

**BACHELOR'S DEGREE PROGRAMME**

**Term-End Examination**

**June, 2016**

**04715**

**ELECTIVE COURSE : COMMERCE**

**ECO-2 : 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) State the essential features of Receipts and Payments Account.
  - (b) Discuss the drawbacks of Single Entry System of accounting.
  - (c) Distinguish between 'consignment' and 'Joint Venture'.
  - (d) Describe briefly the procedure for locating errors.

2. On 1<sup>st</sup> April, 2010, Gama Ltd. purchased a machine for ₹ 3,90,000 and spent ₹ 10,000 for its installation. On 1<sup>st</sup> November, 2011, company purchased another machine for ₹ 1,00,000 and spent ₹ 20,000 on its overhauling. On 30<sup>th</sup> September, 2012, the machine purchased in 2010 was sold at a loss of ₹ 1,27,800. The company charges depreciation @ 10% p.a. on written down value basis. Accounts are closed on 31<sup>st</sup> March every year. Prepare machine account up to 31<sup>st</sup> March 2013. 12
3. (a) Why is provision for doubtful debts created ? How is it shown in the Balance Sheet if it is given in (i) Adjustments and (ii) in trial balance ? 6+6
- (b) Explain the role of Suspense Account in rectifying one sided errors with suitable examples.
4. On 1<sup>st</sup> September, 2013 Shri Gupta of Delhi sent 500 cases of goods @ ₹ 150 each to Shri Jha of Ranchi to be sold on his account at his risk for 7.5% commission and 2.5% del-credere commission and incurred ₹ 5,500 as expenses. ₹ 20,000 advance has been received on 31<sup>st</sup> December, 2013. Shri Jha sent an account sales disclosing that 300 cases have been sold for ₹ 230 each for cash and another 100 cases at ₹ 220 each on credit. He incurred ₹ 1,750 as selling expenses. He sends a bank draft for the net amount due. Prepare Consignment Account and Consignee Account in the books of Shri Gupta. 8+4

5. Siyaram keeps incomplete records from the following, calculate total sales made during the period from 1<sup>st</sup> January, 2013 to 31<sup>st</sup> December 2013 :

	₹
Bills Receivables in the beginning	7,800
Bills Receivables encashed during the year	20,900
Debtors (1.1.2013)	30,800
Cash received from debtors	70,000
Bad-debts written off	2,800
Return inwards	8,700
Bills Receivables dishonoured	1,800
Bills Receivables at the end	25,500
Cash sales	40,900
Closing balance of Debtors	6,100

6. (a) What is Trial Balance ? Explain how is it prepared.
- (b) State any six reasons of disagreement between the balances shown by Cash Book and Pass Book.
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**BACHELOR'S DEGREE PROGRAMME**

**Term-End Examination**

**June, 2017**

**10190**

**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) Explain briefly the 'conservatism concept' of accounting with examples.
  - (b) State the advantages of maintaining a Petty Cash Book.
  - (c) Describe the utility of debit note and credit note.
  - (d) State the transactions recorded in Bills Receivable and Bills Payable Journals.
  
2. (a) What do you understand by self-balancing system ? State its advantages. 6+6
- (b) Explain the drawbacks of Single Entry System of accounting.

3. (a) The balance of Machine Account on January 1, 2013 was ₹ 10,00,000. New machines were purchased, one on 1-10-2013 for ₹ 50,000 and the other on 1-7-2014 for ₹ 1,00,000. On 1-4-2015, a machine whose book value had been ₹ 1,50,000 on 1-1-2013 was sold for ₹ 80,000 and the entire amount was credited to Machine Account. Depreciation had been charged at 10% p.a. on straight line method. Show Machine Account from 1.1.2013 to 31-12-2015. 8+4
- (b) Distinguish between Provisions and Reserves.
4. There was a difference of ₹ 5,250 in a Trial Balance. It had been transferred to the credit side of Suspense Account. Later on, the following errors were discovered. 12
- (a) An amount of ₹ 3,750 had been posted on the debit side of Commission Account instead of ₹ 2,750.
- (b) Goods worth ₹ 2,000 purchased from y had been posted to his account as ₹ 2,500.
- (c) Total of Sales Returns Book was overcast by ₹ 4,750.
- (d) Goods worth ₹ 3,000 sold to Mahesh was recorded in Purchases Book.
- Pass the necessary rectifying journal entries and prepare the Suspense Account.
5. (a) Distinguish between Joint Venture and Partnership. 4+8

- (b) Philips Radio Company, Mumbai consigned 100 transistors to their agents Paul Radios, Delhi. The cost price of each transistor was ₹ 750. The consignors paid ₹ 2,000 for freight, ₹ 500 for cartage and ₹ 4,000 for insurance. Five transistors were totally destroyed in transit. The insurance claim of ₹ 3,000 was admitted by the insurance company. The consignee took the delivery of 95 transistors and spent ₹ 6,850 on cartage and godown rent. They sold all the transistors at ₹ 1,000 each. Paul Radios are entitled to a commission of 5% on sales. Prepare consignment A/c and Abnormal Loss A/c in the books of the consignors.

6. (a) Why is an Income and Expenditure Account termed as Receipt and Expenditure Account in case of professionals ? How do they account for the outstanding fees ? 6+6
- (b) From the following information prepare the General Ledger Adjustment Account in Creditors' Ledger :

	₹
Opening Balance of Sundry Creditors	2,80,100
Credit Purchases	2,76,000
Payment to Creditors	2,65,000
Discount Allowed by Creditors	18,500
Returns Outwards	22,400
Bills Payable Accepted	53,000
Bills Payable Dis-honoured	5,000

20385

**BACHELOR'S DEGREE PROGRAMME**

**Term-End Examination**

**June, 2018**

**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 is Accounting ? Explain its main objectives.
  - (b) Enumerate the accounting concepts which relate to final accounts, and explain any one of these with its accounting implications.
  - (c) How do professionals account for outstanding fees ?
  - (d) How does debit note differ from credit note ? State the utility of these notes.
2. Rectify the following errors by journal entries 12  
assuming that a suspense account had been opened :
  - (a) ₹ 5,400 received from M. Mehta were posted to the debit side of his account.



- (b) ₹ 1,000 being purchase returns were posted to the debit of Purchases Account.
- (c) ₹ 5,740 paid for repairs of a motor car were debited to the Motor Car Account as ₹ 1,740.
- (d) Purchase of a machine for ₹ 60,000 was recorded in the Purchases Book.
- (e) A sale of goods for ₹ 3,500 to Sethi was entered in the Sales Book at ₹ 5,300.
- (f) ₹ 5,000 paid towards wages for installing a machine was debited to Wages Account.

3. (a) What is Single Entry System ? State its salient features. 6+6
- (b) From the following particulars relating to Bhasin Brothers for the year 2015-16 ascertain their credit sales for the year :

	₹
Debtors as on 1-4-2015	1,20,000
Returns Inwards	50,000
Cash received from debtors	4,50,000
Discount allowed to debtors	30,000
Bills Receivable accepted by debtors	1,70,000
Bad Debts	15,000
Debtors as on 31-3-2016	1,00,000
Bills Receivable dishonoured	35,000



4. (a) What do you mean by Sectional Balancing ? 6+6  
How does it differ from self-balancing ?

(b) Differentiate between provisions and reserves.

5. From the following Receipts and Payments 12  
Account and Balance Sheet of a Club prepare the  
Income and Expenditure Account for the year  
ending 31 December, 2015 and the Balance Sheet  
as on that date.

Receipts and Payments A/c  
For the Year Ending Dec. 31, 2015

	₹		₹
Balance b/d	10,00,000	Expenses	
Subscriptions		2014 1,40,000	
2014 38,000		2015 2,00,000	3,40,000
2015 2,10,000			
2016 15,000	2,63,000	Lease hold Land	4,00,000
Entrance Fees	80,000	Interest Paid	40,000
Locker Rent	70,000	Refreshment Exp.	2,00,000
Income From Refreshments	4,00,000	Balance c/d	8,33,000
	18,13,000		18,13,000

**Balance Sheet as on Dec. 31, 2014**  
(Opening for 2015)

<b>Liabilities</b>	<b>₹</b>	<b>Assets</b>	<b>₹</b>
Capital Fund	33,62,000	Bldgs.	30,00,000
Subs. recd. in advance	60,000	Outstanding Subs.	38,000
Outstanding Expenses	1,40,000	Outstanding Locker Rent	24,000
Loan	5,00,000	Cash in hand	10,00,000
	40,62,000		40,62,000

**Adjustments :**

- (a) Exp. Outstanding 31-12-2015 ₹ 50,000
- (b) Subs. Outstanding 31-12-2015 ₹ 80,000
- (c) Salary due but not paid upto 31-12-2015 ₹ 20,000
- (d) Depreciation of ₹ 2,00,000 to be charged on buildings.
- (e) Entrance fees are to be capitalised.

6. (a) R and S entered into a contract for 8+4 constructing a building for ₹ 4,00,000. R and S contributed ₹ 2,00,000 and ₹ 1,50,000 respectively. They agreed to share profits and losses in the ratio of 4 : 3. It was decided that the work will be looked after by R who will be paid 5% commission on contract price in addition to his share of profits. R purchased the necessary materials for ₹ 3,20,000 and paid ₹ 9,000 for expenses. R also contributed building materials from his own stock worth ₹ 20,000. ₹ 5,000 remained to be paid for wages. S took over the stock of materials for an agreed value of ₹ 16,000. The building was completed and the contract money was duly received. Prepare Joint Venture A/c in the books of R.
- (b) Distinguish between Account Sales and Invoice.

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ASSIGNMENT  
GURU

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**BACHELOR'S DEGREE PROGRAMME**

**Term-End Examination**

**December, 2011**

**ELECTIVE COURSE : COMMERCE**

**ECO-2 : ACCOUNTANCY-I**

*Time : 2 hours*

*Maximum Marks : 50*

*Note : Attempt any four questions, including question no. 1 which is compulsory.*

1. Answer *any two* questions from the following : 7+7
- (a) What is significance of debit and credit balance in different types of accounts ? Explain with examples.
  - (b) What is Trial Balance ? State the type of errors that do not affect the trial balance.
  - (c) Why is journal sub-divided ? Name the special Journals generally maintained by business and state the type of transactions entered in each of them.
  - (d) Explain briefly the utility of Debit note and credit note and give the format of any one of these.

2. (a) State the transactions recorded in Bill Receivable and Bill payable journals. 6+6  
(b) Distinguish between cash Basis and accrual basis of accounting. Why do you consider accrual basis more rational ?
3. (a) State the salient features of Joint venture. 6+6  
Distinguish it from consignment.  
(b) What is a single Entry System ? Distinguish it from Double Entry System.
4. The following information is extracted from the books of businessman. 12
- |                        | Rs.   |
|------------------------|-------|
| Debtors as on 31.12.09 | 25000 |
| Bad debts during 2009  | 1,000 |
- Provision for Bad debts is to be maintained at 5% of debtors  
A provision for discount on debtors is also to be made at 2% you are required to calculate the amount to be set aside in respect of provision for bad debts and provision for discount on debtors respectively, and give the journal entries there of.
5. How would you rectify the following errors in books of K and CO ? 12
- (a) The sales returns book has been undercast by Rs. 500.

- (b) The total of the Bill Receivable Book amounting Rs. 4500 has been posted to the credit of Bill Receivable Account.
  - (c) While posting purchases book to be ledger the personal Account of Kumar has been credited with Rs. 221 instead of Rs. 212.
  - (d) Rs. 10,000 paid for the purchases of a T.V. set for the proprietors is debited to General exp. A/c
  - (e) An amount of Rs. 1000 paid by Pran has been credited to the account of Praneet.
  - (f) Goods sold to Inder for Rs. 1,200 has been entered in the Purchases Book.
6. On July 1, 2006 a company purchased a plant for Rs. 2,00,000. Depreciation was provided at 10% per annum on straight line method on December 31, every year. With effect from Jan. 2008, the company decided to change the method of depreciation to diminishing balance method @ 15% per annum. On 1<sup>st</sup> July 2009, the plant was sold for Rs. 1,20,000. Prepare Plant Account from 2006 to 2009. 12
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**BACHELOR'S DEGREE PROGRAMME**

**Term-End Examination**

**December, 2014**

**ELECTIVE COURSE : COMMERCE**

**ECO-2 : 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) Capital + other liabilities = Total Assets.  
Explain this Accounting equation with examples.
- (b) "Agreement of Trial Balance does not mean that there is no error in account books". Do you agree ? Explain.
- (c) Write a clear note on Cash concept Vs Accrual concept of accounting.
- (d) Name the parties and their interests in financial statements of a company.

2. Prepare a **three** column Cash Book from the following transaction : 12

Date	Transaction	Amount Rs.
2012		
Jan. 1	Opening Cash Balance,	5000
	Balance with Bank	30,000
Jan. 2	Borrowing from SBI	50,000
Jan. 5	Cash purchases from Ram	10,000
Jan. 5	Credit purchases	8500
Jan. 10	Cash Sales	12,000
Jan. 15	Deposit in Bank	9000
Jan. 18	Issued cheque to Ram	8000
Jan. 20	Bad debt recovered	5000
Jan. 22	Received cash from A	750
Jan. 25	Withdrawal from Bank for business purpose	4500
Jan. 26	Withdrew cash for personal use....	2000
Jan. 27	Received cheque from Sham and deposited in bank	5000
Jan. 28	Paid monthly Rent by cheque	3000
Jan. 29	Received cash from Soni, 2910 in full settle of	3000
Jan. 30	Paid to Ram Rs. 1950 in full settlement of his account of	2000
Jan. 30	Issue salary cheque	4500
Jan. 30	Paid Installment of loan by cheque	5500

3. (a) State the entries that are usually passed for recording transactions in consignor's and consignee's books. **6+6**
- (b) What steps are required to be taken to convert single entry into double entry system of book keeping ? Explain.

4. What is an Accommodation Bill of Exchange ? **4+8**  
Explain with an example.

On 1<sup>st</sup> Jan. 2012, X draws a bill amounting to Rs. 12000 for 3 months, on Y for mutual benefit. Y accepts the bill and return to X who discounted the same with his banker @ 12% per annum and remitted half of the proceeds to Y. On due date X sends the requisite amount to Y who met the bill on maturity.

Pass the necessary entries in the books of X and Y.

5. (a) Where will you show the following items in the Final Accounts of a sole proprietor. **8+4**
- (i) Loss by fire
  - (ii) Transfer of some profit to General Reserve
  - (iii) Commission paid to agents
  - (iv) Drawings by the proprietor
  - (v) Outstanding Rent
  - (vi) Sales returns
  - (vii) Manufacturing expenses
  - (viii) Samples distributed
- (b) List the errors which do not effect the agreement of Trial Balance.

6. (a) From the following Receipts and Payments Account of a club, prepare Income and Expenditure Account for the year ended as on Dec. 31, 2011. 8+4

Receipt and Payment Account for the year ending Dec. 31, 2011

Receipts	Rs.	Payments	Rs.
Balance b/d	3,500	General expenses	900
Subscription :		Salary	16,000
2010	1,800	Postage	1,300
2011	70,000	Electricity bill	7,800
2012	3,200	Furniture	26,500
Sale of old books (cost Rs. 3,200)	2,000	Books	13,000
Rent from use of Hall	17,000	Newspapers	600
Sale of old News papers	400	Meeting expenses	7,200
Profit from entertainment programme	7,300	TV set	16,000
		Balance c/d	15,900
	1,05,200		1,05,200

Additional Information :

- (i) The club has 100 members each paying an annual subscription of Rs. 900. Subscription outstanding on Dec 31, 2010, were Rs. 3600.
  - (ii) On Dec. 31, 2011, salary outstanding accounted to Rs. 1000, salary paid included Rs. 1000 for the year 2010.
- (b) How do professionals account for their outstanding professional fees ?

**BACHELOR'S DEGREE PROGRAMME**

**Term-End Examination**

**December, 2015**

**ELECTIVE COURSE : COMMERCE**

**ECO-2 : 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. Answer any two of the following : 7+7

- (a) Distinguish between Single Entry System and Double Entry System of Accounting.
- (b) What is the difference between Receipts and Payment Account and Income and Expenditure Account ? Explain.
- (c) Explain the concepts of 'Conservatism' and 'Consistency' with examples.
- (d) State the difference between Capital Expenditure and Revenue Expenditure.

2. (a) What is 'Net Worth' ? How is it computed ? Explain with an example. 6+6
- (b) What do you understand by Self-Balancing System ? State its advantages.

3. On 1<sup>st</sup> April, 2013 a firm of Sportswear, Delhi sent a consignment of 500 swimming suits to M/s Ram Niwas and Sons of Kanpur (consignee) valuing ₹ 1,25,000. The consignor incurred an amount of ₹ 1500 in sending the goods to the consignee. At the end of the month, the consignee sent a statement of sales showing that 400 suits were sold @ ₹ 350 per suit and his selling expenses amounted to ₹ 8000. The consignee is entitled for a commission of ₹ 25 per suit sold. The unsold stock is to be valued at cost plus proportionate expenses. The consignee had also spent ₹ 500 on consignment received. 12

You are required to show necessary ledger accounts in the books of the consignor.

4. From the following Ledger Balances extracted from the books of a proprietor as on 31<sup>st</sup> March, 2013 prepare the Trading and Profit and Loss Account for the year ending on 31-03-2013 and also the Balance Sheet after taking into account the following additional information : 12

Name of Ledger Account	Debit Balance (₹)	Credit Balance (₹)
Capital	-	8,00,000
Sales	-	15,00,000
Return inward	35000	-
Purchases	7,65,000	-
Return outward	-	22000
Stock (1-4-2012)	80000	-
Land and Building	8,00,000	-
Plant and Machinery	4,00,000	-
Furniture and Fixtures	1,50,000	-
Wages	70000	-
Carriage inward	15000	-
Salaries	48000	-
Rent	35000	-
Interest on loan	15000	-
Discount	5000	-
Bad debts	5000	-
Interest on Investment	-	9500
Cash in hand	21500	-
Cash at Bank	55000	-
Investments	75000	-
Debtors	1,52,000	-
Creditors	-	2,00,000
Goodwill	50000	-
Bills Receivable and Payable	20000	15000
Loan	-	2,50,000
Total	27,96,500	27,96,500



**Additional Information :**

- (a) Unsold stock on 31-3-2013, ₹ 1,75,000.
- (b) Depreciate : Plant and Machinery @ 15%  
Furniture and Fixtures @ 15%.
- (c) Provide Bad debt Reserve @ 5%.
- (d) Outstanding Rent, 13,000.

5. On January 1, 2010, a firm purchased a Machine for ₹ 75,000 and spent ₹ 5,000 on its erection. On 1<sup>st</sup> July, the same year, a second machine was purchased for ₹ 40,000. On 1<sup>st</sup> July 2011, the firm sold the machine which had been purchased on 1-1-2010, for ₹ 55,000. 12

On July 1, 2012, a new plant costing ₹ 60,000 was added and the machinery purchased on 1<sup>st</sup> July 2010 was disposed off for ₹ 30,000.

Firm charges depreciation annually @ 10% on fixed instalment basis. Prepare Machinery Account for 3-years showing balance as it would appear on 1-1-2013.

6. Write short notes on **any two** of the following : 6+6
- (a) Joint Venture as a temporary partnership.
  - (b) Secret reserves.
  - (c) Selection of a method of charging depreciation.
  - (d) Types of Assets.

**BACHELOR'S DEGREE PROGRAMME**

**Term-End Examination**

**June, 2014**

09163

**ELECTIVE COURSE : COMMERCE**

**ECO-2 : 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 are the advantages of accounting ?
  - (b) Distinguish between Capital Expenditure and Revenue Expenditure with examples.
  - (c) Make a clear distinction between 'Sale' and 'Goods Sent on Consignment'.
  - (d) What is Single Entry System of Book-keeping ? How has Double Entry System removed its limitations ?
2. (a) What are the Rules for recording business transactions in Journal ? 6+6
- (b) Pass the Journal Entries for the following :
  - (i) Credit sales to Sahil, 15,000.
  - (ii) Cash received from Sahil in full settlement of his account, Rs. 14,750.
  - (iii) Office rent due 5,000; paid only Rs. 3,000.
  - (iv) Loss of stock by fire, Rs. 8,500.

3. (a) What are the differences between 'Receipts and Payments Account' and 'Income and Expenditure Account' ? 6+6
- (b) Make a distinction between Provisions and Reserves.
4. From the following Ledger balances and adjoining information, you are required to prepare a Trading and Profit and Loss Account for the year ended on 31<sup>st</sup> March 2012 and the Balance Sheet as on that date. 12

Particulars	Dr.	Cr.
Opening Stock	40000	-
Purchases	4,10,000	-
Sales	-	4,29,000
Purchases Returns	-	1,250
Sales Returns	2,500	-
Carriage inward	1,500	-
Carriage Outward	2,500	-
Bank Overdraft	-	21,000
Cash	4,000	-
Capital	-	1,27,750
Sundry Creditors	-	37,500
Loans	-	41,375
Investments	10,000	-
Accrued Incomes	600	-
Machinery	47,500	-
Drawings	10,000	-
Wages	11,000	-
Salaries	7,300	-
Outstanding Expenses	-	1,000
Prepaid Expenses	750	-
Postage	900	-
Discount Received	-	375
Discount Allowed	1,000	-
Bad Debts	750	-
Debtors	1,00,000	-
Interest Paid	3,500	-
Interest Received	-	300
Provision for Bad debts	-	1,750
Furniture and Fixtures	7,500	-
	<b>6,61,300</b>	<b>6,61,300</b>

**Other Information :**

(a)	Unsold Stock	1,10,000
(b)	Depreciate Machinery by	10%
(c)	Tax Payable	7,500
(d)	Accrued Interest on Investment	1,200

5. Pass the necessary Journal entries for the rectification of following accounting errors : **12**

- (a) Purchase of LCD Projector debited to Purchase Account Rs. 50,000.
- (b) Credit Sales of 720 recorded in Sales Journal as Rs. 270.
- (c) Credit Sales of 1,500 rupees to Sameer was omitted from being recorded in books.
- (d) Sameer had paid Rs. 1,000 but it was credited to Rahim's account.
- (e) Discount Allowed column of Cash Book was overcast by Rs. 75.
- (f) Sales Book was under cast by Rs. 550.

6. Prepare Machinery Account for the years 2007 to 2011. **12**

On 30<sup>th</sup> June 2007, a business man purchased machinery for Rs. 10,000 and spent on its installation Rs. 1000. It charged depreciation @ 10% annually according to Fixed Instalual method of charging depreciation. On 30-6-2009, he added another machinery costing Rs. 8,000. On 30-6-2011, the machinery purchased on 30-6-2007 was sold for Rs. 5,000.

07401

**BACHELOR'S DEGREE PROGRAMME**

**Term-End Examination**

**June, 2015**

**ELECTIVE COURSE : COMMERCE**

**ECO-2 : 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. Answer any two of the following : 7+7
- (a) Name the parties interested in Accounting information and state their basic interests therein.
  - (b) Explain with example the 'Cost Concept' and 'Dual Aspect Concept'.
  - (c) "Single entry book-keeping is an incomplete system". Do you agree ? Explain.
  - (d) Explain the method of valuation of unsold stock for calculating fair profit on consignment.

2. (a) What is Bank Reconciliation Statement ? 6+6  
What are its advantages ?

(b) On 31<sup>st</sup> Dec. 2012, the Cash Book of Mr. Karamat Ali showed a debit balance of ₹ 5,850. Prepare the Bank Reconciliation statement to work out the passbook balance from the following information :

- (i) Cheques amounting to ₹ 1,350 issued in mid December have not been presented for payment till 31-12-12.
- (ii) A cheque of ₹ 900 was deposited but it was collected in the first week of January.
- (iii) Dividend collected by bank, ₹ 390 has not been shown in Cash book.
- (iv) ₹ 225 deposited by a customer direct in the bank account of the account holder.
- (v) Bank charges, ₹ 45 appeared only in the pass book.
- (vi) A cheque of ₹ 120 entered in Cash Book but it was not sent to bank for collection.

3. Prepare Final Accounts from the following Trial Balance which belong to financial year ending on 31<sup>st</sup> December 2012. 12

Name of Account	Debit Balance (₹)	Credit Balance (₹)
Stock (1-1-2012)	60,000	-
Land and Building	6,00,000	-
Furniture	1,12,500	-
Machinery	3,00,000	-
Capital	-	6,00,000
Sales	-	11,25,000
Wages	52,500	-
Purchases	5,73,750	-
Purchases Return	-	16,500
Sales Return	26,250	-
Carriage Inward	11,250	-
Salaries	36,000	-
Rent	26,250	-
Interest paid on bank loan	11,250	-
Discount	3,750	-
Bad debt	3,750	-
Interest received	-	7,125
Cash in hand	16,125	-
Cash at Bank	41,250	-
Investments	56,250	-
Debtors	1,14,000	-
Goodwill	37,500	-
Creditors	-	1,50,000
B/R and B/P	15,000	11,250
Bank Loan	-	1,87,500
	20,97,375	20,97,375



Other Information :

- (a) Stock as on 31-12-2012, ₹ 13,500
- (b) Make a provision for doubtful debts @ 5%
- (c) Accrued interest on investment, ₹ 1,200
- (d) Depreciate Machinery by 10% and Furniture by 10%

4. Ram and Raheem entered into a contract to construct a building for ₹ 10,00,000. Ram was entrusted to maintain joint venture accounts and also to look after the joint venture business. He was entitled to a commission of 5% on contract price, in addition to a profit in a ratio of 4 : 3. Raheem paid his share of contribution of ₹ 4,00,000. Ram purchased construction material for ₹ 7,25,000 and paid other expenses, 25,000. Ram also contributed material from his own stock worth ₹ 40,000. Stock remaining unconsumed was taken over by Raheem for ₹ 50,000. 12

Record the above transactions in the Journal of Ram and show the Joint Venture Account and Raheem's personal account as the working notes.

5. Comment on **any two** of the following statements : 6+6
- (a) Income and Expenditure Account is different from Profit and Loss Account.
  - (b) Trial Balance is not the conclusive proof of accuracy of books.
  - (c) Accounting equation is based on Dual concept of Book-keeping.

6. (a) From the following particulars taken from the Cash Book of a club prepare a Receipts and Payments Account for the year ending 31-3-2013. 6+6

Opening balance	₹
Cash	10,000
Bank	50,000
Subscriptions	3,30,000
Donations Received	26,000
Investments purchased	1,00,000
Rent paid	40,000
General Expenses	21,000
Postage and stationery	7,000
Sundry Expenses	3,000
Closing cash in hand	2,000

- (b) Explain the factors that are taken into account while determining the amount of depreciation, and show how its total amount is worked out.
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**BACHELOR'S DEGREE PROGRAMME**

**Term-End Examination**

**June, 2011**

**ELECTIVE COURSE : COMMERCE**

**ECO-2 : ACCOUNTANCY-I**

*Time : 2 hours*

*Maximum Marks : 50*

*Note : Attempt any four questions, including question no. 1 which is compulsory.*

**1. Answer any two questions from the following. 7+7**

- (a) What do you understand by Dual Aspect Concept ? Explain its accounting implications with examples.
- (b) What is Trial Balance ? Explain the various forms in which it is prepared.
- (c) Explain Bank Reconciliation Statement and its advantages.
- (d) What is Journal Proper ? State the transactions that are usually recorded in Journal Proper.

**2. (a) Differentiate between a Bill of exchange and a promissory Note. 6+6**

- (b) What do you understand by Matching Costs against revenue ? Explain the main implication of the Matching Concept.

3. (a) What is the difference between normal loss and abnormal loss ? Give examples. 6+6
- (b) What is Sectional Balancing ? How does it differ from self balancing ? Give proforma of a Total Debtors Account.
4. Give journal entries for the following adjustments. 12
- (a) Interest received in advance Rs. 60,000.
- (b) Interest on drawings Rs.12,000
- (c) Provision for discount on creditors Rs. 2,000.
- (d) Loss of goods by theft Rs. 8,500.
- (e) Drawing of goods by the proprietor Rs. 7,500.
- (f) Out standing wages Rs. 3,000.
5. The Trial Balance of Siva did not tally. The credit side exceeded by Rs. 1455. This amount was entered in the debit column against suspense account and the Trial Balance was made to tally. Later the following errors were discovered. 12
- (a) Goods worth Rs. 1,250 were sold to Mahesh on credit. This was entered in the sales book but was not posted.
- (b) Goods worth Rs. 313 were returned by Ahmed. The amount was credited to his account but was not recorded in the return inwards book.
- (c) Manoj paid Rs. 670 but his account was wrongly credited with Rs. 607.

(d) An amount of Rs. 375 owed by Dinesh was omitted from the schedules of sundry debtors.

(e) The sales book was undercast by Rs. 420.

Give journal entries to rectify the errors and show the suspense account.

6. The receipts and payments account of ABC & Co. is given below. 12

Receipts and Payments Account For the year ending March 31 2009			
Receipts	Rs.	Payments	Rs.
To Balance b/d	5000	By Charities	14500
To cash at Bank	2700	By Salaries	2600
To cash in hand	8000	By Rent & Taxes	1200
To subscriptions	4000	By Printing	300
To Endowment Fund	15000	By Postage	100
To Legacies	6000	By Advertisements	250
To Interest on Investment	9500	By Furniture	650
To Interest on deposits	150	By Insurance	1200
To sales of old news papers	75	By Investments	14000
		By Advance for building	5000
		By balance c/d cash at Bank	8000
		Cash in hand	2625
	50425		50425

Prepare the Income and Expenditure Account for the year ended March 31, 2009 after considering the following.

- (a) It was decided to treat one half of the amount received on account of legacies and donations as income.

- (b) Liabilities to be provided for are.  
Rent Rs. 200 Salaries Rs. 300  
Advertisement Rs. 50
- (c) Insurance premium was paid in advance for three months.
- (d) Rs. 500 due for Interest on investment was not actually received.
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# BACHELOR'S DEGREE PROGRAMME

## Term-End Examination

December, 2018

### ELECTIVE COURSE : COMMERCE

#### ECO-002 : ACCOUNTANCY-I

Time : 2 Hours

Maximum Marks : 50

Weightage : 70%

*Note : Attempt any four questions, including question no. 1 which is compulsory.*

1. Attempt any two questions from the following : 7+7

- (a) Enumerate the accounting concepts which guide the accountant at recording stage, and explain any one of these with its accounting implications.
- (b) Distinguish between capital reserves and revenue reserves.
- (c) State the expenses that are not considered while valuing unsold stock lying with the consignee.
- (d) What is self-balancing system ? State its advantages.

15534

2. On 30<sup>th</sup> April, 2016 the Cash Book of Srikanth showed an overdraft of ₹ 37,200. Prepare a Bank Reconciliation Statement using the following information :

12

- (a) Out of two cheques issued to Kumar on April 25, 2016 (One for ₹ 1,500 and another for ₹ 3,750) the cheque for ₹ 3,750 was cashed on May 5, 2016.
- (b) A wrong credit for ₹ 375 relating to some other account was found in the Pass-Book.
- (c) Three cheques for ₹ 4,500, ₹ 6,000 and ₹ 7,500 were deposited in the bank on April 22, 2016. Only the cheque for ₹ 6,000 was collected by Bank upto April 30, 2016.
- (d) There was a debit of ₹ 1,200 for interest and ₹ 225 for bank charges in the Pass-Book only.
- (e) The Pass-Book showed that the bank had collected ₹ 9,000 as interest on securities. But there was no entry found in the Cash Book for the same.
- (f) A bill receivable for ₹ 7,500 which had been discounted with the bank in March, 2016 was dishonoured on April 28, 2016. But it was debited in the Pass-Book only.

3. The Trial Balance of firm showed the following 6+6  
balances as on December 31, 2015 :

	₹
Salaries	10,000
Wages (Indirect)	20,000
Rent Received	6,600
Commission Received	2,000
Interest on Investments	6,000

**Additional Information :**

- (a) Salaries amounting to ₹ 2,000 were outstanding.
- (b) Wages include ₹ 1,500 paid in advance.
- (c) Interest on investments include ₹ 1,200 for the month of January, 2016.
- (d) Rent ₹ 600 for the month of December, 2015 has not yet been received.

Gross Profit for the year amounted to ₹ 40,000 and other expenses ₹ 10,000.

Pass journal entries for the adjustments and prepare Profit and Loss A/c for the year ending December 31, 2015.

4. Distinguish between : 4+4+4
- (a) Outstanding expenses and Unexpired expenses.
  - (b) Bill of Exchange and Promissory Note.
  - (c) Provision for Discount on Debtors and Provision for Discount on Creditors.

5. Vanaspati Ltd. consigned 500 kg of vanaspati ghee to Ashoka Brothers, Chandigarh. Each kg of ghee cost ₹ 80. Vanaspati Ltd. paid ₹ 50 for carriage, ₹ 250 for packing and ₹ 200 for insurance in transit. After three months from the date of consignment of goods, Ashoka Brothers reported that 350 kg of ghee had been sold @ ₹ 95 per kg and expenses incurred were ₹ 500 on godown rent and ₹ 750 on salesman's salary. Ashoka Brothers are entitled to a commission of 5% on sales. 50 kg of ghee was accidentally destroyed in the godown. Insurance claim of ₹ 3,500 was admitted. 12

Prepare the necessary accounts in the books of Vanaspati Ltd.

6. Write short notes on the following : 4+4+4
- (a) Diminishing Balance Method of providing Depreciation.
  - (b) Sinking Fund to Repay a Liability.
  - (c) Memorandum Trading Account.
-

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

₹			₹
Balance b/d	20,000	Cash paid to 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 Mrs. Ahuja	20,000	Drawings	46,000
(@ 6% p.a. on 1-10-14)			
	<u>9,49,000</u>	Balance c/d	<u>36,000</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.



**BACHELOR'S DEGREE PROGRAMME****Term-End Examination****December, 2012****ELECTIVE COURSE : COMMERCE****ECO-2 : ACCOUNTANCY-I***Time : 2 Hours**Maximum Marks : 50*

*Note : Attempt any four questions, including question no. 1 which is compulsory.*

1. Answer *any two* of the following : 7+7
  - (a) Distinguish between Income and Expenditure Account and Receipts and Payments Account.
  - (b) What do you mean by invoice price ? Give reasons for consigning the goods at invoice price.
  - (c) What is cost concept ? Explain its accounting implications with examples.
  - (d) Discuss briefly the utility of debit note, credit note and invoice.
  
2.
  - (a) What do you mean by Sectional Balancing ? 6+6  
How does it differ from self-balancing ?
  - (b) Differentiate between Provisions and Reserves.

3. Radha & Co., Bombay sent on consignment to Krishna & Co., Chennai 100 Fans, invoiced at Rs. 100 each on 5th June, 2009. Radha & Co. paid Rs. 2000 for dispatch of goods to the consignee. Consignee remitted Rs. 6000 as an advance by bank draft on 20th June 2009. The consignee is entitled to a commission of 10% on the sale proceeds. On receipt of goods the consignee paid Rs. 2000 for godown charges. On 30th June, 2009 Krishna & Co. sent an Account sales showing that the fans have realised Rs. 250 each. He remits the amount due to Radha & Co. Prepare ledger accounts in the books of the consignor. 12
4. The Trial Balance of M/S Mohan Brothers shows the following balances as on 31.12.2010 : 12

	Rs.		Rs.
Purchases	60,000	Capital	1,13,075
Sales Return	1,500	Sales	1,27,000
Machine	90,000	Purchase Returns	1,275
Opening Stock	40,000	Discount Received	800
Discount allowed	350	Creditors	20,000
Bank charges	100	Bills payable	5,000
Debtors	45,000		
Salaries	7,000		
Wages	10,000		
Carriage inward	1,000		
Carriage outward	1,200		
Rent paid	2,000		
Bad debts	2,000		
Cash at Bank	7,000		
	2,67,150		2,67,150

Closing stock was valued at Rs. 35000. Prepare trading account and Profit and Loss Account for the year ended 31.12.2010 and a Balance Sheet as on that date.

5. Birla Cotton Mill purchased a machine on 1st May 2006 for Rs. 90,000. On 1st July, 2007 it purchased another machine for Rs. 40,000. On 31.3.2008 it sold off the first machine purchased in 2006 for Rs. 58000 and on the same date purchased a new machine for Rs. 1,00,000. Depreciation is provided at 20% p.a. on the original cost each year. Accounts are closed on 31st December each year. Show Machine Account for three years. 12
6. Write short note on the following : 4+4+4
- (a) Single Entry System,
  - (b) Ledger,
  - (c) Promissory Note
-

## BACHELOR'S DEGREE PROGRAMME

Term-End Examination

December, 2013

03886

### ELECTIVE COURSE : COMMERCE

#### ECO-2 : 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. Answer *any two* of the following : 7+7

- (a) What is materiality concept of accounting ?  
Explain its accounting implications with examples.
- (b) Explain the functions of accounting.
- (c) State the reasons that lead to disagreement in the balances of Cash Book and Pass Book.
- (d) Define Bill of exchange. Prepare an imaginary specimen of a bill of exchange.

2. There was a difference of Rs. 525 in Trial Balance. 12  
It was transferred to credit side of suspense Account. Later on, the following errors were discovered. Pass the rectifying journal entries and prepare suspense Account.
- (a) An amount of Rs. 375 has been posted on the debit side of commission account instead of Rs. 275.
  - (b) Goods of Rs. 200 purchased from Ram has been posted to his account as Rs. 250.
  - (c) Total of Sales Return book was over cast by Rs. 475.
  - (d) Goods of Rs. 300 were sold to Mahesh, was recorded in purchase book.
3. Distinguish between : 4+4+4
- (a) Outstanding expenses and unexpired expenses.
  - (b) Normal loss and Abnormal loss.
  - (c) Provision for discount on debtors and provision for discount on creditors.
4. A company had bought machinery for 12  
Rs. 1,00,000 including therein a boiler worth Rs. 10,000. Depreciation is provided @ 10% p. a on written down value method. During the 5<sup>th</sup> year the boiler became useless and the same is sold for Rs. 2,000. Prepare Machine account for 5 years assuming that the Boiler was sold on 1<sup>st</sup> day of 5<sup>th</sup> year.

5. (a) Distinguish between consignment and Joint Venture. 6+6
- (b) How is valuation of closing stock in consignment accounts done when abnormal and normal losses occur simultaneously ? Explain it with an example.
6. (a) What is a secret reserve ? State the various ways in which it is created. 6+6
- (b) Ascertain the cost of goods sold and gross profit from the following figures :

	Rs.
Stock at the beginning	60,000
Purchases less Returns	6,00,000
Carriage Inwards	20,000
Cartage and Freight	10,000
Carriage Outwards	30,000
Direct Wages	50,000
Sales less Returns	12,00,000
Closing Stock	40,000

**BACHELOR'S DEGREE PROGRAMME**

**Term-End Examination**

**December, 2016**

06885

**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) Define accounting and explain its objectives.
  - (b) What are the advantages of Maintaining Petty Cash Book ? Explain the imprest system of Maintaining Petty Cash.
  - (c) Distinguish between Sectional Balancing and Self-balancing.
  - (d) Explain deferred revenue expenditure with examples.
2. Rectify the following errors by making a Journal entry : 12
- (a) Machine purchased for ₹ 5,000 has been debited to purchase A/c.



- (b) ₹ 3,000 being the sale proceeds of an old furniture has been credited to sales A/c.
- (c) Goods purchased from Sanjay for ₹ 2,000 was recorded as ₹ 200 only.
- (d) Goods sold to Mohan for ₹ 380 on credit was recorded as ₹ 830.
- (e) ₹ 800 paid for rent wrongly debited to landlord's A/c.
- (f) No entry has been made for sales return of ₹ 450.

3. Ajay and Vijay were partners in a joint venture, sharing profit and losses equally. Ajay supplied goods to the value of ₹ 2,500 and incurred expenses amounting to ₹ 250. Vijay supplied goods to the value of ₹ 2,000 and incurred expenses amounting to ₹ 200. Vijay sold the entire goods on the behalf of the joint venture and realized ₹ 6,000. Vijay was entitled to commission of 5% on sales. Vijay settled his account by bank draft. Show Joint venture account and Ajay's Account in the books of Vijay. 12

4. Surya Ltd. purchased a machine for ₹ 40,000 on 1<sup>st</sup> July 2010. Depreciation is provided @ 10% on the diminishing balance method. On 1<sup>st</sup> October 2012, a part of the machine costing ₹ 10,000 was found damaged and disposed off for ₹ 6,000. On the same date a new machine at a cost of ₹ 15,000 was purchased. 12

Prepare machine A/c from 2010 to 2013. The accounts are closed on 31<sup>st</sup> December each year.



**5. Write short notes on any two of the following : 6+6**

- (a) Accrued Income**
- (b) Capital Expenditure**
- (c) Bank Reconciliation Statement**
- (d) Contingent Liabilities**

**6. (a) State the features of Income and Expenditure account. 6+6**

- (b) What is meant by Incomplete Records ?  
What are their limitations ?**

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**BACHELOR'S DEGREE PROGRAMME****Term-End Examination****June, 2012****ELECTIVE COURSE : COMMERCE****ECO-2 : ACCOUNTANCY-I***Time : 2 Hours**Maximum Marks : 50*

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*Note : Attempt any four questions, including question no.1 which is compulsory.*

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1. Answer *any two* of the following : 7+7
- (a) What is Business Entity Concept ? Explain its accounting implications with examples.
  - (b) Define 'Accounting'. Explain any three functions of accounting.
  - (c) What is Bank Reconciliation Statement ? State any five causes that lead to disagreement in the balances of cash book and pass book.
  - (d) Define depreciation. Explain the objectives of providing depreciation.
2. (a) Distinguish between Sales and Consignment. 6+6
- (b) What is a Joint Venture ? Explain the essentials features of a joint venture.

3. (a) What is meant by Self-Balancing System ? 6+6  
State its advantages.
- (b) What is single entry system ? Discuss the drawbacks of single entry system of accounting.
4. (a) Give journal entries for any three the following adjustments. 6+6
- (i) Outstanding Rent Rs. 4,000.
  - (ii) Loss of goods by fire Rs. 6,000.
  - (iii) Proprietor withdrew Rs. 5,000 for personal use.
  - (iv) Commission received in advance Rs. 10,000.
  - (v) Provision for discount on debtors Rs. 1,000.
  - (vi) Interest on capital Rs. 5,000.
- (b) Distinguish between Capital and Revenue Expenditure with suitable examples.
5. Rectify the following accounting errors : 12
- (a) Machine purchased for Rs. 10,000 has been debited to purchases account.
  - (b) Rs. 3,000 being the sale proceeds of old furniture has been credited to sales account.
  - (c) Goods purchased from Sanjay for Rs. 4,000 was recorded in purchase book as Rs. 400.
  - (d) Rs. 5,000 paid to Anil for salary were debited to his personal account.

- (e) Rs. 1,000 paid for cartage for the newly purchased machine has been debited to cartage account.
- (f) Rs. 5,000 received from 'Ram' has been credited to 'Shyam' account.
6. (a) Explain briefly the various types of reserves with examples.
- (b) Receipts and payment Account of a sports club showed that Rs 50,000 were received by way of subscription for the year ended 31.12.2010. The additional information was as follows :
- (i) Subscription outstanding on 31.12.2009 were Rs. 5000.
  - (ii) Subscription received in advance on 31.12.2009 were Rs. 3000.
  - (iii) Subscription outstanding on 31.12.2010 were Rs. 10,000.
  - (iv) Subscription received in advance on 31.12.2010 were Rs. 6,000.
- Show how above information would appear in the final accounts for the year ended 31<sup>st</sup> December 2010 of Sports Club.
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**BACHELOR'S DEGREE PROGRAMME**

**Term-End Examination**

**June, 2013**

**ELECTIVE COURSE : COMMERCE**

**ECO-2 : 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. Answer any two of the following : 7+7

- (a) What is consistency concept ? Explain its accounting implications with examples.
- (b) Explain the objectives of accounting.
- (c) What do you mean by depreciation ? Discuss the factors affecting the amount of depreciation.
- (d) Distinguish between provisions and reserves.

2. (a) The Literary Society of Mumbai had received Rs. 60,000 in 2010 towards subscription. Further information is :  
Subscription for 2009 unpaid on 1.1.2010 were Rs. 4000, Rs. 3800 of which were received in 2010. Subscription paid in advance on 31.12.2009 were Rs. 1600 and the same on 31.12.2010 were Rs. 2100. Subscription for 2010 unpaid on 31.12.2010 were Rs. 5,100. What amount of subscription will be credited to Income and Expenditures account of the year 2010. 6+6
- (b) What is meant by Receipts and Payments Account ? In what respect does it differ from Income and Expenditure A/C.
3. Raghav Radio & Co., Mumbai sent on consignment to Chaddha & Co. Calcutta 100 radio sets, invoiced at Rs. 1,000 each on January 6 2011. Raghav Radio & Co. Paid Rs. 4,000 on the same day for dispatching goods to the consignee. Consignee remitted Rs. 50,000 as an advance by bank draft on 14<sup>th</sup> January. The consignee is entitled to a commission of 10% on the sale proceeds. On receipts of goods the consignee paid Rs. 2000 for freight and Rs. 4,500 for godown charges. On January 28, Chaddha & Co.. sent an Account sales showing that the radio sets have realized Rs. 1,500/ each. He remits the amount due to Raghav Radio & Co. Pass journal entries in the books of consignor. 12

4. (a) What is self - Balancing system ? State its advantages. 6+6  
(b) Discuss the draw backs of single entry system of accounting.
5. Pass journal entries to rectify the following errors. 12  
(a) Goods Rs. 4,000 sold on credit to B, no entry was made in books.  
(b) No entry was made for purchases returns of Rs. 3,000.  
(c) No entry was made for sales returns of Rs. 5,000.  
(d) Goods purchased on credit from S Rs. 5,000, was recorded in purchase book as Rs. 500  
(e) Sales of Rs. 6,000 to D were recorded as Rs. 600 in sales Book.  
(f) Rs. 1,000 Received from Ram has been credited to Shyam's account.
6. Write short notes on *any two* of the following : 6+6  
(a) Provision for doubtful debts  
(b) Capital expenditure  
(c) Deferred Revenue Expenditure  
(d) Cost - concept of Accounting.
-