

BBA/D-14

BUSINESS ACCOUNTING

Paper-BBA-102

Note: Attempt Five questions. Q 1 No. 1 is compulsory.

All questions carry equal marks.

Compulsory Question

1. Write short not on the following:
 - (a) Ledger
 - (b) Trial Balance
 - (c) Accounting Equation
 - (d) Opening Entry
 - (e) GAAP
 - (f) Petty cash-book
2. (a) State the main advantages os sub-division Journal.
(b) What are the errors of principle? Give examples.
(c) Explain the need of preparing Balance sheet.
(d) How would you classify Business liabilities?
3. (a) What is Double Entry system? Explain in principles and advantages.
(b) What do you understand by the classification of Accounts?
Explain the different types of accounts.
4. (a) State the types of personal Accounts

- (b) Give the rules of Debit and Credit of the three types of accounts.
- (c) What are the Compound journal entries? Give an example.
- (d) What is Trade Discount? Give an example.

5. Enter the following transactions in the Cash- book with cash and Bank columns:

2012		Rs.
April	1. Cash in Hand	5,200
	Bank overdraft	8,500
	2. Received a cheque from Hari and Paid it into bank on the same day	1,300
	3. Received a cheque from Vinod	3,300
	4. Cheque received from Vinod Deposited into bank	
	5 .Purchased goods and paid by cheque	20,000
	Freight paid (in Cash)	250
	6. Sold goods for cash	12,220
	8. Sold good for cadh	16,000
	9. Sale proceeds of April 8, deposited in to bank	
	11. Withdrew cash for private use	1,000
	12. Withdrew by cheque for private use	5,000
	14. Goods purchased from Suresh on Credit	250
	16. Paid to Suresh by Cheque	2500
	17. Received a cheque from Ajay	3700
	20. Cheque received from Ajay endorsed to Vijay	
	22. Received cheque from Mahesh and	

deposited it into Bank	2,700
24. Received Cash Rs 1,000 and cheque Rs 1,200 for cash sales	
25 Paid into Bank	10,000
26. Received a cheque from Prem and sent it to bank immediately	4,150
27. Received a cheque from Ashok	3,100
28. Bank notifies that Prem's cheque Has been dishonoured, Bank charged Rs. 20 on this cheque.	
28. Kishor deposited directly in our Bank account	3,000
April 30. Bank has charged rs 60 for bank charges And interest on overdraft	720

6. Pass Journal Entries to rectify the following errors:

- (i) Material from store Rs 5,000 and wages Rs.2,000 has been used in making Tools and implements for use in own factory, but no adjustment were made in the books.
- (ii) Wages paid for the construction of office, debited to Wages account Rs. 13,000.
- (iii) Wages paid Rs. 3720 were recorded in cash-book as Rs. 3,270.
- (iv) A cheque for Rs. Received from Ashok was dishonoured and has been posted to the debit of sales Return account.
- (v) Rs. 10,000 paid to Gopal Furniture Store for the purchase of furniture as per their Cash-memo were debited to 'Furniture' A/c.
- (vi) There were three compensatory errors:
 - (a) Purchase Return Book was overcast by Rs. 100.

- (b) Discount allowed to Mahesh rs 80 has not been posted to Discount Allowed Account.
- (c) The total of one page of the Sale Book was carried forward to the next page as rs. 680 instead of Rs. 860.

7. Distinguish between:

- (i) Capital Expenditure and Revenue Expenditure.
- (ii) Capital Receipts and Revenue Receipts.
- (iii) Capital Loss and Revenue Loss.

8. From the following balances, prepare Trading, profit and Loss Account and a Balance Sheet as on 31st March, 2012:

	Rs.		Rs.
Capital	82,000	Sundry creditors	9,000
Life Insurance		Sales	1,24,000
Premium	2,800		
Plant and Machinery	5,000	Returns outwards	1,000
Stock in the Beginning	1,500	Special Rebates (Dr.)	800
Purchases	87,200	special Rebates (cr.)	1,200
Return inwards	6,000	Rent for premises	
		Sublet	1,000
Sundry Debtors	21,000	Lighting	400
Furniture	9,100	Motor car Expenses	4,300

Motor car	40,000	Bank Balance	15,200
Freight and Duty	2,000	Loan from Suresh at	
		12% p.a	10,000
Carriage in	800	Interest on Loan	
		From Suresh (Dr.)	900
Carriage out	300		
Trade Expenses	15,400		

Adjustments:

- (i) Stock on 31st March, 2012 was value at Rs. 25,000 (market value Rs. 32,000).
- (ii) Stock of Rs. 6,000 was burnt by Fire on 25 March. It was fully insured and the Insurance company admitted the claim in full.
- (iii) Goods worth Rs 1,500 were used for personal purposes by the proprietor and goods worth rs. 500 were given away as charity.
- (iv) Depreciate Motor car by 15%
- (v) Included in Trade expenses is insurance premium of Rs 2,400 Paid for the year ending 30th June, 2012.