BBAaccCC1030 **Seat No :_________**

B.B.A. Semester - 1 (*CBCS*) Examination
Nov./Dec. -2018 (New Course)
PRINCIPLES AND PRACTICE OF ACCOUNTING (CORE)

Time: 2:30 Hours **Marks: 70**

Instructions:
1. All questions are compulsory.
2. Figures to the right indicate marks.

Que-1 What do you mean by Accounting? Explain its nature advantages & Limitations. (14)

OR

Que-1 Write detailed Note on any Two Following.
1. Conservatism Concept.
2. Money Measurement Concept.
3. Dual Aspect Concept.
4. Periodicity Concept.

Que-2 Journalise the following transactions in the books of Mr. A, Post them into ledger and prepare Trial balance sheet. (14)

January 2017
(1) A started business with cash Rs.1,00,000 and Furniture Rs.50,000.
(2) Purchase goods worth Rs.10,000@10% trade Discount and 3% cash discount.
(3) Paid carriage for purchase of goods Rs.200.
(4) Goods worth Rs.3,000 sold for Rs.5,000@3% cash discount.
(5) Opened Bank A/C in SBI and Deposited Rs.75,000.
(6) Purchase goods from Rohit Rs.7,000.
(7) Return half of the goods to Rohit.
(8) Paid to Rohit by Cheque Rs.3,300 and earned cash discount Rs.200.
(9) Received commission Rs.2,500.
(10) Withdraw from SBI for payment of House rent Rs.3,000.

OR

Que-2 Pass Journal Entries for following items.
(1) Started business with cash 8000, Bank 25600, furniture 4000, building 10000,
Debtors :Vijay 2700, Anil 1500, Ashnawi 2000, Anupam 1800, Madhu 100
Creditors: Anand 5400, Arya Co. Ltd 7700, Balwant Rai 5200, Mrs. Loan 10000.
(2) Rs.2646 received from Vijay and allowed him discount Rs.54.
(3) Buy 100 shares in Bharat Ltd@15 per share and paid brokerage 30.
(4) Goods worth Rs.500 were damaged in transit, a claim made on railway authority for same.
(5) Sold 40 shares in Bharat Ltd. at 18 per share and paid brokerage 15.
(6) Bought a horse for 2000 and carriage 1000 for delivering goods to customer.
(7) One month's interest on Mrs. Loan@12% become due but could not paid.
(8) The horse Bought died and its carcass was sold for Rs.50.
(9) Received from travelling salesman Rs.3000 for goods sold by him after deducting his travelling exp. Rs.150.

Que-3 Enter the following transaction in the purchase book, sales book & return books of Shri. (14)

October 2017.
(1) Purchased goods from Mr. Samir at a trade discount of 20%, Rs.20,000.
(3) Of this half the goods are sold to Mr. Shyam at profit of 20%.
(4) Purchased furniture from Ashok on credit Rs.600.
(5) Shyam return defective goods at Rs.480 which was returned to Samir.
(6) Purchased goods of Rs.4,000 from Mahesh at 20% trade discount and 5% cash discount. Paid half amount in cash.
(7) Sold to Mamata goods for cash Rs.600.
(8) Ramesh placed order to supply goods Rs.2,000.
(9) Sent goods to Ramesh as per his order and paid Rs.20 for carriage on his behalf.

OR

Que-3 From the following transactions prepare three columnar cash book in the book of Kartik.
November 2017.

(1) Cash on hand Rs.15,000 and cash at bank Rs.25,000.
(5) Purchased goods for cash worth Rs.3,000@3% cash discount.
(8) Received cheque from Chintan for Rs.9,500 and allowed him discount Rs.200.
(10) Cheque received from Chintan and deposited into bank.
(14) Withdraw from the bank Rs.3,000 for office use.
(18) Goods sold worth Rs.3,000@3% cash discount.
(22) Cash deposited into bank Rs.2,500.
(25) Issued chequefor payment of salary to Chirag Rs.5,000.
(28) Withdraw from the bank for personal use Rs.2,000.
(30) Received cash Rs.8,000 from Chintu, Which was deposited into bank.

Que-4 Prepare Bank Reconciliation Statement of Shri Paras Shah as on 31/08/2016 from the following informations. Bank balance as per Pass Book Rs.1,200. (14)

(1) Cheque of Rs.1,000 was deposited into bank, The same was dishonoured. Bank advice for the same is received in the next month.
(2) Bills receivable of Rs.2,500 is deposited into bank on 28/08/2016. The same was cleared by bank on 31/08/2016, which is not recorded in cash book.
(3) Cheque of Rs.1,500 were deposited in bank but bank cleared only 4/5 of them.
(4) Paras has 50 shares of TATA Ltd. of face value Rs.100. Market price of one share is Rs.130. company declared 22% interest and bank received dividend warrant for the same directly as per pur instruction. The same is not recorded in cash book.
(5) Furniture of Rs.3,000 is purchased by cash but it is recorded in the bank column of cash book.
(6) Bank charges refund of Rs.30 is recorded twice on credit side of cash book.
(7) Bill of Rs.2,800 is sent to the bank for collection and it is dishonoured.
(8) Payment side of cash book bank column is written as Rs.22,300 instead of Rs.23,200.
(9) Rs.300 received from customer recorded in the bank column of the cash book.
(10) Credit side of cash column of cash book is under casted by Rs.1,500.

OR

Que-4 (A) Explain difference between cash book and pass book. (07)

Que-4 (B) Jyoti having accepted a bill of Rs.10,000 is unable to meet the dues. Hence before the due date she requests Moti (Creditor) to receive Rs.6,400 and draw a new bill of Rs.4,000 for extended period of 3 months and cancel the old bill. Moti agreed upon it. Pass necessary Journal entries in the books of both parties. (07)

Que-5 From the Trail balance as on 31-03-2016 and adjustments, Prepare Final Account of Shree Pranav. (14)

Trial balance as on 31-03-2016.

Debit balances	**Rs.**	**Credit balances**	**Rs.**
Opening stock	8,500	Capital	50,000
Purchase	48,050	Creditors	27,800
Wages	3,700	Sales	86,000
Carriage inward	2,700	Rent	1,200
Salary	3,000		
Carriage outward	1,000		
Furniture	23,00		
Depreciation on furniture	250		
Building	40,000		
Debtors	40,500		
Repairs	500		
General exp.	2,200		
Insurance premium	800		
Stationary	1,250		
Drawing	4,000		
Cash/bank	6,250		
	1,65,000		1,65,000

Adjustments:

(1) Closing stock as on 31-03-2016 was Rs.5000.
(2) Rs.1000 was outstanding for salaries.
(3) Depreciate building by 5%.
(4) Insurance paid in advance Rs.100.
(5) Credit purchase of Rs.500 was not recorded in the books of account.

OR

Que-5 The trail balance of Prakash shah as on 31-03-2016 does not tally. The difference is transferred to suspense A/c.

Name of account	L.F.	Debit	Credit
Capital A/c.			20,000
Drawing A/c.		6,000	
Sales A/c.			30,000
Purchase A/c.		20,000	
Cash A/c.		2,500	
Commission A/c.			7,000
Bank A/c.		12,000	
Furniture A/c.		5,000	
Manubhai A/c.		3,000	
Darshanaben A/c.			2,500
Discount A/c.		1,000	
Insurance premium A/c.		780	
Parag A/c.		3,200	
Carriage outward A/c.		920	
Advertisement A/c.		2,100	
Suspense A/c.		3,000	
		59,500	59,500

The following errors are detected after the final accounts are prepared.

(1) Rs.1,200 received from Manubhai is posted to his account on debit side.
(2) Total of purchase book is under cast by Rs.2,000.
(3) Personal expense Rs.2000 is debited to misc. Expense account.
(4) Salary paid Rs.1000 to Parag debited to his personal account.
(5) Opening balance of Rs.1,500 in vanshika's A/c a creditor which is not brought forward.
(6) Goods of Rs.700 sold to Darshanaben are properly recorded in sales book but while posting the amount credited to her account.
(7) A posting of Rs.1,200 to parag's A/c is left out from the purchase book.
(8) Opening balance of Rs.2,850 of a debtor Kalaben is recorded on credit side.

You are required to –

(1) Pass necessary Rectification entries.
(2) Prepare suspense A/c.
(3) Prepare Rectified trial balance sheet.

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