

Term End Examination, June 2017
Diploma in Accounting
Basic Accounting
Course Code: DIA -01

TIME – 3 Hours

Full Marks 100

Group A

Q.N. 1 Answer any four questions each within 100 words

[5×4]

- a) Explain the objectives of accounting.
- b) Describe the different functions of accounting.
- c) State the different users of accounting information.
- d) Illustrate accounting equation with an example.
- e) Explain the rules of Dr and Cr.
- f) Classify the accounts on the basis of nature of the transactions.
- g) Narrate the different subfield of account.

Group - B

Q.N. 2 Answer any two questions each within 250 words

[10×2]

- a) Explain the accounting convention of conservatism and materiality and their significance in the preparation of financial statement.
- b) Differentiate between system of accounting and system of book keeping.
- c) Distinguish between journal and ledger.
- d) Journalise the following transactions in the books of the organisation.
 - i. Ramen started business with cash Rs 50,000.
 - ii. Purchase goods on cash from Mr. X Rs 30,000.
 - iii. Cash deposited into bank Rs 10,000.
 - iv. Sold goods to Paresh Rs 20,000.
 - v. Received commission Rs 5, 00.
 - vi. Paid salary to staff Rs 2,000.

Group—C

Answer any three questions each within 500 words.

[20×3]

Q.N. 3 What is cash book? What are the different types of cash book? Why is it called journalized ledger?

Q.N.4 What is bank reconciliation statement? Why is it important to prepare a bank reconciliation statement? What are the causes of disagreement in the pass book and cash book balance?

Q.N. 5 What is purchase day book? What are the advantages of purchase day book? Distinguish between purchase day book and purchase account.

Q.N. 6 Enter the following transactions in a double column cash book.

2015		Rs
March 1	Cash in hand	80,000
March 1	Bank Balance	120,000
March 3	Received a cheque from Osman	24,000
March 4	Deposited Osman's cheque with bank	--
March 8	Withdrawn from bank for business use	20,000
March 10	Goods sold for cash	30,000
March 15	Goods bought for cash	80,000
March 18	Goods sold for cash	60,000
March 20	Paid Rahim by cheque	26,000
March 30	Deposited into bank	16,000
March 31	Paid salary in cash	10,000
March 31	Paid rent by cheque	6,000

Q.N. 7 From the following particulars, prepare a Bank Reconciliation statement for M/S Square traders as at 31st December 2016.

- Bank balance as per Cash Book 8,000
- Two cheques were issued for 18,000 and 12,000 respectively, of which the cheque for 12,000 was presented on 3rd January next year.
- Cheque for 6,000 deposited on 26th December was collected and credited by the bank on 4th Jan.
- Dividends collected by the bank 1,800 not recorded in the cash book.
- Information relating to 4,500 deposit made by a debtor directly into the bank account has not yet been received.
- Bank charges 750 have been debited to the account by the bank on 31st Dec.
- A bill discounted dishonored 5,800 debited by the bank to the account does not appear in the cash book.
- Payment of a bill made by the bank on standing instructions 2,400. Advice was sent on 2nd Jan.