



**MBG-010-001106**

Seat No. \_\_\_\_\_

**B.B.A. (CBCS) (Sem. I) Examination**

**November / December – 2016**

**Principles & Practice of Accounting - 1**

**(Old Course)**

**Faculty Code : 010**

**Subject Code : 001106**

Time : **2.30 Hours**]

[Total Marks : **70**

- Instructions :** (i) There are all five questions.  
(ii) All questions carry equal marks.  
(iii) Figures to the right indicate marks.

**Q-1** what do you mean by accounting concept. Explain any SEVEN concepts. **14 Marks**

**OR**

**Q-1** writes short notes on: (any two) **14 Marks**

- (a) Rules of Debit and Credit. (b) Accounting Policies.  
(c) Difference between Cash Transaction and Credit Transaction.  
(d) Difference between economic and non-economic Transaction.

**Q-2** (a) what is a Ledger? Explain its importance. **7 Marks**

(b) Difference between Journal and Ledger. **7 Marks**

**OR**

**Q-2** Enter the following transaction of **Mr. PARTH** in his Journal. **14 Marks**

**June-2016**

- 1<sup>st</sup> Opened a bank account with Rs. 15000.  
2<sup>nd</sup> Received a cheque from Janu Rs. 750.  
3<sup>rd</sup> Cheque received from Janu is paid into bank.  
6<sup>th</sup> Received a crossed cheque from Girish Rs. 300. (or received a cheque from Girish which was immediately paid into bank Rs. 300.)  
14<sup>th</sup> A machine was purchased for Rs. 7500 and paid for it by a cheque. The installation charges of the machine Rs. 150 is paid in cash.

- 19<sup>th</sup> Sold goods for cash Rs. 3000 and paid half the amount into the bank.
- 20<sup>th</sup> Withdrawn Rs. 150 for personal use and Rs. 300 for office use from bank.
- 24<sup>th</sup> Given a cheque of Rs. 750 to Jagadish on account.
- 25<sup>th</sup> Paid Rs. 300 for salary in cash and fire insurance premium Rs. 150 by a cheque.
- 28<sup>th</sup> Bank has debited Rs. 10 to our account for bank charges and credited Rs. 15 for interest.
- 30<sup>th</sup> Given a cheque of Rs. 115 to Kanu in full settlement of our dues of Rs. 120 to him.

**Q-3** Write short notes (**any two**)

**14 Marks**

(a) Purchases Book

(b) Sales Book

(b) Debit Note

(d) Credit Note

**OR**

**Q-3** Record the following transaction in the columnar cash book with cash, bank and discount columns for Mr. RAJU for the month of June, 2016.

**14 Marks**

- June -1: Cash on hand Rs. 100 and Cash at bank Rs. 3500.
- June -2: Paid salary by cheque Rs. 250
- June -3: Paid to K.K. & Co. by cheque Rs. 260
- June -4: Received a cheque from B & Co. Rs. 2500
- June -5: Bought goods for cash paid by cheque Rs. 750
- June -10: Received cash from Mr. S. Chand Rs. 1500
- June -16: Deposited cash into bank Rs.1450
- June -17: Sundry creditors were paid by cheque Rs. 1250
- June -25: Received from debtors by cheque, this could not be sent to bank Rs.1780
- June -27: B & Co. cheque dishonored Rs. 2500
- June -28: B & Co. Paid cash Rs. 2500
- June -29: R & Co. issued a cheque for Rs. 470 in full satisfaction of his account for Rs. 500
- June – 30: Shyam was paid Rs. 395 in full settlement of his a/c. amounting to Rs.400
- June – 30: Deposited into the bank Rs. 2200

- Q-4** From the following Trial Balance, prepare Trading A/c., Profit and Loss A/c. and Balance Sheet as on 31-3-2016. **14 Marks**

Particulars	Rs.	Rs.
Opening stock	3000	
Purchases and Sales	18500	35000
Discount allowed	1300	
Wages	4500	
Salaries	2000	
Travelling Expenses	400	
Commission	425	
Carriage inward	275	
Administrative Expenses	405	
Insurance	1250	
Trade Expenses	1600	
Capital		15000
Debtors and Creditors	6000	3000
Cash on hand	2145	
Furniture	2200	
Buildings	9000	
	<b>53000</b>	<b>53000</b>

**Adjustment:**

- Stock on 31-3-2016 was Rs7500
- Depreciate buildings@5% and furniture@10%.
- Create a provision for Bad debts @ 5% on debtors.
- Outstanding wages Rs. 250 and salaries Rs. 650
- Prepaid insurance Rs. 350, and goods used by the proprietor Rs. 1000

**OR**

- Q.4** From the following Trial Balance, prepare Trading A/c., Profit and Loss A/c. and Balance Sheet as on 31-3-2016. **14**

Particulars	Debit Rs.	Credit Rs.
Capital	----	400000
Drawings	50000	-----
Opening stock	75000	-----
Purchase & sales	420000	810000
Debtors and creditors	120000	75000
Discount	16000	18000
Commission	12000	14000
Return	16000	20000
Salary	120000	-----
Rent, rates and taxes	40000	
Postage and telegrams	25000	-----
Loan		310000
Interest	20000	-----

Furniture	350000	-----
Brand names and designs patents	60000	
Advertisement	100000	-----
Cash on hand	150000	-----
Cash at bank	63000	-----
Freight inward	20000	-----
Duty drawbacks (income)		10000
	<b>1657000</b>	<b>1657000</b>

### Additional information:

- (a) Stock was valued at Rs.170000 as on 31-3-2016.
- (b) Sales included sales tax Rs. 50000
- (c) Depreciate furniture at 10%, and write off Brand names & designs @ 20%
- (d) Advertisement is to be written off in 5 years
- (e) Salaries outstanding Rs. 12000 and salaries paid in advance Rs. 10000

**Q-5** From the following information prepare a bank reconciliation statement as at 30<sup>th</sup> June 2016.

**14 Marks**

- (a) Balance as per pass book (Dr.) Rs. 7550
- (b) Cheque drawn, but not cashed at the bank Rs. 3550
- (c) Cheque deposited into the bank but not shown in pass book Rs. 4570
- (d) Dividend of Rs. 2000 collected by bank directly on 30<sup>th</sup> June 2016 was not recorded into cash book.
- (e) Cheque amounting to Rs. 730 was deposited into the Bank, but it was recorded into the debit side of the pass book.
- (f) Debit side of the cash book was wrongly overcast by Rs. 500
- (g) Bank charges recorded twice in the cash book Rs. 25

**OR**

**Q-5 Rectify the following errors:**

**14 Marks**

- (a) Rs. 700 paid for the purchase of new office furniture charged to office expenses a/c.
- (b) Goods worth Rs. 174 were sold to Roop but latter a/c was actually credited by Rs. 147.
- (c) Sales Day book was under casted by Rs. 200.
- (d) The total of the discount column on the debit side of the Cash book was short by Rs. 30.
- (e) An amount of Rs. 1000 withdrawn by the proprietor for his personal use was debited to Trade expenses a/c.
- (f) Rs. 200 was received on account of rent but was credited to dividend a/c.
- (g) Goods sold to Mr. Rakesh for Rs. 705 but entry was made for Rs. 570.