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[5162]-103

## B.B.A. (First Semester) EXAMINATION, 2017 103 : BUSINESS ACCOUNTING (2013 PATTERN)

Time : Three Hours
Maximum Marks : 80
N.B. :- (i) All questions are compulsory.
(ii) Figures to the right indicate full marks.
(iii) Use of simple calculator is allowed.

1. (A) State with reason whether the following statements are true or false (any six) :
(a) Closing stock is always valued at cost price.
(b) Liabilities is something that outsiders owe to business.
(c) Carriage on purchase is also called as carriage outward.
(d) Goodwill is an intangible asset.
(e) Trade discount is an incentive for prompt payment.
(f) Withdraw of cash for payment of proprietors house rent is called drawings.
(g) Software refers to the physical device of the computer system.
P.T.O.
(B) Fill in the blanks (any six) :
(a) The journal entries are posted in $\qquad$
(b) Amount invested in business is called as $\qquad$
(c) Permanent reduction in the value of fixed asset is called as $\qquad$
(d) According to ...................... concept the business goes on and on.
(e) Cash deposited into bank is a ....................... entry.
(f) Wages paid for installation of machinery must be debited to A/c.
(g) $\qquad$ accounting is an economical \& time saving device.
2. Write short notes on (any three) :
(a) Methods of depreciation
(b) Money measurement concept
(c) AS-6
(d) Bank Reconciliation Statement : need and importance.
(e) Significance of computerised accounting.
3. From the following Trial Balance of Shareef Ltd. Nagar as on 31st March, 2016 and the adjustments given below you are required to prepare Trading and Profit and Loss Account for the year ended on 31st March, 2016 and a Balance Sheet as on that date. [20]

## Adjustments :

(i) Closing stock was valued at $1,60,000$.
(ii) Create 5\% for reserve for doubtful debts on debtors.
(iii) Depreciation on motor vehicle and office furniture @ 5\% p.a. and office equipment @ $10 \%$ p.a. was to be provided.
(iv) Goods worth ₹ 20,000 were destroyed by fire and Insurance Co. admitted the claim for $₹ 16,000$.
(v) Goods costing ₹ 2,000 was taken for personal use by Mr. Shareef and it was included in debtors :

Trial Balance as on 31st March, 2016

| Particulars | Debit ₹ Particulars | Credit ₹ |
| :--- | ---: | ---: |
| S's Drawings | 15,000 S's capital | $5,00,000$ |
| Investment | $2,00,000$ Sales | $15,10,000$ |
| Motor vehicles | $1,60,000$ Returns | 20,000 |
| Office furniture | 40,000 Reserve for bad |  |
|  | debts | 15,000 |

Cash in hand 11,000 Discount 1,000

Office equipment $1,20,000$ Creditors 2,52,000

Purchases 9,50,000 Outstanding salaries 4,000

Returns 30,000

| Carriage | 7,000 |
| :--- | ---: |
| Opening stock | $2,80,000$ |
| Rent | 60,000 |
| Debtors | $3,52,000$ |
| Salaries | 50,000 |
| Trade Expenses | 6,000 |
| General Expenses | 12,000 |
| Bad Debts | 5,000 |
| Discount | 2,000 |
| Prepaid Insurance | 2,000 |
| $\quad$ Total |  |

4. Show Journal entries for the following in the books of Mr. Ahmed for January, 2016 :
(1) Started business with ₹ 30,000
(3) Deposited ₹ 10,000 into Bank Current A/c
(5) Supplied goods to Mahesh ₹ 15,000 .
(7) Bought goods from Somesh ₹ 3,000 @ $2 \%$ trade discount.
(9) Paid to Rahim ₹ 1,240 for commission on sales.
(11) Damaged goods received from Mahesh ₹ 150.
(14) Spot purchases made ₹ 1,380 .
(15) Purchased furniture from Bose ₹ 12,000 for cash.
(17) Salary paid to Tarun, a factory worker ₹ 2,400 .
(19) Purchased stationery from Dev and Co. ₹ 700.
(21) Second hand goods sold @ ₹ 2,600 after a cash discount of ₹ 200 .
(24) Paid for carriage on sale ₹ 540.
(26) Paid to Vishal ₹ 640 for installation of new machinery.
(27) Invoiced goods to Raj ₹ 8,200 for cash.
(29) Paid to Somesh on account ₹ 1,000 .
(31) Received ₹ 1,200 for interest on investment.
Or

Enter the following transaction in the cash-book of Jasmeen Traders, Pune in cash book with cash and Bank and discount column for October, 2016.

October :
(1) Commenced business with cash ₹ 20,000 and bank ₹ 30,000 by Mrs. Jasmeen.
(2) Bought office chairs for ₹ 1,600 from Dev Home for domestic purposes.
(6) Sold to Akbar goods costing ₹ 1,600 @ $20 \%$ Trade discount, @ $10 \%$ cash discount and received cash in full.
(8) Issued a crossed cheque of ₹ 3,780 net to Raj after deducting $10 \%$ cash discount for purchase of goods.
(11) Received a cheque of ₹ 1,840 and cash of ₹ 400 from Ammar in full settlement of ₹ 2,300 .
(13) Deposited Ammar's cheque into Bank Current A/c
(14) Paid by cheque to Ali ₹ 2,600 for payment of salary ₹ 1,800 and travelling expenses ₹ 800 .
(15) Bank informs that Ammar's cheque is returned dishonoured.
(17) Purchased ₹ 200 revenue stamps from G.P.O.
(19) Bank has credited our account with dividend of ₹ 1,000 .
(21) Received a crossed cheque of ₹ 1,140 from Yasmin in full settlement of ₹ 1,220 .
(23) Endorsed Yasmin's cheque to Hasan in part payment of ₹ 1,200 .
(25) Transferred ₹ 2,000 from Bank Savings A/c to Bank Current A/c.
(27) Purchased a cash box of ₹ 5,000 from Lloyd Furnitures for cash.
(29) Sama paid ₹ 2,400 directly into our Bank A/c.
(31) Entire cash balance paid into bank.
5. Erun Manufacturing Co. Bibiviwadi purchased machinery on 1st July, 2010 for ₹ $2,10,000$. It spent ₹ 15,000 on installation of the machinery on 5-7-2010. The life of the machinery is estimated as 5 years at the end of which its scrap value is expected to be ₹ 25,000 . The company has decided to depreciate the machinery using Fixed Instalment Method. The company's financial year ends on 31st March every year. On 30th June. 2015, the company sold the machinery for a scrap value of ₹ 29,000 .

Show the Machinery Account for the entire period in the books of the Erun Manufacturing Co., Bibiviwadi.

## Or

A pass-book of Ayat showed a bank balance of ₹ 5,000 on 31st December, 2016. Prepare a Bank Reconciliation Statement and show the bank balance as it would appear in the cash-book as on that date from the following information furnished to you :
(1) The bank charged ₹ 120 as its commission for collecting outstation cheques and has allowed interest of ₹ 260 on bank balance.
(2) The bank has paid ₹ 2,000 on the due date of a bill but it has not been entered in the cash-book.
(3) The bill receivable of ₹ 580 which was discounted with the bank was dishonoured by the drawee on the due date.
(4) A cheque of ₹ 4,200 collected and credited by the bank was wrongly recorded twice in the cash-book on the receipt side.
(5) Three cheques of ₹ 2,320 , ₹ 3,120 and ₹ 3,500 respectively were issued to suppliers but not presented for payment till 13th January.
(6) The cheques and draft sent to the bank but not collected and credited amounted to ₹ 3,300 .

