

Roll No.

BBA-104(N)

B. B. A. (First Semester) EXAMINATION, Dec., 2012

(New Course)

Paper Fourth

BOOK-KEEPING AND BASIC ACCOUNTING

Time : Three Hours]

[Maximum Marks : 70

Note : Attempt all questions. All questions carry equal marks.

1. Explain any *two* of the following :
 - (i) Meaning, importance and limitations of Book-keeping and Accounting.
 - (ii) Subsidiary books of accounts
 - (iii) Users of Accounting Informations
 - (iv) Capital, Assets, Liability, Deferred Expenditure, Cash basis and accrual basis.
2. Describe any *two* of the following :
 - (i) Going concern
 - (ii) Accounting period
 - (iii) Cost principle
 - (iv) Revenue recognition
3. Ramesh sold goods on credit to Subhash for ₹ 1,500 on 11-1-2012. On the same date Subhash accepted a bill drawn by Ramesh payable after two months on due date the bill is duly honoured by Subhash. Journalise in the books of both the parties.

Or

What is 'Bank Reconciliation Statement' ? Why is it necessary to prepare such a statement ? Explain the rules regarding this statement.

4. Elaborate the following :
- Reserves and Provisions
 - Methods of inventory valuation

Or

Define depreciation and explain any *two* methods of charging depreciation. Give example and entries.

5. Prepare Final Accounts from the Trial Balance as at March 31, 2012 given below :

Dr.	Amount (₹)	Cr.	Amount (₹)
Purchases (adjusted)	95,000	Bank Loan	50,000
Stock on 1-4-2011	15,000	Interest on	
Direct Expenses	10,000	Investments	7,000
Interest on Bank Loan	5,000	Rent Received	12,000
Bad Debts	4,000	Sales	1,70,000
Salaries and Wages	20,000	Purchases Return	7,000
Salesman Commission	12,000	Creditors	12,000
Advertising	8,000	Discount	4,000
Investments	60,000	Capital	1,22,500
Land and Building	1,00,000		
Return Inwards	7,000		
Freight	2,000		
Carriage	3,000		
Repairs	2,500		
Cash in Hand	8,000		
Cash at Bank	15,000		
Debtors	18,000		
	3,84,500		3,84,500

Closing stock on 31-3-2012 was ₹ 22,000.

Or

An extract of the Trial Balance as at 31st Dec., 2012 of the firm of W and M, is available. The partners share profits and losses in the proportion of 60% and 40% respectively, with the following further stipulations :

- (i) Each partner is entitled to be paid ₹ 2,000 p. m. by way of salary; and
- (ii) Interest at the rate of 15% will be charged on drawings other than salary.

Trial Balance as at 31-12-2012

	(₹)	(₹)
Capital Accounts :		
W		80,000
M		80,000
Sundry Creditors		35,000
Fixed Assets	1,82,000	
Goodwill	20,000	
Stock-in-Trade (31-12-2012)	42,250	
Sundry Debtors	71,450	
Cash in hand	13,300	
Salary Staff Advance	3,000	
Partner's Salaries	48,000	
Office Expenses Outstanding		1,000
Depreciation	18,000	
Staff salaries	20,000	
Office expenses	18,000	
Trading Account (Gross Profit)		2,40,000
	4,36,000	4,36,000

Utilising the following additional information, you are required to prepare :

- (i) Profit & Loss Account for the year 2012;
- (ii) Balance Sheet as at 31st December, 2012; and
- (iii) Partner's Capital Accounts.

Additional Information :

- (a) A perusal of the payment vouchers for January 2002 indicates payment of salaries of ₹ 2,000 and office expenses of ₹ 8,000 relating to periods before 31-12-2012.
- (b) Partners have drawings in their accounts as follows :

M : on 1-1-2012	₹ 20,000
W : on 1-5-2012	₹ 20,000
- (c) ₹ 1,000 out of Staff Salary Advance account is to be carried forward to 2013.