

Exam. Code : 105401

Subject Code : 1385

Bachelor in Business Administration (BBA)

1st Semester

BASIC ACCOUNTING

Paper-BBA-103

Time Allowed—3 Hours] [Maximum Marks—50

Note :— (1) Question paper is divided into four sections :
A, B, C and D.

(2) Attempt any five questions in all, selecting
at least one question from each Section.

(3) All questions carry equal marks.

SECTION-A

1. What do you mean by accounting standards ? Explain the need and benefits of accounting standards.
2. Journalise the following transactions in the books of M/s Anil and Sons :

2018		Rs.
April 1	Commenced business with cash	40,000
April 2	Deposited in bank	30,000
April 5	Bought goods with cash	5,000
April 7	Sold goods to Amit	2,500
April 9	Bought goods from Parvat	5,100
April 12	Received cash from Amit	1,950
	Discount allowed	50

2018		Rs.
April 13	Paid cash to Parvat	3,900
	Discount allowed by him	100
April 14	Received cash for goods sold	2,750
April 15	Bought goods from Dinesh	2,350
April 16	Withdrew cash for private expenses	1,000
April 17	Received cash from Amit and deposited into bank	500
April 20	Paid sundry trade expenses	250
April 25	Paid rent	450
April 28	Paid cash to Dinesh	2,300
	Discount received	50
April 29	Goods sold to Romy	4,750
April 30	Paid for carriage	50

SECTION-B

3. On 1st January 2016 Z Ltd. purchased machinery for Rs. 1,20,000 and on 30th June 2017, it acquired additional machinery at a cost of Rs. 20,000. On 31st March 2018, one of the original machines (purchased on 1st January 2016) which had cost of Rs. 5,000 was found to have become obsolete and was sold as scrap for Rs. 500. It was replaced on that date by a new machine costing Rs. 8,000. Depreciation is to be provided @ 15% p.a. on the written down value. Accounts are closed on 31st December each year. Show the machinery account for the first three years.

4. What is bank reconciliation statement ? Explain the purpose of preparing such statement. What are some reasons on account of which there is disagreement of balance shown by pass book and cash book ?

SECTION-C

5. From the following balances extracted from the books of X & Sons, prepare the trading and Profit & Loss Account and Balance Sheet taking into account the adjustments :

Heads of Accounts	Dr. (Rs.)	Cr. (Rs.)
Drawings and capital	7,500	50,000
Purchases and Sales	72,100	95,000
Returns	1,300	2,700
Debtors and Creditors	18,200	35,750
Stock on 1 st April 2018	19,800	
Bad debts	3,000	
Bill receivables and payables	12,000	23,000
Cash in hand	300	
Office expenses	6,210	
Sales Van	15,000	
Sales Van expenses	1,400	
Discount		2,910
Rent and taxes	10,700	
Telephone expenses	1,050	
Postage and telegram	950	
Furniture	5,000	

Heads of Accounts	Dr. (Rs.)	Cr. (Rs.)
Printing and Stationery	2,750	
Commission	8,400	
Carriage inwards	3,200	
Salaries and wages	20,500	
Total	2,09,360	2,09,360

Adjustments :

- Closing stock was valued at Rs. 61,700.
 - Depreciate furniture and machinery @ 10% p.a. and sales van @ 20% p.a.
 - Outstanding rent amounted to Rs. 900.
 - Bad debts Rs. 200.
 - Make a provision for doubtful debts @ 5% on debtors.
 - Charge one-fourth of salaries and wages to the trading account.
6. What are the main reasons for preparation of financial statements ? How financial statements are useful for financial analysis ?

SECTION-D

- Computerized accounting is much better than manual accounting. Justify this statement by giving a comparison of manual accounting and computerized accounting.
- Draw the Balance Sheet and Profit and Loss Account of a company with imaginary figures.