BBA2BacC102x **Seat No :________**

B.B.A. Semester - 2 (*CBCS*) Examination
March/April – 2023 (New Course)
Business Accounting (CORE)

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

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

Que.1 **A.** What is Accounting standards? Explain the benefits of AS. **(10)**

B. Give the five name of accounting standards **(04)**

OR

Que.1 What is the meaning of Depreciation according to AS-6, Explain the methods of depreciation in brief. **(14)**

Que.2 **Maruti & Co. closes their accounts on 31st march every year. They purchased the machineries as follows.** **(14)**

1. Purchased the machineries costing Rs. 2,40,000 on 1-7-2020.
2. 1-1-2021 some machines were purchased costing Rs. 1,20,000.
3. On 1-1-2023 purchased a new machine for Rs. 2,40,000.
4. One machine costing Rs. 1,20,000 which was purchased on 1-7-2020 was sold for Rs.46,000 on 1-4-2022.
5. They charge depreciation at $33\frac{1}{3}$ % on written down value method.
6. They have the practice to charge depreciation for the full year even If the machine is used for a part of the year.

Prepare machinery account in the Books of Maruti & Co. for the three years 2020-2021, 2021-2022 and 2022-2023.

OR

Que.2 **The following are the transactions relating to purchase of raw materials and dispatching to the jobs, in the production department of Balika stores. Prepare the Stock register as per LIFO method.**

Date	Receipts	Inward No.	Quantity	Rate Rs.
2022				
Dec. 1	Opening Stock of		200	20
	raw materials	-	100	21
Dec. 5	Purchases of raw materials	Bill No. R/70	300	22.50
Dec. 15	Purchases of raw materials	Bill No. S/65	150	25
Dec. 22	Returned from Job.	-	50	25
Dec. 28	Purchases of raw materials	Bill No. T/170	200	24.50

Date	Issue	Requisition	Quantity
2022			
Dec. 6	Goods sent on Job	A-1	350
Dec. 16	Goods sent on Job	A-26	200
Dec. 29	Goods sent on Job	A-40	150

Shortage of 10 units was found of 7th December, 2022.

Que.3 **The Receipt and payments Account of Karnavati Sports Club for the year ending 31-3-2021 is given below :** **(14)**

Dr. **Receipts and Payment Account** **Cr.**

Receipts			Rs.	Payments	Rs.
To Cash Balance			7,000	By Bank Overdraft	2,200
,, Subscription	2019-'20	1,200		,, Salary	14,000
	2020-'21	10,000		,, Furniture	5,000
	2021-'22	800	12,000	,, Expenses of entertainment	
,, Sale of old newspapers			600	Programme	2,000
,, Entrance fees			9,000	,, Printing and Stationery	1,200
,, Interest on investment			3,200	,, Investments	12,000
,, Sale of old furniture				,, Subscription for newspapers	2,500
(Book value Rs. 600).			200	,, Cash Balance	1,200
,, Income from Entertainment				,, Bank Balance	2,500
Programme			6,000		
,, Legacy			4,600		
			42,600		**42,600**

You are required to prepare Income and Expenditure Account for the year ending on 31-3-2021 and the Balance Sheet as on 31-3-2021.

Additional Information :

1. Balances on 1-4-'20 : Investments Rs. 42,000, Furniture Rs. 7,000, Building Rs. 22,000 and Capital fund Rs. 77,000.
2. Subscription due but not received for the current year Rs.1,200.
3. Outstanding salary is 1,100.
4. Interest due but not received on investment Rs. 500.
5. Half the entrance fees is to be capitalized
6. Closing balance of Furniture and Building are to be depreciated at the rate of 5 % per annum.

OR

Que.3 **Viru and Jay sharing profit 1:1 are partners of the solicitor's firm. Trial Balance as on 31-12-2022 is as under :**

Particulars	Debit	Credit
Capital : Viru		60,000
Jay		40,000
Fees		2,50,000
Client's advance		10,000
Client's account (Fee)	50,000	
Bank : Client	10,000	
Firm	25,000	
Salary	30,000	
Creditors-Debtors	10,000	2,000
Office expenses	20,000	
Motorcar-vehicles	1,20,000	
Books-library	60,000	
Clients Misc. exp. ledger	15,000	
Misc Exp.	7,000	
Magazine subscription	9,000	
Post-telegram	2,500	
Stationery	1,500	
Travelling exp.	2,000	
	3,62,000	**3,62,000**

Considering following particulars :

Prepare Final Accounts of the firm for the year ending on 31-12-'22 (cash system).

1. Calculate interest @ 6% on capital.
2. Misc Exp. Rs. 1,500 paid on behalf of the client were recorded as the Misc Exp.
3. Calculate depreciation on vehicles at 10% and Books at 5%.
4. Rs. 5,000 received from one client against client's Misc Exp. but it was included in the clients advance account.
5. Work-in-progress Balance was Rs. 20,000.

Profit sharing ratio from 1-1-'23 will be 3:2. Calculate profit of partnership firm.

Que.4 Mr. Aniket prepares his accounts by single entry system. He provides the Following details.: (14)

Particulars.	On 1-1-'22 Rs.	On 31-12-'22 Rs.
Cash and Bank	7,000	(?)
Plant	6,000	10,000
Debtors	30,000	(?)
Stock	20,000	15,000
Creditors (of materials)	15,000	(?)
Creditors (for expenses)	5,000	4,000

Other Details :

	Rs.
Cash sales	25,000
Credit sales.	50,000
Credit purchase	42,000
Paid to Creditors	35,000
Cash received from Debtors	52,000
Bad debts written off	2,000
Discount to Debtors	1,500
Drawings.	12,000
Expense Paid	20,000
Discount Received From Creditors	500

Additional plant was purchased on 1-7-2022, Calculate depreciation at 12%

Prepare : Final Account Of Mr. Aniket

OR

Que.4 Fire broke out in business premises of Agni Limited on 1st May, 2016. The company had taken a policy of loss of profit for Rs. 1,54,000. Sales from 1st May, 2015 to 30th April, 2016 were Rs. 10,00,000. Sales from 1st May, 2015 to 31st Aug, 2015 were Rs. 3,00,000. The period of loss continued for four months, during which sales were only Rs. 60,000.

The company prepares its final accounting on 31st December Profit & Loss account for the year 2016 is given below :

Profit & Loss Account for the year 2016.

Particulars	**Amt. Rs.**	**Particulars**	**Amt. Rs.**
Opening Stock	1,00,000	Sales	9,50,000
Purchase	6,00,000	Interest on Investment	10,000
Production Expense	67,000	Closing Stock	50,000
Variable Expense	90,500		
Fixed Expense	72,500		
Net Profit	80,000		
	10,10,000		**10,10,000**

Sales of first four months of 2017 were 10 % more than the sales of the same period of 2016. Profit was also expected to increase 5%. Find out loss of profit. How much claim will be paid by insurance company ? How much loss would be suffered by the company? What amount of policy should be taken for getting the loss fully compensated?

Que.5 Daksh, Dakshit and Dakshita are partners in a firm. Their Trial Balance as on 31-12-'22 stood as under : **(14)**

Trial Balance as on 31-12-'22

Debit Balances	Rs.	Credit Balances	Rs.
Sundry Debtors	36,000	Sales	1,50,000
Trade Expenses	7,200	Sundry Creditors	6,800
Wages (Productive)	12,000	Interest	720
Factory Rent	1,500	Reserve for Doubtful Debts	1,200
Purchases	60,000	Discount	1,080
Furniture	2,640	Returns Outward	1,200
Carriage Inward	3,000	Capital : Daksh	60,000
Bills Receivable	1,200	Dakshit	60,000
Prepaid Rates & Taxes	120		
Depreciation on Furniture written off	360		
Returns Inward	1,800		
Loose Tools	12,000		
Travelling Expenses	3,600		
Salaries	12,000		
Drawings : Daksh	6,000		
Dakshit	6,000		
Dakshita	3,000		
Machinery	36,000		
Freehold Property	12,000		
Bank Balance	13,800		
Cash Balance	860		
Stock (1-1-'22)	30,000		
Discount	1,320		
Rates, Taxes & Insurance	600		
Mortgage Loan	12,000		
Capital : Dakshita	6,000		
	2,81,000		**2,81,000**

You are required to prepare firm's Trading Account, Profit & Loss Account for the year ended 31-12-'22 and Balance Sheet as on that after taking into consideration the following adjustments :

1. On 31-12-'22, the Closing Stock was valued at Rs. 45,000.
2. Write off Depreciation at 5% on machinery and 10% and Loose Tools.
3. Reserve for doubtful debts is to be increased by Rs. 2,400.
4. Included in Bills receivable, a bill of Rs. 600 which is irrecoverable and hence adjustment for the loss is to be made.
5. The Partnership Deed provides that Interest shall be allowed or charged on capital (whatever the position is) at 5%.
6. Prepaid Salary is Rs. 1,200.
7. Dakshita has the first right to receive Rs. 1,200 out of available divisible profits, and the remaining profit is distributed amongst Daksh, Dakshit and Dakshita in the proportion of 2/5, 2/5 and 1/5 respectively.
8. The Manager of their firm is to be paid 10% commission (on the profit remaining After charging such commission).

OR

Que.5 X and Y are partners sharing profit and loss in the ratio of 2:1. On 1-4-2022, their capital were Rs. 1,50,000 and Rs. 1,20,000 respectively. According to the provisions of partnership deed, 18% interest on partners' capital was to be allowed and Y was allowed a salary of Rs. 30,000 p.a. The Profit of the firm of the year ended 31-03-2023 before charging interest on capital and Y's salary was Rs. 1,09,500. Y has not withdrawn his salary. Each partner has drawn Rs. 18,000 from the firm during the year on which interest to be charged are Rs. 900 each. Prepare Profit & Loss Appropriation A/c. and Capital Account.

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