



JAV-19BBA106

Seat No. _____

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

December - 2019

Principles & Practice of Accounting

(New Course)

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

[Total Marks : 70

- Instructions :** (1) Show all the working notes as a part of the answer.
(2) Figures to the right indicate full marks of the question.

1 (A) What do you mean by accounting ? Explain the nature of accounting. 10

(B) Explain relationship between accounting and economics. 10

OR

1 (A) Write short note on : GAAPs. 10

(B) Discuss the advantages of double entry book-keeping. 10

2 Journalize the following transactions and post them in the ledger of Dwija. 20

2019

March

1 Started business with cash Rs. 3,00,000 and furniture of Rs. 16,000.

2 Bought office furniture Rs. 30,000.

3 Deposited Rs. 2,00,000 into bank to open a current account.

5 Purchased a computer of Rs. 50,000 and paid by cheque.

- 6 Bought goods on credit from Ritika
Rs. 60,000.
- 8 Cash sales of Rs. 30,000.
- 9 Sold goods on credit to Chintan Rs. 30,000.
- 13 Goods of Rs. 5,800 returned to Ritika and
Goods returned by Chintan Rs. 4,800.
- 14 Paid wages of Rs. 1,000 by cash and Insurance
Premium of Rs. 3,000 by cheque.
- 15 Cash received from Chintan Rs. 18,000.

OR

- 2 (A) Journalize the following transactions. (Narration not required). 10

2019

May	Rs.
1 Ram Started his business with cash	70,000
3 Purchased goods from Mr. X.....	50,000
8 Bought goods on credit from Mr. Y	6,000
12 Sold goods on credit to Mr. M	48,000
18 Paid salary to a clerk	12,000
21 Purchased furniture from Raj Furniture Mart.	18,500
23 Deposited into the bank	5,000
25 Paid general expenses	2,500
27 Withdrew goods for private use	1,000
30 Withdrew cash from Bank	2,000

(B) From the following balances, prepare Trial Balance of Tulsi Kumar. 10

Particulars	Amt. (Rs.)	Particulars	Amt. (Rs.)
Sales	1,07,800	Capital	1,00,000
Sales Returns	12,800	Discount received	1,800
Purchases	62,400	Plant and Machinery	35,000
Purchase Returns	12,400	Bank Overdraft	20,000
Opening Stock	15,000	Trade Expenses	1,500
Wages	10,600	Furniture	5,000
Sundry Creditors	32,500	Loose Tools	3,200
Wages outstanding	1,400	Insurance	500
Carriage outward	1,400	Drawings	3,000
Coal and Gas	2,500	Bank Charges	500
Commission	1,000	Salaries	4,500
Factory Building	1,00,000	Plant depreciation	2,000
Sundry debtors	15,000		

3 Record the following transactions in the subsidiary books of Rohit. 15

2019

July

- 1 Purchased goods from Virat Rs. 1,80,000 at 10% trade discount.
- 2 Sold goods to Pant Rs. 1,20,000.
- 4 Bought furniture from Murli Furniture Mart for Rs. 5,000.

- 5 Sold goods to Dhoni for Rs. 64,000 at 5% trade discount.
- 7 Pant returned goods worth Rs. 20,000.
- 9 Bought goods worth Rs. 1,25,000 from Vipul at 10% trade discount.
- 11 Returned goods to Virat Rs. 19,500.
- 17 Sold Machinery to Hardik Rs. 85,000.
- 21 Returned goods to Vipul Rs. 3,000.
- 27 Paid to Virat the amount due for purchases made on July - 1.
- 30 Received back goods worth Rs. 8,500 from Pant.

OR

- 3** Prepare a tripal column cash book from the following **15**
transactions.

2019

June		Amt. (Rs.)
1	Cash in Hand	85,000
	Cash at Bank.....	52,000
5	Paid salaries in cash	22,000
6	Paid Raman & Co. by cheque in full settlement of their claim Rs. 26,500	26,000
6	Received from Ramesh, on account cheque for	40,000
7	Bought goods for cash	12,500
8	Cash sent to Bank	10,000
9	Paid to Hari & Co. by cheque (Discount Allowed Rs. 300)	6,400
10	Received from Madan	15,000

12	Received from Ramlal by cheque (Discount allowed Rs. 800).....	16,000
13	Drawn from Bank	20,000
15	Paid wages.....	27,000
18	Cheque from Ramlal returned dishonoured and bank debits account in respect of charges.	200
25	Interest provided by bank	3,000
25	Goods sold to Mr. Venky for cash	8,000
26	Bought goods from Lakshmi on credit	2,700

- 4 From the following Trial Balance at Ramesh Dholkiya, 15
prepare Trading A/c, Profit and Loss A/c for the year
ended on 31st December, 2018 and Balance Sheet as on
the date :

Particulars	Debit (Rs.)	Credit (Rs.)
Drawings	10,000	—
Stock on 1-1-2018	46,000	—
Purchases and Purchase Returns	1,50,000	600
Cash in hand	3,400	—
Bank Balance	22,600	—
Freehold Premises	38,600	—
Trade Expenses	840	—

Printing, Stationary and Advertising	1,640	—
Professional charges	280	—
Commission Received	—	3,300
Investment as on 1 st Jan. @ 10%	4,000	—
Interest on Investment	—	200
Sundry Debtors and Creditors	36,000	29,000
Wages	25,000	—
Salaries	14,000	—
Capital	—	1,14,700
Income tax	1,600	—
Discount allowed and received	6,300	4,600
Sales Returns and Sales	500	2,08,000
Bills Receivables and Bills Payable	3,200	10,000
Office Furniture	3,050	—
Rent, Rates and Insurance	4,000	—
Bad Debts Provision	—	670
	3,71,070	3,71,070

Adjustment :

- (1) Stock on 31-12-2018 is Rs. 52,000.
- (2) Provide for wages Rs. 5,000.
- (3) Write off 5% depreciation on freehold premises and 10% on office furniture.
- (4) Insurance to the extent of Rs. 200 relates to 2019.
- (5) Charge interest on capital at 5%.

OR

4 The total of credit column of trial balance was short by **15**
Rs. 300. The difference was transferred to Suspense Account.
The following errors were discovered after the scrutiny of
the books of accounts :

- (1) The Sales book was undercast by Rs. 3,000.
- (2) The Stationery Purchased for Rs. 500 was entered in Purchase Book.
- (3) Purchase Return Book had been undercast by Rs. 2,000.
- (4) Discount received from a creditor Rs. 500 was debited to discount allowed account.
- (5) A sales of Rs. 4,500 has been debited to the customer account as Rs. 5,400.
- (6) Advertisement expenses of Rs. 600 entered in Cash Book was omitted to be posted in ledger.
- (7) A Purchase of Rs. 3,000 was wrongly entered in Sales Book.
- (8) Salary paid to Mr. Jayesh Rs. 5,000 was debited to his account.

Pass necessary journal entries to rectify the above errors and prepare Suspense Account.
