

(Printed Pages 3)

Roll No.

AC-115
BBA (I Semester) Examination, Dec. 2019
FUNDAMENTALS OF ACCOUNTING
(Main & Re Exam.)
(Course-105)

Time : Three Hours /

(Maximum Marks : 70

(Minimum Marks : 28

Note : There will be three Sections. Attempt all questions from **Section A** (2×10) approx 20 words, attempt any five questions from **Section B** (4×5) approx 100 words and attempt any three questions from **Section C** (10×3) approx 500 words.

Section-A

1. Differentiate between book-keeping and accounting.
2. Give the characteristics of double entry system.
3. Define accrued income and unearned income.
4. State the items which are to be added to and deducted from capital in the balance sheet.
5. What do you understand by sole proprietorship and partnership firm?
6. Distinguish between Average Profit and Super Profit.
7. What do you mean by replacement cost?
8. Differentiate between provision & reserve.
9. Define Bonus shares.
10. What is Posting?

Section-B

1. Define Assets and Liabilities and give its classification.
2. What is suspense account & how is it used?
3. What adjustments are made to amend cash book if bank reconciliation statement is to be prepared after amending the cash book.

P.T.O.

4. How will you treat the following while preparing financial statement of a NPO. Subscription, Donations, Sale of an old asset & Legacy?
5. Give a specimen of Profit & Loss Appropriation account for the final accounts of a partnership firm.
6. Super Profit is Rs. 10,000. Expected period for maintaining super profit is 4 yrs. Ascertain the value of Goodwill, if present value of Re. 1 for 4 yrs @ 5% p.a. interest is 3.54595.
7. What are the various methods of redemption of debentures?
8. What are the various methods for providing depreciation? Explain any two.
9. What are the different types of Reserve Fund?
10. What is meant by pro-rata allotment? Explain the different categories of pro-rata. <http://www.dbrauonline.com>

Section-C

1. "Trial balance is not a conclusive proof of accuracy of books of accounts." Do you agree with this statement?
2. From the following Trial balance of Shyam Lal, prepare a Trading and Profit & Loss Account and a Balance Sheet as on 31st March, 2007:

Particulars	Dr. (Rs.)	Cr. (Rs.)
Purchases	15,000	
Debtors	20,000	
Interest		400
Salaries	3,000	
Sales		32,100
Purchase Returns		500
Wages	2,000	
Rent	1,500	
Sales Returns	1,000	
Bad Debts	700	
Creditors		12,000
Capital		10,000
Drawings	2,400	
Provision for Bad Debts		600
Printing & Stationery	800	
Insurance	1,200	
Opening Stock (1.4.2006)	5,000	
Office Expenses	1,200	
Furniture	2,000	
Provision for Depreciation		200
	55,800	55,800

The following adjustments are to be considered:

(i) Depreciate furniture by 10% (ii) Provide provision for doubtful debts @ 5% on debtors; (iii) Rs. 300 are out standing for salary and Rs. 200 are prepaid, (iv) Rs. 200 for insurance are to be carried forward for next year. (v) Provide Rs. 800 for office Expenses, (vi) Shyam Lal has taken from stock goods worth Rs. 600 for his personal use, (vii) Closing stock was valued at Rs. 60,000.

3. What is Goodwill? On what occasions is goodwill valued in a partnership firm? Give main methods of goodwill valuation with examples.

4. X Ltd. Invited application for 1,00,000 shares of Rs. 10 each at a premium of Rs. 1 payable as follows:

Rs. 5 on application; Rs. 3.50 (including premium) on allotment and Rs. 2.50 on call. Application for 1,50,000 shares were received of which the applications 25,000 shares were refused and the money refunded.

Allotment was made pro-rata to the remaining applications, excess application money being applied towards the amount due on allotment. Mr. S was allotted 200 shares, but he failed to pay the amounts due on allotment and call. His shares were forfeited and subsequently re-issued to Mr. Y at Rs. 10.50 per share.

Give journal entries necessary to record the foregoing transactions in the books of the company.

5. What is the utility of preparing a Bank Reconciliation Statement? Name the items to be added and subtracted for preparing BRS starting with debit (or deposit) balance as per cash book.

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