

ROLL No.....

NATIONAL COUNCIL FOR HOTEL MANAGEMENT
AND CATERING TECHNOLOGY, NOIDA

TERM END EXAMINATIONS – 2014-2015

COURSE : Diploma in Front Office Operation
SUBJECT : Principles of Accounts
TIME ALLOWED : 03 Hours MAX. MARKS: 100

(Marks allotted to each question are given in brackets)

- Q.1. (a) State the differences between profit and loss account and balance sheet.
(b) From the following balances prepare the profit and loss account:

Gross Profit	2,50,000/-
Rent	5,000/-
Salary	30,000/-
Depreciation	14,000/-
Bad Debts	6,000/-
Discount received	4,000/-
Selling expenses	10,000/-
Interest	3,000/-
Carriage outwards	2,000/-
Office expenses	4,000/-
Commission	17,000/-
General expenses	5,000/-

(5+9=14)

- Q.2. (i) State whether the following are capital expenses or revenue expenses:
- (a) Furniture purchased
 - (b) Salary paid
 - (c) Rent paid
 - (d) Purchase of land
 - (e) Depreciation
- (ii) Discuss the reasons for the difference between the balances shown by the cash book and the pass book.

(5+5=10)

Q.3. Ram & Sons purchased a machinery for Rs.1,00,000/-. Its estimated life is 4 years and the scrap value is Rs.20,000/-. Calculate the amount of depreciation on the basis of straight line method and prepare the machinery account for 3 years.

(7)

Q.4. (i) Write up a triple column cash book from the following information:

1 Jan	Opening Balance	
	Cash	Rs.18,500/-
	Bank	Rs. 5,000/-
3 Jan	Received a cheque from Mr.X	Rs.450/-after a discount of Rs.50/-
4 Jan	Deposited the above cheque into the bank.	
5 Jan	Goods purchased for cash	Rs.2,000/-
7 Jan	Wages paid	Rs.750/-
9 Jan	Commission paid to XYZ Co.	Rs.500/-
15 Jan	Rent received	Rs.250/-

(ii) What are subsidiary books? Discuss its advantages.

(7+7=14)

Q.5. (i) Classify the following under personal, real or nominal accounts:

- Interest
- Furniture
- Reliance industries
- Cash
- John

(ii) Journalise the following transactions:

1 June	Started business with cash	25,000/-
4 June	Goods purchased from Ram Traders	40,000/-
7 June	Interest paid through cheque	6,000/-
10 June	Goods purchased on cash	800/-
12 June	Goods sold to PCS Co.	25,000/-
15 June	Cash withdrawn from bank	7,000/-
18 June	Cash paid to Ram Traders in full settlement.	39,000/-
20 June	Cash received from PCS Co.	25,000/-
24 June	Rent received	9,000/-
28 June	Salary paid	4,000/-

(5+10=15)

Q.6. Explain briefly:

- | | |
|--------------------|----------------------|
| (a) Fixed assets | (b) Bad debts |
| (c) Drawings | (d) Revenue expenses |
| (e) Trade discount | (f) Contra entry |
| (g) Depreciation | |

(7x2=14)

Q.7. Discuss the errors which can be disclosed by the Trial Balance.

(7)

Q.8. What are the difference between Trade discount and cash discount?

(5)

Q.9. State True or False:

- In Journal narration is not required.
- Profit and loss account is prepared to calculate net profit.
- Cash purchases are recorded not in purchase book.
- Ledger is a book of prime entry.
- Ram account is a personal account.
- The rule for nominal account is debit the receiver and credit the giver.
- Trial balance is prepared after preparing the balance sheet.

(7x1=7)

Q.10. Fill in the blanks:

- Triple column cash book have cash, discount and _____ column.
- _____ discount is shown in books of accounts.
- Drawing two lines across the cheque is known as _____.
- _____ sales are not recorded in sales book.
- Assets=Capital + _____.
- Decrease in the value of fixed assets is known as _____.
- The entry which appears on the sides of cash book is called _____.

(7x1=7)
