

END TERM EXAMINATION

THIRD SEMESTER [BCA] DECEMBER 2016

Paper Code: BCA-207

Subject: Principles of Accounting

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions including Q no.1 which is compulsory.
Select one question from each unit.

- Q1 State true or false with reason in support:- (1.5x10=15)
- (a) Accounting records only transactions which are of a financial character.
 - (b) It is on the basis of going concern concept that the assets are always values at market price.
 - (c) In accounting all business transactions are recorded as having a dual aspect.
 - (d) The terms 'Loss' and 'Expense' have synonymous meaning.
 - (e) While posting transactions in the ledger, if the account is debited in Journal, it will be credited in the ledger.
 - (f) Purchase Journal is meant for recording all purchases of goods.
 - (g) All Intangible Assets are fictitious assets.
 - (h) Goods taken out by the proprietor from the business for his personal use are credited to Sales Account.
 - (i) Depreciation is charged on the book value of the asset each year in case of Diminishing Balance Method.
 - (j) Periodic inventory gives a continuous balance of stock in hand.

UNIT-I

- Q2 Discuss briefly the basic accounting concept and accounting assumptions (15)
- Q3 Define Accounting. State its functions. How does it differ from Book-Keeping? (15)

UNIT-II

- Q4 (a) Pass an opening entry in the journals on the basis of the following information on 1, April 2015. (5)
- | | |
|------------------|---------|
| Cash in hand | 2000/- |
| Sundry Debtors | 6000/- |
| Stock | 4000/- |
| Machinery | 11000/- |
| Furniture | 5000/- |
| Sundry Creditors | 1000/- |
- (b) Record the following transactions in the cash book and post them in the ledger: (10)
- | | |
|--|-----------------|
| Jan. 1 Opening Balance | Cash Rs. 3000/- |
| | Bank Rs. 4000/- |
| Jan. 4 Rent paid by cheque | Rs.2000/- |
| Jan. 6 Received on account of cash sales | Rs.3000/- |
| Jan. 8 Paid to Mehta Bros by cheque Rs.2000/- and earned Rs.200/- as cash discount | |
| Jan. 10 Received from suresh by cheque Rs.2000/- and allowed him Rs.100/- as cash discount | |
| Jan 12 Cash Sales | Rs.20000/- |

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Jan. 20 Cash Purchases Rs.15000/-
Jan. 31 Salaries paid Rs.5000

- Q5 Explain the different types of Goods Journals with suitable examples. (15)

UNIT-III

- Q6 From the following trial balance of XYZ Ltd., you are required to prepare Trading and Profit and Loss A/C for the year ended 31st December, 2015 and balance sheet on that date. (15)

Particular	Debit Rs.	Credit Rs.
Capital	.....	50,000
Drawings	6,000	.....
Sundry Creditors	.....	20,000
10% Loan (Taken on 1-07-2015)	.....	10,000
Cash in Hand	2,500	.....
Cash in Bank	5,800	.....
Sundry Debtors	25,500	.....
Provisions for doubtful debts	.....	2,000
Furniture	6,000	.....
Machinery	14,200	.....
Stock (1-1-2015)	40,000	.....
Purchases	90,000	.....
Rent and Taxes	3,400	.....
Salaries	9,000	.....
Manufacturing wages	12,500	.....
Sales	.....	1,40,400
Sundry Expenses	1,000	.....
Insurance (including a premium of Rs. 300 p.a. paid up to 30-06-2016)	400	.....
Commission	.....	700
Carriage	2,000	.....
Travelling Expenses	800	.....
Bill Receivable	4,000	.....
	2,23,100	2,23,100

Adjustments:-

- Stock on 31-12-15 was Rs. 38,000
- Write off Rs. 500 bad debts and maintain the provision for doubtful debt at 5% on debtors.
- Manufacturing wages include Rs. 800 for erection of new machinery on 1 Jan., 15.
- Depreciate machinery by 5% and furniture by 10%

- Q7 Differentiate between:- (5x3=15)
- Outstanding Expense and Prepaid Expense
 - Outstanding Income and Accrued Income
 - Interest on Capital and Interest on Drawings

UNIT-IV

Q8 R. Ltd bought machinery for Rs. 30,000 on 1st April, 2001. One more machinery was purchased on 1st October, 2001 costing Rs. 20,000. On 1st July, 2002, a new machinery for Rs. 10,000 was added to the existing machinery. On 1st January, 2003, one third of the Machinery which was installed on 1st April, 2001 was sold for RS. 3,000/-. Show the Machinery A/c in the books of the company. The rate of depreciation is 10% on reducing balance method. (15)

Q9 From the following dates, calculate the value of closing inventory according to LIFO and FIFO method on March 31, 2015. (15)

March -1 Stock in Hand 400 Units @ Rs. 7.50 each.

Purchases:

March 5	600 Units @Rs. 8.00 each
March 15	500 Units @Rs. 9.00 each
March 25	400 Units @Rs. 8.50 each
March 30	300 Units @Rs. 9.50 each

Issues:

March 3	300 Units
March 10	500 Units
March 17	400 Units
March 26	500 Units
March 31	200 Units
