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Total number of pages: 31

Total number of questions: 06

B.C.A. 3rd Sem(reappear)

BASIC ACCOUNTING

Subject Code: BSBC304 / 305

Paper ID: M/18

Time allowed: 3 Hrs

(2016 batch)

Max Marks: 60

Important Instructions:

- All questions are compulsory
- Assume any missing data

PART A (2×10)

Q. 1. Short-Answer Questions:

- (a) balance sheet
- (b) double entry system
- (c) error of omission
- (d) real accounts
- (e) objectives of trial balance
- (f) working capital
- (g) trial balance
- (h) expenditure
- (i) two bases of accounting
- (j) journalize:- cash received from Mr. Rs.2735 and discount allowed to him Rs.20

PART B (8×5)

Q. 2. Discuss in detail importance of accounting in business
OR

Define Trial Balance. Discuss different types of errors in a Trial Balance

Q. 3. Discuss the long term sources of raising working capital
OR

Briefly explain "GAAP" which form backbone of accounting.

Q. 4. What is meaning of rectification of errors? Describe various errors escaped while preparations of trial balance.

OR

From the list of account balances below, prepare in good form a balance sheet for Reyna's Department Store at December 31, Year 7.

6.12.22

	Debit Balances	Credit Balances
Cash	\$ 3,000	
Marketable Securities	13,500	
Accounts Receivable	28,500	
Building	37,500	
Notes Payable (due in one year)		\$ 16,500
Patent	6,000	
Accumulated Depreciation		9,000
Property Taxes Payable		6,000
Accounts Payable		21,750
Retained Earnings		58,350
Common Stock		37,500
Bonds Payable		60,000
Inventory	22,500	
Land	75,000	
Investment in IBM Common Stock	21,000	
Investment in Florida Power Bonds	9,000	
Prepaid Insurance	750	
Withheld Income Taxes		1,650
Additional Paid-in Capital		17,250
Goodwill	11,250	
Totals	\$228,000	\$228,000

Q. 5.

Indicate the effect of each transaction below on the balance sheet equation. After each transaction is properly recorded, compute new subtotals for the Assets, Liabilities, and Owners' Equity, being sure to maintain the equality of the equation.

Transaction Number	Assets	=	Liabilities	+	Owners' Equity
Example	+ \$600,000				+ \$600,000
Subtotal	\$600,000				600,000

- Received \$12,000 for a magazine subscription to be delivered to customers over the next year.
- Paid \$7,000 in advance for one year of insurance.
- Purchased for \$500,000 cash a building the firm will use for office space.

- d. Paid \$15,000 to an advertising agency for a promotional campaign that will start in one month.
- e. Bought \$115,000 of merchandise inventory on account.
- f. Paid \$65,000 to the supplier for inventory purchase in (e) and gave a note for the remaining \$50,000.
- g. Loaned \$30,000 to an officer and accepted a 90-day note as evidence of the loan.
- h. Bought \$42,000 of merchandise for cash.
- i. Borrowed \$75,000 from the bank.
- j. Issued ten shares of \$100 par value common stock in settlement of an account payable of \$26,000.
- k. The company agrees to buy four trucks six months from now for \$178,000.

OR

What is a format and need of preparing a trial balance

Q. 6. Write a detailed note on applications of computers in accounting.

OR

Discuss the meaning and importance of accounting