

19332

**BACHELOR'S DEGREE PROGRAMME****Term-End Examination****December, 2017****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 do you understand by Dual Aspect Concept. Explain its accounting implications.
  - (b) What do you mean by Trial Balance ? State the errors which are not disclosed by the trial balance.
  - (c) What is Bank Reconciliation Statement ? State its advantages.
  - (d) Prepare an imaginary specimen of a bill of exchange, and state the purpose of noting thereon.
2. (a) State the procedure to be followed for preparing Receipts and Payments Account from the Income and Expenditure Account. 6+6

- (b) The following items relate to a sports club. Show how subscriptions will appear in the Income and Expenditure Account of the club for the year 2014-15 and its Balance Sheet as on 31-3-2015.

	₹
Subscriptions received during the year 2014-15	1,84,000
Subscriptions outstanding as on 31-03-2014	18,000
Subscriptions received in advance as on 31-03-2014	11,600
Subscriptions outstanding as on 31-03-2015	13,600
Subscriptions received in advance as on 31-03-2015	6,000

3. Mr. Ahuja did not keep proper books of accounts. However, the following information is available from his records, for the year ending March 31<sup>st</sup>, 2015 : 12

	as on 31-03-14	as on 31-3-15
	₹	₹
Cash in hand and at bank	20,000	36,000
Stock on hand	3,00,000	2,60,000
Sundry Debtors	2,50,000	2,90,000
Machinery	4,00,000	4,00,000
Sundry Creditors	2,00,000	1,85,000

### Summary of cash Transactions

₹			₹
		Cash paid to	
Balance b/d	20,000	creditors	5,50,000
Cash received from			
Debtors	8,65,000	Wages	1,01,000
Cash sales	42,000	S. Expenses	66,000
Sale of old			
newspaper	2,000	Bldgs. purchased	1,50,000
Loan from		Drawings	46,000
Mrs. Ahuja	20,000		
(@ 6% p.a. on			
1-10-14)			
		Balance c/d	36,000
	<u>9,49,000</u>		<u>9,49,000</u>

#### Additional Information :

- (a) During the year ₹ 5,000 had to be written off as bad.
  - (b) Provide Depreciation @ 15% on machinery.
  - (c) Outstanding expenses were ₹ 8,000.
- Prepare Ahuja's Trading and Profit & Loss Account for the year ending March 31<sup>st</sup>, 2015 and the Balance sheet as on that date.

4. Write short notes on the following : 4+4+4
  - (a) Depletion Method of Providing Depreciation.
  - (b) Imprest system of cash.
  - (c) Sinking Fund to Repay a Liability.
5.
  - (a) Explain different types of errors with suitable examples. 6+6
  - (b) Prepare Manufacturing Account from the following data relating to the year ended on 31<sup>st</sup> December, 2014.

	₹
Raw materials purchased	4,00,000
Stock of raw materials on 1.1.2014	40,000
Work-in-Progress on 1.1.2014	20,000
Factory Wages	60,000
Factory Rent	20,000
Fuel & Power	8,000
Carriage Inwards	4,000
Repairs of Plant	8,000
Depreciation of plant	20,000
Sale of Scrap	2,000
Stock of raw materials on 31-12-2014	80,000
Stock of Work-in-Progress on 31-12-2014	30,000

6. (a) A and B entered into a joint venture agreeing to share profits and losses equally. The following transactions took place during the course of the venture. 8+4

	₹
A Bought goods for cash	2,50,000
B Bought goods for cash	7,00,000
A Paid storage charges	50,000
B Paid freight & insurance	80,000
B Sold goods for cash	7,00,000
B Received 3% commission on sales made by him	
Sales made by A	5,00,000
Commission payable to A	15,000
B Took over the unsold stock	56,000

Prepare the necessary ledger accounts in the books of A, assuming that the accounts have been finally settled between them.

- (b) Distinguish between normal and abnormal loss with an example.