647510 **1101201E2060** **Seat No: ___________**

B.B.A. Semester - 2 (CBCS) Examination
March/April- 2019 (Old Course)
BUSINESS ACCOUNTING (ELECTIVE)

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

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

Que-1 (A) What do you mean by accounting Standard? Why are they required? (07)

(B) AS-6 Depreciation Accounting. (07)

OR

Que-1 Write short notes on. (Any two) (14)
1. Fundamental of Accounting Assumption.
2. Indian Accounting Standard.
3. Revenue Recognition.

Que-2 A company purchased costing Rs.90,000 on 1-4-2016, installation cost amount Rs.10,000. On 1-10-2016 another machine costing Rs.56,000 was purchased. Its installation cost amounted Rs.4,000. On 1-01-2017, one more machine costing Rs.36,000 was installed. On 1-07-2018 25% of machine purchased on 1-4-2016 was sold for Rs.10,000. Depreciation is charged as per Straight Line Method @ 10% per annum year ending is 31st December. Prepare Machinery A/C up to year ending 31-12-2018 and Write Journal Entries. (14)

OR

Que-2 The receipts and issues of item of material in a factory during March 208 are as follow. (14)

March 1	Opening balance	150 Kgs @ Rs.20
March 3	Issued	60 Kgs
March 9	Purchase	200 Kgs @ Rs.22
March 16	Issued	150 Kgs
March 18	Returned from job (out of 3rd March)	10 Kgs
March 21	Purchase	310 Kgs @ Rs.21
March 27	Issued	110 Kgs

The receipt of the stock revealed that there was a shortage of 5 Kgs on 31st March Prepare stock Register as per FIFO Method LIFO Method.

Que-3 The Jolly Club presents the following trial balance on 31st march 2018. Prepare income and expenditure account and balance sheet as on the same date: (14)

Debit Balances	Rs.	Credit Balances	Rs.
Office staff salary	10,000	Income from Entertainment	15,000
Postage-Telegram Exp.	1,200	Programme	
Honorarium to secretary	12,000	Interest on Investment	2,240
Sundry Expense	3,200	Subscription	80,000
Repairs	800	Sale of old newspaper	400
Subscription for News paper	2,700	Entrance fees	3,600
Free ship given from Education Fund	4,000	Donation	15,600
Education Fund Investment	30,000	Education fund	30,000
Canteen Exp.	18,500	Income from Education Fund	2,800
Exp for Entertainment Programme	9,100	Investment	
Purchase of Sports Equip (01-01-2018)	11,600	Canteen income	26,000
Purchase of Furniture (01-10-2017)	5,000	Sundry receipt	1,860
Sports Equipments	55,000	Capital Fund	1,35,000
Investments	22,400		

Fixed Deposit in Bank	20,000		
Building	90,000		
Furniture	12,000		
Cash	5,000		
	3,12,500		**3,12,500**

Additional Information:

1.) Honorarium to secretary outstanding is Rs.3,000.
2.) Subscription due is Rs.5,000 and Subscription received in advance Rs.6,000.
3.) Half of the Entrance Fees is capitalized.
4.) Interest due on education fund investment is Rs.200
5.) Provide Depreciation @ 10% on sports Equipments and @ 6% on Furniture.

OR

Que-3 Solicitor Raj submit to you the following trial balance for his financial year ending on 31-03-2018 Prepare his final accounts. (14)

Debit Balances	Rs.	Credit Balances	Rs.
Library books	45,000	Capital	50,000
Office equipment	30,000	Reserve for outstanding fees (1-4-17)	16,000
Office building	75,000	Bills of fees	1,96,000
Office expenses	25,000	Apprentice premium (received on 1-4-17 for two years)	10,000
Salaries and allowances	30,000	Outstanding salary	6,000
Bank balance			
Office	20,000		
Clients	10,000		
Cash on hand	3,000		
Debtors for fees	25,000		
Clients sundry expenses	15,000		
	2,78,000		**2,78,000**

Additional Information:

1.) Rs.6000 fee received in advance from clients is wrongly included in bills of fees.
2.) Office expenses of Rs.1000 are included in sundry expenses for clients by mistake.
3.) Interest is to be counted 20% on capital.
4.) Depreciate at 10% on office building, office equipments and library books.

Que-4 Amar Akbar Anthony are partners sharing Profits in the ratio of 5:3:2. As per agreements Anthony is to be given maximum share of profit Rs.10,000 every year the profit for the year 2018 amounts to be Rs.35,000. (14)

Prepare profit and Loss Appropriation account and Partners Capital Accounts during 2018.

OR

Que-4 There was a fire in the Godown of Mr.Akhilesh on 15-03-2018. Stock was destroyed except stock of Rs.5,760 by fire. Prepare Claim Statement from the following information. (14)

Particulars	2015	2016	2017	15-03-2018
Purchases	1,73,440	1,79,200	2,06,000	89,600
Wages	38,400	16,000	20,800	9,600
Sales	2,56,000	2,40,000	2,88,000	96,000
Depreciation	12,800	12,800	11,200	3,200
Opening stock	88,000	70,400	52,800	17,600
Stock is valued higher by 10%.				

Que-5 Aanand and Vihar are partners of a partnership firm, sharing P & L ratio 3:2. (14)

From the Trial balance-sheet as on 31-03-2018 and adjustments, prepare following A/C.

1.) Profit & Loss A/C.
2.) P & L Appropriation A/C.
3.) Partner's Capital A/C.
4.) Balance-sheet.

Trial Balance of A and B as on 31-03-2018.			
Debit Balance	Amt.	Credit Balance	**Amt.**
Drawings: Aanand Vihar	 5,000 5,000	Capital: Aanand Vihar	 55,000 45,000
Leasehold Building (From 1-04-2017 for 10 years)	60,000	A's Loan (From 1-07-2017)	 50,000
Discount Allowed	350	Discount Received	400
Debtors	40,000	Creditors	25,000
Carriage Outward	1,200	Commission	2,500
Furniture	5,000	Bills Payable	5,000
Salary	7,500	Trading A/C	97,250
Bad debts	1,200		
Bills receivable	20,000		
Trading Exp.	5,900		
Cash	6,000		
Stock (31-03-2018)	73,000		
Machinery (Office)	50,000		
	28,0150		**28,0150**

Adjustments:

1.) Calculate dep.on Machine @ 6% and on Furniture @ 20%.
2.) From debtors write off Rs.500 as bad debts.
3.) Rs.5,000 and Rs.4,000 are payable as annual salary to Aanand and Vihar respectively.
4.) Rs.500 of commission yet to be received.
5.) Rs.3,000 outstanding salaries.

OR

Que-5 A and B are partners of a partnership firm, From the Trial balance-sheet as on 31-03-2018 and adjustments, prepare Final Accounts. (14)

Debit Balance	**Amt.**	**Credit Balance**	**Amt.**
Drawings: A: B:	12,000 12,000	Capital: A: B:	33,000 38,400
Purchase	1,04,000	Sales	1,84,000
Goods return	1,600	Goods return	1,200
Stock of Goods (1-04-2017)	16,000	B.D.R.	2,000
Salary	18,000	Bank loan	13,500
Office Exp.	9,000	Creditors	40,000
Carriage inward	3,000	Bills payable	1,800
Carriage Outward	4,500	General reserve	8,000
Bad debts	1,400	Loan acquired	4,000
Debtors	67,000	Brokerage	1,600
Bills receivable	2,000		
Insurance premium (Including Rs.2400 for the year ending on 30-06-2018)	3,400		
Cash and Bank	5,600		
Investment	14,000		
Machinery	24,000		
Leasehold building (From 1-04-2017 for 5 years)	30,000		
	3,27,500		3,27,500

Adjustments:

1.) Closing stock was Rs.28,600 out of which the market value of 10% goods is 20% less.
2.) Investment are valued at Rs.12,000.
3.) ¾ of brokerage is received in advance.
4.) Unpaid salary Rs.2,000.
5.) Write Rs.1,000 as bad debts from debtors and make a provision for bad debts reserve at 5%.

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