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

B.B.A. Semester - 2 (*CBCS*) Examination
March/April – 2025 (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 Explain main principles of AS 1 – Disclosure of Accounting Polices and list major areas in which differing accounting policies are encountered. (14)

OR

Que.1 Elaborate Sale of Goods and Rendering of services under AS 9 – Revenue Recognition. (14)

Que.2 Rajoo Ltd. purchased on 1st January, 2018 certain machinery for ₹ 5,82,000 and spent ₹ 18,000 on its erection. On July 1, 2018 another machinery for ₹ 2,00,000 was acquired. On 1st July, 2019 the machinery purchased on 1st January, 2018 having become obsolete was auctioned for ₹ 3,86,000 and on the same date fresh machinery was purchased at a cost of ₹ 4,00,000. (14)

Depreciation was provided for annually on 31st December at the rate of 10 per cent p.a. on written down value. You are required to do necessary calculations and prepare machinery account for all transactions.

OR

Que.2 The following are the details of a spare part of Sriram mills: (14)

1-1-2020	Opening Inventory	Nil
1-1-2020	Purchases	100 units @ ₹ 30 per unit
15-1-2020	Issued for consumption	50 units
1-2-2020	Purchases	200 units @ ₹ 40 per unit
15-2-2020	Issued for consumption	100 units
20-2-2020	Issued for consumption	100 units

Find out the value of Inventory as on 31-3-2020 if the company follows First in first out basis.

Que.3 From the following information of The Sanatan Club, prepare Income and Expenditure account for the year ending 31-12-2024 and balance sheet as on that date; (14)

Balance sheet as on 31-12-2023

Liabilities	Amount Rs.	Assets	Amount Rs.
Capital Fund	23000	Bank balance	18000
Subscription received in advance	6000	Furniture	6000
Outstanding expenses	8000	4% Loan	12000
		Prepaid expenses	1000
	37000		37000

Receipts and payments account for the year ending 31-12-2024

Receipts	Amount Rs.	Payments	Amount Rs.
Opening balance	18000	Expenses	180000
Entrance fees	20000	Entertainment	
Subscription	144000	Program expenses	10000
Interest on loan	240	Purchase of Furniture	
Donation	10000	(1-7-2024)	4000
Income of entertainment program	30000	Closing balance	28240
	222240		222240

Additional information:
1) Half of the entrance fee is to be capitalized.
2) Subscription received in advance Rs. 2000, outstanding subscription Rs. 1000
3) Outstanding expenses Rs. 2000, prepaid expenses Rs. 3000
4) Depreciate furniture by 10% annually.

OR

Que.3 Explain methods of accounting for professional firms and prepare a proforma of statement of income of a professional person. (14)

Que.4 Mr. Eknath keeps single records in his books of accounts. Prepared debtors, creditors, bills payable and bills receivable account to find out missing transactions from the following details of his business. (14)

Particulars	1-1-2024	31-12-2024
Bills payable	8000	90000
Bills receivable	24000	40000
Debtors	60000	15000
Creditors	20000	30000
Cash received from debtors		40000
Discount given to customers		5000
Bad debt written off		5000
Cash purchase		12000
Cash sales		36000
Sales return		8000
Cash received against bills receivable		18000
Cash paid to creditors		16000
Cash paid for bills payable		5000
Discount allowed by creditors		1000
Purchase return		2000
Bills receivable dishonoured		1000
Bills payable dishonoured		500

OR

Que.4 A fire broke out at the building of Saubhagya Limited on 1-5-2020. The company had taken a profit loss policy of Rs. 225000. The company prepares the accounts on 31st December. Profit & Loss account for the year 2019 was as follows. (14)

Particulars	Amount Rs.	Particulars	Amount Rs.
Opening stock	150000	Sales	1425000
Purchase	900000	Closing stock	71250
Cost of production	100500	Interest on investments	3750
Variable sales expenses	132000		
Fixed expenses	108750		
Net Profit	108750		
	1500000		1500000

Sales from 1-5-2019 to 31-4-2020 Rs. 1500000
Sales from 1-5-2019 to 31-8-2019 Rs. 450000
During the period of loss which was 4 months, the sales was 90,000.

Sales for the first four months of 2020 were 10% higher than the sales at the same time in 2019.

Calculate loss of Profit.

Que.5 Sujata, Sarita and Suman are partners sharing profit and losses in the ratio 3: 2: 1 Suman is guaranteed a profit of 16,000 p.a. as her minimum share. Any deficiency, will be borne by the other partners in their profit-sharing ratio. Interest at the rate of 6% is to be allowed on partner's fixed capital account. On 31st March, 2024, trial balance was as under: (14)

Debit	Amount Rs.	Credit	Amount Rs.
Building	64000	Fixed Capital Accounts:	
Machinery	50000	Sujata	80000
Vehicles	20000	Sarita	60000
Purchases	290000	Suman	40000
Stock	68000	Current Account:	
Wages	65000	Sujata	16000
Trade Expenses	25000	Sarita	9000
Salaries	30000	Sales	672000
Repairs	28000	Creditors	48000
Commission	2500	Provision for Doubtful	3000
Office Expenses	33200	Debts	4000

Rates & Taxes Bank Balance Debtors Suman's Current A/c	22900 142400 84000 13400	Commission Discount	6400
	938400		938400

Additional Information

1) Closing stock was valued at Rs. 70,000.
2) Sujata has taken goods worth Rs.3,000 from stock for which no entry is made in the books.
3) Sarita is to be paid Rs. 24,000 for travelling expenses for business trips.
4) Wages outstanding are Rs. 5,000 and commission received in advance Rs. 1,000.
5) Depreciation on machinery and building is to be provided @ 10% p.a. and on vehicles @ 15% p.a.
6) Provision for doubtful debts is to be increased to Rs. 6,000.
7) Goods worth Rs. 10,000 were destroyed by fire, the same were not insured.

Prepare Trading and Profit & Loss A/c, Profit & Loss Appropriation A/c, Partner's Current A/c for the year ended 31.3.2004 and Balance Sheet as on that date.

OR

Que.5(A) Explain in details about Fixed and Fluctuating capital. (07)

Que.5(B) Elaborate partners' current capital account and its impact on profit and loss appropriation account and balance sheet. (07)

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