



B.B.A. Part - I

Fundamentals of Accounting

P. Pages : 15

Time : Three Hours

Max. Marks : 80

- Notes : 1. All questions are compulsory.
2. All questions carry equal marks.

1. a). Journalise the following transaction. **4**
1) Sold goods ₹ 15,000 through Debit card. The Bank charged 1% Commission on sales through Debit/Credit Cards.
- b) Show profit and loss A/c and Balance sheet. **4**

Trial Balance as on 31Dec 2015

Particulars	Amount	Amount
18% Investment	2,00,000	
20% loan Taken (1.7.2015)		2,00,000
Interest on Investment		18,000
Interest on loan	8,000	

- c) From the following transaction prepare Sita's A/c in the books of Gita. 4

2015

- April 1. Sita's A/c shows credit balance of ₹ 1,000.
3. Returned goods to Sita ₹ 500
5. Purchased goods on credit from Sita ₹ 3,000.
6. Paid to Sita ₹ 800
10. Received cash from Sita ₹ 2,000
15. Returned goods to Sita ₹ 700
30. Paid ₹ 3,700 in full settlement of her account.

- d) Pass necessary journal entries to rectify the following errors. 4

- 1) Cash received from Manali was recorded on the payment side of cash book ₹ 1,800.
- 2) A crossed cheque of ₹ 960 received from Mr. Mayur dishonour but was not recorded in cash book.

OR

- e) From the following Trial Balance prepare correct Trial Balance 4

Particulars	Amount ₹	Amount ₹
Purchase	30,000	
Reserve fund	10,000	
Sales		50,000
Purchase Return	500	
Sales Return		1,000
Opening stock	15,000	
Closing stock		20,000
Expenses		10,000
Outstanding Expenses	1,000	
Bank balance	2,500	
Debtors		40,000
Asset	25,000	
Creditors		15,000
Capital	47,000	
Suspense Account	5,000	

- f) From the following prepare trading A/c The stock on hand has always been valued 10% less than cost. 4

	₹
Opening stock as valued	2,709
Purchase less return	7,490
Sales less return	12,000
Wages	1,740
Closing stock as valued	3,240

- g) Explain the "Dual Aspect Concept". 4
- h) Explain main features of Accounting. 4

2. Das and Gupta entered into a joint venture to construct a Building for a new company. Profits and losses were to be shared in the ratio of 3:2. Das invested ₹ 2,00,000 and Gupta ₹ 1,00,000. The money was deposited to a joint bank A/c with arrangement of over draft. Das also supplied materials valued ₹ 35,000 and Gupta paid the architect's fees ₹ 15,000, also supplied a machine valued ₹ 25,000. Building material valued ₹ 4,00,000 and wages of ₹ 1,00,000 were met from the joint bank Account. 16

On the completion of the construction the company paid ₹ 8,000 out of which ₹ 4,00,000 was in cash and Balance of ₹ 4,00,000 was in fully paid shares of ₹ 10 each. These share were sold at ₹ 9.50 each and the proceeds taken by Das and Gupta in the ratio of 3:1. The machine supplied by Gupta was taken back by him at agreed value of ₹ 15,000. Bank charged interest ₹ 1,000 for the overdraft.

Prepare

- 1) Joint venture A/c.
- 2) Joint bank A/c.

3) Das and Gupta A/c.

OR

For mutual accommodation Vivek drew a bill on Vinay for ₹ 6,000 for 3 months. Vinay accepted the bill. On the same day Vivek discounted the bill with his bank for ₹ 5,850 and remitted $\frac{1}{3}$ proceeds to Vinay. **16**

In order to meet the bill on the due date Vinay draws a bill on Vivek for 3 months for ₹ 7,500 which Vivek accepts. Vinay discounts this bill for ₹ 7,200 with his bank and met the first bill and remitted ₹ 800 to Vivek. Before the due date of the second bill Vivek became insolvent. Later on 60 paise in a Rupee were received from his estate.

Pass the Journal entries in the books of Vinay and prepare Vivek A/c.

3. M/s Sharad Agency showed a debit balance of ₹ 36,000 to the machinery A/c on 1-4-2011. The original cost of machinery was ₹ 60,000. **16**

On 1 Oct 2011 Sharad Agency brought an additional machinery of ₹ 48,000 and spent ₹ 2,000 for its installation. One more machinery costing ₹ 25,000 was purchased on 31-3-2012.

On 31-03-2013 a part of machinery acquired on 1 Oct 2011 was sold for ₹ 7,250. The original cost of which was ₹ 10,000.

On 30-9-2014 The agency sold out machinery for ₹ 16,000 which was purchased on 31-3-12. Agency charged 10% depreciation on fixed instalment basis and their financial year closed on 31st March every year.

Show machinery A/c and Depreciation A/c for the years 11 - 12, 12 - 13, 13 - 14, 14 - 15.

OR

From the following particulars prepare. **16**

- 1) Debtors ledger Adjustment A/c in General ledger.
- 2) General ledger Adjustment A/c in creditors ledger.

2015 Dec 1	₹
Balance of Debtors ledger (Dr)	56,510
Balance of Debtors ledger (Cr)	980
Balance of creditors ledger (Cr)	36,370
Balance of creditors ledger (Dr)	740
31 st Dec 2015	₹
Cash received from customers	80,200

Discount Allowed	5,630
Reserve for discount on creditors made	1,150
Acceptance received from Debtors	12,700
Discount received	3,920
Total sale	97,370
Purchases	47,810
Cash and cheques paid to suppliers	50,150
Bills receivables endorsed in payment	1,800
Discount cancelled being previously allowed by creditors	150
Cash sale	8,500
Returns by customers	2,610
Cheques paid to suppliers dishonoured	3,800
Closing balance of Debtors ledger (Cr)	370
Closing balance of creditors ledger (Cr)	32,350

Other Information

- 1) Allowance to customer Shri Malhotra of ₹ 300 was wrongly shown in creditors Shri Malhotra's A/c.
- 2) A customer's bill of exchange of ₹1,100 was discounted but on due date it was dishonoured and it was paid by the firm to bank on 31st Dec 2015 but entry for payment was not recorded in the books of Account.

4. a) From the following receipts and payment account and the additional information you are required to calculate the Income from subscription for the year ended 31 Dec 2015. 4

– Receipts and payment A/c –
for the year ended 31 Dec 2015

Receipts	Amount	Payment	Amount
To subscription			
2014	1,000		
2015	<u>15,000</u>	16,000	

Other Information:-

- 1) Club has 200 members each pay an annual subscription of ₹ 100.
- 2) 25 members had also paid their subscription for 2015 in 2014.
- 3) the subscription of 16 members for 2014 is still outstanding.
- 4) The subscription of 18 members has been received in Advance for 2016.

- b) Following information received from Receipts and payment A/c of Amravati club for the year ended 31st March 2015. 4
- | | |
|-----------------------------------|----------|
| 1) Salary paid to staff | ₹ 10,000 |
| 2) Canteen expenses | ₹ 12,000 |
| 3) Salary to staff outstanding | |
| as on 31 st March 2014 | ₹ 4,000 |
| as on 31 st March 2015 | ₹ 2,000 |
| 4) Canteen expenses prepaid | |
| as on 31 st March 2014 | 2,000 |
| as on 31 st March 2015 | 1,000 |
- Show in Income and expenditure Account.

- c) Shyam purchased a radio on hire purchase system. The cash price of the radio was ₹ 360. He agrees to pay four quarterly instalments of ₹100 each. Calculate the interest of each quarter. 4

- d) M/s Refrigeration Ltd supplied Refrigerators to Ashok Hotel on the instalment system on 1st July 2012. The cash price was ₹ 22,350. Under instalment system it was agreed to pay ₹ 6,000 on that date and ₹ 6,000 annually for three years. Interest was chargeable at 5% per annum. Depreciation was to be written off the asset at 10% p.a. by R.B.M. 4
- Show the Refrigerator A/c in the books of Ashok Hotel.

OR

- e) Explain the feature of Not for profit concern. 4
- f) Explain the merits of Instalment system. 4
- g) From the following prepare Receipts and payment Account for the year ended 31st Dec 2015. 4
- Bank balance as on 1 Jan 2015 ₹ 12,000

Membership Fees :- From 9,000 member ₹ 10 each to be taken but 500 members have not given their fees for the current year and 100 members have been paid the fees for year 2016 in Advance.

Salary:- ₹ 2,000 per month, salary for December is yet to be paid.

Rent:- Rent has been paid up to 31st March.

Furniture:- ₹ 16,000 has been paid in Advance in December 2015 but by the end of this year furniture worth ₹ 4,000 was received.

General Expenses:- ₹ 6,000 have been incurred out of which ₹ 1,000 is yet to be paid.

Investment:- 11% Government Debenture have been purchased worth ₹ 12,000.

Office expenses:- Paid ₹ 500 and ₹ 200 are unpaid.

- h) Neelam Brothers bought machinery on hire purchase basis from A Ltd. On 1 Jan 2012. The cash price of the machinery was ₹ 40,000 payable in three equal annual instalments commencing from 31st Dec 2012. The vendors charged interest on outstanding cash price at 10% p.a. The Annuity table shows that the present value of the annuity for Re 1 for three years at 10% p. a is ₹ 2.48685. How ever for the purpose of calculation it was taken at ₹ 2.50.

Calculate the annual instalment.

5. a) From the following find out amount of load. If goods sent to branch at cost + $\frac{2}{5}$ 4

Branch opening stock	₹ 1,60,000
Good sent to branch	₹ 4,00,000
Goods Returned to H.O	₹ 32,000
Closing stocks	₹ 2,00,000

b) Murlidhar and Co. Delhi had their Branch at Bhopal. The following are the transactions between the head office and branch. 4

1) Goods supplied to branch ₹ 16,000.

2) Cash sent for following expenses

Salary ₹ 800

Rent ₹ 200

Telephone ₹ 100

Petty cash extras ₹ 500

3) Cash received from branch during the year 18,000.

4) Closing stock ₹ 800.

Pass the necessary Journal entries in the Head office books.

c) What are the preferential liabilities in the following liabilities of insolvent Mahesh according to presidency Towns Insolvency Act. 4

3 months salary of 5 clerks ₹ 1,800

One month wages of 6 labourers ₹ 800

Sales Tax ₹ 200

3 months rent of land lord	₹ 300
Income Tax	₹ 700
4 months salary of proprietor	₹ 1,000
Municipal Tax	₹ 500

- d) Mangal finds him self insolvent on 31st Dec 2015 His position was as follows. 4

	₹
1000 share in Asian Co. Ltd (Estimated to produced ₹ 15,000)	25,000
Share in Alexander Co. Ltd (Estimated to realise ₹ 75,000)	91,500
Loss through betting	2,000
Creditors on open account	85,600
Creditors holding a second charge on the share in Alexander Co. Ltd to the extent of ₹ 25,000	30,000
Creditors holding first charge on the share of Alexander Co. Ltd	40,000
Bills payable	4,000
Creditors for Rent, Rates, Taxes, wages (of which ₹ 4,600 are preferential)	5,000
Furniture (Estimated to realise ₹ 3000)	15,000

Prepare liability side of statement of Affairs.

OR

- e) Explain types of branches. **4**
- f) What do you understand by statement of Affairs and how it is prepared. **4**
- g) From the following prepare branch trading A/c. **4**

Particulars	Invoice ₹	Cost ₹
Stock 1.1.15	20,000	16,000
Stock 31.12.15	25,000	20,000
Goods sent	1,00,000	80,000
Goods returned	5,000	4,000
Goods in transit	10,000	8,000

Additional information:-

Cash sale	₹ 10,000
Credit sale	₹ 82,000
Wages	₹ 6,000
Return outward	1,000

- h) Shri Pramod become insolvent on 31 Dec 2015 following data received from his books of Accounts. 4

Loan ₹ 9,000, Capital (Dr.) 5,000,
Goodwill ₹ 2,000, Bank over Draft ₹ 7,000,
Land ₹ 5,000, Bills payable ₹ 12,000.
Machinery ₹ 4,000, Creditors ₹ 11,000,
Stock ₹ 2,000, Debtors ₹ 5,000, Share in X
Ltd ₹ 1,000, Cash in hand ₹ 500.
Find out his business loss.
