

**BACHELOR'S DEGREE PROGRAMME**

**Term-End Examination**

**December, 2016**

06885

**ELECTIVE COURSE : COMMERCE**

**ECO-002 : ACCOUNTANCY-I**

*Time : 2 Hours*

*Maximum Marks : 50*

*Weightage : 70%*

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**Note :** *Attempt any four questions, including question no. 1 which is compulsory.*

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1. Attempt any two questions from the following : 7+7
  - (a) Define accounting and explain its objectives.
  - (b) What are the advantages of Maintaining Petty Cash Book ? Explain the imprest system of Maintaining Petty Cash.
  - (c) Distinguish between Sectional Balancing and Self-balancing.
  - (d) Explain deferred revenue expenditure with examples.
  
2. Rectify the following errors by making a Journal entry : 12
  - (a) Machine purchased for ₹ 5,000 has been debited to purchase A/c.

- (b) ₹ 3,000 being the sale proceeds of an old furniture has been credited to sales A/c.
- (c) Goods purchased from Sanjay for ₹ 2,000 was recorded as ₹ 200 only.
- (d) Goods sold to Mohan for ₹ 380 on credit was recorded as ₹ 830.
- (e) ₹ 800 paid for rent wrongly debited to landlord's A/c.
- (f) No entry has been made for sales return of ₹ 450.

3. Ajay and Vijay were partners in a joint venture, sharing profit and losses equally. Ajay supplied goods to the value of ₹ 2,500 and incurred expenses amounting to ₹ 250. Vijay supplied goods to the value of ₹ 2,000 and incurred expenses amounting to ₹ 200. Vijay sold the entire goods on the behalf of the joint venture and realized ₹ 6,000. Vijay was entitled to commission of 5% on sales. Vijay settled his account by bank draft. Show Joint venture account and Ajay's Account in the books of Vijay. 12

4. Surya Ltd. purchased a machine for ₹ 40,000 on 1<sup>st</sup> July 2010. Depreciation is provided @ 10% on the diminishing balance method. On 1<sup>st</sup> October 2012, a part of the machine costing ₹ 10,000 was found damaged and disposed off for ₹ 6,000. On the same date a new machine at a cost of ₹ 15,000 was purchased. 12

Prepare machine A/c from 2010 to 2013. The accounts are closed on 31<sup>st</sup> December each year.

**5. Write short notes on any two of the following : 6+6**

- (a) Accrued Income**
- (b) Capital Expenditure**
- (c) Bank Reconciliation Statement**
- (d) Contingent Liabilities**

- 6. (a) State the features of Income and Expenditure account. 6+6**
- (b) What is meant by Incomplete Records ?  
What are their limitations ?**
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