



DCZ-161100010106

Seat No. _____

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

August - 2022

Principles of Practice of Accounting

(Old Course)

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

[Total Marks : 70

- Instructions :** (1) Show all the working notes as a part of answer.
(2) All the questions have same marks.
(3) Write any five answers.

1 What do you mean by accounting? Describe the relationship of accounting and economics along with similarities and differences. 14

2 Write a short note on : 14
(a) Dual Aspect of Accounting.
(b) Types of Account.

3 Journalise the following transactions and post them in the ledger of Meera. 14

Jan 1 Commenced business with Cash Rs. 10,000, Furniture Rs. 900, Stock of goods Rs. 500 and Creditors Rs. 350.

Jan 2 Purchased goods worth Rs. 5,000 at 10% Trade discount and 4% Cash discount.

Jan 3 Purchased Stationery of Rs. 150.

Jan 5 Sold goods for Rs. 4,000 at 10% trade discount to Ashok.

Jan 8 Opened a bank account and deposited Rs. 1,000.

Jan 10 Purchased goods from Dipika for Rs. 2,500.

Jan 13 Paid life insurance premium Rs. 550 and fire insurance premium Rs. 450.

- 4 From the following ledger balances, you are required to prepare a Trial Balance as on 31-12-2021. 14

Particulars	Amt. Rs.	Particulars	Amt. Rs.
Cash in hand	5,000	Employee Salary	25,000
Cash at Bank	2,00,000	Marketing Expenses	5,000
Sundry Debtors	30,000	Insurance Paid	2,000
Sundry Creditors	14,000	Office Rent	2,000
Bills Receivables	22,000	Drawings	22,000
Bills Payables	7,000	Stock	18,000
Sales	3,00,000	Capital A/c	1,00,000
Purchases	80,000	Furniture & Fixtures	7,000
Carriage Inwards	3,000		

- 5 Record the following transactions in proper subsidiary book of Arvind. 14

2021

- Jan. 1 Sold goods to Rajesh Rs. 525.
 Jan. 1 Purchased from Hariram Rs. 78.
 Jan. 2 Rajesh returned goods of Rs. 75.
 Jan. 2 Sold to Dinanath Rs. 550.
 Jan. 2 Purchased goods from Navghan Rs. 700.
 Jan. 4 Returned goods to Navghan Rs. 100.
 Jan. 4 Purchased from Devi Dayal Rs. 325.
 Jan. 4 Sold to Zakir Hussain Rs. 350.
 Jan. 5 Zakir Hussain returned goods Rs. 45.
 Jan. 6 Sold to Ram Saran Rs. 500.
 Jan. 6 Sold to Ghanshyam Rs. 300.
 Jan. 7 Ram Saran returned goods Rs. 50.

- Jan. 7 Purchased from Devi Dayal Rs. 700.
- Jan. 8 Returned goods to Devi Dayal Rs. 75.
- Jan. 9 Purchased goods from Devangi subject to a trade discount of 10% Rs. 10,000.
- Jan. 10 Sold to Prabhat goods subject to trade discount of 5% Rs. 500.

6 Enter the following transactions in a Three column cash book : **14**
2021

- April 1 Cash in hand Rs. 12,000; Bank Balance (Cr.) Rs. 10,000
- April 2 Paid legal expenses by cheque Rs. 2,000
- April 4 Cash Sales Rs. 4,000
- April 6 Purchased goods of Rs. 3,000 on cash basis after cash discount of Rs. 200.
- April 8 Salaries paid in cash Rs. 5,600.
- April 10 Received cheque of Rs. 7,000 from Mukesh and deposited the same in bank.
- April 12 Received cash from Suresh Rs. 4,500 and discount allowed Rs. 500.
- April 18 Cheque received of Rs. 1,500 from Naresh and deposited in bank.
- April 19 Withdrawn Rs. 2,500 from bank for domestic use.
- April 20 Cheque received from Naresh returned by the bank after it was dishnoured.
- April 24 Telephone bill of Rs. 3,200 paid by cheque (including Rs. 700 for domestic connection)
- April 29 Paid rent of Rs. 1,800 by cheque.
- April 30 Cheque recived of Rs. 6,500 from Suresh and deposited in bank.

7 Pass necessary journal entries in the books of Ram. 14

On 1st January 1999, Ram drew and Shyam accepted a bill of three months for Rs. 4,000. On 4th January, 1999 Ram discounted the bill at 15% p.a. and remitted half the proceeds to Shyam. On 1st February, 1999 Shyam drew and Ram accepted a bill at four months for Rs. 3000. On 4th February 1999 Shyam discounted the bill at 15% p.a. with his bank and remitted half the proceeds to Ram. They both agreed to share discount equally.

At maturity Ram met his acceptance but Shyam dishonored bill and Ram had to pay it. Ram drew and Shyam accepted a new bill at three months for the original bill plus interest at 18% p.a. On 1st July, 1999 Shyam became insolvent and only 50 paisa per rupee recovered from him.

8 Prepare Bank Reconciliation statement as on 31st March, 2014. 14

On 31st March, a merchant compared his Pass Book with his Cash Book and found the following differences.

- (1) Cheques amounting to Rs. 2,500 were paid in on 27th March, out of which cheques of the value of Rs. 800 were credited in the Pass Book on 4th April.
- (2) Cheques totaling Rs. 4,000 were issued during the month of March out of which cheques of the value of Rs. 900 were debited in the Pass Book after 31st March.
- (3) There was a debit of Rs. 20 for bank charges in the Pass Book.
- (4) There was a credit of Rs. 50 in the Pass Book for interest on customer account.

- (5) An entry of Rs. 100 of a payment by a customer direct into the bank appears in the Pass Book.
- (6) Bank column on the payment side of the Cash Book was found to be overcast by Rs. 1,000.
- (7) Interest on investments amounting to Rs. 200 collected by the bank appears in the Pass Book.
- (8) Insurance premium of Rs. 300 paid by the bank on behalf of the merchant appeared in the pass book.
- The merchant's cash book disclosed a debit balance of Rs. 7,579 on 31st March.

- 9 From the following Trial Balance prepare Trading and Profit and Loss Account for the year ended 31st December, 2014 and Balance Sheet as on the date : 14

Trial Balance

Particulars	Debit (Rs.)	Credit (Rs.)
Drawings	10,000	-
Stock on 1-1-2014	46,000	-
Purchases & Purchases Returns	1,50,000	600
Cash in Hand	3,400	-
Bank Balance	22,660	-
Freehold Premises	38,600	-
Trade Expenses	840	-
Printing, Stationery and advertising	1,640	-
Professional charges	280	-
Commission Received	-	3,300
Investment as on 1 st Jan, @10%	4,000	-
Interest on Investments	-	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 Receivable and Bills Payable	3,200	10,000
Office furniture	3,050	-
Rent, Rates & Insurance	4,000	-
Bad Debts provision	-	670
	3,71,070	3,71,070

Additional Information :

- (a) Wages outstanding Rs. 5,000.
- (b) Write off 5% depreciation on freehold premises and 10% on office furniture.
- (c) Insurance to the extent of Rs. 200 relates to 2015.
- (d) Stock on 31-12-2014 is Rs. 52,000.
- (e) Charge interest on capital 5%.

10 Give the rectification entries for the following errors. **14**

- (1) Sales to "X" Rs. 2,000 credited to his account as Rs. 200.
- (2) Rs. 5,000 paid for furniture purchased has been debited to purchase account.
- (3) Wages paid Rs. 7,000 for installation of new machinery were recorded in wages account.

- (4) Goods sold to Hari Rs. 10,000 not recorded.
 - (5) Rs. 2,500 received from Monu has been credited to Sonu A/c.
 - (6) Rent paid Rs. 1,000 wrongly debited to Landlord account.
 - (7) Credit purchased from Raman Rs. 15,000 were wrongly recorded in Sales Book.
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