

Exam. Code : 105401

Subject Code : 1386

Bachelor in Business Administration (BBA) 1st Sem.

BBA-103 BASIC ACCOUNTING

Time Allowed—3 Hours] [Maximum Marks—50

Note :— Question paper is divided into **four** sections : A, B, C and D. Attempt any **five** questions in all, selecting at least **one** question from each section. **All** questions carry equal marks.

SECTION—A

1. What do you mean by financial accounting ? Explain the main functions and limitations of financial accounting.
2. Journalize the following transactions in the Journal of M/s Gupta Brothers.

2018		Rs.
March 1	Started business with cash	2,00,000
March 2	Opened bank account with Central Bank of India.	80,000
March 4	Goods purchased from Raj	22,000
March 5	Good purchased for cash	30,000
March 8	Good sold to Naman	12,000
March 10	Cash paid to Raj	22,000
March 15	Cash received from Naman	11,700
	Discount allowed	300
March 16	Paid wages	200
March 18	Furniture purchased for office use	5,000
March 20	Withdrawn from bank for personal use	4,000

2018		Rs.
March 22	Issued cheque for rent	3,000
March 23	Goods taken for household purpose	2,000
March 24	Drawn cash from bank for office use	6,000
March 26	Commission received	1,000
March 27	Bank charges	300
March 28	Cheque issued for insurance premium	3,000
March 29	Paid salary	10,000
March 30	Cash sales	20,000

SECTION—B

3. On 31st January 2018 the pass book of Mr. M.L. Gupta shows the debit balance of Rs. 41,000. Prepare bank reconciliation statement from the following particulars :
 - (1) Cheques amounting to Rs. 15,600 were drawn on 27th January 2018. Out of which cheques for Rs. 11,000 were encashed up to 31st January 2018.
 - (2) A wrong debit of Rs. 800 has been given by the bank in the pass book.
 - (3) A cheque for Rs. 200 was credited in the pass book but was not recorded in the cash book.
 - (4) Cheques amounting to Rs. 21,000 were deposited for collection, but out of these cheques for Rs. 7,400 have been credited in the pass book on 5th February 2018.
 - (5) A cheque for Rs. 1,000 was returned dishonored by the bank and was debited in the pass book only.
 - (6) Interest on overdraft and bank charges amounting to Rs. 100 were not entered in the cash book.
 - (7) A cheque of Rs. 500 debited in the cash book was omitted to be banked.

4. What is depreciation ? Explain the need for providing depreciation. Explain two methods of providing depreciation.

SECTION—C

5. Following is the trial balance of M/s Kamal and Sons on 31st December 2018.

Head of Accounts	Dr. (Rs.)	Cr. (Rs.)
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 purchase	4,080	
Stock on 1.1.2018	11,520	
Building	60,000	
Freehold land	20,000	
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	
Sunday creditors		12,600
Total	3,53,160	3,53,160

Taking into account the following adjustments, prepare trading and profit and loss account and balance sheet.

- (1) Stock in hand on 31st December 2018 is Rs. 13,600
 - (2) Machinery is to be depreciated @ 10% and patents @ 20%.
 - (3) Salaries for the month of December 2018 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.
6. What do you mean by financial statements ? Explain the usefulness of financial statements.

SECTION—D

7. Computerized accounting system is the best form of accounting system. Do you agree ? Comment on the statement.
8. Draw the Balance Sheet and Profit and Loss account of a company with imaginary figures.