

Roll No.....

Total Pages: 3  
**14583**

**BBA/D-17**  
**BUSINESS ACCOUNTING**  
Paper: BBA-102

Time: Three Hours

Maximum Marks: 80

Note: There are eight questions in all. Candidate is required to attempt five questions in all. Q. No. 1 is compulsory and comprises of six short answer questions. All questions carry equal marks.

1. Explain the following :
  - (a) Distinguish between revenue and capital expenditure.
  - (b) Define double entry system.
  - (c) Define errors of commission.
  - (d) What is GAAP?
  - (e) Define liabilities.
  - (f) Distinguish between trade discount and cash discount.
2. Define the nature, scope and objectives of accounting. Also discuss the various stakeholders of accounting information.
3. What is Ledger? What are the rules of posting in the ledger? Also differentiate between journal and ledger?
4. Discuss the following :
  - (a) Suspense account
  - (b) Profit and Loss Account
  - (c) Tally as an accounting software
  - (d) Convention of prudence.
5. Write a detailed note on accounting concepts and conventions?
6. Rectify the following errors assuming that suspense account was opened. Ascertain the difference in trial balance.
  - (a) Furniture purchased for Rs. 10,000 wrongly debited to Purchase Account as Rs. 4000.
  - (b) Machinery purchased on credit from Raman for Rs. 20,000 recorded through Purchases Books as Rs. 6000
  - (c) Repairs on Machinery Rs. 1,400 debited to Machinery account as Rs. 2,400.
  - (d) Repairs on overhauling of second hand machinery purchased Rs. 2,000 was debited to Repairs account as Rs. 200.
  - (e) Sale of old machinery at book value Rs. 3,0000 was credited to Sales Account as Rs. 5,000.

7. Explain the various types of errors which are disclosed while preparing trial balance with the help of examples.
8. Prepare the Trading and Profit and Loss Account and Balance sheet of M/s Control Device India on March 31, 2016 from the following balance as on that date :

Account Title	Debit Amount (Rs.)	Credit Amount (Rs.)
Drawings and Capital	19,530	67,500
Purchase and Sales	45,000	1, 12,500
Salary and Commission	25,470	1,575
Carriage	2,700	
Plant and Machinery	27,000	
Furniture	6,750	
Opening Stock	42,300	
Insurance premium	2,700	
Interest		7,425
Banks overdraft		24,660
Rent and Taxes	2,160	
Wages	11,215	
Returns	2,385	1,440
Carriage outwards	1,485	
Debtors and Creditors	36,000	58,500
General expenses	6,975	
Octroi	530	
Investment	41,400	
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	2, 73,600	2,73,600
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Closing stock was value Rs. 20,000

Adjustments:

- Interest on capital @ 10%.
- Interest on drawings @ 5%
- Wages outstanding Rs. 50.
- Outstanding salary Rs. 20.
- Provide depreciation @ 5% on plant and machinery.
- Make a 5% provision on debtors.