

20385

**BACHELOR'S DEGREE PROGRAMME**

**Term-End Examination**

**June, 2018**

**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) What is Accounting ? Explain its main objectives.
  - (b) Enumerate the accounting concepts which relate to final accounts, and explain any one of these with its accounting implications.
  - (c) How do professionals account for outstanding fees ?
  - (d) How does debit note differ from credit note ? State the utility of these notes.
2. Rectify the following errors by journal entries 12  
assuming that a suspense account had been opened :
  - (a) ₹ 5,400 received from M. Mehta were posted to the debit side of his account.

- (b) ₹ 1,000 being purchase returns were posted to the debit of Purchases Account.
- (c) ₹ 5,740 paid for repairs of a motor car were debited to the Motor Car Account as ₹ 1,740.
- (d) Purchase of a machine for ₹ 60,000 was recorded in the Purchases Book.
- (e) A sale of goods for ₹ 3,500 to Sethi was entered in the Sales Book at ₹ 5,300.
- (f) ₹ 5,000 paid towards wages for installing a machine was debited to Wages Account.

3. (a) What is Single Entry System ? State its salient features. 6+6
- (b) From the following particulars relating to Bhasin Brothers for the year 2015-16 ascertain their credit sales for the year :

	₹
Debtors as on 1-4-2015	1,20,000
Returns Inwards	50,000
Cash received from debtors	4,50,000
Discount allowed to debtors	30,000
Bills Receivable accepted by debtors	1,70,000
Bad Debts	15,000
Debtors as on 31-3-2016	1,00,000
Bills Receivable dishonoured	35,000

4. (a) What do you mean by Sectional Balancing ? 6+6  
How does it differ from self-balancing ?

(b) Differentiate between provisions and reserves.

5. From the following Receipts and Payments 12  
Account and Balance Sheet of a Club prepare the  
Income and Expenditure Account for the year  
ending 31 December, 2015 and the Balance Sheet  
as on that date.

Receipts and Payments A/c  
For the Year Ending Dec. 31, 2015

	₹		₹
Balance b/d	10,00,000	Expenses	
Subscriptions		2014 1,40,000	
2014 38,000		2015 2,00,000	3,40,000
2015 2,10,000		Lease hold Land	4,00,000
2016 15,000	2,63,000	Interest Paid	40,000
Entrance Fees	80,000	Refreshment Exp.	2,00,000
Locker Rent	70,000	Balance c/d	8,33,000
Income From Refreshments	4,00,000		
	18,13,000		18,13,000

**Balance Sheet as on Dec. 31, 2014**  
(Opening for 2015)

<b>Liabilities</b>	<b>₹</b>	<b>Assets</b>	<b>₹</b>
Capital Fund	33,62,000	Bldgs.	30,00,000
Subs. recd. in advance	60,000	Outstanding Subs.	38,000
Outstanding Expenses	1,40,000	Outstanding Locker Rent	24,000
Loan	5,00,000	Cash in hand	10,00,000
	40,62,000		40,62,000

**Adjustments :**

- (a) Exp. Outstanding 31-12-2015 ₹ 50,000
- (b) Subs. Outstanding 31-12-2015 ₹ 80,000
- (c) Salary due but not paid upto 31-12-2015 ₹ 20,000
- (d) Depreciation of ₹ 2,00,000 to be charged on buildings.
- (e) Entrance fees are to be capitalised.

6. (a) R and S entered into a contract for 8+4 constructing a building for ₹ 4,00,000. R and S contributed ₹ 2,00,000 and ₹ 1,50,000 respectively. They agreed to share profits and losses in the ratio of 4 : 3. It was decided that the work will be looked after by R who will be paid 5% commission on contract price in addition to his share of profits. R purchased the necessary materials for ₹ 3,20,000 and paid ₹ 9,000 for expenses. R also contributed building materials from his own stock worth ₹ 20,000. ₹ 5,000 remained to be paid for wages. S took over the stock of materials for an agreed value of ₹ 16,000. The building was completed and the contract money was duly received. Prepare Joint Venture A/c in the books of R.
- (b) Distinguish between Account Sales and Invoice.
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ASSIGNMENT  
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