



Seat No. _____

HT-19BBA205

B. B. A. (Sem. II) (CBCS) (W.E.F. 2019)

Examination

May - 2023

Business Accounting

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

Instructions :

- (1) All questions are compulsory.
- (2) Figures to the right side indicate marks.

1 What are Accounting Standards? Explain Accounting Standards Board of India. **20**

OR

1 Write short notes : **20**

- (a) History of Development of Accounting Standards.
- (b) Benefits of Accounting Standards.

2 A firm purchased certain machinery on 01-01-2015 for Rs. 90,000 for which the cost of carriage was Rs. 5,000 and cost of installation was Rs. 5,000. Depreciation on machinery is charged at 10% per annum on reducing balance method. The accounting year of the firm ends on 31st December. **20**

On 01-07-2017, one fourth of the machinery was sold at 20% more than the book value and another machine costing Rs. 40,000 was purchased on the same date.

On 01-01-2018, one fourth of the machinery installed on 01-01-2015 was sold at 10% less than its depreciated value. Another machine was purchased on 01-10-2018 for Rs. 50,000.

Prepare Machinery Account and Depreciation Account for four years from 2015 to 2018.

OR

- 2 Dhara Ltd. has on 1st March 2022 an opening stock of 2400 kgs of Material MM-03 at Re. 1 per kg. 20

The following transactions of receipts and payments were :

<i>Date 2022</i>	<i>Particulars</i>	<i>Qty. (Kgs)</i>	<i>Cost (Rs.)</i>
March 4	Purchase	3,200	3,840
March 14	Issue	1,600	—
March 22	Purchase	2,400	2,160
March 26	Issue	1,580	—
March 26	On verification shortage of 20 kgs was found		—
April 8	Issue	2,000	—
April 18	Purchase	800	880
April 24	Issue	600	—
April 27	Issue	1,200	—
April 28	Returned back from Production to stores (out of materials issued on 8 th April)	400	—

Issues of March 2022 and April 2022 are to be priced on FIFO and LIFO basis respectively.

Prepare Stock Register for material MM-03.

- 3 The details of Hospital run buy KM Association for the year ending 31-3-2023 are given below : 15

<i>Particulars</i>	<i>Amount (Rs.)</i>	<i>Particulars</i>	<i>Amount (Rs.)</i>
Honorarium to doctors	2,00,000	Purchase of medicines	3,00,000
Staff Salary	1,20,000	Donations received	5,00,000
Opening Cash Balance	15,000	Opening Bank Overdraft	45,000
Special donation for Purchase of X-Ray Machine	5,00,000	Expenses of charity show	1,22,000
Income of charity show	2,65,000	Repairs	52,000
Telephone expenses	34,000	10% investments in Govt. Securities	4,00,000
Subscription from Members	3,68,000	Contribution to Medical Association	24,000
Purchase of equipments	3,43,500	Interest on Investment	18,000
Taxes and Insurance	28,500	Subscription for Newspaper	19,500
Entrance fee received (60% to be capitalized)	30,000	Laboratory expenses	72,000
Income from Laboratory	1,00,000	Rent of the hall received	56,000
Opening Stock of Medicines	20,000	Closing Bank Balance	3,71,500
Closing Cash Balance	20,000	Fees received from patients	3,00,000

Additional Information :

- (1) Closing stock of medicines Rs. 32,000
- (2) Subscription due from members Rs. 22,000
- (3) Rent for the current year outstanding Rs. 16,000
- (4) Salary unpaid Rs. 8,000

From these details you are required to prepare Income and Expenditure Account and Receipts and Payments for the year ending 31-3-23.

OR

3 The Crest Club presents the following Trial Balance on 31-3-2022. 15

<i>Debit Balances</i>	<i>Amount (Rs.)</i>	<i>Credit Balances</i>	<i>Amount (Rs.)</i>
Office Staff Salary	50,000	Income from entertainai	
Postage Telegram Exp.	6,000	-nment programme	75,000
Honorarium to Secretary	60,000	Interest on Investments	11,200
Sundry Expenses	16,000	Subscriptions	4,00,000
Repairs	4,000	Donation	78,000
Subscription for		Entrance Fee	18,000
Newspaper	13,500	Sale of old newspaper	2,000
Free ship given from		Education fund	1,50,000
Education Fund	20,000	Income from education	
Education Fund Investment	1,50,000	fund investment	14,000
Canteen's Expenses	92,500	Canteen's income	1,30,000
Expenses for		Sundry Receipts	9,300
Entertainment prog.	45,500	Capital fund	6,75,000
Purchase of Sports			
Equipments (01.01.22)	58,000		
Purchase of furniture			
(01.10.21)	25,000		
Sports Equipments	2,75,000		
Investments	1,12,000		
Fixed Deposit in Bank	1,00,000		
Building	4,50,000		
Furniture	60,000		
Cash Balance	25,000		
	15,62,500		15,62,500

Additional Information :

- (1) Honorarium to Secretary outstanding Rs. 15,000.
- (2) Subscription due Rs. 25,000 and subscription received in advance Rs. 30,000.
- (3) Half of the entrance fee is capitalized.
- (4) Interest due on education fund investment Rs. 1,000.
- (5) Provide depreciation at 10% on Sports Equipments and 6% on Furniture per annum.

Prepare an Income and Expenditure Account and Balance Sheet as on the same date.

- 4 M/s. Yashraj Enterprise manufactures two types of pipes AA and AB. Production cost for the year ended 31st March 2023 were as follow : **15**

<i>Particulars</i>	<i>Amount (Rs.)</i>
Raw material consumed	50,40,000
Direct Wages	23,52,000
Direct Expenses	8,88,000
Factory Indirect Exp.	12,48,000

Additional Information :

- (1) Direct material per unit for type AA consists 4 times as much as that in type AB pipe.
- (2) Direct wages per unit for type AB were 60% of type AA.
- (3) Direct expenses per unit for type AB is Rs. 24 and remaining expenses for the type AA.
- (4) Factory overheads per unit was same for AA and AB.
- (5) Office overheads for each type was 20% of Prime Cost.
- (6) Selling overheads for AA and AB are Rs. 72 and Rs. 48 respectively.

(7) Production and sales during the year :

AA type – 7,500 pipes of which 7,000 were sold.

AB type – 12,000 pipes of which 11,800 were sold.

(8) Selling price per pipe for AA Rs. 1,200 and for AB Rs. 520.

Prepare a Cost Sheet showing cost per pipe and total cost.

OR

- 4 City Pulse Gandhinagar has three different types of seating arrangements. The first is Silver class where they have 250 seats. Gold class has 250 seats and Platinum has 125 seats. General weighted of the occupied seats are 1:2:3 respectively. 15

The theatre runs three shows per day. Other related information is as under :

<i>Particulars</i>	<i>Amount (Rs.)</i>
Salary of 2 Managers	30,000 per month
Salary of 10 Gate Keepers	4,000 per month
Salary of 3 Operators	10,000 per month
Salary of 4 Clerks	5,000 per month
Other expenses :	
Electricity	2,50,000 per annum
Misc. Expenses	10,000 per annum
Premise value	20,00,000
Cleaning	10,000 per annum
Advertisement	2,00,000 per annum
Distribution expenses	20,000 per annum
Administrative Exp.	2,16,500 per annum
Hire of Print	1,50,000 per annum
Entertainment Tax	1,00,000 per annum

The theatre provides 10% depreciation on their all-fixed assets.

Theatre runs for all 365 days in a year. Normally 80% seats are occupied during the show.

Find out cost per man-show and determine ticket charges if the theater wants to earn of 25% on ticket charge.
