

AC-1254**BBA – I Sem. Examination, Dec.-2021****Course : 105 Paper : Fundamentals of Accounting****(Main & Re-Exam.)***Time : 1½ Hours]**[Max. Marks : 70**[Min. Marks : 28***Note :** There will be **ten** questions. Attempt any **three** questions.

1. Briefly discuss the basic accounting concepts and conventions. Why are these required? How will you distinguish between concepts and conventions.
2. Journalise the following transactions of Rakesh & Sons. Post these transactions in ledger account.

2007-08**Rs.**

March 1	Started business with cash of Rs. 1,70,000 and a furniture worth Rs. 30,000	2,00,000
March 2	Purchased stationery	3,000
2	Cash Purchases	52,000
4	Purchased goods from Devendra	27,000
6	Cash Sales	29,000
9	Paid Wages	8,000
12	Goods sold to Ramesh	9,000
15	Ramesh returned goods	3,000
18	Drawings : Cash 10,000 Goods 30,000	40,000
22	Payment given to Devendra	20,000
26	Miscellaneous Expenses	8,000
28	Paid Fire Insurance	6,000
31	Salaries Paid	20,000
31	Paid Shop Rent	10,000

P.T.O.

3. From the following Trial Balance of Gopinath prepare Trading and Profit and Loss Account for the year ended December 31, 1986 and Balance Sheet as on that date ;

Name of the account	Rs.	Rs.
Capital		27,000
Drawings	4260	
Furniture	5,700	
Stock on January 1, 1987	8,760	
Purchases and Sales	62,172	71,436
Returns	1,260	1,746
Salaries	2,640	
Rent	720	
Carriage	1,500	
Rates & Taxes	1,200	
Apprentice Premium		750
Bank Overdraft		1,200
Bad Debts	1,032	
Sundry Debtors	19,200	
Cash in Hand	288	
Sundry Creditors		6,000
Provision for Bad Debts		600
Bills Receivable	1,440	
Bills Payable		1,080
Discount		360
	1,10,172	1,10,172

You are required to consider the following adjustments :

- (a) Stock on December 31, 1986 was valued at Rs. 10,200.
- (b) Provide for doubtful debts at 5% on Sundry Debtors and for Discount on Creditors at 2%
- (c) Rent due was Rs. 160.

- (d) Taxes of Rs. 320 were paid in advance.
- (e) Depreciate Furniture at 10% per annum.
- (f) Apprentice Premium of Rs. 120 was to be carried forward.
- (g) Calculate interest on capital at 5% per annum.
4. What do you mean by a non-profit organization? What are its salient features? What financial statements are prepared by a non-profit organization?
5. What is goodwill? On what occasions is goodwill valued in a partnership firm? Give the methods of goodwill valuation with examples.
6. What is depreciation? Write the various objectives of providing depreciation. Distinguish between Straight Line Method and Diminishing Balance Method of Depreciation.
7. What do you mean by Bank Reconciliation Statement? What is the utility of preparing BRS?
8. What do you mean by Bonus Shares? Discuss the sources from which bonus shares can be issued by a company. Distinguish between bonus shares and rights issue.
9. ABC Co. Ltd. invited application for 20,000 equity shares of Rs.100 each of which payment were as follows :
- Rs. 20 on Application
- Rs. 30 on Allotment (1st April, 2014)
- Rs. 30 on First Call (1st October, 2014)
- Rs. 20 on Final Call (1st February, 2015)
- All shares were subscribed and allotment was made. One shareholder, who has 400 shares, paid the full amount due on shares with allotment.
- Pass the Journal Entries and interest was paid to shareholders at 6% p.a.

10. Discuss various methods of redemption of debentures. Explain their effects on books of accounting of the company.

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