance ₹ 2,000..
- (c) Purchased a typewriter for ₹ 7,000.
- (d) Bought furniture from M/s Mohan Lal on credit for ₹ 3,000.
- (e) Purchased goods from Ramesh for ₹ 30,000.
- (f) Goods destroyed by fire (Cost ₹ 500, Sale price ₹ 600).