



NBK-161100010205 Seat No. _____

B. B. A. (Sem. II) (CBCS) Examination

April/May – 2017

Business Accounting

(New Course)

Time : $2\frac{1}{2}$ Hours]

[Total Marks : 70

- Instructions :** (1) There are five questions each of equal marks.
(2) Figures on the right side indicate marks.

1 Write short notes on : (any two) 14

- (1) Objectives of Accounting Standards.
- (2) AS-6, Depreciation Accounting
- (3) History of Accounting Standard in Indian Context.
- (4) Usefulness of Accounting Standards.

2 The books of Param Ltd. show a balance of 84,000 14

in the machinery account on 1.4.2013. This machine was purchased on 1.4.2009. The company provides depreciation at 10% p.a. by straight line method. It purchased another machine on 1.7.2015 for Rs. 20,000 for which the installation expenses amounted to Rs. 3,000 and carriage amounted to Rs. 2,000. The first machine was sold off on 31.12.2015 for Rs. 20,000.

Prepare Machinery Account upto 31.3.2016.

OR

2 Dhvanit Ltd. has a stock of 10,000 units of Rs. 2 per unit 14

in the beginning of March 2016. Purchases made during the month.

4th March : 2000 units at Rs. 2.50 per unit.

10th March : 5000 units at Rs. 3.00 per unit

20th March : 10,000 units at Rs. 3.50 per unit.

Issues for production were as under :

12th March : 16,000 units

28th March : 10,000 units

Prepare statement showing value of closing stock using FIFO method.

- 3 Give below is the Receipts and Payments Account of the Baroda library club for the year 31.3.2016 : 14

Receipts and Payments Account

<i>Receipts</i>	<i>Rs.</i>	<i>Payments</i>	<i>Rs.</i>
To Balance b/d	2,500	By Salaries	600
To subscription :		By electricity charges	80
2014-15	40	By Entertainment	
2015-16	2,050	programme exp.	450
2016-17	60	By Newspaper and	
To Donation	940	magazines	150
To proceeds of		By Books purchased	
entertainment		(1.10.2015)	1,000
programme	950	By Municipal Taxes	250
To sale of old		By charity	350
newspaper	245	By Investment (6%	
		Govt. securities purchased	
		on 1.11.2015)	2,000
		By Telephone Charges	140
		By Printing and Stationery	190
		By Balance c/d	1,575
	6,785		6,785

Prepare the Baroda Library Club's Income and Expenditure account for the year ended 31.3.2016 and the balance sheet as on that date, after taking the following information into account :

- (1) Interest is accrued on govt. securities.

- (2) Building and books stand Rs. 5,000 and Rs. 2,000 respectively and it is required to write off depreciation at 5% p.a.
- (3) There are 500 members each paying an annual subscription of Rs. 5 and Rs. 50 is still in arrear for 2014-15.
- (4) Municipal taxes amounting to Rs. 140 p.a. have been paid upto 30th June, 2016 and Rs. 50 for salaries is outstanding.

OR

- 3 X, Y and Z were partners in the firm of solicitors. X's share is 1/2 of Y and Y's share is 2/3 of Z. The following are the balances extracted from their books for the year ended 30th June, 2016 : 14

<i>Particulars</i>	<i>Dr. (Rs.)</i>	<i>Cr.(Rs.)</i>
Balance at Bank (Office)	5,800	-
Balance at Bank (Clients)	12,100	-
Bills of costs rendered	-	75,000
Disbursement ledger balances	6,000	-
Clients' ledger balances	23,000	18,100
Rent, Taxes etc.	2,800	-
Office Furnitures	5,400	-
Library Books	4,200	-
General Office Expenses	1,700	-
Printing and Stationary	4,200	-
Salaries and Wages	14,300	-
Petty Cash	200	-
'X' Capital	-	3,500
'Y' Capital	-	2,000
'Z' Capital	-	1,500
'X' Drawings	7,800	-
'Y' Drawings	8,000	-
'Z' Drawings	6,000	-
Creditors for expenses	-	1,400
	1,01,500	1,01,500

Cost not made upon 30th June, 2016 amounted to Rs. 21,040. The partners are entitled to interest on capital at 5%. Write off depreciation on furniture at 5% and on library books at 10%.

Prepare profit and loss account for the year ended 30th June, 2016 and Balance Sheet as on that date.

- 4 There was a fire in the godown of 'A' on 15.3.2016. 14
Stock was destroyed except stock of Rs. 5,000 by fire. Prepare claim statement from the following information.

<i>Particulars</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>15-3-2016</i>
Opening stock	88,000	70,400	52,800	17,600
Wages	38,400	16,000	20,800	9,600
Depreciation	12,800	12,800	11,200	3,200
Sales	2,56,000	2,40,000	2,88,000	96,000
Purchases	1,73,440	1,79,200	2,06,400	89,600

Stock is valued higher by 25%.

OR

- 4 Pranav Dev maintains his books by single entry. You are 14
required to prepare his Trading and Profit & Loss Account for the year ending 31.3.2016 and balance sheet on that date.

Summary of the cash book

Cash balance 1.4.11	4,800	Cash purchases	7,500
Recd. from debtors	1,10,000	Salaries	13,500
Cash sales	9,000	Wages	6,250
Sundry receipts	1,350	General Exp.	3,800
Paid to creditors	68,000	Drawings	5,000

Details regarding assets and liabilities :

<i>Particulars</i>	<i>1.4.2015</i>	<i>31.3.2016</i>
	<i>Rs.</i>	<i>Rs.</i>
Building	18,000	25,000
Furniture	4,500	3,000
Machinery	25,000	25,000
Debtors	32,000	28,000
Creditors	13,000	21,000
Stock	20,500	26,500

Discount allowed during the year Rs. 1,600 discount received Rs. 900, Sales returns 400 and purchase returns Rs. 1,000. Depreciate building and furniture by Rs. 1,500 and Rs. 300 respectively. Maintain bad debts reserve at 5% on debtors. Allow interest on capital at 5%.

- 5 A and B are partners sharing Profit and Loss in their capital ratio. On 1.4.2015 their total capital is Rs. 1,00,000 which is 3:2 respectively. The total drawings are Rs. 20,000, which is 2:3 respectively. Total interest on drawings is Rs. 2,400, which is distributed in their drawings ratio. Partnership deed provided for 12% interest on capital. 14

'B' was to be given 10% commission on net profit. B paid to monthly salary Rs. 800. Whether firm not earned profit. Before above adjustment, profit and loss account shows net loss Rs. 40,000 for the year ending 31.3.16.

Prepare Profit and Loss Appropriation A/c. and partners capital account from the information given above.

OR

- 5 P and Q are partners of a partnership firm sharing the Profit and Loss in the proportion of 3:2. From the trial balance of as at 31.3.2016 and other information prepare the Trading A/c., P and L A/c., P and L appropriation A/c. and Balance Sheet of their partnership firm. 14

The Trial Balance as on 31.5.2016

<i>Name of Account</i>	<i>Dr. Balance</i>	<i>Cr. Balance</i>
Purchase and sales	90,000	1,40,000
Debtors and Creditors	44,000	20,000
Capital and Drawing :		
P	8,000	60,000
Q	11,000	1,00,000
Opening stock and loan of 10%	30,000	20,000
Bad debts & bad debts reserve	5,000	3,000
Goods return	8,000	20,000
Furniture & outstanding salary	40,000	4,000
Cash and Bank	16,200	5,000
Bills	5,000	4,400
Buildings	64,000	-
Depreciation of Building	6,000	-
Apprentice Premium (from 1.10.15 for 3 years)	-	4,800
Mahajan Lago	6,000	-
Wages	12,000	-
Salary	36,000	-
	3,81,200	3,81,200

Additional Information :

- (1) Closing stock was Rs. 16,000 out of which the market value of 10% goods is 20% less.

- (2) Increased rate of depreciation on building to 10% and calculate 5% depreciation on furniture.
 - (3) Bank has paid Rs. 2000 of bills payable, which is not recorded.
 - (4) Write off Rs. 4,000 from debtors as bad debts and provide 5% for bad debts reserve.
 - (5) Calculate 8% interest on capital and 10% interest on drawing.
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