

B.B.A. Part-I First Semester
BBA 103 : Basics of Accounting

P. Pages : 7

Time : Three Hours



AT - 1346

Max. Marks : 80

- Notes :
1. There are three sections (A, B & C).
 2. Section A - 20 marks, Section B - 20 marks, Section C - 40 marks
 3. All questions are compulsory.
 4. Section B and Section C comprises 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

20

Choose an appropriate option.

1. Accounting is done through the -----
a) Record of transactions b) Classifying assets
c) Apply costing techniques d) Prepared budget
2. Accounting equation is -----
a) Assets + Liabilities = Capital b) Assets + Capital = Liabilities
c) Liabilities + Capital = Assets d) Assets + Liabilities + Capital = Profit
3. Business has its separate existence as per ----- concept.
a) Business entity b) Dual aspect
c) Going concern d) Money measurement
4. Who invented double entry book keeping system ?
a) Baltibai b) Fra Luca Sa de Pacioli
c) S. Kr. Paul d) American Accounting Association
5. Difference of Trial balance is balance which is transferred temporarily to ----- account.
a) Cash b) Capital
c) Drawing d) Suspense
6. Sales account always shows ----- balance
a) debit b) credit
c) adverse d) specific
7. Machinery account shows ----- balance.
a) credit b) debit
c) positive d) negative
8. Recording of transaction in the journal is called -----
a) Posting b) Costing
c) Tallying d) Journalising
9. Trial balance is a proof of ----- accuracy.
a) Grammatical b) Arithmetic
c) Logical d) Posting

10. Discount earned is transferred to credit side of -----
 a) Profit & Loss A/c b) Trading A/c
 c) Capital Account d) Balance Sheet
11. Excess of assets over outside liabilities is called -----
 a) Expenses b) Capital
 c) Drawings d) Profit
12. Trading account by nature is -----
 a) Personal A/c b) Real A/c
 c) Nominal A/c d) None of these
13. A Joint venture is a -----
 a) a general partnership b) Particular partnership
 c) Not limited partnership d) Particular venture
14. Profit or loss on a joint venture is shared by coventurers.
 a) equally b) in the capital ratio
 c) as per the agreement d) None of these
15. A bill is drawn by -----
 a) banker b) drawee
 c) drawer d) party
16. The bill of exchange is an unconditional order made by -----
 a) the creditor b) the debtor
 c) both a and b d) none of these
17. Depreciation = $\frac{\text{Cost of Assets} - \text{Scrap Value}}{\text{Estimated Working ----- of asset}}$
 a) Life period b) Hours
 c) days d) months
18. In ----- method, the amount of depreciation will remain same.
 a) decline method b) Annuity method
 c) straight line method d) fund method
19. The amount realised at the end of working life of an asset is as -----
 a) residual value b) market price
 c) original price d) written down value
20. Under fixed installment method, depreciation is changed on -----
 a) Original cost price b) Written down value
 c) Scrap value d) Market price

SECTION - B

1. Write golden rules of accounting.

4

OR

What are the branches of accounting? Explain in brief.

2. Rectify the following errors and pass journal entry. 4

- a) Goods purchased from Kanta remained unrecorded in purchases Book ₹ 1,800
b) An old machine sold for ₹ 25,000 is entered in sales A/c

OR

Pass journal entries in Rajani's Books.

- a) Draw for personal use ₹ 10,000
b) Paid salaries to employees ₹ 20,000

3. From the information given below prepare trading account of Mr. Shrikant for the year ending 31st March 2017. 4

	Rs.
Opening Stock	25,270
Purchases	1,20,450
Sales	2,85,900
Carriage on purchase	3,910
Sales Returns	1,450
Purchases Returns	4,120
Wages	6,410
Import Duty	3,200
Navigation Charges	14,600
Marine Insurance	2,400
Furniture	40,000
Closing Stock (31 st March 2017)	40,830

OR

From the balance of Mr. Jayant as presented below prepare profit & loss account for the year ended 31st March 2017.

Salaries	40,000	Interest (Dr.)	4,000
Rent & Taxes	36,000	Stationary	4,500
Gross Profit	2,99,000	Advertising	3,500
Discount (Dr.)	40,000	Bad debts	2,500
Interest (Cr.)	10,000	Capital	2,00,000
Discount (Cr.)	2,500		

4. Mr. Rajesh draws a bill for ₹ 2,000 on Gaurav on 15th September of three months on maturity, Gaurav failed to honour the bill. Pass the necessary journal entries in the books of Gaurav, if the bills is retained bill maturity. 4

OR

Das and Krishnan entered into a joint venture sharing profits and losses 3:2. They opened a Bank A/c by depositing ₹ 40,000 each. Das purchased 800 kgs of an item @ ₹ 60 and his expenses were ₹ 13,000. Krishnan purchased a second item of 10,000 kgs @ ₹ 2.10 and his expenses were ₹ 11,000. Expenses were met from private sources and purchases were paid for from Bank A/c.

Krishnan sold 600 kgs of first item @ ₹ 100 and his selling expenses were ₹ 5,500. Das sold 8000 kgs of the second item @ ₹ 5.00 and his selling expenses were Rs. 6,000. All the sale proceeds were deposited in the Bank A/c and expenses were met from private source.

Prepare Joint Bank Account.

5. Calculate depreciation under Annuity method of Depreciation. 4
Cost of Machinery ₹ 2,50,000
Estimated life : 4 years
Opportunity rate of Interest is 8% p.a.

OR

Distinguish between straight line method and reducing balance method.

SECTION - C

1. Explain the accounting standard in India. 8

OR

Explain the historical development of accounting.

2. Record the following transactions of Pratik in purchase book, sale book, return outward book, return inward book. 8

2017

- March 1 Purchased goods from Subodh ₹ 3,000 at 20% T.D.
4 Sold goods to Sudhir ₹ 1,000
7 Returned goods to Subodh ₹ 500 (gross)
12 Cash sales ₹ 1,000
14 Bought goods from Sawan ₹ 1,800
17 Sold goods to Sushil costing ₹ 3,000 at 20% profit on cost
25 Goods purchased from Sawan was sold to Sunil at 20% profit on cost
27 Sunil returned goods of ₹ 360 which in turn returned to Sawan

OR

Prepare the personal account of Narayandas from the following transaction

2017

- April 1 Debit balance on Narayandas A/c ₹ 2,000
5 Sold goods on credit to Narayandas ₹ 10,800
7 Received from Narayandas ₹ 12,600 and allowed him discount ₹ 200
12 Supplied goods to Narayandas on Credit ₹ 3,000
15 Received cash from Narayandas ₹ 2,900 and allowed him discount ₹ 100
17 Purchased goods on credit from Narayandas ₹ 2,080
22 Paid cash to Narayandas ₹ 1,000
28 Returned goods to Narayandas ₹ 280
29 Paid cash to Narayandas ₹ 780 in full settlement of his account.

Particulars	₹ (Dr.)	₹ (Cr.)
Capital	-	2,33,000
Stock (1-4-2016)	83,000	-
Purchases and sales	9,80,170	16,20,000
Returns	10,000	30,000
Fuel	43,000	
Freight and Carriage	27,000	
Wages and Salaries	1,15,000	
Sundry Debtors & Creditor	2,80,000	50,000
15% Bank loan (1st April 2016)	-	2,00,000
Interest on Bank	18,000	-
Cash at Bank	7,000	
Cash in hand	900	
Drawings	1,20,000	
Sundry Trade Expes.	16,600	
9% Govt. Securities (1 April 2016)	80,000	
Rent and taxes	54,000	
Bad debts	2,000	
Reserve for bad & doubtful debts		10,000
Bank charges	330	
Loose tools	6,000	
Furniture	30,000	
Plant and Machinery	2,70,000	
	21,43,000	21,43,000

Prepare balance sheet on that date after taking in consideration the following information :

- On 31st March 2017, closing stock was valued at ₹ 78,000 and Loose tools were value at ₹ 5,000
- Provide depreciation @ 2% on plant and machinery and @ 10% on furniture.
- A credit purchases of ₹ 20,000 was not recorded in the books.
- R.D.D. is to be maintained at ₹ 14,000
- Interest on capital is to be provided @ 12% p.a.
- Current year net profit (31st March 2017) is ₹ 2,64,140.

OR