

Roll No.

BBA-104(N)

B. B. A. (First Semester) EXAMINATION, Dec., 2017

(New Course)

Paper Fourth

BOOK-KEEPING AND BASIC ACCOUNTING

Time : Three Hours]

[Maximum Marks : 70

Note : Attempt *five* questions in all. Question No. 1 in Section A is compulsory which carries 30 marks. Attempt *four* more questions selecting *two* questions each from Section B and Section C. All questions in Section B and Section C carry 10 marks each.

Inst. : The candidates are required to answer only in serial order. If there are many parts of a question, answer them in continuation.

Section—A

(Short Answer Type Questions)

Note : Answer all the following questions. Each question carries 3 marks.

1. (A) Distinguish between book-keeping and accounting.

- (B) Give pro forma of a page of journal with four imaginary journal entries.
- (C) Classify the following accounts into personal, real and nominal :
- Kolkata Tramway Company Account
 - Drawings Account
 - Bad Debts Account
 - Returns Outwards Account
- (D) Explain "Conservatism concept of Accounting."
- (E) Distinguish between shares and debentures.
- (F) What are the rules of debit and credit relating to various types of accounts ?
- (G) Give pro forma of Bank Reconciliation Statement.
- (H) Explain First-in-First out and Last-in-First out methods of inventory valuation.
- (I) Goods of the list price of ₹ 80,000 are sold by Mr. Mahesh to Mr. Jagmohan. Trade discount is 9% and cash discount 5%, 6% payment is made in cash. Give journal entries in the books of Mr. Mahesh and Mr. Jagmohan.
- (J) In a business net profits before charging Manager's commission is ₹ 76,800, Manager's commission is @ 20% on net profit of the business. Calculate Manager's commission.

Section—B

(Long Answer Type Questions)

Note : Attempt any two questions. Each question carries 10 marks.

2. "Accounting is the language of the business through which normally a business house communicates with

Balance Sheet as on that date after making necessary adjustments :

Trial Balance (As on 31st March, 2017)

Particulars	Dr. (₹)
K. Kartik's Drawings	1,20,000
Furniture and Fixtures	40,000
Plant and Machinery	3,00,000
Stock (1-4-2016)	2,00,000
Purchases	8,00,000
Salaries and Wages	2,24,000
Debtors	2,04,000
Returns Inwards	50,000
Postage and Telephone	15,000
Rent, Rates and Taxes	36,000
Bad Debts	4,000
Trade Expenses	2,000
Interest on Loan from Mr. Manoj Mehta	1,500
Insurance	8,000
Travelling Expenses	5,000
Sundry Expenses	3,000
Cash in Hand	30,500
Cash at Bank	1,03,000
	21,46,000

- (c) ₹ 5,600 paid for Freight on Machinery was debited to Freight Account as ₹ 6,500.
- (d) Goods bought on credit from Mr. Binay for ₹ 7,500 were entered in the Sales Day Book as ₹ 5,700 but Mr. Binay's Account was credited with this amount of ₹ 5,700.

Pass necessary rectification entries and close Suspense Account assuming that the profit of the last year was transferred to Capital Account.

Section—C

(Long Answer Type Questions)

Note : Attempt any *two* questions. Each question carries 10 marks.

6. "Stock should be valued at cost price or market price whichever is lower." Elucidate this statement and discuss various methods of valuation of stock.
7. What do you mean by Final Accounts of Business ? What are the various items relating to which adjustments are made while preparing Final Accounts of a business ? Explain.

Or

From the following Trial Balance of Mr. K. Kartik on 31st March, 2017, prepare a Trading and Profit & Loss Account for the year ended 31st March, 2017 and a

the outside world." Elucidate this statement and discuss the objectives and advantages of accounting.

3. What are the generally accepted accounting principles, concepts and conventions ? Explain.

Or

From the following particulars of Shri B. Chakroborty prepare a Cash Book with Cash and Bank column for the month of October, 2017 :

2017		₹
October		
1	Balance in Hand	40,000
	Balance at Bank	1,00,000
3	Deposited cash into bank	10,000
4	Withdrew cash from bank	30,000
14	Received a cheque from Mr. Debashish Mukherjee	10,000
16	The above cheque was deposited into bank	—
19	Withdrew cash from bank for office use	10,000
25	Deposited all cash in excess of ₹ 50,000 into the bank	—
30	Cashed for Mr. Ganeshan and deposited into bank	5,000
31	Withdrew all cash from bank in excess of ₹ 60,000	—

4. Prepare a Bank Reconciliation Statement as on 31st March, 2017 from the following particulars made available to you by M/s PTC Industries Ltd., Lucknow :

	₹
(i) Bank Overdraft as per Cash Book	1,20,000
(ii) Cheques deposited as per bank statement but not recorded in Cash Book	4,500
(iii) Cheques received in Cash book but not sent to bank	15,000
(iv) Credit side of the bank column cast short	1,500
(v) Insurance premium paid by bank on standing advice	7,500
(vi) Bank charges recorded twice in Cash book	150
(vii) Customer's cheque returned as per Bank statement	6,000
(viii) Cheque issued but dishonoured on technical ground	4,500
(ix) Bill collected by bank directly	30,000
(x) Cheque for ₹ 75,000 deposited but collection as per bank statement	74,970
(xi) Cheque received entered twice in Cash Book	7,500

Or

Mr. Rahim for mutual accommodation draws a bill ₹ 30,000 on Mr. Ratan. Mr. Rahim discounted it for ₹ 29,250. Mr. Rahim remits ₹ 9,750 to Mr. Ratan. On the due date Mr. Rahim is unable to remit his dues to Mr. Ratan to enable him to meet the bill. He however accepts a bill for ₹ 37,500 which Mr. Ratan discounts for ₹ 36,250. Mr. Ratan sends ₹ 1,750 to Mr. Rahim after discounting the above bill. Mr. Rahim becomes insolvent and a dividend of 80 paise in the rupee is received from his estate.

Pass the necessary journal entries in the books of both the parties.

5. The following errors were located in the books of Mr. Kapil after the same were closed for the year ended 31st March, 2017 and the Balance Sheet was prepared on that date by showing the difference in Suspense Account :

- The balance of Furniture Account on 1st April, 2016 was carried forward from previous year as ₹ 35,000 instead of ₹ 53,000. A depreciation of 15% per annum was charged on written down value.
- A credit sale of ₹ 40,000 to Mr. Patil was correctly recorded on Sales Day Book but was posted to the credit of Mr. Patil. A Reserve for Bad and Doubtful Debts @ 5% was raised in the books.