



PBO-010-001106

Seat No. _____

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

November / December - 2018

106 : Principles & Practice of Accounting

(Old Course)

Faculty Code : 010

Subject Code : 001106

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

[Total Marks : 70

Instruction : Each question has equal marks.

1 Explain the Accounting Concepts (any four). **14**

OR

1 (a) Difference between Book Keeping and Accounting. **7**

(b) Difference between cash discount and trade discount. **7**

2 Record the journal entries in the books of Rashmi **14**
for the following transactions :

2018

May 1 She started her business with cash Rs. 40,000,
furniture of Rs. 2,000 and stock of goods Rs. 15,000.

2 Paid income tax Rs. 1,000.

3 Paid life insurance premium Rs. 1,200.

10 She withdrew goods of Rs. 500 for personal use.

11 As more finance is required Rs. 5,000 is brought
in the business.

15 Paid Rs. 600 to the doctor, for personal treatment.

18 Withdrew Rs. 700 from the business for personal
use.

22 Sold the personal asset of Rs. 20,000 for Rs. 16,000
and out of that Rs. 14,000 is brought in the
business.

25 On the occasion of birthday of personal relative's
son gave a gift of Rs. 50.

30 Income tax refund cheque of Rs. 100 by mistake
deposited in the bank account of business.

OR

- 2** Journalize the following transactions and post them **14**
in the ledger of Meera.

2018

- May 1 Purchased goods of Rs. 3,000 from Harsh.
3 Sold goods of Rs. 2,000 to Darshan Zaveri.
5 Deposited Rs. 1,900 into the bank through
Kushal Shah.
7 Brought additional capital Rs. 10,000 in the
business.
10 Paid Rs. 1,000 to Disha Mehta towards debts.
12 Received Rs. 2,000 from Ananya towards
receivables.
15 Paid life insurance premium Rs. 780 by cheque.

- 3** Record the following transactions in the Purchase **14**
Book, Sales Book, Return Books and Journal of
Bhartendu Purohit.

June : 2018

- 1 Purchased goods from Sarkar on credit Rs. 10,000 at 5%
trade discount.
2 Cash sales Rs. 5,000.
3 Purchased goods from Kohler for Cash Rs. 2,000 and
on credit Rs. 5,000 on 10% trade and cash discount.
4 Sold goods worth Rs. 2,000 to Sarkar on cash terms.
5 Sarkar Purchased goods from us Rs. 10,000
6 Invoiced goods worth Rs. 8,000 to Sanghvi after
purchasing the same on credit from Salvi for Rs. 6,000.
7 Purchased goods from Smith on credit Rs. 5,000 less 10%
trade discount.
8 Sanghvi returns 1/4th of the goods purchased by him.
The same were returned to Salvi.
9 Invoiced goods worth Rs. 10,000 to Sumant on 15 days
credit.
10 Received a debit note for Rs. 100 from Sarkar.

OR

3 Record the following transactions in the columnar cash book with cash, bank and discount columns for Shri Ashok for the month of March, 2018.

14

2018

March

- 1 Cash on hand Rs. 10,000, Bank O/d Rs. 15,000.
- 1 Additional capital brought in the business by selling his personal scooter for Rs. 20,000 and the amount deposited in the bank.
- 5 Cash sales of Rs. 20,000 at 10% trade discount and 2% cash discount.
- 8 Sold goods to Chirag Rs. 10,000 at 10% trade discount and he gave crossed cheque for half amount.
- 10 Withdrew from the bank Rs. 5,000 for personal expenses.
- 15 Cheque of Chirag was dishonoured and he gave cash against the cheque.
- 20 Received 3% commission on total sales of Rs. 3,00,000.
- 22 Cash deposited in the bank Rs. 10,000.
- 25 Received a cross cheque for Rs. 9,700 from Ramesh in full settlement of his amount of Rs. 10,000.
- 28 Issued a cheque to Amar for Rs. 7,840 after deducting 2% cash discount.
- 29 Salary paid by cash Rs. 5,000 and rent paid by cheque Rs. 8,000.
- 31 Keeping Rs. 1,000 cash on hand, balance deposited in the bank.

4 The trial balance of Hemali does not agree and the difference of Rs. 3,150 was transferred to the credit of suspense account. Later on following errors were discovered. 14

- 1 The sales book has been undercast Rs. 1,500.
- 2 Furniture bought for Rs. 200 has been entered into the purchase book.
- 3 Accrual of Rs. 80 for stationary has been omitted.
- 4 Purchase return book has been undercast by Rs. 900
- 5 Discount Rs. 240 received has been debited as discount allowed.
- 6 A bad debt of Rs. 260 has not been written off and provision for bad and doubtful debts has to be maintained at 10% on debtors which are shown in the trial balance at Rs. 2,260 and provision of bad debts shows a credit balance of Rs. 200.
- 7 Sale of Rs. 450 has been debited to a customer at Rs. 540.
- 8 A machine bought originally of Rs. 900 before 5 years and depreciated to Rs. 100 has been sold for Rs. 180 in the beginning of the year but no entries other than in the bank account has been passed through the book. Pass rectification entries and close the suspense account.

OR

4 From the following particulars prepare a Bank Reconciliation Statement. 14

Reconciliation Statement.

- 1 Bank overdraft as per cash book Rs. 32,400.
- 2 A cheque worth Rs. 1,400 deposited as per bank statement but not recorded in the Cash Book.
- 3 Debit side of bank column was cast short by Rs. 200.
- 4 A cheque of Rs. 10,000 deposited in the bank but the credit given in the pass book Rs. 9,992.
- 5 A party's cheque dishonoured recorded only in the pass book, amount Rs. 1,060.
- 6 Bank had directly collected the bills of Rs. 7,000.
- 7 Bank charges of Rs. 50 are recorded twice in the cash book.

5 (a) Distinguish between Trading A/c. and Profit and Loss A/c. 7

Loss A/c.

(b) Distinguish between Trial Balance and Balance Sheet. 7

OR

- 5 From the following Trial Balance of Shri Ashish Gandhi, 14
prepare Trading Account and Profit and Loss Account of
the year ending and the Balance Sheet as on that date :

<i>Dr. Balances</i>	<i>Rs.</i>	<i>Cr. Balances</i>	<i>Rs.</i>
Opening Stock	17,000	Capital	1,00,000
Purchases	96,100	Creditors	55,600
Wages	7,400	Sales	1,72,000
Carriage Inward	5,400	Rent	2,400
Carriage Outward	2,000		
Salary	6,000		
Building	80,000		
Furniture	4,600		
Depreciation on Furniture	500		
Debtors	81,000		
Insurance Premium	1,600		
Printing and Stationary	2,500		
Sundry Expenses	4,400		
Repairs	1,000		
Cash on hand	12,500		
Drawings	8,000		
	3,30,000		3,30,000

Adjustments :

- (1) Value of closing stock was Rs. 7,600.
 - (2) Rs. 1,200 was outstanding for salaries.
 - (3) Depreciate Building by 5%.
 - (4) Insurance paid in advance Rs. 100.
 - (5) Building rent received in advance was Rs. 300.
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