

**B.B.A. Part-I (Semester—I) (Old) Examination**  
**BASICS OF ACCOUNTING**  
**Paper—BBA/103**

Time : Three Hours]

[Maximum Marks : 80]

**Note :—**(1) There are three Sections (A, B and C)

(2) Section A – 20 marks, Section B – 20 marks, Section C – 40 marks.

(3) **ALL** questions are compulsory.

(4) Section B and Section C comprise of short and long questions respectively.

One each from respective unit having internal choice from the same unit.

(5) Show necessary Working Notes wherever necessary.

## **SECTION—A**

Choose an appropriate option :

1. Who invented Double Entry Book Keeping System ?  
(a) Baltiboi (b) Fra Luca Sa de Pacioli  
(c) S.Kr. Paul (d) American Accounting Association
  2. Business has its separate existence as per \_\_\_\_ concept.  
(a) Business entity (b) Dual aspect  
(c) Going concern (d) Money measurement
  3. Accounting equation is \_\_\_\_.  
(a) Assets + Liabilities = Capital  
(b) Assets + Capital = Liabilities  
(c) Liabilities + Capital = Assets  
(d) Assets + Liabilities + Capital = Profit
  4. Accounting is done through the \_\_\_\_.  
(a) Record of transactions (b) Classifying assets  
(c) Apply costing techniques (d) Prepared budget
  5. Credit Purchases of Goods are recorded in :  
(a) Sales Book (b) Purchase Return Book  
(c) Purchase Book (d) Journal Proper

6. In error of principle, the Debit and Credit in the Trial Balance are :
- (a) Equal (b) Unequal  
(c) Uncommon (d) Common
7. Real Accounts usually show a \_\_\_\_\_ Balance.
- (a) Debit (b) Credit  
(c) Equal (d) Abnormal
8. Rent paid to landlord should be debited to :
- (a) Drawing A/c (b) Cash A/c  
(c) Landlord A/c (d) Rent A/c
9. Outstanding Expenses is a \_\_\_\_\_.
- (a) Revenue (b) Liability  
(c) Assets (d) Expenses
10. Nature of Trading A/c is \_\_\_\_\_.
- (a) Personal A/c (b) Real A/c  
(c) Nominal A/c (d) None of the above
11. Bad Debt Reserve always shows \_\_\_\_\_ Balance.
- (a) Credit (b) Zero  
(c) Debit (d) Positive
12. Trial Balance is a proof of \_\_\_\_\_ accuracy.
- (a) Grammatical (b) Arithmetic  
(c) Logical (d) Posting
13. A Bill is drawn by \_\_\_\_\_.
- (a) Party (b) Drawee  
(c) Banker (d) Drawer
14. There are \_\_\_\_\_ parties to a Bill of Exchange.
- (a) Four (b) Three  
(c) Two (d) Five
15. When goods are purchased for the Joint Venture, the amount is debited to :
- (a) Joint Venture A/c (b) Purchase A/c  
(c) Venture's Capital A/c (d) None of these

16. The Co-Venturers open a \_\_\_\_\_ Account with their Bank.
- (a) Joint Bank (b) Joint Venture  
 (c) Co-Ventures (d) Agents

17. Depreciation =  $\frac{\text{Purchase price of Asset (+) } (-) \text{ Scrap Value}}{\text{Estimated working life of an Asset}}$  :

- (a) Residual Value (b) Sales Price  
 (c) Installation Charges (d) Market Price
18. Under \_\_\_\_\_ System, the amount of Depreciation Changes every year.
- (a) Reducing Balance (b) Fixed Installment  
 (c) Depreciation Fund (d) Annuity
19. In \_\_\_\_\_ method, the amount of Depreciation will remain same.
- (a) Straight line (b) Fund  
 (c) Decline (d) Annuity
20. Depreciation is charged only on the : 1×20=20
- (a) Current Assets (b) Intangible Assets  
 (c) Immovable Assets (d) Fixed Assets.

### SECTION—B

1. (a) Explain the importance and utility of Book-Keeping.

**OR**

- (b) Difference between Book-Keeping and Accountancy. 4

2. (a) Prepare “Sales Book” and “Sales Return Book” of Mr. Amita from the following details for the month of August 2023 :

#### August

1	Goods sold to Radha	1,00,000
9	Radha returned Goods	16,000
16	Goods sold to Rahul by Cash	1,60,000
24	Goods sold to Umesh	1,10,000
26	Goods returned by Umesh	10,000
30	Goods sold to Akshay	2,00,000

**OR**

(b) Record the following transactions in the Ledger A/c of Mr. Akbar :

**2023 March**

8	Returned Goods to Dipesh	Rs. 20,000
15	Returned Goods to Ketan	Rs. 15,000
20	Returned Goods to Negi	Rs. 25,000
26	Returned Goods from Yadav	Rs. 10,000

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3. (a) From the balances of Mr. Jaiprakash as presented below prepare Profit and Loss Account for the year ended 31<sup>st</sup> March, 2023 :

Salaries	40,000
Rent and Taxes	36,000
Gross Profit	2,99,000
Discount (Dr.)	40,000
Interest (Cr.)	10,000
Discount (Cr.)	2,500
Interest (Dr.)	4,000
Stationery	4,500
Advertising	3,500
Bad Debts	2,500
Capital	2,00,000

**OR**

- (b) Prepare "Trading A/c" for the year ended 31<sup>st</sup> March, 2023 with the following balances of "Dipali" Ltd. :

	<b>Rs.</b>
Opening Stock	3,50,000
Purchases	11,00,000
Sales	20,00,000
Purchase Return	30,000
Sales Return	40,000
Carriage	70,000
Wages	1,80,000
Coal and Gas	1,37,500
Salary	2,10,000
Closing Stock	9,00,000

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4. (a) State the concept of Drawer, Drawee and Payee.

**OR**

- (b) From the given information pass the Journal Entries in the Books of Joint Venture :

(1) Abha contributed Rs. 12,000 and Nabha contributed Rs. 80,000

(2) Abha bought material for Rs. 46,500

Nabha bought material for Rs. 31,000

(3) Nabha took over unused material for Rs. 10,000

(4) Balances paid by J/Bank to :

Abha Rs. 1,66,500

Nabha Rs. 1,01,000

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5. (a) Rani Company purchased Machinery for Rs. 1,00,000 on 1<sup>st</sup> January, 2023. The Asset was to be depreciated on Reducing Balance Method @ 20% p.a. Write “Machinery Account” for first two years assuming accounting year to end on 31<sup>st</sup> March every year.

**OR**

- (b) From the following information, find out the amount of Depreciation :

(1) Cost Price Rs. 4,80,000

(2) Installation Charges Rs. 40,000

(3) Expected Life 4 years

(4) Scrap Value Rs. 60,000.

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### **SECTION—C**

1. (a) Discuss the basic accounting concept.

**OR**

- (b) Explain accounting standards in India.

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2. (a) Journalize the following transactions in the book of Pranav :

#### **2023 April**

1 Pranav started business with cash of Rs. 7,10,000

2 Purchased goods from Shreya Rs. 2,00,000 on credit

5 Deposited Cash into Bank of India Rs. 3,00,000

9 Sold goods to Anay Rs. 2,50,000 on credit

11 Purchased Furniture of Rs. 1,00,000 and paid by cash

14 Paid to Shreya by cheque of Bank of India Rs. 1,00,000

18 Received a bearer cheque for Rs. 1,50,000 from Anay

30 Paid Salary by cheque Rs. 40,000.

**OR**

- (b) Prepare “Purchase Book” and “Purchase Return Book” of Shri Dipanshu from the following details for the month of January, 2023 :

<b>2023 January</b>	<b>Rs.</b>
1 Purchased goods from Kedar	96,000
5 Goods purchased from Lalit	80,000
8 Goods returned to Kedar	16,000
10 Goods purchased from Sejal	1,20,000
16 Goods purchased from Ganesh	2,00,000
20 Goods returned to Ganesh	40,000
22 Goods returned to Lalit	8,000
26 Purchased goods from Naresh in cash	40,000
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3. (a) Show the following information in Profit and Loss A/c and Balance Sheet :

**Trial Balance as on 31<sup>st</sup> December, 2022**

<b>Particulars</b>	<b>Amount</b>	<b>Amount</b>
18% Investment	2,00,000	–
10% Loan taken (1-7-2021)	–	2,00,000
Interest on Investment	–	18,000
Interest on Loan	8,000	–

**OR**

- (b) From the following information drawn from the Books of Pandya Brothers, prepare account for the year ending 31<sup>st</sup> March, 2023 :

Raw Material Purchases	Rs. 2,02,500
Carriage on Purchases	Rs. 1,025
Wages	Rs. 24,875
Factory Insurance	Rs. 1,250
Factory Rates and Taxes	Rs. 820
Motive Power	Rs. 2,780
Factory Electricity	Rs. 8,140
Excise Duty	Rs. 1,450
Purchase Return	Rs. 2,500
Sales	Rs. 5,40,250
Sales Return	Rs. 1,250

Navigation Charges	Rs.	4,110
Marine Insurance	Rs.	890
Import Duty	Rs.	410
Coal and Fuel	Rs.	5,750
Octroi	Rs.	840
Royalties	Rs.	4,350

**Value of Stock :**

	<b>On 1-4-2022</b>	<b>On 31-3-2023</b>	
	<b>(Rs.)</b>	<b>(Rs.)</b>	
Raw Materials	7,250	4,270	
Partly Finished Goods	30,100	40,850	
Finished Goods	50,280	35,180	8

4. (a) What is Joint Venture ? Explain in short how Joint Venture transactions are recorded in a separate set of Books of Account.

**OR**

- (b) On 1<sup>st</sup> February, Virat sold the goods to Dhoni worth Rs. 3,000 and drew upon him a bill at 2 months for the amount. Dhoni gave him acceptance to the bill and returned it to Virat on 4<sup>th</sup> March, Dhoni retired the bill under rebate of 6% per annum.

Give Journal Entries in the Books of Virat and Dhoni.

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5. (a) What is Depreciation ? Explain any two methods.

**OR**

- (b) 'A' Company Ltd. has acquired a lease of Cinema building for the term of 5 years by payment of Rs. 40,000. It is proposed to depreciate the lease by annuity method charging 5% interest p.a. Show the Ledger Account of the asset during the period of the lease. (Reference to the annuity table shows that the amount of Re. 1 for 5 years at 5% is Rs. 0.230975).

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