



**AR-5393**                      Seat No. \_\_\_\_\_  
**First Year B. B. A. Examination**  
**March / April – 2016**  
**Principles & Practice & Accountancy**  
**(Old Course)**

Time : 3 Hours]

[Total Marks : 100

- Instructions :** (1) Q. 1 is compulsory.  
(2) All questions carry equal marks.

- 1**    The following is the trial balance of Mr. PARAM and Co.    **20**  
as on 31.3.2015.

	Debit Rs.	Credit Rs.
Cash	540	-
Bank	2,630	-
Purchase/Sales	40,675	98,780
Returns	680	500
Wages	10,480	-
Fuel-Power	4,730	-
Carrying out	3,200	-
Carrying In	2,040	-
Opening Stock	5,760	-
Premises	30,000	-
Land	10,000	-
Machinery	20,000	-
Patents	7,500	-
Salaries	15,000	-
Sun. Exp.	3,000	-
Insurance	600	-
Drawings/Capital	5,245	71,000
Debenture/Creditors	14,500	6,300
<b>Total</b>	<b>1,76,580</b>	<b>1,76,580</b>

- (1) Reserve 5% for Doubtful debts
- (2) Closing stock Rs. 6,800
- (3) Salaries due for month of March 2015, Rs. 1,500
- (4) The Insurance Policy expires on 30.9.15
- (5) Rs. 2,000 spent on erection of a shade were included in wages account.
- (6) Depreciate machinery and patents by 10% and 20% respectively.

Prepare Final Accounts for the year ending 31.3.15 after considering the above adjustments.

- 2 Mr. Jay operates two bank accounts both of which are maintained in the Columnar Cash book itself. Prepare cash book. 20

**2015 March**

- 1 Opening Balance : Cash Rs. 150, HDFC Rs. 11,240 (O/D), BOB Rs. 35,460.
- 2 Received cheque for Rs. 1,250 in respect of sales for realising the HDFC charged Rs. 2 and credited the balance.
- 3 Purchased goods for Rs. 13,210 and a cheque issued on the B.O.B. The bank charged Rs. 3 for collection of the cheque to the concerned party.
- 4 Out of cash sales of Rs. 13,265 a sum of Rs. 10,000 was deposited in the HDFC.
- 5 Withdrew Rs. 15,000 from the B.O.B.
- 6 Interest of Rs. 122 and Rs. 50 were credited and debited respectively by the B.O.B. and H.D.F.C.
- 7 An amount of Rs. 1,500 was withdrawn from the B.O.B. and salaries paid to that extent.
- 8 GM's salary of Rs. 1,000 was paid by cheque drawn on the HDFC.
- 9 BOB collected dividends Rs. 1,250 and sent a credit note.
- 10 Rs. 1,500 was transferred from the BOB to HDFC.

**OR**

- 2 From the following information prepare BRS (Bank Reconciliation Statement) as on 31.3.2015. 20

- (1) B.O.D. as per Cash Book on 31.3.15 ..... Rs. 2,45,900
- (2) Interest debited by Bank on 26.3.15 but no advice received..... Rs. 27,800
- (3) Cheque issued but not presented to Bank..... Rs. 66,000
- (4) Transport subsidy received from the State Government directly by the bank but not advice to the firm ..... Rs. 42,500
- (5) Draft deposited in the bank, but not credited till 31.3.15..... Rs. 13,500
- (6) Bills for collection by the bank till 31.3.15 but no advice received by the company ..... Rs. 83,600
- (7) Amount wrongly debited to company account by the bank, for which no details are available ..... Rs. 7,400

- 3 From the following information of a Rotary Club of Porbandar, prepare Income and Expenditure account and Balance Sheet for the year ending on 31.3.15. 20

Receipts	Rs.	Payments	Rs.
To Balance b/d.	3,000	By Expenses	40,000
Subscription	58,000	Stationary and Postage	800
Investment (B.V 2000)	1,500	Salary	2,400
Int. on Investment	500	(1.3.14 to 28.2.15)	
Entrance fees	1,000	Building	20,000
(to be capitalised)		Balance c/d	800
	<b>64,000</b>		<b>64,000</b>

Salary is always payable on 11<sup>th</sup> day of the next month.

Particulars	31.3.14	31.3.15
Investment	12,000	?
Stock of Stationary	200	100
Outstanding subscription	2,000	-
Subscription received in advance	-	1,000
Unpaid Expenses	-	3,000
Prepaid Expenses	1,000	-

**OR**

- 3 TCS purchased machines of Rs. 92,000 on 1.4.10. 20  
 Installation expenses amounted to Rs. 8,000. The company purchased other machineries of Rs. 65,000 on 1.4.12 as per requirements. It provides depreciation at 10% p.a. by reducing balance method on 30.9.12, 50% of the machines purchased earlier were sold off at 20% profit on their book value. Prepare machinery accounts upto 31.3.12.

- 4 From the following information prepare cost sheet for the month of January 2016. 20

Total Production	10,000 units
Direct Materials	12,500 kg at Rs. 12 per kg
Direct Wages	18,750 hours at Rs. 10 per hour
Direct Expenses	Rs. 2,500
Indirect Exp. of Factory	Variable 40% of direct
Indirect Exp. of administration	20% of factory cost
Selling on cost	10% of factory cost

During the month, spoiled materials realized Rs. 10,000 as scrap value.

Factory has sold total production so as to realize 20% profit on selling price.

There was no finished goods in the beginning of the month or at the end of the month.

**OR**

- 4** Rectify the following errors with the help of Suspense Accounts. **20**

- (1) Sales book was over cost by Rs. 1,000
- (2) Purchased goods from Mr. X Rs. 2,000, passed through sales book.
- (3) Commission of Rs. 300 paid was posted twice once to discount account and once to commission account.
- (4) Sales to Ketan Rs. 4,000, posted to Karina's account.
- (5) Rs. 5,000 paid for erecting a machine is debited to the wages account.
- (6) Rs. 12,000 received from Yash was posted to his account as Rs. 21,000.
- (7) Furniture bought of Rs. 7,000 has been entered into the purchase book.
- (8) Sales of Rs. 450 has been credited to a customer as Rs. 540.
- (9) Discount column of the receipt side of the Cash Book was wrongly added Rs. 140 instead of Rs. 130.
- (10) A cash sales of old furniture for Rs. 15,000 is credited to sales account.

- 5** Write on (any two) **20**

- (1) Accounting Concepts and Conventions.
- (2) LIFO and FIFO methods of stock taking
- (3) Rules of Debit and Credit in detail.
- (4) Petty Cash Book.