

## **BMCC**

### **INTERNAL ASSIGNMENT – BUSINESS ACCOUNTING**

#### **(FY BBA)**

- All questions are mandatory and carry equal marks
- Write your name & roll number in CLEAR and LEGIBLE writing  
(Of-course entire assignment should also be clear and legible).
- Assignment shall be handwritten and physical copy shall be submitted on the given date.
- Try and solve this assignment ON YOUR OWN instead of copying from friends or AI tools. It will prepare you for the exam. (FYI, ChatGPT is answering all questions WRONGLY, I've already checked).
- Each question carries 10 marks but overall assignment will be converted to 30 marks for final assessment.

#### **Question 1**

Journalise the following transactions in the books of Mr. Raj. He has started his sole proprietorship business on 1<sup>st</sup> June, 2014. Given are the details of his transactions for the first month:

1. Commenced business with cash Rs. 10,00,000.
2. Purchased machinery worth Rs. 250,000 from Priya. He has paid 60% amount immediately.
3. Deposited Rs. 500,000 cash in bank.
4. Cash purchases – Rs. 25,000.
5. Purchased goods worth Rs. 30,000 from Mr. Khan.
6. Sold goods to Farah worth Rs. 20,000 @ 10% trade discount. Farah paid half the amount immediately and received 10% cash discount for the same. Balance is due.
7. Spent Rs. 50,000 on advertisement.
8. Bought furniture worth Rs. 44,000 from IKEA Traders, Mumbai.
9. Goods withdrawn by Raj for personal use amounted to Rs. 5,000.
10. Paid for printing and stationery – Rs. 7,000.
11. Borrowed from Bank of India for short term Rs. 35,000.
12. Paid Mr. Khan the amount due through NEFT. Bank charged Rs. 120 as NEFT charges.
13. Farah became insolvent and only 40% of balance could be recovered from her estate.
14. Paid Rs. 8,000 as salary to clerk.
15. Raj sold one of his private properties for Rs. 18,00,000 and introduced 1/3 of the amount in business.

### Question 2

From the following transactions, prepare necessary ledger accounts, balance them and prepare Trial Balance.

1. Sachin started business with cash Rs. 100,000 and machinery Rs. 15,000.
2. Purchased goods for cash Rs. 13,000.
3. Sold goods for cash Rs. 40,000.
4. Purchased furniture on credit from Poona Traders Rs. 7,000.
5. Purchased goods on credit from Mr. Dilip worth Rs. 2,000 at 10% trade discount.
6. Sold goods to Mr. Mahendra worth Rs. 8,000 @ 8% trade discount.
7. Paid cash to Mr. Dilip – Rs. 1,800.
8. Received cash from Mr. Mahendra Rs. 7,000 as full and final settlement.
9. Paid Poona Traders the balance due to them.
10. Deposited cash in excess of Rs. 2,000 in bank current account.

### Question 3

You are required to prepare a Trading & Profit and Loss Account for the year ending 31.03.2021 and a Balance Sheet as on that date from the Trial Balance given below:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Trade Receivables	700,000	Capital	50,00,000
Inventory as on 01.04.2020	10,00,000	Trade Payables	18,00,000
Cash in Hand	11,20,000	Sales	34,30,000
Wages	600,000		
Bad Debts	100,000		
Furniture and Fixtures	300,000		
Plant and Machinery	300,000		
Salaries	440,000		
Purchases	25,00,000		
Land and Building	31,40,000		
Insurance Premium (for 12 months)	30,000		
	<b>1,02,30,000</b>		<b>1,02,30,000</b>

#### Adjustments:

1. Inventory as on 31.03.2021 was valued at Rs. 10,00,000.
2. Insurance was prepaid for 3 months.
3. Depreciation furniture and fixtures at 15% and plant and machinery at 7.50%.
4. Salaries were outstanding to the extent of Rs. 20,000.
5. Create a provision at 2% on trade receivables for bad and doubtful debts.

**Question 4**

- a) X purchased a machinery on 1st January 2017 for Rs. 4,80,000 and spent Rs. 20,000 on its installation. On July 1, 2017 another machinery costing Rs. 2,00,000 was purchased. On 1st July, 2018 the machinery purchased on 1st January, 2017 having become scrapped and was sold for Rs. 2,90,000 and on the same date fresh machinery was purchased for Rs. 5,00,000. Depreciation is provided annually on 31st December at the rate of 10% p.a. on written down value. Prepare Machinery account for the years 2017 and 2018.
- b) Solve the above problem with same data but assuming Straight Line Method and rate of depreciation as 15%.