

BBA/D-16  
BUSINESS ACCOUNTING  
PAPER-BBA-102

Time Allowed: 3 Hours

Maximum Marks: 80

Note: Attempt five questions in all. Question No. 1 is compulsory. All questions carry equal marks.

Compulsory Question

1. Write short notes on the following :
  - (a) Generally Accepted Accounting Principles.
  - (b) Revenue Realisation concept
  - (c) Compound Journal Entry.
  - (d) Intangible Real Accounts.
  - (e) Compensating Errors.
  - (f) Contingent Liabilities.
2. Define Accounting. Which parties are interested in accounting information, and why?
3. What do you mean by accounting equation? Giving atleast two examples prove that Accounting Equation holds good under all circumstances.
4. Why is trial balance prepared? Explain the errors which affect trial balance.
5. What is ledger? Write the need and advantages of ledger.
6. Distinguish between the following :
  - (a) Capital Expenditure and Revenue Expenditure.
  - (b) Trial Balance and Balance sheet.
7. Pass journal entries to rectify the following errors :
  - (a) Purchase of Rs. 500 from Mohan was recorded as Rs. 50 in purchase book.
  - (b) Total of Sales Return Book was overcast by Rs. 200
  - (c) Sales Book was undercast by Rs. 1000.
  - (d) No entry has been made for outstanding wages of Rs. 5000
  - (e) An invoice for goods sold to X was overcast by Rs. 500.
  - (f) Goods purchased from X for Rs. 500 was recorded in Sales Book as Rs. 5000.
  - (g) Computer purchased for Rs. 25000 was wrongly passed through purchase book.

(h) Cash paid to Ram Rs. 400 was debited to the account of Shyam.

8. From the following trial balance and adjustments prepare final accounts of Mr. X as at 31<sup>st</sup> March 2015.

Name of Account	Dr. (Rs.)	Cr. (Rs.)
Purchases and sales	1,80,000	3,60,000
Return inwards and outwards	4,500	6,200
Carriage on purchases	2,600	
Carriage on sales	1,500	
Stock 1.4.2014	32,000	
Debtors and Creditors	81,000	28,000
Drawings and Capital	22,000	2,10,000
Wages and salaries	21,000	
Sales Tax paid	4,400	
Cash	3,000	
Building	1,50,000	
Machinery	72,000	
Fuel and Power	8,500	
Investments	36,000	
Rent	4,000	
General Expenses	15,000	
Interest on Investments		3,600
Provision for bad debts		2,900
Commission received		7,500
Accumulated Depreciation		20,000
	6,38,200	6,38,200

#### Adjustments

- Write off Rs. 1500 as Bad Debts and creates a provision for doubtful debts @ 5% on Debtors.
- Provide 2% for discount on Debtors and Creditors.
- Depreciate building by 5% and machinery by 10%
- Charge 10% per annum interest on drawings.
- Closing stock was valued at Rs. 56,700
- Rent is payable at the rate of Rs. 400 per month.