



**HDJ-010-001106**

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

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

November / December – 2017

**106 : Principles & Practice of Accounting - I**  
(Old Course)

**Faculty Code : 010**

**Subject Code : 001106**

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

[Total Marks : 70

**Instructions :** (1) Figures to the right side indicate marks.  
(2) Calculations and explanations if required are to be shown with relevant answer.

- 1 Write short notes : (any **two**) **14**
- (1) Types of accounting errors
  - (2) Petty Cash Book
  - (3) Importance of Bank Reconciliation Statement

**OR**

- 1 Define Accounting. Explain in detail Accounting Concepts. **14**
- 2 Record the following transactions in the Journal of **14**  
M/s. Sanskar and Co. (Write narrative also)
- (1) Started business with a capital of Rs. 10,00,000
  - (2) Purchased goods worth Rs. 25,00,000 at 10% Trade discount and 5% Cash discount.
  - (3) Paid carriage for purchase of goods Rs. 5,000.
  - (4) Opened an account with HDFC Bank and deposited Rs. 5,00,000 therein.
  - (5) Sold Goods for Rs. 15,00,000 at 10% trade discount to Alok.
  - (6) Alok paid half the amount in cash for which 3% Cash discount was allowed.

- (7) Purchased goods from Annapurna for Rs. 1,25,000.
- (8) Paid salary to Lakshaya by HDFC Bank cheque Rs. 20,000.
- (9) Paid full amount to Annapurna by HDFC Bank cheque and received 5% discount.
- (10) Withdrew from HDFC Bank Rs. 50,000 for office purpose.

**OR**

**2** Classify the following accounts :

**14**

- (1) Salaries account
- (2) Unpaid salaries account
- (3) Ashapura mill's shares account.
- (4) Ashapura mill's account.
- (5) Ashapura mills shares dividend account
- (6) Loss by fire account.
- (7) Goods burnt by fire account.
- (8) Rent account
- (9) Prepaid rent account.
- (10) Sale-tax account
- (11) Income-tax account.
- (12) Fire insurance premium account
- (13) Insurance co's account.
- (14) Life insurance premium account.
- (15) Stationary account.
- (16) Stationary stock account.
- (17) Petty cash account
- (18) Loan given account
- (19) Interest received account
- (20) Loan received amount

- (21) Interest (paid) account.
- (22) Post office saving certificate account
- (23) Debentures account
- (24) Interest on debenture account
- (25) Bills receivable account.
- (26) Bills payable account
- (27) Machinery account
- (28) Machinery installation charges account.
- (29) Machinery repair account.
- (30) Depreciation on machinery account.
- (31) Bad debts account
- (32) Bad debts recovery account
- (33) Vehicles account
- (34) Closing stock account
- (35) Patents and trademark account.
- (36) Goodwill account
- (37) Gold - silver account.
- (38) Bank of India's account.
- (39) Bank overdraft account.

**3** Record the following transactions in the triple column cash book of Mr. Amit and cast Closing balances : **14**

<b>April '12</b>	<b>Rs.</b>
(1) Cash on hand .....	30,000
Bank balance .....	50,000
(2) Purchased goods worth Rs. 10,000 for cash at 3% Cash discount	
(3) Cash sales for Rs. 30,000 and allowed 5% Cash discount	
(4) Withdrew from Bank .....	16,000

- (5) Paid Electricity Bill by cheque ..... 5,000
- (6) Received a cheque of Rs. 12,000 from Hasil in full
- (7) Cheque received from Hasil deposited into bank
- (8) Sold goods for cash Rs. 50,000 at 10%  
Trade Discount and 5% Cash Discount
- (9) Cash deposited into bank..... 40,000
- (10) Purchased a computer and paid by cheque .... 50,000

**OR**

**3** Record following transactions in purchase book and sales **14**  
book of M/s Vardaan Enterprise and post then in suppliers  
Account, Customers accounts, sales book and purchase book.

- (1) Purchased goods from Milan and Co. worth Rs. 20,000  
at 5% trade discount
- (2) Sold goods for Rs. 12,000 at 10% Trade discount to  
Rakhi.
- (3) Purchased goods from Ritesh for Rs. 20,000
- (4) Purchased furniture from HiFi furniture for Rs. 60,000
- (5) Sold goods for Rs. 32,000 for cash to Neha.
- (6) Sold goods to Rakhi for Rs. 24,000 at 5% trade discount
- (7) Received a cheque from Rakhi for Rs. 10,800.
- (8) Paid Rs. 18,000 to Milan and Co. and received discount  
Rs. 1000.
- (9) Sold old furniture worth Rs. 8,000 to Mital.
- (10) Purchased goods for Rs. 24,000 from Mansi.

**4** The Trial Balance of M/s. Janam Enterprise does not tally. **14**  
The difference of Rs. 420 debited to suspense account.  
Thereafter following errors were detected on scrutiny of the  
books of accounts.

- (1) Rs. 9,450 paid to Ramesh was debited to his account  
as Rs. 10,530.
- (2) Discount allowed Rs. 1,500 was posted to the credit side  
of discount account.

- (3) Withdrew from bank Rs. 15,000 was debited to bank account.
- (4) Goods purchased from Nirasha for Rs. 18,000 was entered in sales book.
- (5) Paid salary account Mr. Arvind Rs. 30,000 was debited to Mr. Anirudh account.
- (6) House rent paid Rs. 4,500 was debited to rent account.
- (7) Rs. 7,500 received from Adi was not posted to his account.

Give Journal entries to rectify the errors and prepare suspense account.

**OR**

4 The Cash Book of Mr. Manoj shows bank balance Rs. 45,000 14 which does not tally with the balance shown by Bank Pass Book on 31-12-2016. PM scrutiny of cash book and passbook following facts have been detected.

- (1) Cheque for Rs. 35,000 issued to Bhasha has not been presented for payment yet.
- (2) Rs. 12,500 withdrawn from the bank for office use was entered in Bank column of the cashbook of Rs. 10,250.
- (3) The bank charges Rs. 1,250 debited by bank on 31-12-2016 is not recorded in cash book.
- (4) Debit side total of bank Column of cash book were over cast by Rs. 10,000.
- (5) Deposited Rs. 20,000 into bank has been recorded in credit side of bank column in cash book.
- (6) Cheque remitted into bank on 25-12-2016 for Rs. 32,500 has been cleared on 3-1-2017.
- (7) A customer has deposited directly in the bank account Rs. 40,000 on 29-12-2016 has not been recorded in book.

- 5 Following is the Trial Balance of M/s Vrindanvan Traders 14  
on 31-12-2016.

<b>Debit Balances</b>	<b>Rs.</b>	<b>Credit Balances</b>	<b>Rs.</b>
Opening Stock	25,000	Sales	3,10,000
Purchases	2,25,000	Creditors	66,500
Carriage Inward	2,500	Bank Loan	50,000
Salaries and Wages	50,000	Capital	1,00,000
Discount	500		
Interest on Loan	3,000		
Furniture	15,000		
Sundry Debtors	83,500		
Bad Debt	1,000		
Cash on hand	50,000		
Printing and Stationery	2,500		
Rent, Rates and Insurance	6,000		
Cash at Bank	62,500		
	<b>5,26,500</b>		<b>5,26,500</b>

You are required to prepare the Trading and Profit and Loss Account for the year ended on 31-3-2016 and the balance sheet as on that date after taking into account the following additional information :

- (1) Stock as on 31-3-2016 : Rs. 45,000
- (2) Write off Rs. 3,500 as Bad debt and provide Bad Debt. Reserve @ 2%
- (3) Provide depreciation on furniture at 10%
- (4) Salary outstanding Rs. 10,000.
- (5) Interest on Bank Loan outstanding Rs. 3,000
- (6) Prepaid insurance Rs. 500.

**OR**

5 (a) Give adjustment and closing entries for the following. 10  
Show your calculation also.

- (1) Rent outstanding Rs. 25,000.
- (2) Prepaid salary Rs. 40,000.
- (3) Charge interest @ 12% on drawing of Rs. 1,00,000.
- (4) Debtors are Rs. 10,00,000. Write off Rs. 1,00,000 as bad debt.
- (5) Creditor's are Rs. 8,00,000. Provide for Reserve for discount on creditors @ 3%
- (6) Cost of plant is Rs. 50,00,000. Total depreciation charged is Rs. 5,00,000.
- (7) Goods burnt by fire worth Rs. 50,000 has not been recorded in the books of accounts
- (8) Closing stock Rs. 3,00,000.
- (9) Allow interest @ 10% on capital Rs. 25,00,000.
- (10) Goods drawn for personal use worth Rs. 25,000 has not been recorded in the books of account

(b) Attempt the following : (any **one**) 4

- (1) Accounting v/s Book Keeping
- (2) Journal v/s Ledger.

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