



HDJ-161100010106 Seat No. \_\_\_\_\_

**B. B. A. (Sem. I) Examination**  
**November / December - 2017**  
**Principles & Practice of Accounting - I**  
*(New Course)*

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

[Total Marks : 70

**Instructions :**

- (1) All the questions carry **equal** marks.
- (2) Show working notes as a part of your answer.

- 1 (a) Describe Advantages of Accounting. 7
- (b) Explain the rules of Debit and Credit. 7

**OR**

- 1 (a) Describe Accounting Concept and discuss any three. 7
- (b) Explain various types of Account. 7

- 2 Journalise the following transactions in the Books of Mr. Devarsh : 14

01-03-17 Started new business with capital of Rs. 87,000 which includes cash of Rs. 50,000 and remaining stock of goods.

03-03-17 Purchased stationery worth Rs. 1,150.

07-03-17 Paid salary to Shreeya Rs. 1,750 by cash.

10-03-17 Deposited Rs. 23,000 in the bank.

14-03-17 Purchased goods worth Rs. 10,000 at 10% trade discount from Ishita.

16-03-17 Paid house rent of Rs. 2,500.

19-03-17 Paid to Ishita Rs. 8,200 as a full settlement.

22-03-17 Purchased goods worth Rs. 8,000 at 10% trade discount and 2% cash discount.

23-03-17 Withdraw Rs. 8,000 from bank for business use.

- 24-03-17 Purchased a computer of Rs. 17,500 by cheque.  
 26-03-17 Paid Rs. 750 as a installation charge of computer.  
 27-03-17 Sold goods of Rs. 6,000 to Mayur by cash.  
 29-03-17 Paid Rs. 3,000 for shop rent.  
 31-03-17 Sold goods of Rs. 11,500 by cheque to Dip.

**OR**

**2** Post the following transactions in the Ledger of Mr. Het : **14**

- 01-07-17 Het Started Business with cash of Rs. 50,000,  
 Furniture of Rs. 10,000 and stock of goods of  
 Rs. 20,000.  
 07-07-17 Sold goods of Rs. 5,000 to Mr. Kartarya.  
 08-07-17 Purchased goods of Rs. 9,000 from Shikshantirth  
 Traders.  
 11-07-17 Paid telephone bill of Rs. 375 and electricity bill  
 of Rs. 980 by cash.  
 19-07-17 Received due Payment from Kartarya.  
 25-07-17 Settled Account of Shikshantirth Traders by cash.

**3** Record the following transactions in the subsidiary books **14**  
 of Hetvi Patel :

***August-2017 :***

- 01 Sold goods to Jigha of Rs. 68,000.  
 04 Purchased goods from Mr. Naru worth Rs. 85,000 at  
 10% trade discount.  
 09 Sold goods to Miss Anju worth Rs. 56,000 at 5% trade  
 discount.  
 14 Purchased furniture from ONEX furniture Mart worth  
 Rs. 11,000.  
 17 Returned goods worth Rs. 25,000 to Mr. Naru.  
 20 Sold Machinery to Miss Jaydevi worth Rs. 30,000.  
 22 Jigna returned goods of Rs. 15,000.

- 25 Paid due amount to Mr. Naru and settled the account.
- 27 Purchased goods worth Rs. 57,500 from Miss Mensi at 10% trade discount.
- 29 Received goods back from Jigna worth Rs. 1,000.
- 30 Goods worth Rs. 15,000 returned to Miss Mensi.

**OR**

- 3 Record the following transactions in the triple column cash book of Mr. Jateen : 14

***May-2017***

- 01 Cash on hand Rs. 30,000 and cash at bank Rs. 50,000.
- 05 Purchased goods for cash worth Rs. 6,000 at 3% cash discount.
- 08 Received a cheque from Vatsal for Rs. 9,500 and allowed him Rs. 200 discount.
- 11 Withdrew Rs. 3,000 from bank for office use.
- 14 Cheque received from Vatsal deposited into bank.
- 19 Cash of Rs. 2,500 deposited into bank.
- 22 Goods worth Rs. 6,000 sold at 3% cash discount.
- 24 Issued a cheque for the salary to Shakti worth Rs. 9,000.
- 28 Received cash of Rs. 21,000 from Kajal, which is deposited into a bank.
- 31 Withdrew Rs. 4,000 from bank for Personal use.

- 4 From the following transactions of Shlok, Prepare Bank Reconciliation Statement and find out the correct Bank Balance : 14

- (1) Bank Balance as per pass book on 31-03-2017 is Rs. 88,700.

- (2) Bank paid Bills Payable of Rs. 2,000 on behalf of Shlok which is not recorded in cash book.
- (3) Cheque of Rs. 3,300 given to Ayan is not recorded in cash book.
- (4) Bank charges of Rs. 240 are recorded twice in cash book.
- (5) Cheques of Rs. 17,000 were deposited in the bank, out of which cheques of Rs. 11,250 were credited in the pass book.
- (6) Miss Bansi directly deposited Rs. 4,500 in the account of Shlok for which, Shlok has no information.
- (7) Cheques of Rs. 21,500 are issued but out of that, cheques of Rs. 3,000 were not presented for payment.
- (8) Cheque of Rs. 4,800 is received from Prisha which is recorded in cash book, but the same is not sent for collection to the bank.
- (9) Interest Rs. 850 is credited by the bank in the account of Shlok which is not recorded in the cash book.
- (10) Bank collected interest on investment Rs. 1,850 and credited it in pass book but same is not recorded in cash book.

**OR**

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|----------|---|----------|
| <b>4</b> | (a) Explain bills of exchange. Explain its advantages.  | <b>7</b> |
|          | (b) Shiv has drawn a bill of Rs. 25,000 on Meet payable after two months from the date of issue. Meet accepted the bill and sent to Shiv after having duly signed. Shiv sent the bill to bank for correction. On the date of maturity bank collected the money on behalf of Shiv charging Rs. 300 for collection. Pass necessary Journal Entries in the Books of Shiv and Meet. | <b>7</b> |

- 5 From the following Trial Balance and given adjustments, 14  
Prepare Final Accounts as on 31-03-2017 for :

| <i>Debit Balance</i> | <i>Amount<br/>(Rs.)</i> | <i>Credit Balance</i> | <i>Amount<br/>(Rs.)</i> |
|----------------------|-------------------------|-----------------------|-------------------------|
| Opening stock        | 20,000                  | Capital               | 2,00,000                |
| Purchases            | 1,00,000                | Brokerage             | 35,000                  |
| Debtors              | 1,00,000                | Interest              | 35,000                  |
| Audit fees           | 10,000                  | Creditors             | 2,00,000                |
| Interest             | 15,000                  | Purchase return       | 20,000                  |
| Drawings             | 20,000                  | Bills payable         | 1,80,000                |
| Advertisement Exp.   | 25,000                  | Sales                 | 2,00,000                |
| Cash & Bank          | 85,000                  |                       |                         |
| Furniture            | 90,000                  |                       |                         |
| Sales return         | 25,000                  |                       |                         |
| Insurance Premium    | 28,000                  |                       |                         |
| Bills Receivable     | 72,000                  |                       |                         |
| Excise duty          | 57,000                  |                       |                         |
| Land & Building      | 1,00,000                |                       |                         |
| Bad debts            | 24,000                  |                       |                         |
| Trademarks           | 43,000                  |                       |                         |
| Stationery Exp.      | 19,000                  |                       |                         |
| Interest on loan     | 37,000                  |                       |                         |
|                      | <b>8,70,000</b>         |                       | <b>8,70,000</b>         |

**Adjustments :**

- (1) Stock of goods at the end of the year was Rs. 75,000.
- (2) Outstanding stationery bill is Rs. 5,900.
- (3) Depreciate the Land and Building at 10%.
- (4) Provide bad debts reserve on debtors at 5%.
- (5) Calculate interest on capital at 6% and drawings is to be charged at 2% p.a.

**OR**

- 5 Trial Balance of Hiren does not tally and therefore a difference of Rs. 10,300 is credited to suspense account. The following errors are detected after the Final Accounts are prepared. Pass rectification entries. 14
- (1) Total of sales return book is undercast by Rs. 1,890.
  - (2) Purchase of machine Rs. 52,500 is recorded in purchase book.
  - (3) Cash sales of Rs. 11,690 is posted in sales account Rs. 16,190.
  - (4) Advance Salary of Rs. 21,500 paid to Devansi is debited to salary account.
  - (5) Rs. 3,150 received from Prisha which was previously written off as bad debt. This amount is credited to her personal account.
  - (6) Life Insurance Premium of Rs. 9,200 is debited to insurance premium account.
  - (7) Opening balance of Rs. 22,800 of a debtor Rutva is written in her account on credit side.
  - (8) A cheque of Rs. 20,370 is received from Bhavya and is posted in his account on debit side by Rs. 17,520.
  - (9) Bank charges of Rs. 345 left unrecorded.
  - (10) Rs. 8,700 received from Rutvi is credited to her account as Rs. 7,100.
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