

BACHELOR'S DEGREE PROGRAMME

Term-End Examination

June, 2016

04715

ELECTIVE COURSE : COMMERCE

ECO-2 : ACCOUNTANCY-I

Time : 2 Hours

Maximum Marks : 50

Weightage : 70%

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

1. Attempt any two questions from the following : 7+7
- (a) State the essential features of Receipts and Payments Account.
 - (b) Discuss the drawbacks of Single Entry System of accounting.
 - (c) Distinguish between 'consignment' and 'Joint Venture'.
 - (d) Describe briefly the procedure for locating errors.

2. On 1st April, 2010, Gama Ltd. purchased a machine for ₹ 3,90,000 and spent ₹ 10,000 for its installation. On 1st November, 2011, company purchased another machine for ₹ 1,00,000 and spent ₹ 20,000 on its overhauling. On 30th September, 2012, the machine purchased in 2010 was sold at a loss of ₹ 1,27,800. The company charges depreciation @ 10% p.a. on written down value basis. Accounts are closed on 31st March every year. Prepare machine account up to 31st March 2013. 12
3. (a) Why is provision for doubtful debts created ? How is it shown in the Balance Sheet if it is given in (i) Adjustments and (ii) in trial balance ? 6+6
- (b) Explain the role of Suspense Account in rectifying one sided errors with suitable examples.
4. On 1st September, 2013 Shri Gupta of Delhi sent 500 cases of goods @ ₹ 150 each to Shri Jha of Ranchi to be sold on his account at his risk for 7.5% commission and 2.5% del-credere commission and incurred ₹ 5,500 as expenses. ₹ 20,000 advance has been received on 31st December, 2013. Shri Jha sent an account sales disclosing that 300 cases have been sold for ₹ 230 each for cash and another 100 cases at ₹ 220 each on credit. He incurred ₹ 1,750 as selling expenses. He sends a bank draft for the net amount due. Prepare Consignment Account and Consignee Account in the books of Shri Gupta. 8+4

5. Siyaram keeps incomplete records from the following, calculate total sales made during the period from 1st January, 2013 to 31st December 2013 :

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Bills Receivables in the beginning	7,800
Bills Receivables encashed during the year	20,900
Debtors (1.1.2013)	30,800
Cash received from debtors	70,000
Bad-debts written off	2,800
Return inwards	8,700
Bills Receivables dishonoured	1,800
Bills Receivables at the end	25,500
Cash sales	40,900
Closing balance of Debtors	6,100

6. (a) What is Trial Balance ? Explain how is it prepared.
- (b) State any six reasons of disagreement between the balances shown by Cash Book and Pass Book.
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