

February 2014

Bachelor of Business Administration (BBA) Examination  
I Semester

**Basic Accounting**

Time : 3 Hours ]

[ Max. Marks : 80

**Note : Attempt any two questions from Section A and any three questions from Section B.**

**Section A**

- Q.1.** Explain the meaning and significance of the following :  
(a) Dual Aspect (b) Going Concern (c) Consistency (d) Materiality.
- Q.2.** What do you mean by Adjustment Entry? Give its importance.
- Q.3.** What is Depreciation ? Why is it needed?

**Section B**

- Q.4.** From the following balances prepare Trial Balance and treat the difference as sales :

	Rs.		Rs.		Rs.
Capital	40,000	Drawings	5,000	Debtors	10,900
Creditors	6,000	Wages	6,000	Purchases	25,000
Return Outward	2,000	Rent Paid	1,000	Commission given	2,000
Advertising	1,000	Bad Debts	1,100	Provision for Bad Debts	2,000
Machinery	10,000	Furniture	5,000	Tools	5,000
Insurance	1,000	Carriage	1,000	Investment	10,000
		Outwards			
Salary	2,000	Salary	300	Interest on	750
		Outstanding		Investment	

- Q.5.** From the balances given in Q. No. 4 and with the help of following adjustment prepare Final Accounts :
- (a) 20% Depreciation on Furniture.
- (b) Insurance prepaid Rs. 200.
- (c) Wages include Rs. 1,000 paid for installation of machinery.
- (d) Create 5% provision for doubtful debts and also create 2% provision for discount on debtors and creditors.
- (e) Outstanding rent Rs. 500.
- (f) Closing stock Rs. 30,000.

- Q.6.** On 31-12-2012 pass book showed a bank overdraft of Rs. 2,450. On comparing it with cash book, the following points of difference were noted :
- (a) A cheque of Rs. 120 deposited in the bank was cleared but was credited as Rs. 1,200.
- (b) Cheques issue but not presented for payment amounted to Rs. 4,300.
- (c) Rent of bank locker Rs. 300 was debited in the pass book as Rs. 3,000 and locker rent was not recorded in the cash book.
- (d) A cheque of Rs. 10,000 issued in favour of a supplier was recorded in cash book as Rs. 1,000 (it is not included in the figure of cheques issued given above).
- (e) Tuition fees of children of the proprietor Rs. 1,500 paid by the bank as per standing instructions.
- (f) A cheque of Rs. 2,000 deposited in the bank was not recorded in cash book but was credited by the bank.

Find out bank balance as per cash book.

- Q.7.** M/s D Ltd. purchased a plant on 1-4-2007 for Rs. 3,70,000 and installed the same at a cost of Rs. 30,000. On 1-7-2008 the firm purchased another plant for Rs. 1,00,000. On 1-7-2009 it sold off the first plant purchased a 2007 for Rs. 2,80,000. On the same date, it purchased a new plant for Rs. 2,50,000. On 1-7-2010 the second plant was sold for Rs. 20,000.
- Show Plant A/c from 2007 to 2010 after providing depreciation @10% p. a. on reducing balance method.
- Q.8.** Give a specimen forms of Company's Balance Sheet according to the Companies Act.

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