



**DAC-19BBA205** Seat No. \_\_\_\_\_

**B. Com. (Sem. II) (CBCS) Examination**

**April – 2022**

**Business Accounting**

*(New Course)*

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

[Total Marks : 70

**Instructions :**

- (1) Figures on the right side indicate marks.
- (2) There are eight questions each of equal marks.
- (3) Show working as a part of answer.
- (4) Write any four questions.

- 1 (A) Explain History of development of Accounting Standards. **7.5**  
(B) Give meaning of Accounting Standards. Explain benefits **10**  
of Accounting Standards.

- 2 Explain Accounting Standards Boards of India (with functions, **17.5**  
scope and procedure for issuing Accounting Standards).

- 3 The details of purchases of machinery in the books of **17.5**  
Rajesh and company were as follows :

- (1) On 1/4/'18, cost Rs. 1,00,000 usefull life 10 years.
- (2) On 1/10/'18, cost Rs. 80,000 usefull life 8 years.
- (3) On 1/4/'19, cost Rs. 60,000 usefull life 12 years.
- (4) On 30/6/'19, cost Rs. 30,000 usefull life 10 years.

Scrap value of all machines is 20% of its cost. A machine costing Rs. 80,000 was sold on 31/3/'20 at a profit of 10% on book value. Depreciation is charged on straight line method.

Prepare machinery account for 2018-'19 and 2019-'20 and show the effect in the final accounts of first year.

- 4 From the following transactions of purchase and issues of material 'k' during the period from 1st Jan. 2020 to 31<sup>st</sup> Mar. 2020. 17.5

Prepare stock register as per FIFO, LIFO and weighted average method.

<b>Date 2020</b>	<b>Units</b>	<b>Rate per unit</b>	<b>Date 2020</b>	<b>Units</b>
Jan.-3	4,000	5 Rs.	Feb.-1	2,000
Jan.-23	500	4 Rs.	Feb.-15	4,000
Feb.-9	6,000	6 Rs.	March-3	1,000
March-13	4,500	5 Rs.	March-20	5,000

**Additional informations :**

- (i) Stock on 1st Jan. 2020 was 1000 units at rate of Rs. 4 per unit.
- (ii) From the issues of 3rd March 200 units have been returned back to store on 5th March.
- (iii) Physical checking of stores on 31st March revealed shortage of 100 units.

- 5 From the following Trial Balance of the Sargam Ladies Club as at 31/03/2020 and other information. Prepare Income and Expenditure Account and Balance-Sheet as on 31/03/2020 : 17.5

<b>Debit balance</b>	<b>Amt.</b>	<b>Credit balance</b>	<b>Amt.</b>
– Salary	2,30,000	– Entrance fees	2,20,000
– Printing & Stationery	32,000	– Subscriptions	3,20,000
– Closing cash & Bank balance	1,56,000	– Rent received	60,000
– Advertisement		– Donations	80,000
expense.	32,000	– Capital Fund	16,94,800
– Fire Insurance	24,000	– Income from	

– Sundry expenses	12,000	Entertainment programme	30,000
– Purchase of 10% Investments (1/10/'19)	4,00,000	– Income from Advertisement in souvenir	36,000
– Audit fee	2,000	– Donation for Honouring President	23,000
– Equipment for entertainment	5,00,000	– Donation for prize fund	33,000
– Club premises	9,48,000	– Income from Entertainment programme	9,600
– Expenses of Fixtures	80,000	– Sale of old furniture (Book value Rs. = 6,400)	4,200
– Furniture & Entertainment Programme	20,000	– Income from prize fund	1,000
– Souvenir printing Expenses	16,000	– Balance of sundry Expenses (last year)	3,200
– Subscription due for last year	10,000		
– Expenses of programme of Honouring President	15,000		
– Prize Distribution expenses	9,600		
– Expenses of programme for prize distribution	4,600		
– Entertainment expenses	7,600		
– Purchase of furniture (1/10/'19)	16,000		
	<b>25,14,800</b>		<b>25,14,800</b>

**Additional Informations :**

- (1) Subscription outstanding for current year is Rs. 40,000 last year's subscription received Rs. 10,000 and subscription received for 2020-'21 Rs. 4,000.

- (2) 50% of entrance fees is to be capitalised.
- (3) Expenses of printing souvenir Rs. 1160 is outstanding and outstanding salary Rs. 4,000.
- (4) Insurance premium Rs. 12,000 is paid for the year ending 30/9/'20.
- (5) Sundry expenses include Rs. 3,200 paid for last year and outstanding for current year is Rs. 1,500.
- (6) Depreciate Ent. equipment and furniture at 10% depreciation on furniture sold is to be ignored.

- 6 From the following information supplied by the secretary of the Rajkot youth club, prepare (1) Receipt and payment Account (2) Income and expenditure account for the year ending 31<sup>st</sup> December, 2019 and (3) Balance-sheet as on the same date : 17.5

Particulars	Amt.	Amt.
<b>Cash at Bank</b>		
on 31/12/'18		24,000
on 31/12/'19		35,025
Investments (on 31/12/'18)		32,250
Furniture and fittings (on 31/12/'18)		15,000
Investments purchased during the year		11,550
Entrance fees (to be capitalised)		26,250
Subscription received during the year		2,07,900
<b>Further information regarding subscription</b>		
Arrears of 2018	18,375	
Arrears of 2019	17,325	
Received in advance 2018	5,775	
Received in advance 2019	4,725	
Expenses paid during the year		3,01,875

<b>Further information regarding expenses :</b>		
Expenses unpaid in 2019	22,935	
Expenses unpaid in 2018	16,125	
Expenses prepaid in 2018	3,000	
Expenses prepaid in 2019	7,500	
Surplus from programmes in 2019		75,750
Interest received in 2019		14,550
Opening capital fund		70,725

- 7 Following details are taken from Devansh Corporation for the **17.5** year ending 31/12/16. During the year 1000 units are produced and 950 units are sold :

<b>Particulars</b>	<b>Amt.</b>	
Direct material		2,00,000
Direct wages		3,00,000
Direct expenses		50,000
Manufacturing charges (20% fixed)		1,00,000
<b>Administrative expenses :</b>		
Fixed	50,000	
Variable	<u>10,000</u>	60,000
<b>Selling expenses :</b>		
Fixed	5,000	
Variable	<u>20,000</u>	25,000
Sales		<b>8,00,000</b>

For the year 2017 it is estimated that :

- (1) Production will be 1,500 units and sales will be 1,400 units.
- (2) Price of material will rise by 25% and price of direct wages will rise by 10%.
- (3) Manufacturing charges will increase in proportion of combined cost of material and wages.
- (4) Fixed administrative charge will remain fixed but variable administrative charge will increase by 5%.
- (5) Fixed selling expenses will be doubled, but variable selling expense will remain unchanged.

Prepare (1) Cost Sheet for the year 2016

(2) Tender Sheet for the year 2017.

- 8 "Galaxy" theatre of Rajkot has three different types of seating 17.5 arrangements. The first is lower class where they have 250 seats, upper class has 250 seats and balcony has 125 seats. General weighted of the occupied seats are 3:2:1 respectively. The theatre runs three shows per day. Other related informations of 365 days are as under.

Salary of :	1 incharge	Rs. 400 P.M.
	10 ticket checkers	Rs. 200 P.M.
	3 operators	Rs. 400 P.M.
	4 office assistants	Rs. 250 P.M.

Other Expenses :

Electricity	Rs. 11,655 p.a.
Cleaning	Rs. 7,235 p.a.
Other expenses	Rs. 5,425 p.a.
Advertisement	Rs. 34,710 p.a.

Office expenses	Rs. 18,000 p.a.
Print cost	Rs. 1,40,700 p.a.
Building	Rs. 4,00,000
Projector value	Rs. 3,20,000

It is the general tradition of the theatre to provide 10% depreciation on their all fixed assets. Generally 80% seats are occupied during the show and theatre runs for all 365 days in a year. Find out cost per man-show and determine ticket charges if the theatre wants to earn profit of 30% on ticket.

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