647510 **BBA2BacC102x** **Seat No :________**

B.B.A. Semester - 2 (*CBCS*) Examination
March/April – 2024 (As Per Syllabus Year-2018)
Business Accounting (CORE)

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

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

Que.1 Explain the meaning of accounting standards and discuss its objectives? (14)

OR

Que.1 Write a short note on Accounting Standards Board. and AS-6 Depreciation Accounting.

Que.2 Mahamaya Ltd writes off depreciation at 10 % p.a on diminishing balance method on 1st January 2010 the machinery account showed a balance of Rs 4,86,000. During the year 2010 part of the machinery purchased on 1st January 2008 for Rs 40,000 was sold for Rs 22,500 on 1st July 2010 and a new machinery was purchased at a cost of Rs 78000 and installed on the same date the installation charges being Rs 5000. The company changed its method of depreciation from diminishing balance method to straight line method with effect from 1st January 2008 and wants to adjust the difference in the accounts for 2010 the rate of depreciation remains the same as before. Prepare machinery account for the year 2010 and show necessary workings. (14)

OR

Que.2 From the following transactions of purchases and issues of materials during the period from 1st January 2023 to 31st March 2023 prepare stock register as per LIFO method.

Date	Particulars	Units	Price/Unit
03/01/2023	Purchase	4,000	Rs.5
23/01/2023	Purchase	500	Rs.4
01/02/2023	Issues	2,000	-
09/02/2023	Purchase	6,000	Rs.6
15/02/2023	Issues	4,000	-
03/03/2023	Issues	1,000	-
13/03/2023	Purchase	4,500	Rs.5
20/03/2023	Issues	5,000	-

Additional information:

(1) Stock on 1st January 2023 was 1000 units if the rate of rupees 4 per unit.
(2) From the issues on 3rd March, 200 units have been written back to stores on 5th March.
(3) Physical checking of stores on 31st March revealed shortage of 100 units.

Que.3 The following is the trial balance of Solicitor X as on 31/03/2023. (14)

Particulars	Debit (in Rs)	Credit (in Rs)
Laptop	30,000	-
Books	12,000	-
Furniture	20,000	-
Capital	-	35,000
Reserve for outstanding fees (01/04/2022)	-	21,000
Building	85,000	-
Office Expenses	30,000	-
Employees Salary	20,000	-
Bank Balance (Clients)	2,000	-
Bank Balance (Office)	16,000	-
Cash Balance	8,000	-
Bills of Fees	-	1,64,000

Outstanding Salary	-	5,000
Outstanding Office Expenses	-	5,000
Advance from Clients	-	18,000
Premium of trainee Candidate	-	2,000
Debtors for fees	25,000	-
Clients Misc. Expense Ledger	2,000	-
Total	2,50,000	2,50,000

Additional Information:

(1) Depreciate Laptop by 10%, books by 15 % and building by 5 % p.a.
(2) Office Expenses of Rs. 1,000 is included in Sundry Expenses for Clients by mistake.
(3) 50 % of the premium of trainee candidate is for next year.
(4) Calculate interest 10 % on Capital.
(5) At the end of the year incomplete work is Rs 5,000.

On Cash basis prepare annual accounts of Solicitor X.

OR

Que.3 From the following information of Divya Club. Prepare income and expenditure A/c for the year ending 31/12/2010 and Balance Sheet as on 31/12/2010.

Receipts and Payments A/c for the year ending 2010

Receipts	Amount	Payments	Amount
To balance b/d	3,000	By Expenses	40,000
To Subscriptions	58,000	By Stationary & Postage	800
To Investments		By Salary	
(Book Value 2,000)	1,500	(from 01/12/2009 to 30/11/2010)	2,400
Interest on Investments	500	By Building	20,000
Entrance Fees (to be Capitalised)	1,000	By Bal c/d	800
	64,000		64,000

Additional Information:

Particulars	31/12/2009 (Rs)	31/12/2010 (in Rs)
Investments	12,000	?
Stock of Stationary	200	100
Outstanding Subscription	2,000	-
Subscription received in Advance	-	1,000
Unpaid Expenses	-	3,000
Prepaid Expenses	1,000	-

Find Opening Capital Fund also.

Salary is always payable on 7^{th} Day of the Next month.

Que.4 Mr. Sky does not maintain proper books of account; from the following information. Prepare Trading and Profit & Loss account for the year ended 31/03/2022, and a balance sheet as on that date. (14)

Particulars	On 31/03/21	On 31/03/22
Stock	5,200	5,800
Debtors	10,300	11,400
Cash	1,500	1,270
Furniture	1,200	1,500
Creditors	4,100	3,750
Bills Receivable	600	800
Bills Payable	1,500	1,000
Bank OD	3,000	-

Analysis of other transactions is as follows:

Particulars	Amount (in Rs)
Cash paid to creditors	21,500
Cash Received from debtors	27,800
Salaries	7,200
Office expenses	1,200
Rent	2,400
Cash Sales	13,500
Cash Purchase	4,200
Discount allowed	600
Discount received	800
Bad debts	200
Return inward	500
Return outward	300
Payments made against bills payable	1,800
Cash received against bills payable	1,300
Drawings	1,100
Bills receivable dishonored during the year	400

Provide 5 % interest on Capital.

OR

Que.4 Shri Ram had taken a policy of loss of profit for Rs.1,03,600 with indemnity period of 4 months. His financial year closes on 31st December. From the information given below, prepare statement of loss of profit to be submitted to insurance Company.

(1) Date of fire 01/05/2016
(2) Net Profit of last financial year was Rs.70,000 and insured fixed expenses were Rs.1,50,000
(3) The figures of sales for four months ending on 30th April ,31st August and 31st December were as under:
    2015: Rs.3,75,000 Rs 4,50,000, Rs.1,75,000
    2016: Rs 3,00,000, Rs 75,000, -------
(4) There will be decrease of Sales by 20% in the year 2016 as against 2015 and rate of profit will be decreased by 2% in 2016 as compared to 2015

Que.5 Luv and Kush are partners of a partnership firm. They distribute 60% profit in the ratio of 3:2 and remaining in the proportion of 2:1. From the trial balance of the firm dated 31-3-17 and adjustments prepare profit and loss appropriation account, current accounts of partners and balance sheet of the firm. (14)

Particulars	Debit (Rs)	Credit (Rs)
Luv's Capital –Drawings	40,000	1,20,000
Kush's Capital-Drawings	12,000	80,000
Current Accounts: Luv	-	8,000
Kush	12,000	-
Net Profit	-	80,000
Closing Stock	72,000	-
Prepaid Insurance Premium	3,200	-
Building	1,60,000	-
Debtors & Creditors	80,000	28,000
Cash & Bank Balance	4,800	20,000
Bills Payable	-	14,000
Mortgage Loan	-	1,00,000

Goodwill	40,000	-
Outstanding Wages	-	2,800
Receivable Rent	1,600	-
Commission received in Advance	-	800
Bad debt Reserve	-	8,000
Patents	12,000	-
Furniture	24,000	-
Total	4,61,600	4,61,600

Adjustments:

(1) Provide interest on capital at 6% and on drawings at 10 %.
(2) Provide 10% interest on opening balance of current accounts.
(3) Monthly salary of 1,800 is outstanding, payable to Kush.
(4) After information of above-mentioned adjustments, on remaining profit 10% commission is payable to Kush

OR

Que.5 Kishor, Saral & Priyal are partners of a firm sharing profit & loss in the ratio 4:2:1

On 1/4/15 their capital accounts showing credit balance of Rs 60,000, Rs 45,000 and Rs 15,000 respectively. Their drawings during the year were Rs 15,000, Rs 9,000 and Rs 6,000 respectively.

Interest is to be calculated at 10 % p.a on partner's capital. Interest on drawing is to be charged as under

Kishor: 3,600
Saral: 2,400
Priyal: 1,500

Before giving the effects of above adjustments, the profit of the firm for the year ending 31/03/2016 was Rs 37,575. Manager of the firm is to be given a commission of 5 % on net divisible profit after charging his commission. Prepare P & L appropriation A/c and Partner's Capital A/c.

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