



BC-161100010106 Seat No. _____

B. B. A. (Sem. I) (CBCS) (W.E.F. 2016) Examination

March – 2021

Principles & Praticce of Accounting : Paper - 106
(Old Course)

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

[Total Marks : 70

Instructions : (1) Figures to the right side indicate marks.
(2) Show the necessary calculations.

- 1 Write a short note any **two** of the following : 14
(a) Objectives of Accounting.
(b) Generally accepted accounting principles.
(c) Rules of Debit and Credit.
(d) Advantages of Accounting.
- 2 Discuss the definition, nature and scope of Accounting. 14
- 3 Enter the following transactions of Shri Nisha in her 14
Journal.
2020
Dec. 1 : Opened a bank account with Rs. 20,000
Dec. 2 : Received a cheque from Misary Rs. 100
Dec. 3 : Cheque received from Misary is paid into bank.
Dec. 4 : Received a crossed cheque from Prisha Rs. 400
(cheque received from Prisha
immediately paid into Bank Rs. 400)
Dec. 5 : A machine was purchased for Rs. 10,000 and paid
for it by a cheque. The installation charges of the
machine Rs. 200 paid in cash.
Dec. 6 : Sold goods for cash Rs. 4,000 and paid half the
amount into the bank.
Dec. 7 : Withdrawn Rs. 200 for personal use and Rs. 400
for office use from bank.
Dec. 8 : Paid Rs. 200 for salary in cash and fire insurance
premium Rs. 100 by a cheque.
Dec. 9 : Given a cheque of Rs. 500 to Akshay on account.
Dec. 10 : Bank has debited Rs. 5 to our account for bank
charges and credited Rs. 10 for interest.
Dec. 11 : Given a cheque of Rs. 105 to Vishal in full
settlement for our dues of Rs. 110 to him.

- 4 Post the following transactions in the books of Misary Shah and prepare necessary ledger as per required. 14
2020
- March 1 : Started business with cash Rs. 20,000.
 March 5 : Purchased goods from Abhay for cash Rs. 4,000
 March 12 : Sold goods to Hetal Rs. 1,500 and paid carriage Rs. 100 on her behalf.
 March 16 : Purchased a cupboard Rs. 5,600.
 March 24 : Paid Rent Rs. 850 and paid salary to the accountant Krunal Rs. 1,000.
 March 26 : Received commission Rs. 1,200 from Ravi.
 March 29 : Paid daughter Riya's college fee Rs. 450.
- 5 Enter the following transactions in the subsidiary books of Navin 2020. 14
- Jan. 1 : Purchased goods from Kripal at a trade discount of 20% Rs. 10,000.
 Jan. 2 : Of these, half the goods are sold to Gambhir at a profit of 20%.
 Jan. 2 : Purchased furniture from Atul on credit Rs. 300.
 Jan. 3 : Gambhir returned defective goods at Rs. 240, which we returned to Kripal.
 Jan. 4 : Purchased goods of Rs. 2,000 from Mahesh at 20% trade discount and 5% cash discount. Paid half the amount in cash.
 Jan. 5 : Sold to Devang goods for cash Rs. 300.
 Jan. 6 : Mira placed an order to supply goods Rs. 1,000.
 Jan. 7 : Sent goods to Mira as per his order and paid Rs. 10 for carriage on his behalf.
 Jan. 8 : Returned defective furniture to Atul Rs. 100.
- 6 Enter the following transactions in the two column Cash Book of Jain having Cash and Bank columns. 14
2020
- Feb. 1 : Cash balance Rs. 11,000, Bank balance Rs. 6,000
 Feb. 5 : Cash purchases Rs. 1,000, Cash sales Rs. 2,000
 Feb. 7 : Rs. 5,000 paid into bank.
 Feb. 8 : Received a cheque for Rs. 1,000 from Mona.
 Feb. 9 : Paid salary by cheque Rs. 400.
 Feb. 15 : Sold goods Rs. 4,000 and received cheque which was paid in the bank.

- Feb. 20 : A cheque which was received from Mona was paid into bank.
- Feb. 22 : Withdrawn Rs. 4,000 for office expenses and Rs. 5,000 for personal use from the bank.
- Feb. 24 : The cheque given by Mona and paid into the bank was dishonoured.
- Feb. 26 : A dividend of Rs. 1,500 collected by the bank was credited and Rs. 10 bank charges were debited.
- Feb. 28 : Purchased goods worth Rs. 2,000 from Vihan on credit. Paid carriage Rs. 100 in cash.

7 Cash book of Nayna and Co. showed a debit balance of Rs. 15,000 on 31-3-2019, which did not tally with the balance as disclosed by the Bank statement. On scrutinizing the following points observed : 14

- (1) Cheque of Rs. 1,250 was deposited in bank on 28th March, 2019 which was credited by the bank on 2-4-2019.
- (2) Out of the total cheques of Rs. 12,000 issued during the month of March, 2019 cheques of Rs. 7,000 were not presented for payment.
- (3) Bank charges Rs. 10 and interest collected and credited Rs. 100 in the bank statement were not recorded in the Cash Book.
- (4) Bank had paid Rs. 1,250 for the life insurance premium according to the standing instruction.
- (5) Debit side of the bank column of the cash book was over cast by Rs. 750.
- (6) A cheque of Rs. 125 issued to a creditor was duly paid by the bank but it was recorded in the cash book as Rs. 152.

You are required to prepare Bank Reconciliation statement as on 31-3-2019.

8 (A) Explain the Bill of Exchange. Explain its characteristics. 7

(B) A has drawn a Bill of Rs. 6,000 on B payable after two months from the date of issue. B accepted the bill and sent to A after having duly signed. A sent the bill to bank for collection. On the date of maturity bank collected the money on behalf of A charging Rs. 25 for collection. Pass necessary journal entries in the books of A and B. 7

- 9 From the following Trial Balance of S prepare Trading and Profit and Loss Account for the year ending 31-3-2019 and Balance Sheet as on that date. 14

Debit Balances	Amount	Credit Balances	Amount
Opening Stock	34,000	Capital	2,00,000
Purchases	1,92,200	Creditors	1,11,200
Wages	14,800	Sales	3,44,000
Carriage inward	10,800	Rent	4,800
Carriage outward	4,000		
Salary	12,000		
Buildings	1,60,000		
Furniture	9,200		
Depreciation on Furniture	1,000		
Debtors	1,62,000		
Insurance Premium	3,200		
Printing and Stationery	5,000		
Sundry Expenses	8,800		
Repairs	2,000		
Cash on hand	25,000		
Drawings	16,000		
	6,60,000		6,60,000

Adjustments :

- (1) Value of closing stock was Rs. 15,200.
- (2) Rs. 2,400 was outstanding for salaries.
- (3) Depreciation building by 5%
- (4) Insurance paid in advance Rs. 200.
- (5) Buildings rent received in advance was Rs. 600.
- (6) Credit purchase of Rs. 1,400 was not recorded in the books of account.

- 10 Give Journal Entries to rectify the following errors : 14

- (1) Rs. 1000 paid for erecting a machine is debited to the Wage Account.
- (2) Goods worth Rs. 4,000 was destroyed by fire, which was not insured. This has not been recorded in the books.
- (3) Rs. 800 paid to Shruti has been recorded in Vibhuti's Account.
- (4) A bill payable of Rs. 1,700 was drawn by Devji Sankhat but has been entered in the Bills Receivable Book.
- (5) Purchase of Rs. 425 made from Falgun Kaneriya has been entered as Rs. 452 in the Purchase Book.
- (6) The sale of Rs. 125 made to V has been entered as Rs. 152 in the Sales Book.
- (7) Goods worth Rs. 1,500 was sold to Kalavadiya Brothers which has been written in the Purchase Book.
- (8) Salaries Rs. 800 paid to Vishak Jain is debited to his personal account.