

This question paper contains 8 printed pages

Roll No.

Sl.No.

231

B.C.A. (Part. II)

B.C.A. (Part - II) EXAMINATION, 2017
(Faculty of Science)
(Three-Year Scheme of 10 + 2+ 3 Pattern)
Paper - 231
BUSINESS ACCOUNTING

Time : Three Hours

[Maximum Marks : 100

Answer of all the questions (short answer as well as descriptive) are to be given in the main answer -book only. Answers of short answer type questions must be given in sequential order. Similarly all the parts of one question of descriptive part should be answered at one place in the answer-book. One complete question should not be answered at different places in the answer-book. Write your roll numbers on question paper before start writing answers of questions.

Question paper consists of three Parts.

All THREE Parts are compulsory.

- PART I:** *(Very Short Answer) consists of 10 questions of two marks each. Maximum limit for each question is up to 40 words.*
- PART II:** *(Short answer) consists of 5 questions of four marks each. Maximum limit for each question is up to 80 words.*
- PART III:** *(Long answer) consists of 5 questions of twelve marks each with internal choice.*

PART - I

- I. a) What is trade discount?
- b) What do you mean by convention of disclosure?
- c) Write any two advantages of double entry system.
- d) Write any two examples of real accounts.
- e) What is ledger?
- f) What are the causes of charging depreciation?

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- g) What do you mean by Balance Sheet?
- h) What are fictitious assets?
- i) What is accrued income?
- j) What are outstanding expenses?

[10×2=20]

PART - II

2. a) Differentiate between Book-keeping and Accounting.
- b) Explain various types of cash books.
- c) What are the objectives of preparing a trial balance?
- d) Differentiate between trading and profit & loss account.
- e) Explain the methods of valuation of closing stock.

[5×4=20]

PART - III

3. Define accounting and explain various accounting concepts.

[4+8]

OR

Explain following accounting terminology:

- a) Balance Sheet
- b) Current Assets
- c) Drawings
- d) Journal Entry

[3+3+3+3]

4 ✓ Journalise the following transactions in the books of Ram.

2016		Rs
Oct. 1	Commenced business with cash	20,000
Oct. 2	Paid into Bank	16,000
Oct. 3	Bought goods for cash	1,000
Oct. 4	Bought furniture for office use by cheque	6,000
Oct. 10	Withdrawn from Bank for office use	1,800
Oct. 13	Goods sold to Gopal	1,000
Oct. 15	Bought goods from Ramshankar	1,020
Oct. 18	Paid trade expenses	400
Oct. 19	Received cash from Gopal & allowed discount Rs.20	980
Oct. 25	Paid wages	140
Oct. 28	Paid to Ramshankar in full settlement	1,000
Oct. 30	Interest on capital charged	1,000
Oct. 30	Paid Rent	300

[12]

OR

- What is petty cash book? What are its advantages?
- Explain various types of subsidiary goods.

[6+6]

5. From the following balances taken from the books of M'S Mehta & Sons on 31st March, 2016, prepare a Trial Balance:

Name of Account	Rs.
Cash Balance	28,800
Opening stock	1,28,000
Purchases	5,12,000
Purchase Return	12,800
Sales	8,83,200
Sales Return	32,000
Machinery	1,53,600
Land & Buildings	3,20,000
Discount allowed	15,360
Discount Received	9,600
Debtors	1,17,760
Creditors	54,400
Bills Receivables	18,240
Bills Payables	10,560
Capital	3,84,000
Drawings	38,400
Rent	23,680
Salaries	23,040
Loan	64,000
Interest Payable on Loan	7,680

OR

[12]

On 1st April, 2006 Amar Chand purchased five machines for Rs.60,000 each. Depreciation at the rate of 10% p.a. on initial cost has been charged from P&L account and credited to provision for Depreciation Account.

On 1st April, 2007 one machine was sold for Rs.50,000 and on 1st April, 2008 a second machine was sold for Rs.50,000. An improved which costs Rs.1,00,000 was purchased on 1st October, 2007. Amar Chand closes his books on 31st March each year. You are required to show

- Machinery Account
- Machinery Disposal Account, and
- Provision for Depreciation Account.

[12]

6. From the following Trial Balance of Anil Kumar, prepare Trading and Profit & loss account for the year ending 31st March, 2016 and Balance Sheet as on that date. <https://www.uoronline.com>

<u>Debit Balance</u>	<u>Rs.</u>	<u>Credit Balance</u>	<u>Rs.</u>
Opening stock	31,350	Sales	4,02,160
Purchases	2,80,000	Purchase Return	1,150
Sales Returns	2,000	Creditors	62,000
Carriage inward	8,710	Discount	90
Wages	58,840	Capital	50,000
Coal, Gas & water	42,860		
Manufacturing expenses	4,840		
Debtors	67,900		
General Expenses	4,890		
Salaries	4,300		
Rent, Rates & Taxes	1,910		
Cash in Hand	70		
Cash at Bank	4,730		
Drawings	3,000		
	<u>5,15,400</u>		<u>5,15,400</u>

Closing stock as on 31st March, 2016 Rs. 53,800.

[12]

OR

What is profit & Loss account? Explain various items which are shown in P&L account by using a suitable format. [4+8]

7. From the following Trial Balance of a trader, prepare Trading and profit & Loss account for the year ending 31st March, 2016 and a balance sheet as on that date.

	<u>Dr.(Rs.)</u>	<u>Cr.(Rs.)</u>
Capital	-	1,20,000
Loan - 15% p.a. (1st January, 2016)	-	10,000
Commission	-	600
Provision for Bad debts	-	1,000
Purchases and sales	80,000	90,000
Returns	10,000	2,000
Debtors & Creditors	50,500	30,000
Drawings	5,000	-
Furniture	5,000	-
Machinery	30,000	-
Opening stock	20,000	-
Octroi	5,000	-
Import Duty	2,000	-
Salaries & Wages	20,000	-
Bad debts	500	-
Rent, Rates & Taxes	4,000	-
Life Insurance premium	2,000	-
Insurance on Loan	200	-
Cash	19,400	-
	<u>2,53,600</u>	<u>2,53,600</u>

Adjustments:

- Stock on 31st March, 2016 was Rs.20,000.
- Write off further bad debts Rs.500 and make provision for bad debts at 5% and provision for discount at 2% on debtors.
- The proprietor withdraw goods costing Rs.600 for personal use and gave goods costing Rs.400 in charity.
- Create reserve for discount on creditors at 3%.
- 60% of the work relating to commission received has been completed in this year.
- Rs.4,000 of salaries and wages is outstanding.

OR

[12]

From the following Trial Balance, prepared from the books of A on 31st December, 2016 prepare an adjusted Trial Balance for the year ending 31st December, 2016.

	<u>Rs.</u>		<u>Rs.</u>
A's Drawings	1,055	A's capital	11,940
Bills Receivable	950	Loan at 6% (1.1.16)	2,000
Plant & Machinery	2,880	Sales	35,643
Sundry Debtors (including Madan for dishonoured cheque Rs.100)	6,200	Commission received	564
Wages (manufacturing)	4,097	Sundry creditors	5,963
Returns inward	278		
Purchases	25,659		
Rent & Taxes	562		
Stock on 1.1.16	8,968		
Salaries	1,100		
Travelling expenses:	188		
Insurance	40		
Cash	53		
Bank	1,897		
Repairs & Renewals	337		
Interest on loan	100		
Interest & Discount	487		
Bad Debts	362		
Fixures & Fittings	897		
	56,110		56,110

The Following adjustments are to be made:

- a) Stock in hand on 31.12.16 Rs. 12,896
- b) Write off half of Madan's cheque.
- c) Create a provision of 5% on Sundry debtors.
- d) Manufacturing wages included Rs. 120 for installation of new machinery purchased.
- e) Depreciate plant & Machinery by 5% and fixtures and fittings by 10% per annum.
- f) Commission not earned but received amounts to Rs.60.

[12]