

**B.B.A. Part-I (Semester-I) Examination**  
**BBA-103 : BASICS OF ACCOUNTING**

Time : Three Hours]

[Maximum Marks : 80

**Note** :— (1) There are **three** Sections (A, B and C).

(2) Section-A : 20 marks.

Section-B : 20 marks.

Section-C : 40 marks.

(3) All questions are compulsory

(4) Section B and C comprise of short and long questions respectively, one each from respective unit having internal choice from the same unit.

(5) Show necessary working notes wherever necessary.

**SECTION—A**

Choose an appropriate option :—

1. A commodity in which a trader deals is known as \_\_\_\_\_.  
(a) Expenditure (b) Income  
(c) Goods (d) Both (b) and (c)
2. Amount received from sale of goods \_\_\_\_\_.  
(a) Income (b) Normal  
(c) Abnormal gain (d) Profit
3. A person from who money is due to the business is called \_\_\_\_\_.  
(a) Debtors (b) Creditors  
(c) Supplier (d) Owner
4. Equation of accounting is \_\_\_\_\_.  
(a) Assets + Liabilities = Capital (b) Assets = Liability – Capital  
(c) Both (a) and (b) (d) Liability + Capital = Assets
5. In error of principle, the debit and credit in the trial balance are \_\_\_\_\_.  
(a) Equal (b) Unequal  
(c) Uncommon (d) Common
6. \_\_\_\_\_ is called Recording of transaction in the Journal.  
(a) Casting (b) Posting  
(c) Both (a) and (b) (d) Journalising
7. Under conventional accounting system \_\_\_\_\_ book is maintained.  
(a) Subsidiary books (b) Cash book  
(c) Journals (d) None of above

8. Salary paid to Kavita should be debited to \_\_\_\_\_.  
(a) Salary A/c (b) Kavita A/c  
(c) Bank A/c (d) Cash A/c
9. Outstanding expenses is a \_\_\_\_\_.  
(a) Revenue (b) Assets  
(c) Expenses (d) Liability
10. All assets have \_\_\_\_\_ balance.  
(a) Credit (b) Debit  
(c) Negative (d) Nil
11. Bad debt reserve always shows \_\_\_\_\_ balance.  
(a) Credit (b) Zero  
(c) Debit (d) Positive
12. Nature of Trading A/c is \_\_\_\_\_.  
(a) Personal A/c (b) Real A/c  
(c) Nominal A/c (d) None of above
13. Joint venture runs for a \_\_\_\_\_ duration.  
(a) Medium term (b) Short  
(c) Very long (d) Longer
14. A bill of exchange is/can be discounted with \_\_\_\_\_.  
(a) Payee (b) Government  
(c) Money lenders (d) Bank
15. Joint Venture is not \_\_\_\_\_ partnership.  
(a) Temporary (b) Suppliers  
(c) Limited (d) Permanent
16. \_\_\_\_\_ means payment of bill before due date.  
(a) Discounting of Bill (b) Renewal of Bill  
(c) Retirement of Bill (d) Endorsement of Bill
17. In \_\_\_\_\_ method, the amount of depreciation will remain same.  
(a) Straight line (b) Fund  
(c) Decline (d) Annuity
18. Under Fixed Instalment method, depreciation is charged on \_\_\_\_\_.  
(a) Written down value (b) Original cost  
(c) Scrap value (d) Market value

19. By the amount of depreciation, the value of asset \_\_\_\_\_.
- (a) Remains constant (b) Increases  
(c) Become zero (d) Decreases
20. Depreciation arises because of \_\_\_\_\_.
- (a) Fall in value of asset (b) Wear and tear  
(c) Both (a) and (b) (d) None of above 20

**SECTION—B**

1. Difference between Book Keeping and Accountancy. 4

**OR**

Write golden rules of Accounting. 4

2. Prepare “Sales Book” and “Sales Return Book” of Mr. Amit from the following details for the month of December 2017 :

December — 1	Goods sold to Raghu	10,000	
9	Raghu returned Goods	1,600.	
16	Goods sold to Ravi by Cash	16,000	
24	Goods sold to Uma	11,000	
26	Goods returned by Uma	1,000	
30	Goods sold to Ajay	20,000	4

**OR**

From the following balances of various accounts prepare “Trial Balance” as on 31<sup>st</sup> March 2018, in the Books of “Maitra” Company :

<b>Particulars</b>	<b>Amount</b>	
	<b>Rs.</b>	
Cash A/c	2,38,250	
Building A/c	5,00,000	
Capital A/c	7,50,000	
Purchase A/c	1,60,000	
Discount Received A/c	8,000	
Discount Allowed A/c	4,750	
Sales A/c	1,73,000	
Salaries A/c	20,000	
Drawings A/c	5,000	
Return Outward A/c	2,000	
Rent Paid A/c	5,000	4

3. Prepare "Trading A/c" for the year ended 31<sup>st</sup> March 2018 with the following balances of "MAP" Ltd. :

	<b>Rs.</b>	
Opening Stock	3,50,000	
Purchases	11,00,000	
Sales	20,00,000	
Purchase return	30,000	
Sales return	40,000	
Carriage	70,000	
Wages	1,80,000	
Coal and Gas	1,37,500	
Salary	2,10,000	
Closing Stock	9,00,000	4

**OR**

Prepare Balance Sheet as on 31<sup>st</sup> March 2018 with the help of following information :

	<b>Amount</b>	
	<b>Rs.</b>	
Land and Building	7,50,000	
Bank overdraft	1,80,000	
Unpaid Expenses	30,000	
Bills payable	2,10,000	
Bank Balance	90,000	
Net Profit	60,000	
Creditors	3,00,000	
Cash in hand	60,000	
Furniture	1,50,000	
Machinery	3,00,000	
Capital	7,20,000	
Drawings	1,50,000	4

4. Explain the terms Drawer, Drawee and Payee.

4

OR

From the following A/c Pass Journal entries :

Joint Venture A/c

Particulars	Amount	Particulars	Amount
To Joint Bank A/c (Goods)	16,000	By Joint Bank A/c (Sale)	21,700
To Joint Bank A/c (Expenses)	800		
To Profit :			
Ashok A/c           2,100			
Pavan A/c           2,800	4,900		
	21,700		21,700

4

5. From the following information, find out the amount of Depreciation :

- (1) Cost price Rs. 48,000
- (2) Installation charges Rs. 4,000
- (3) Expected life 4 years
- (4) Scrap value = Rs. 6,000.

4

OR

Radha Company purchased machinery for Rs. 1,00,000 on 1st Jan. 2017. The asset was to be depreciated on Reducing Balance method @ 20% p.a.. Write "Machinery Account" for first two years assuming accounting year to end on 31st March every year.

4

SECTION—C

1. What is Accounting ? Explain utility of Accounting.

8

OR

Explain Accounting Standards in India.

8

2. Journalize the following transactions in the book of Purvesh :

- 2018 April 1 Purvesh started business with cash Rs. 7,10,000.
- 2 Purchased goods from Shreya Rs. 2,00,000 on credit
- 5 Deposited cash into Bank of India Rs. 3,00,000.
- 9 Sold goods to Aniket Rs. 2,50,000 on credit.
- 11 Purchased furniture of Rs. 1,00,000 for cash.
- 14 Paid to Shreya by cheque of Bank of India Rs. 1,00,000.
- 18 Received a bearer cheque for Rs. 1,50,000 from Aniket.
- 30 Paid salary by cheque Rs. 40,000.

8

OR

Pass the rectifying Journal Entries for the following errors :—

- (1) A credit purchase of Rs. 10,000 from Mahesh was recorded in Sales Book.
- (2) Rs. 5,000 paid on account of salary was debited to Personal Account of Employee.
- (3) Sold goods to Mr. Vijay for Rs. 62,000 has been entered in Purchase Book.
- (4) A sale of Rs. 2,600 of old furniture has been passed through the Sales Book. 8

3. From the following Trial Balance, prepare Final Accounts :

**Trial Balance**  
**As on 31st March 2018**

Particulars	Amount	Particulars	Amount
Sundry Debtors	54,000	Capital	2,00,000
Drawings	18,000	Sundry Creditors	28,000
Machinery	70,000	Sales	2,90,000
Wages	1,00,000		
Purchases	1,90,000		
Opening Stock	40,000		
Bank Balance	30,000		
Carriage	3,000		
Salaries	4,000		
Rent and Taxes	9,000		
	5,18,000		5,18,000

**Additional Information :—**

- (1) Closing Stock Rs. 12,000.
- (2) Outstanding Rent and Taxes Rs. 1,000
- (3) Charge depreciation on Machinery 10%.
- (4) Wages prepaid Rs. 4,000. 8

**OR**

Show Profit and Loss A/c and Balance Sheet :

**Trial Balance as on 31st Dec. 2017**

Particulars	Amount	Amount
18% Investment	2,00,000	—
20% Loan taken (1.7.2017)	—	2,00,000
Interest on Investment	—	18,000
Interest on Loan	8,000	—

4. Deshpande & Bapat entered into joint venture to send 500 bags of sugar to Shri Apte to be sold on their joint risk which was in proportion 3 : 2. Deshpande sent 200 bags of sugar at Rs. 9,000 each to Shri Apte, paying Rs. 1,00,000 for freight and insurance. Deshpande advanced Rs. 5,00,000 to Bapat. Bapat sent 300 bags of sugar at Rs. 8,500 each to Shri Apte, paying Rs. 1,50,000 for insurance and Rs. 50,000 for other expenses.

All the bags of sugar were sold by Shri Apte for Rs. 10,000 each bag, from which amount he deducted 3% for his expenses and 5% for his commission and remitted Rs. 2,00,000 to Deshpande and balance to Bapat by a Bill of Exchange.

Prepare necessary Accounts in the books of Deshpande. 8

**OR**

Komal purchased goods of Rs. 10,000 from Dipti on 1<sup>st</sup> April 2017. For it Komal accepted a 3 months bill and gave it to Dipti at the same day. Dipti discounted it the same day from bank at discount of 5% p.a.

Pass necessary Journal Entries in the books of Komal and Dipti. 8

5. Satyam Company Ltd. purchased a Machinery for Rs. 3,00,000 on 1st Oct. 2013 and spent Rs. 30,000 on its installation. The expected life of the Machinery is 15 years. Scrap value of Rs. 15,000. Accounts of the company are closed on 31st March every year.

Calculate depreciation and prepare Machinery Account for first four years. 8

**OR**

What is Depreciation ? Explain any two methods. 8