

Roll No. ....

**BBA-104(N)**

**B. B. A. (First Semester)  
EXAMINATION, Dec., 2013**

**(New Course)**

**Paper Fourth**

**BOOK-KEEPING AND BASIC ACCOUNTING**

**Time : Three Hours ]**

**[ Maximum Marks : 70**

**[ Minimum Pass Marks : 26**

**Note : Attempt all the five questions. All questions carry equal marks.**

1. What is the importance of accounting in business activities ?

*Or*

What do you mean by Accounting Concepts ? Explain any two concepts of the following :

- (a) Money measurement
- (b) Accounting period
- (c) Going concern concept

2. What do you mean by Cash Discount ? What is its accounting treatment ? In what respect is it different from trade discount ?

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Or

A firm purchased on 1 Jan, 2010 a machinery for ₹ 19,500 and spent ₹ 500 on its erection. On 1st July, 2010 additional machinery costing ₹ 10,000 was acquired. On 1st July, 2012 the machinery purchased on 1st Jan, 2010 having become obsolete, was auctioned for ₹ 8,000 and on same date, fresh machinery was purchased at a cost of ₹ 15,000.

Depreciation was provided for annually on 31st Dec at the rate of 10% p. a. on the original cost of the assets. In 2012, however the firm changed this method of providing depreciation and adopted the method of writing-off 20% on WDV method.

Give the Machinery A/c for the year ended each year from 2010 to 2012.

3. Record the following transactions in Journal :

January		₹
1	Paid rent for month by cheque	7,000
12	Withdrew cash from bank for office	9,000
19	Cash paid to Sharma ₹ 2,470 after deduction of discount	130
25	Salary to clerk yet not paid	15,000
31	Sold goods at List Price of ₹ 25,000 to Kohl for cash at 5% trade discount and cash discount of 2%.	

Or

Agarwal Ltd. issued 10000 equity shares of ₹ 10 each to the public, payable at ₹ 1 on application, ₹ 3 on allotment, ₹ 2 on first call and ₹ 4 on second and final call. Applications were received for 14000 shares. All the

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amounts were duly received. Pass the journal entries in the books of Agarwal Ltd. in the following cases :

- (i) When application for 4000 shares are rejected and application money is returned.
- (ii) When excess of application money is utilized for allotment.

4. A bill for ₹ 5,000 is drawn by Lal on Pal and accepted by the latter payable at the bank. Show what entries should be passed in the books of Lal under each of the following circumstances :

- (i) If Lal retained the bill till the due date and then realized it on maturity
- (ii) If he discounted it with his bank for ₹ 1,500
- (iii) If he endorsed it to his creditor Bal in full settlement of his debt

Or

How are Trading and Profit & Loss A/c and Balance Sheet prepared ? Explain by giving their pro forma.

5. What is Trial Balance ? Why is it prepared ? Explain the different methods and format of trial balance.

Or

Following are the details regarding the receipts and issue of Material Z with respect of a firm :

Receipts :

Jan.		
1	Balance	50 units @ ₹ 4 per unit.
5	Purchase,	40 units @ ₹ 3 per unit
8	Purchase,	30 units @ ₹ 4 per unit
15	Purchase,	20 units @ ₹ 5 per unit
26	Purchase,	40 units @ ₹ 3 per unit

P. T. O.

Issues :

- Jan., 10 Material 70 units
- 12 Material issued 10 units
- 20 Material issued 20 units
- 31 Shortage 5 units

The firm follows the perpetual inventory system for maintaining its stores records. You are required to calculate the value of inventory on Jan., 31 according to LIFO method.

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