

- (ii) The building account of a college stands in the books at Rs. 70,50,000. The following expenses were incurred on the building. State with explanation whether they are capital or Revenue expenditure.
- (a) Construction of students common room Rs. 60,000.
 - (b) Repair of benches and tables, Rs. 4,500.
 - (c) White washing of building Rs. 10,500.
 - (d) Pulling down an old structure and rebuilding it Rs. 40,500.
 - (e) Wages paid for rebuilding the structure Rs. 10,000.

3 Answer any **four** questions **5×4=20**

- (i) What are the important points that should be kept in mind while preparing an Income and Expenditure account?
- (ii) Point out the various types of incomes for a students hostel.
- (iii) What are the differences between Receipt and Payment account and Income and Expenditure Account?
- (iv) How would you convert a receipt and payment account into income and expenditure account?
- (v) How would you treat these items:
 - (a) Sale of an asset
 - (b) Entrance fee
- (vi) Distinguish between a Trading and Non-profit concern.

4 Answer any **four** questions **5×4=20**

- (i) Who requires the interpretation of Financial Statements and why?
- (ii) Discuss the objectives of Cash Flow Statement.
- (iii) Why is it necessary to prepare a Funds Flow Statement in addition to Financial Statements.
- (iv) What is Current Ratio? What are its limitations?
- (v) What are the uses of Activity Ratios for a company?
- (vi) Discuss the differences between Balance Sheet and Funds Flow Statement.

5 Answer any **four** questions: **5×4=20**

- (i) Discuss the problems and limitations of Human Resource Accounting.
- (ii) What is Human Resource Accounting? Give briefly the objectives of this system.
- (iii) Distinguish between the opportunity cost approach and standard cost approach.
- (iv) What is inflation accounting? What are its disadvantages?
- (v) What is price level accounting? What does it achieve? Which conventional accounting fails to achieve?

- (vi) The ratios relating to Campa Co. Ltd. are given as follows:

Gross Profit Ratio 15 per cent

Stock velocity 6 months

Gross profit for the year ending 31st December 2000 amounted to Rs. 6000

Closing stock is equal to opening stock

Find out:

Sales and Closing Stock.

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