

**Dr. Babasaheb Ambedkar Open University**  
**Term End Examination March – 2021**

<b>Course</b>	: BBA/BBAHT/BBAIB/DBA	<b>Date</b>	: 14-March-2021
<b>Subject Code</b>	: BBA - 102(OLD/NEW)/ BBAHT-102 (OLD)/ BBAIB - 102/DBA-102	<b>Time</b>	: 10:00am to 12:00pm
<b>Subject Name</b>	: Basics of Accounting	<b>Duration</b>	: 02 Hours
		<b>Max. Marks</b>	: 50

**Section A**

**Answer the following (Attempt any two)**

**(20)**

1. Define Accounting. Explain various principles accounting
2. Record journal entries in the books of J. Smith & Co. from the following transaction:  
Transactions during January, 2006
  - 1 Started business with a capital of Rs. 50,000 and Building valued Rs.5, 00,000 and stock of Rs. 50,000.
  - 6 Paid into bank Rs.30,000.
  - 8 Cash Sales of Rs.10,000.
  - 10 Purchased goods of Rs.4,000.
  - 17 Goods sold to Ramakant of Rs.2,800 and cash received of Rs.2,750/-
  - 25 Paid telephone Bill of Rs.300
  - 26 Paid wages to workers Rs.5000
  - 28 Withdrawn from Bank for personal use Rs.5000
  - 31 Purchased computer and paid by cheque Rs.22,000
3. What are the different reasons for discrepancy between the balance as per the cash book and the Pass book?
4. From the under noted Trial Balance of a Trader as on 31.3.2019 prepare a trading and Profit and Loss Account for the year ended 31.3.2019 and a Balance Sheet as on that date

**Trial balance**

<b>Particulars</b>	<b>Amount</b>	<b>Particulars</b>	<b>Amount</b>
Cash in hand	300	4% Bank Loan	5,000
Purchases	30000	Capital	20,000
Opening Stock	8,750	Bills Payable	5,500
Sundry Debtors	12,500	Creditors	6,000
Plant & Machinery	15,000	Sales	50000
Furniture	3,750	Bad debts Reserve	300
Bills Receivable	5,000		
Rent and Taxes	2,500		
Wages	4,000		
Salaries	5,000		
<b>Total</b>	<b>86800</b>	<b>Total</b>	<b>86,800</b>

Additional Information supplied: i) Closing Stock Rs. 10,000; (ii) Provide outstanding liabilities: Rent and Taxes Rs. 500; Wages Rs. 750; Salaries Rs. 1,000; (iii) Depreciation: On Plant and Machinery @ 5%; On Furniture @ 10%; (iv) Write-off Rs 125 as bad debts; (v) Create bad debts reserve @ 2.55 on Sundry debtors.

**Section B**

**Answer the following (Attempt any three)**

**(15)**

