

Exam. Code : 105401  
Subject Code : 1358

**Bachelor in Business Administration (BBA) 1<sup>st</sup> Semester**  
**BBA-103 : BASIC ACCOUNTING**

Time Allowed—3 Hours] [Maximum Marks—50

**Note** :— There are *eight* questions. Candidates are required to attempt any *five* questions. All questions carry equal marks.

**SECTION—A**

1. What do you mean by accounting standards? Explain the objectives and benefits of accounting standards.
2. Mr. D.Chadha commenced business on 1<sup>st</sup> January, 2020. His transactions for the month are given below. Journalise them :

2020		Rs.
Jan 1	Commenced business with cash	2,50,000
Jan 2	Paid into bank	2,35,000
Jan 3	Bought goods from Ramesh and Co.	54,000
Jan 3	Sold goods to Rajesh	48,000
Jan 7	Bought goods from Ram Chand	64,500
Jan 7	Paid wages in cash	800
Jan 7	Sold goods to Mahesh Chand	53,500
Jan 10	Received cheque from Rajesh (Discount allowed Rs. 1,200)	46,800
Jan 10	Paid into bank	46,800

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2020		Rs.
Jan 11	Paid to Ramesh and Co. (Discount received Rs. 2,700)	51,300
Jan 12	Paid rent for three months up to March	4,000
Jan 13	Bought from C. Khare	74,000
Jan 15	Paid wages in cash	800
Jan 15	Paid office expenses in cash	700
Jan 16	Sold goods to Jagdish	32,000
Jan 17	Sold goods to Rajesh	16,000
Jan 21	Sold goods to Mahesh Chand	25,000
Jan 21	Payment received by cheque from Jagdish	32,000
Jan 22	Paid wages in cash	800
Jan 22	Paid office expenses in cash	500
Jan 22	Paid Ram Chand by cheque (Discount Rs. 3,200)	61,300
Jan 25	Received cheque from Mahesh Chand (Discount Rs. 1,500)	52,000
Jan 27	Mahesh Chand returned goods (Not up to sample)	2,000
Jan 29	Paid wages in cash	800
Jan 31	Paid office expenses in cash	400
Jan 31	Paid salaries for the month	20,000
Jan 31	Received Rs. 20,000 for a bill receivable from Hari and deposited the same into the bank	

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### SECTION—B

3. Explain different methods of depreciation. What are the advantages and disadvantages of these methods ?
4. Enter the following transactions in the cash book of Sudhir and Sons :

2020		Amount
April 1	Opening cash balance	2,250
	Bank overdraft	4,000
April 2	Cash sales Rs. 5,800 out of which deposited in bank	1,500
April 3	Paid to Suresh by cheque	1,400
April 5	Received cheque from Jaswant and sent to bank	8,000
April 6	Paid wages	2,450
April 6	Cash purchases	1,100
April 8	Paid office exp. by cheque	1,600
April 9	Cash sales	2,000
April 10	Paid rent	1,200
April 12	Received cheque from Dinesh in full settlement of his account of Rs. 3,700 and deposited it in bank	3,600

2020		Amount
April 15	Paid to Ram by cheque	1,650
	He allowed discount	50
April 17	Received cash from K. Prasad	2,650
	Allowed him discount	50
April 18	Bought furniture from Mohan and paid him by cheque	3,000
April 19	Drew from bank	900
April 20	Paid advertisement expenses	530
April 21	Received cheque from Subhash	2,550
April 24	Deposited the above cheque into bank	
April 25	Paid salary	1,550
April 25	Subhash's cheque was returned dishonoured	
April 26	Paid octroi by cheque	100
April 27	Cash deposited in bank	1,000
April 29	Withdrew by cheque for domestic expenses	400

**SECTION—C**

5. What do you mean by financial statements ? What are the different elements of financial statements ?
6. From the following balances extracted from the books of Mr. Soni, prepare trading and profit and loss account for the year ended 31<sup>st</sup> March 2020 and balance sheet as at that date after taking into consideration the adjustments :

Heads of account	Dr.	Cr.
Cash in hand	1,080	
Cash at bank	5,260	
Purchases	81,350	
Returns outward		1,000
Sales		1,97,560
Returns inward	1,360	
Wages	20,960	
Fuel and power	9,460	
Carriage on sales	6,400	
Carriage on purchases	4,080	
Opening stock	11,520	
Building	60,000	
Freehold land	20,000	

Heads of account	Dr.	Cr.
Machinery	40,000	
Salaries	30,000	
Patents	15,000	
General expenses	6,000	
Insurance	1,200	
Capital		1,42,000
Drawings	10,490	
Sundry debtors	29,000	
Sundry creditors		12,600
Total	3,53,160	3,53,160

**Adjustments :**

- (1) Closing stock was valued at Rs. 13,600.
- (2) Machinery is to be depreciated @ 10% and patents @ 20%.
- (3) Salaries for the month of March 2020 amounted to Rs. 3,000 were unpaid.
- (4) Insurance included a premium of Rs. 170 for next year.
- (5) Wages include a sum of Rs. 4,000 spent on the erection of a cycle shed for employees and customers.
- (6) A provision for doubtful debts is to be created to the extent of 5% on sundry debtors.

**SECTION—D**

7. Explain the features and usefulness of accounting package : Tally.
8. Explain main provisions of Companies Act, 2013 with regard to the preparation of final accounts of a company.

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