

AC-607
BBA - I Semester Examination, Dec.-2020

Course : 105

Paper : Fundamentals of Accounting
(Main & RE Exam.)

Time : Two Hours]

[Maximum Marks : 70

[Minimum Marks : 28

Note : There will be **three** sections. Attempt any **8** questions from **section-A**
(2×8) approx 20 words, attempt any **four** questions from **section-B**
(6×4) approx 100 words and attempt any **two** questions from **section-C**
(15×2) approx 500 words.

Section-A

1. What is meant by compound entry?
2. What do you mean by posting?
3. What are the different methods of preparing trial balance?
4. Name the different types of errors which are disclosed in trial balance.
5. Define final accounts.
6. What is meant by favourable and unfavourable balance of cash book and pass book?
7. What do you mean by an IPO?
8. Distinguish between over-subscription and under-subscription.

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9. What is Goodwill? What are its causes?
10. Define provisions and reserves.

Section-B

1. Give a specimen of ledger account and explain its columns.
2. What is accounting cycle?
3. Explain marshalling of balance sheet.
4. What important points will you consider while preparing manufacturing account? <https://www.dbraonline.com>
5. Write the nature of Goodwill.
6. What are the different methods of calculating depreciation?
7. What do you mean by forfeiture of shares? How are shares forfeited?
8. What are the different types of preference shares?
9. What is the utility of preparing a Bank Reconciliation Statement?
10. Super Profit is Rs. 10,000. Expected period for maintaining super profit is 4 years. Ascertain the value of goodwill, if:
 - (a) The present value of Re.1 for 4yrs @ 5% p.a. interest is Rs.3.54595.
 - (b) The present value of annuity of Re.1 for 4yrs @ 5% p.a. interest is Rs. 0.282012.

Section-C

1. What do you understand by Principles of Accounting? How will you distinguish between accounting concepts and conventions?
2. Following is the Trial Balance of Neelam Enterprises, as on 31st March, 2007.

Particulars	Debit	Credit
Debtors	75,000	-
Creditors		45,000
Bills Payable		15,000
Bills Receivable	9,000	-
Loan		45,000
Sales		2,95,500
Purchases	1,95,000	-
Plant and Machinery	1,20,000	-
Drawings	15,000	-
Capital		1,65,000
Bad Debts	18,000	-
Prov. for Bad and Doubtful Debts	15,000	6,000
Wages	3,000	-
Salaries	60,000	-
Carriage	1,500	-
Furniture		-
Postage and Stationery	4,500	-
Rent Received	12,000	9,000
Cash in Hand	45,000	-
Cash at Bank	6,000	-
Stock (1.4.2006)		-
Office Expenses		-
	5,80,500	5,80,500

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3. Discuss the various methods of providing depreciation. Explain it with the help of an example.
4. Mahindra Co. Ltd. invited application for 1,00,000 equity shares of Rs. 10 each, payable as follows: on application Rs. 4 (including premium Re.1); on allotment Rs.3 (including premium Rs.1); on first call Rs. 2 and on final call Rs.3. All shares were subscribed and allotment was made. One shareholder, who has 400 shares, fail to pay the calls money and another shareholder, who has 500 shares paid the full amount due on shares with allotment. Pass the journal entries, necessary accounts and Balance Sheet in the books of company.
5. "Trial balance is not a conclusive proof of accuracy of books of accounts". Do you agree with this statement?