

**BIRLA INSTITUTE OF TECHNOLOGY, MESRA, RANCHI
(END SEMESTER EXAMINATION)**

**CLASS: HMCT
BRANCH: BHMCT**

**SEMESTER : IV
SESSION : SP/22**

SUBJECT: HM210 BASIC ACCOUNTING

TIME: 2Hrs

FULL MARKS: 50

INSTRUCTIONS:

1. The question paper contains two sections, section A contains 30 MCQ of 1 mark each and section B 5 questions each of 4 marks and total 50 marks.
 3. The missing data, if any, may be assumed suitably.
 4. Before attempting the question paper, be sure that you have got the correct question paper.
 5. Tables/Data hand book/Graph paper etc. to be supplied to the candidates in the examination hall.
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Section A (30*1=30)

1. Accounting concepts includes
i) Business Entity ii) Money Measurement iii) Going Concern iv) All of the above
2. Accounts in the names of assets are known as _____
i) Personal Accounts ii) Real Accounts iii) Nominal Accounts iv) All of the above
3. Accounts in respect of expenses and incomes are known as _____
i) Personal Accounts ii) Real Accounts iii) Nominal Accounts iv) All of the above
4. _____ takes into account only cash receipts and payments on the assumption that there are no credit transactions.
i) Single Entry System ii) Double Entry System iii) Cash System iv) None of the above
5. _____ is the prime or original book of entry in which all transactions are recorded in the form of entries.
i) Journal ii) Purchase iii) Cash iv) None of the above
6. Accounting can be defined as the process of
i) Identifying ii) Measuring
iii) communicating the economic events of an organization iv) All of the above
7. Economic events are classified into
i) External types ii) Internal types iii) Both a and b iv) None of the above
8. Current Assets are assets held on a _____ basis
i) short-term ii) Long-term iii) very short-term iv) None of the above
9. Long-term liabilities are those that are usually payable after a period of _____.
i) 1 year ii) 2 years iii) 6 months iv) None of the above

10. Examples of revenue includes

- i) Royalties ii) rent received iii) commission iv) All of the above

11. Revenue receives include all the _____ income that the business gets in normal course of its function.

- i) Recurring ii) Nonrecurring iii) Both a and b iv) None of the above

12. Capital received other than the sale proceeds of fixed assets create a _____ either to the outsider or to the proprietor.

- i) Liability ii) Assets iii) Both a and b iv) None of the above

13. Examples of capitalized expenditure includes

- i) Initial revenue of charges of purchase of second plant
ii) Material consumed, and wages paid on the construction of a building
iii) Legal expenses incurred in connection of purchase of land
iv) All of the above

14. _____ Ledger contains accounts relating to Machinery account, Building account, Furniture account, etc.

- i) Assets ii) Revenue iii) Debtors iv) Expenses

15. _____ Ledger contains individuals, firms, and institutions to whom goods and services are sold on credit by business.

- i) Assets ii) Revenue iii) Debtors iv) Expenses

16. Specific journals include

- i) Purchase Book ii) Purchase Return Book
iii) Sales Return Book iv) All of the above

17. Examples of real accounts

- i) Cash ii) Ram iii) Sales iv) Canara Bank

18. Capital expenditure expenses includes _____

- i) Acquiring fixed assets ii) For acquiring benefit of nature of valuable rights.
iii) Both a and b iv) None of the above

19. Revenue expenditure expenses include _____

- i) Acquiring assets for resale at a profit ii) Maintaining fixed assets in good condition
iii) For keeping organization going iv) All of the above

20. The item of revenue expenditure appears in the _____

- i) Trading Account ii) Profit and loss Account
iii) Both a and b iv) Balance sheet

21. Which of the following error is rectified through suspense account

- i) Sales return book undercast by Rs 1000

- ii) Sales enter by Madhu Rs 1000 not recorded.
- iii) Sales enter by Madhu Rs 1000 recorded as Rs 100.
- iv) Sales return by Madhu Rs 1000 recorded through purchase return book.

22. Which of the following is not errors of commission.

- i) Overcasting of sales book
- ii) Credit sales to Ramesh Rs.5000 credit it to his account
- iii) Wrong balancing of machinery account
- iv) Cash sales is not recorded in cash book

23. If the trail balance agrees.

- i) There are no errors in the book.
- ii) There may be two-sided errors book.
- iii) There may be one-sided error book.
- iv) There may be both one sided and two-sided error book.

24. Trail balance is

- i) An account
- ii) Statement
- iii) Subsidiary book
- iv) Principal book

25. If wages paired for installation of new machinery is debit to wages account it is.

- i) An error of commission
- ii) An error of principal
- iii) A compensating error
- iv) An error of emission

26. _____ Ledger contains the various accounts of Wages account, Rent paid account, Electricity charges account, etc.

- i) Assets
- ii) Revenue
- iii) Debtors
- iv) Expenses

27. _____ Ledger contains the Sales account, Commission earned account, Rent received account, interest received account, etc.

- i) Assets
- ii) Revenue
- iii) Debtors
- iv) Expenses

28. The debit accounts from the journal are entered on the _____ side of respective account in the ledger.

- i) debit
- ii) credit
- iii) Both a & b
- iv) None of the above

29. Revenue expenditure consist of expenditure entering _____ accounting period and benefit is consumed in _____ period.

- i) One, one
- ii) One, two
- iii) Two, one
- iv) None of the above

30. Which of the following is not error of principle.

- i) Purchase of furniture debit to purchase account.
- ii) Repairs of secondhand machinery purchased debit repairs account.
- iii) Cost received from Manoj to Saroj.
- iv) Sell of old car credit to sell account.

Section B (5*4=20)

1. Explain the basic accounting concept.

OR

Explain different types of accounts. Write the rules of Debit and Credit.

2. Enumerate the procedure of posting into Ledger. Illustrate procedure of balancing Ledger?

3. Enumerate the various types of ledgers which may be maintained by a business.

OR

Enumerate advantages of maintaining a ledger?

4. State briefly the need for providing depreciation. Enumerate the causes of depreciation?

5. Explain any four accounting errors with example which do not affect the trail balance.

OR

Explain any four accounting errors with examples which affect the trail balance.

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