



BC-19BBA106

Seat No. _____

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

March – 2021

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 answers.
(2) All the questions have same marks.
(3) Write any four answers.

- 1 What do you mean by accounting ? Describe the advantages and limitation of accounting. **17.5**
- 2 (A) State the difference between book keeping and accounting. **10**
(B) Write short note on – Scope of Accounting. **7.5**
- 3 Record the following transaction in the journal of Jaydeep and prepare Capital A/c. Cash A/c. Bank A/c. Purchase A/c. and Rohit A/c. and post them there in : **17.5**
- Dec. 1 Started business with cash Rs. 1,00,000 and Furniture Rs. 5,000
- Dec. 2 Purchased goods worth Rs. 10,000 at 10% Trade Discount and 3% Cash Discount.
- Dec. 3 Paid carriage for purchase of goods Rs. 200.
- Dec. 4 Goods worth Rs. 3,000 sold for Rs. 5,000 at 3% cash discount.
- Dec. 5 Opened a bank account with SBI and deposited Rs. 75,000.
- Dec. 5 Purchased goods from Rohit for Rs. 7,000.
- Dec. 6 Returned half of the goods to Rohit.
- Dec. 7 Paid to Rohit by cheque Rs. 3,300 and earned cash discount Rs. 200.
- Dec. 8 Received commission Rs. 2,500.
- Dec. 10 Withdrew from SBI for payment of house rent Rs. 3,000.

- 4 From the following ledger balances, you are required to prepare a Trial Balance as on 31-12-2020. 17.5

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Capital	1,80,000	Purchase	11,29,700
Drawings	32,500	Debtors	40,000
Stock (1-1-20)	1,74,500	Goodwill	17,300
Returns inwards	5,540	Creditors	30,000
Carriage inwards	12,400	Advertisement	
Deposits with Mr. Kamal (interest free)	13,750	Expenses	9,540
Carriage outwards	7,250	Provision for doubtful debts	12,000
Loan to Anil @ 5% given on 1-1-2020	10,000	Bad Debts	4,000
Returns outwards	8,400	Patents and Trade Marks	5,000
Interest on the above loan to Anil	250	Cash in Hand	620
Rent	8,200	Sales	12,79,140
Rent outstanding	1,300	Discount allowed	3,300
		Wages	7,540
		Plant and Machinery (Purchased on 1-1-2020)	30,000

- 5 Enter the following transactions in a Three column cash book. 17.5

2020

- January 1 Cash in hand Rs. 5,374; Balance at bank Rs. 16,490
- January 3 Cash sales Rs. 6,400.
- January 5 Paid Rs. 7,000 into bank.
- January 6 Received a cheque for Rs. 700 from Lalitha and deposited in the bank.
- January 10 Paid to Venky by cheque Rs. 1,980 and discount allowed by him Rs. 120.
- January 12 Cash purchase Rs. 2,500.
- January 14 Withdraw from bank for office use Rs. 5,000.
- January 15 Received cheque for Rs. 950 from Lucky, allowed discount Rs. 50.
- January 18 Cash sales Rs. 7,500.
- January 19 Paid into bank Lucky's cheque for Rs. 950 and cash Rs. 4,000.
- January 21 Cash paid for stationary Rs. 120.
- January 23 Paid commission to Rakesh by cheque Rs. 500.

- January 25 Received cheque for Rs. 1,000 from Chander Mohan and paid the same into bank.
- January 27 Lucky's cheque dishonoured.
- January 29 Drew a cheque for Rs. 800 for personal use.
- January 31 Paid salaries by cheque Rs. 1,050 and by cash Rs. 500.
- January 31 Bank charges Rs. 20 and insurance premium Rs. 520 as per pass book.

- 6 Record the following transaction in the subsidiary books of Sonukumar. 17.5

July 2019

- 1 Purchased goods from Anand Rs. 1,70,000 at 10% trade discount.
- 2 Sold goods to Priya Rs. 1,10,000.
- 4 Bought furniture from Mohan Furniture Mart for Rs. 5,000.
- 5 Sold goods to Mansi for Rs. 1,12,000 at 5% trade discount.
- 7 Priya returned goods worth Rs. 35,000.
- 9 Bought goods worth Rs. 1,15,000 from Vishal at 10% trade discount.
- 11 Returned goods to Anand Rs. 25,000.
- 17 Sold Machinery to Hardik Rs. 60,000.
- 21 Returned goods to Vishal Rs. 30,000.
- 27 Paid to Anand the amount due for purchases made on 1st July.
- 30 Received back goods worth Rs. 5,000 from Priya.

- 7 From the following Trial Balance of "Y" as on 31-3-2013 and additional information, prepare Trading and Profit and Loss Account and Balance Sheet as at that date. 17.5

Trial Balance

Particulars	Debit (Rs.)	Credit (Rs.)
Opening Stock	1,00,000	–
Capital	–	9,00,000
Debtors and Creditors	1,20,000	70,000
Purchase and Sales	8,00,000	14,00,000
Returns	30,000	20,000
Carriage	16,000	–
Wages and Salaries	50,000	–
Commission	–	26,000

Machinery	1,60,000	—
Furniture	40,000	—
Bad Debts	16,000	—
Provision for Doubtful debts	—	20,000
B/R and B/P	60,000	14,000
Taxes and insurance	34,000	—
Land and Buildings	8,00,000	—
Discount Allowed	24,000	—
Bank	1,00,000	—
Drawings	1,00,000	—
	24,50,000	24,50,000

Additional Information :

- (a) Value of the closing stock as on 31-3-2013 is Rs. 80,000.
- (b) Insurance prepaid is Rs. 4,000. Wages and Salaries outstanding is Rs. 2,000.
- (c) Provide for doubtful debts on the debtors @ 10%.
- (d) Depreciate machinery and furniture @ 10% and @ 15% respectively.
- (e) Goods of the value of Rs. 10,000 were taken by the proprietor for his own use but no entry was made in the books of account.

8 The total of credit column of trial balance was short **17.5** by 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 under cast by Rs. 3,000.
- (2) The stationary purchased for Rs. 500 was entered in purchase book.
- (3) Purchase return book had been under cast 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 customer account at Rs. 5,400.
- (6) Advertisement expenses of Rs. 600 entered in cashbook 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. Subodh Rs. 5,000 was debited to his account.

Pass necessary journal entries to rectify the above errors and prepare suspense account.