ERM EXAMINATION

THIRD SEMESTER [BCA] NOVEMBER-DECEMBER 2017

Paper Code: BCA-207	Subject: Principles of Accounting
Time: 3 Hours	Maximum Marks: 75
Note: Attempt any five question to Select one question to	ons including Q.no.1 which is compulsory.

Q1 Write short note on (any five) following: (3x5=15)(a) Double entry system (b) Objectives of accounting (c) Accounting conventions (d) Various types of errors in Accounting Books Depreciation reserve Petty cash book

Unit-I

(a) Define accounting and explain the different branches of accounting. (10) 02 (b) Explain the different users of accounting information. (5)

Explain any three accounting concepts with examples. (5x3=15)

Unit-II

Record the following journal entries for XYZ company for the month of April: (a) Assets: Cash Rs 2,00,000, Furniture Rs 50,000, Machinery Rs 50,000 Liabilities: Capital Rs 2,00,000; Shyam Rs 80,000, Accounts Payable Rs

(b) Opened a bank account with PNB Rs 20,000.

(c) Withdrawn goods for personal use (Sale price Rs 2000, Cost price Rs

(d) Recovered from Ro half the amount (Rs 200) which was written off as bad debts earlier.

(e) Purchased goods from Ram of Rs 20,000; Purchased goods from Raj for cash Rs 5000.

(f) Paid salaries out of personal cash Rs 40,000.

(g) Cash sales at list price of Rs 4000 with 10% trade discount and 5% cash discount.

(b) Paid Ram by cheque of Rs 18000 in full settlement.

Paid advance rent to the landlord of Rs 10,000. (j) Rs 5000 due from Sohan are bad debts.

(1.5x10=15)

What is a trial balance? What are its objectives? How is it prepared? Is this Q5 the proof of accuracy in books of accounts? (15)

Unit-III

(a) Explain the accounting treatment of bad/doubtful debts and provision Q6 for bad/doubtful debts with examples.

(b) Differentiate between the following:

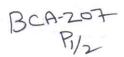
(3x3=9)

(i) Profit and Loss Account and Trading Account.

(ii) Outstanding expenses and Prepaid expenses.

(iii) Capital expenditure and Revenue expenditure.

P.T.O.



Q7 Prepare the Trading, Profit and Loss Account and Balance sheet for the year ended 31st Dec, 2014 from the following trial balance: (15)

Debit Balance	Amount (Rs)	Credit Balance	Amount (Rs)
Opening stock	40,000	Sales	3,55,000
Return inwards -	5,000	Loan @10% interest	15,000
Purchases	2,52,000	Capital	60,000
Carriage outwards	1,000	Creditors	25,000
Carriage inwards	5,000	Return outwards	2000
Direct expenses	5,000	Bank overdraft	10,000
Furniture	5,000	Bills payable	14,000
Buildings	45,000	Rent received	3,000
Plant & Machinery	40,000	Discount CEP	3,000
Debtors	30,000	Provision for doubtful debts	2,000
Discount	2,000		
Tax	3,000		
Bad debts	1,500		
Salaries	20,000		
Dividend paid	5,000	9	
General expenses	5,000		
Rent	3,000		
Bills receivables	21,500		
Total	4,89,000	Total	4,89,000

Following adjustment are to be made:

(a) Stock in hand on 31st December, 2015 was Rs 42000.

(b) Depreciate building Rs 2000 and plant & machinery Rs 1000.

Provision for bad debts at 5% on debtors.

(d) Outstanding rent Rs 1000 and prepaid rent Rs 1000.

(e) Interest on capital @ 5%.

Unit-IV

What is depreciation? Explain the need for providing depreciation. (6)
A firm whose accounting year is the calendar year purchased machinery on 1st April, 2012 machinery costing Rs 30,000. It further purchased machinery on 1st October, 2013 costing Rs 20,000 and on 1st July, 2013 costing Rs 10,000. On 1st January. 2014 one third of the machinery which was installed on 1st April. 2012 became obsolete and was sold for Rs 3,000. Show how the machinery account would appear in the books of company for 3 years. The depreciation is charged @ 10% p.a. as per Written Down Value Method. (9)

Q9 Define inventory and list the objectives of inventory valuation. Explain the different inventory valuation methods with examples. (15)

