

B.B.A. Part-I (Semester-I) (CBCS) Examination
BASIC ACCOUNTING

Time : Three Hours]

[Maximum Marks : 80

- Note :—** (1) All the questions are compulsory.
(2) Figures to the right show marks to the question.

SECTION - A

Choose the Correct Alternative

1. Statement One : Debtor's account is a Personal Account
Statement Two : Transferring entry from journal to ledger is called Posting
(a) Statement one is correct (b) Statement two is correct
(c) Both the Statements are correct (d) Both the Statements are wrong
2. Statement One : Cash Book records only Credit transactions
Statement Two : Cash accounts always show Debit Balance
(a) Statement one is correct (b) Statement two is correct
(c) Both the Statements are correct (d) Both the Statements are wrong
3. Statement One : Net Profit is not transferred to Capital Account
Statement Two : Commission Account is shown on credit side of trading account of the firm.
(a) Statement one is correct (b) Statement two is correct
(c) Both the Statements are correct (d) Both the Statements are wrong
4. Statement One : Government Bond is an Income of the firm.
Statement Two : Balance sheet records assets and Liabilities.
(a) Statement one is correct (b) Statement two is correct
(c) Both the Statements are correct (d) Both the Statements are wrong
5. Statement One : Bills of exchange is accepted by Drawer
Statement Two : The Bills of exchange is a Draft before acceptance
(a) Statement one is correct (b) Statement two is correct
(c) Both the Statements are correct (d) Both the Statements are wrong

6. Statement One : The early payment of the Bill is termed as Retirement of Bill
Statement Two : Noting charges of the Bill Dishonored are borne by Drawee
(a) Statement one is correct (b) Statement two is correct
(c) Both the Statements are correct (d) Both the Statements are wrong
7. Statement One : Joint venture account is a nominal Account
Statement Two : Profit and Loss on Joint venture business are not shared by Co-ventures'
(a) Statement one is correct (b) Statement two is correct
(c) Both the Statements are correct (d) Both the Statements are wrong
8. Statement One : Joint Venture business Prepare Joint Venture Account
Statement Two : Joint venture opens a Joint Bank account to contribute the amount.
(a) Statement one is correct (b) Statement two is correct
(c) Both the Statements are correct (d) Both the Statements are wrong
9. Statement One : Depreciation increases value of an asset
Statement Two : Amount of depreciation changes in Straight line method
(a) Statement one is correct (b) Statement two is correct
(c) Both the Statements are correct (d) Both the Statements are wrong
10. Statement One : Depreciation is a Nominal expenditure.
Statement Two : Amount of Depreciation increases in Reducing Balance Method.
(a) Statement one is correct (b) Statement two is correct
(c) Both the Statements are correct (d) Both the Statements are wrong 20

SECTION - B

1. Prepare simple Cash Book :

Date	Particulars	Amount (Rs.)
April 2022		
1	Opening Balance	25,180
4	Cash Sales	1,48,240
5	Cash Purchases	1,25,200
8	Salary Paid	21,620
17	Outstanding wages	41,000
22	Cash withdrawn from Bank	22,000
25	Rent Paid	12,450

4

OR

Prepare Trial Balance :

Particulars	Amount (Rs.)
Debtors	1,15,000
Creditors	2,16,350
Cash in hand	2,23,400
Rent Paid	3,450
Salary	21,680
Opening Stock	1,22,450
Capital	5,30,000
Purchase	1,80,000
Sale	3,10,000
Bill Receivable	3,90,370

4

2. Prepare Trading Account in the Books of Raj Enterprise for the year ending on 31-3-2021

	Rs.		Rs.
Opening Stock	2,10,000	Wages	5,000
Sales Return	2,560	Salary	8,000
Purchase Return	1,500	Purchases	1,40,000
Sales	3,10,000	Carriage	16,000
Adj : Closing Stock -	1,36,000		

4

OR

Prepare Profit and Loss A/c

	Rs.		Rs.
Gross Profit	2,20,000	Salary	16,000
Interest recieved	1,560	Wages	2,450
Bad debt	2,450	Rent	26,500
Advertisement	1,600	Commission Paid	1,500

Adj : (1) Outstanding Salary - Rs. 1,200

(2) Rent Paid in Advance - Rs. 4,000

4

3. Vivek sold the goods to Nilesh for Rs. 35,000 on credit on 1-1-2022; on same day Vivek drafted the Bill for 3 months and Nilesh gave the acceptance for the same.

- (i) On the due date, Bill was honoured
- (ii) On due date, Bill was dishonoured.

Draft the Journal Entries in the Books of Nilesh.

4

OR

A Bill was drafted by Ajay for 4 months on 1-10-2022 for Rs. 1,20,000. Vijay accepted the Bill on the same date on 4-11-2022, the Bill was discounted with Bank @ 15% p.a. On the due date, Bill was honoured. Draft the Journal Entries in the Books of Ajay. 4

4. Explain the concept of Joint Venture Business and its importance. 4

OR

Ram & Krishna entered into a Joint Venture business to sell the cotton cloth.

Goods supplied by Ram Rs. 2,50,000

Goods supplied By Krishna Rs. 1,10,000

The entire lot was sold for Rs. 2,20,000

Expenses for Rent made by Ram Rs. 2,500

Expenses for Carriage paid by Krishna Rs. 1,250

Unsold stock taken over by Ram Rs. 30,000

Profit/Loss sharing Ratio 2 : 1

Prepare the Joint Venture Account. 4

5. A machine was purchased for Rs. 1,80,000. Installation Expenses paid Rs. 20,000. Scrap value Rs. 10,000. Life of asset is 5 years. Calculate the amount of Depreciation. 4

OR

Machine was Purchased for Rs. 80,000 on 1-4-2020.

On 1-7-2021 a new Machine was purchased for Rs. 2,50,000.

Depreciation is charged at 10% P.a. by Reducing Balance Method.

Prepare Machine Account for 4 years. 4

SECTION - C

1. Pass the Journal Entries in the Books of Radheshyam Enterprises.

Date

1.	1-4-2022	Business Commenced with Cash	Rs. 2,50,000
2.	4-4-2022	Goods purchased for	Rs. 25,000
3.	8-4-2022	Goods sold for	Rs. 16,500
4.	10-4-2022	Loan taken from Rashesh	Rs. 50,000
5.	12-4-2022	Salary paid to Rohan	Rs. 18,000

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|----|-----------|--|------------|---|
| 6. | 14-4-2022 | Goods Purchased on credit from Suhas Traders | Rs. 14,500 | |
| 7. | 24-4-2022 | Computer Purchased from Ramson Company | Rs. 45,000 | |
| 8. | 27-4-2022 | Goods returned to Suhas Traders | Rs. 4,500 | 8 |

OR

Prepare Purchase Book and Sales Book in the Books of Priyanshi Enterprises.

Date : 4/22

1. Purchased Goods from Rohit Co. 50,000 @ 5% TD
2. Sold Goods to Pankaj Co. 25,000 @ 2% TD
3. Purchased Furniture for office use from Rahim Stores 21,000
4. Sold goods to Pravin Co. 21,000
5. Sold goods to Rajesh Co. 24,000 @ 5% TD
6. Purchased goods for cash Rs. 35,000
7. Sold goods for cash Rs. 13,000
8. Goods purchased from Ashok Stores for Rs. 12,500 and sold to Vijay Company at cost plus 25% Profit.
9. Goods purchased from Virat Co. 35,000 @ 5% TD 8

2. Prepare Trading & Profit and Loss A/c in the Books of Shree Enterprises for the year ending on 31-March-2022

Particulars	Amount Rs.	Particulars	Amount Rs.
Opening Stock	12,500	Salary	50,000
Sales	2,20,000	Wages	16,000
Purchases	1,30,000	Rent	12,000
Commission Paid	12,000	Dividend	1,600
Return Inward	1,200	Import duty	14,000
Return Outward	1,400	Conveyance	13,000

Adjustment :

Goods distributed as free sample 25,000

Closing Stock Rs. 1,80,000

Outstanding salary 15,000. 8

OR

Prepare Balance Sheet As on 31-3-2022 :

Particulars	Amount Rs.	Particulars	Amount Rs.
Bills Payable	2,400	Net Profit	46,490
Bank overdraft	17,000	Sundry Debtors	12,690
Closing Stock	30,000	Furniture	36,000
Bank Balance	7,500	Plant & Machinery	48,000
Bills Receivable	27,500	Loose tools	400
Capital	45,000	Income received in Advance	1,500
Loan from Prakash	34,700	Drawings	3,000
Sundry Creditors	18,000		

3. Explain the different parties to the Bills of Exchange 8

OR

Himanshu sold the goods on credit to Priyanshu for Rs. 25,000 on 1-8-2022. On the same day, Bill was drafted by Himanshu for 2 months & Priyanshu gave the acceptance for the same.

On the same day, Himanshu discounted the Bill with Bank at 12% p.a. for 2 months. On the due date, Bill was dishonoured and Priyanshu paid Rs. 5,000 and interest of Rs. 2,000 and requested to draft a new bill for the balance amount for 3 months. On due date, Bill was Honoured.

Draft the Journal Entries in the Books of Himanshu. 8

4. Write difference between Joint venture business and Partnership firm. 8

OR

Riddhi and Siddhi entered into Joint Venture to construct a Building at a contract price of Rs. 5,00,000. They opened a Joint Bank account and Riddhi deposited Rs. 3,00,000; following transactions took place : Material Purchased for Rs. 2,50,000; Wages Paid by Siddhi Rs. 50,000; Hire charges of Miner paid by Riddhi Rs. 80,000.

The contract was completed and amount was realised by cheque. It was decided by co-venture to allow interest of Rs. 25,000 on initial contribution made by Riddhi.

The Venture was closed & accounts were settled. Profit Sharing Ratio 3:2

Prepare : Joint Venture Account

Co-venture Account

Joint Bank Account

8

5. Shanta Automobiles purchased a Machine for Rs. 80,000 on 1-07-2020.

On 1-10-2021, a new Machine was purchased for Rs. 30,000. On 31-03-2023 Machine purchased on 1-7-2020 became obsolete and was sold for Rs. 65,000. Depreciation is provided annually by Fixed Installment Method on 31-March at Rate of 10% p.a.

Prepare Machinery Account and Depreciation Account for 3 years.

8

OR

A Ltd. purchased a 5 years lease on 1-4-2018 for Rs. 5,00,000. It is decided to write off depreciation on lease using the Annuity Method. The rate of interest is presumed to be 6% p.a. The annuity for Re. 1 for 5 years at 6% interest is 0.237396. Prepare the Lease A/c for 5 years.

8