

**Term End Examination, June 2017**  
**Diploma in Accounting**  
**Financial Statement**  
**Course Code: DIA -02**

**TIME – 3 hours**

**Full Marks -100**

**Group- A**

**Q.N. 1 Answer any four questions each within 100 words** **[5×4]**

- a) State the features of bill of exchange.
- b) Mention the features of promissory note.
- c) What do you mean by holder and holder in due course?
- d) What are the main objectives of preparing trial balance?
- e) What are the causes of depreciation on assets?
- f) How would you rectify the errors in accounting?
- g) What is suspense account? Explain its uses.

**Group - B**

**Q.N. 2 Answer any two questions each within 250 words** **[10×2]**

- a) Distinguish between bill of exchange and promissory note.
- b) Bring out clearly the various classes of errors, which a trial balance fails to disclose.
- c) Distinguish between purchase day book and sales day book
- d) Differentiate between provision and reserve.

**Group-C**

**Answer any three questions each within 500 words.** **[20×3]**

**Q.N. 3** A receives three promissory notes from B, dated 1st January, 2012 for 3 months. First bill is for Rs 3,000, the second is for Rs 4,000 and the third is for Rs 5,000. The second bill is immediately endorsed in favour of C and on 4th January, 2012 the third bill is discounted with the bank for Rs 4,700. Pass the entries in A's journal assuming:

(i) the bills are met on maturity and (ii) they are dishonored.

**Q.N. 4.** What do you mean by profit and loss account how it is differed from balance sheet of sole proprietorship organization.

**Q.N. 5** On 1st July, 2008 a company purchased a machine for Rs 3, 90,000 and spent Rs 10,000 on its installation. It decided to provide depreciation @ 15% per annum, using written down value method. On 30th November, 2011 the machine was dismantled at a cost of Rs 5,000 and then sold for Rs 1, 00,000. On 1st December, 2011 the company acquired and put into operation a new machine at a total cost of Rs 7, 60,000. Depreciation was provided on the new machine on the same basis as had been used in the case of the earlier machine. The company closes its books of account every year on 31st March. Prepare Machinery Account and Depreciation Account for four accounting years ended 31st March. 2012.

**Q.N. 6** What is depreciation? What are the different methods of depreciation? Why is it needed for the organization?

**Q.N. 7** From the following information, draw up a Trial Balance in the books of Shri Bishnu pal as on 31<sup>st</sup> March 2015:

| Transactions     | Rs.      | Transactions        | Rs.      |
|------------------|----------|---------------------|----------|
| Capital          | 1,50,000 | Sales               | 1,05,400 |
| Purchases        | 40,000   | Sundry Creditor     | 5,000    |
| Cash in Hand     | 7,000    | Rent                | 2,000    |
| Cash at Bank     | 8,500    | Furniture           | 16,000   |
| Electricity exp. | 4,800    | Bank Loan           | 10,000   |
| Stationery       | 500      | Investment          | 6,000    |
| Office Equipment | 2,400    | Commission paid     | 1,050    |
| Sundry Debtors   | 8,000    | Opening Stock       | 3,200    |
| Machinery        | 1,60,000 | Commission Received | 1,200    |
| Salaries         | 11,400   | Postage & Telegram  | 750      |