



Seat No. \_\_\_\_\_

**HT-161100010205**  
**B. B. A. (Sem. II) Examination**  
**May - 2023**  
**Business Accounting**  
**(Old Course)**

Time :  $2\frac{1}{2}$  / Total Marks : 70

**Instructions :**

- (1) Working note as a part of answer.
- (2) Figures on the right side indicate marks.

1 Explain meaning and usefulness of Accounting Standards. 14

**OR**

1 List out the names of Accounting Standards published by ICAI in India. 14

2 'Krinal Indu' purchased machinery as follows : 14

<i>Date of Purchase</i>	<i>Cost of Machine (Rs.)</i>
1-4-2020 .....	1,20,000
1-10-2020 .....	80,000
1-7-2021 .....	40,000

On 1-1-2022, 1/3 of Machine which was purchased on 1-4-2020 became absolute and was sold for Rs. 12,000. The machinery was to depreciated by fixed Instalment method at 10% p.a.

Prepare Machinery Account for the years 2020, 2021 and 2022. Assume that the accounting year of the company end on 31<sup>st</sup> December every year.

**OR**

- 2 Following transactions are recorded from the stores department 14  
during December 2021 :

<i>Date</i>	<i>Units</i>	<i>Receipt/Issue</i>	<i>Price (Rs.)</i>
1	1000	Opening Stock	5.00
2	400	Issue	-
3	600	Purchase	5.50
8	500	Purchase	5,25
10	450	Issue	-
15	525	Issue	-
16	1800	Purchase	5.40
20	25	Deficit	-
21	100	Material return from issue	
		15 <sup>th</sup> Dec.	-
25	700	Issue	-
28	10	Deficit	-
31	500	Issue	-

Issue of material is priced following method:

- (1) From 1 to 10-12-2021 LIFO method.
- (2) From 11 to 20-12-2021 FIFO method
- (3) From 21 to 31-12-2021 weighted average method.

Value of deficit is decided on basis of force during period.

Prepare Stock Register and also show calculation for weighted method using for issue.

- 3 Solicitor "Asha" submit to you following trial balance for her financial year ending on 31-3-2020. Prepare her final accounts. 14

***Trial Balance***

<b><i>Debit Balance</i></b>	<b><i>Amount (Rs.)</i></b>	<b><i>Credit balance</i></b>	<b><i>Amount (Rs.)</i></b>
Library Books	45,000	Capital	50,000
Office equipments	30,000	Reserve for	
Office building	75,000	outstanding fees	
Office expenses	25,000	(1-4-2019)	16,000
Salaries and		Bills of Fees	1,96,000
Allowances :		Apprentice Premium	
Office	20,000	(received on 1-4-2019	
Client	10,000	for two years)	10,000
Cash on hand	3,000	Outstanding salary	6,000
Debtors for fee	25,000		
Clients sundry			
Expenses	15,000		
Suspense A/c	30,000		
	<b>2,78,000</b>		<b>2,78,000</b>

***Adjustments :***

- (1) Rs. 6,000 fees received in advance from clients is wrongly included in Bills of fees.
- (2) Office expenses of Rs. 1,000 is included in sundry expenses for clients by mistake.
- (3) Interest is to be calculated 10% on capital.
- (4) Depreciate at 10% on office building, office equipments and library books.

If Mr. Ketan is to join partnership with Asha in the coming year and if bills of fees not prepared it is estimated Rs. 10,000, find out profit.

**OR**

- 3 From the following information of Sports Club prepare income and expenditure account for the year ended on 31<sup>st</sup> March, 2022 and balance sheet as on that date. 14

***Balance Sheet of Sports Club as on 31<sup>st</sup> March 2021***

<b><i>Liabilities</i></b>	<b><i>Amount (Rs.)</i></b>	<b><i>Assets</i></b>	<b><i>Amount (Rs.)</i></b>
Capital Fund	34,000	Sports Equipments	21,600
Prize Fund	10,000	10% prize fund	
Subscription		investment	10,000
Received in		Outstanding subscription	1,000
Advance	3,000	Furniture	6,000
Outstanding		Pre-paid Sundry exp.	400
Salary	500	Cash on hand	8,500
	<b><i>47,500</i></b>		<b><i>47,500</i></b>

***Receipt and Payment A/c for Sports Club of year ended on 31<sup>st</sup> March 2022 :***

<b><i>Receipts</i></b>	<b><i>Amount (Rs.)</i></b>	<b><i>Payments</i></b>	<b><i>Amount (Rs.)</i></b>
To Opening cash		By Salaries	13,500
Balance	8,500	By Purchased sports	
To Subscription	22,000	equipments	6,400
To Interest on prize		By Distribution of	
Fund investment	500	prizes	800
To Sale old furniture		By Purchase	
(book value Rs. 1000)	650	furniture (1-1-2022)	4,000
To Income from		By Rent	1,200
Tournament	3,250	By Sundry Exp.	1,500
To Entrance Fees	1,600	By Tournament Exp.	2,800
		By Closing cash Bal.	6,300
	<b><i>36,500</i></b>		<b><i>36,500</i></b>

**Other information as on 31-3-2022** **Amount (Rs.)**

- (1) Outstanding subscription ..... 4,000
- Subscription received in advance ..... 2,000
- Paid in advance salary ..... 1,000
- Outstanding sundry expenses ..... 200
- Value of sports equipments ..... 21,000
- (2) Furniture is to be depreciated at 10% p.a.
- (3) Half of the entrance fee is to be capitalized.

4 Mr. “Y” present following details :

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<b>Particulars</b>	<b>1-1-2021 (Rs.)</b>	<b>31-12-2021 (Rs.)</b>
Cash at bank	22,400	(?)
Cash on hand	1,240	760
Stock	1,01,600	72,800
Creditors (Goods)	65,600	86,400
Creditors (Exps)	16,800	9,600
Debtors	76,400	1,06,800
Furniture	20,000	28,000

**Other Information** **Amount (Rs.)**

- Cash received from Debtors ..... 1,40,000
- Discount allowed to Debtors ..... 3,200
- Bad debts written off ..... 6,400
- Credit Sales ..... 1,80,000
- Cash Sales ..... 60,000
- Credit Purchases ..... 1,44,000
- Paid cash to creditors ..... 1,22,000
- Discount received from Creditors ..... 1,200
- Expenses ..... 50,000
- Drawings ..... 36,000

Compute 10% Depreciation on furniture. Additional furniture was purchased on 1-7-2021. Prepare final account for the year ending 31-12-2021 in the books of Mr. “Y”.

**OR**

- 4 Fire took place in the godown of Mr. "X" on 30<sup>th</sup> Sep. 2020. 14  
The following information is available from saved records :

<i>Particulars</i>	<i>Amount (Rs.)</i>
Stock at cost on (1-4-2019).....	37,500
Stock as per balance sheet.....	52,000
Purchases less return (2019-2020).....	2,53,750
Sales less return (2019-2020).....	3,15,000
Purchases less return till 30-9-2020 .....	1,45,000
Sales less return till 30-9-2020 .....	1,84,050

At the time of valuation of stock on 31-3-2020 original cost of stock of Rs. 6,000 was written off 50% due to defect. During May 2019,  $\frac{3}{4}$  of this stock was sold at 90% price of cost. Remaining stock was valued at same rate except this rate of gross profit remained the same. Salvaged stock value was Rs. 2,350. Prepare Claim Statement.

- 5 "M" and "J" were equal partners but owing to the special ability of "M" it was agreed that "J" should out of his share pay "M" a salary of Rs. 9,000 p.a. The accounts of 31<sup>st</sup> December 2020 showed following results : 14

Capital M = (1-1-20).....	Rs. 60,000
J = (1-1-20).....	75,000
Net Profit before charging	
Int. on capital .....	46,500
Drawings M = .....	10,500
J = .....	12,000
Paid by J to M in cash	
on account of salary .....	6,000

For the year ending 31<sup>st</sup> December 2021 upon similar lines figures are follows :

Net Profit .....	Rs. 51,900
Drawings :	
M .....	11,250
J .....	12,000

Paid by J to M in	
Cash amount of Salary .....	4,500

After charging 10% p.a. interest on capital (disregarding Int. on Drawings and salary)

Write up capital's Account of each partner for year 2020 and 2021.

**OR**

- 5 Dev and Anand are partners of a firm. They share 60% profit into proportion of their capital and remaining profit in proportion of 2:1. From their trial balance as on 31-3-2019 and adjustments, prepare Partner's Current Accounts, Profit and Loss Appropriation Account and Balance Sheet of the firm. 14

***Trial Balance as on 31-3-2019***

<i>Name of Accounts</i>	<i>LF. No.</i>	<i>Debit Bal. (Rs.)</i>	<i>Credit Bal. (Rs.)</i>
Capital and Drawings :			
Dev		40,000	1,20,000
Anand		12,000	80,000
Current Accounts :			
Dev		-	8,000
Anand		12,000	-
Profit and Loss A/c.		-	1,60,000
Stock (31-3-2019)		72,000	-
Machines		80,000	-
Motor Car		1,00,000	-
Prepaid Insurance Premium		3,200	-
Building		1,60,000	-
Debtors and Creditors		80,000	1,28,000
Cash and Bank		4,800	20,000
Bills Payable		-	14,000
Mortgage loan		-	1,00,000
Goodwill		40,000	-
Outstanding wages		-	2,800
Receivable rent		1,600	-
Received in advance Commission		-	800
Bad debts reserve		-	8,000
Patents		12,000	-
Furniture		24,000	-
<b><i>Total</i></b>		<b><i>6,41,600</i></b>	<b><i>6,41,600</i></b>

***Adjustments :***

- (1) Calculate interest on capital @ 6% and 10% on drawings.
  - (2) Provide 10% interest on opening balance of the current accounts.
  - (3) A monthly salary of Rs. 1,800 payable to Anand.
  - (4) Anand is entitled to receive 10% commission on the profit after giving the treatment of above mentioned adjustments.
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