

**BBA Examination** *APRIL-2015*  
**Semester – I**

**Paper No :** 103

**Paper Name :** Principles and Practice of Accountancy - I

**Paper Code :** 2578

**Time :** 2 Hours

**Maximum Marks :** 70

Q-1 (A) Define Accounting and discuss the features of accounting in detail. (7)

Q-1 (B) Write short notes on:- (7)

- 1) Separate entity concept
- 2) Going Concern concept

OR

Q-1 (A) Define Book keeping and discuss the users of financial information briefly. (7)

Q-1 (B) Write Short notes on: (7)

- 1) Money Measurement concept
- 2) Accounting Period concept

Q-2 Classify the following Accounts (Real, Personal & Nominal):- (14)

1) Capital Account	8) Demurrage Account
2) Building Account	9) Life Insurance Premium Account
3) Commission account	10) Sales tax Account
4) Life Insurance Corporation Account	11) Income tax Account
5) Shares of reliance Account	12) Bills receivable Account
6) Advertisement Account	13) Gujarat Government Account
7) Goods Stolen Account	14) Discount Allowed Account

OR

Q-2 What are the rules of debit and credit relating to all the accounts? Explain each rule with the help of two Illustrations? (14)

Q-3 From the following Transactions of Sanghmitra traders prepare purchase book, purchase return, sales book, sales return book for the month of March 2013. (14)

2013

March 1 Purchased goods of Rs. 8000 from Tarun for cash at 10% TD

March 2 Purchase of furniture against cheque of Rs 8000 from Mayur furniture mart

March 3 Purchased from Anil goods costing Rs 10000 at 10% TD

- March 5 Half the goods purchased from Anil was sold to Jayesh at a profit of 25% on the selling price
- March 7 Old furniture of Rs. 15000 sold to Nayan for Rs 3500
- March 9 Sold goods to Sejal for Rs. 8000
- March 11 Goods of Rs 400 was returned back to Sonali as they were defective and received a credit note for it
- March 15 Goods of Rs 800 sold to Parul in February was received back as they were not as per sample
- March 16 Jayesh returned defective goods of Rs 1200 which we returned back to Anil
- March 16 Purchased goods from Sharad for Rs 8000 at 10 % TD and 5% CD. Half the payment was made immediately.

OR

Q-3 Record the following transactions in the columnar cash book with cash, bank and discount columns of shri Ananya for the month of March 2013. (14)

2013

- March 1 Cash on hand Rs. 10,000 & Bank Overdraft Rs. 15,000
- March 1 Additional Capital brought in the business by selling personal scooter of Rs 20000 and the amount deposited in the bank
- March 5 Cash sales of Rs 20000 at 10% TD and 2% CD
- March 8 Sold goods to Chirag Rs 10000 at 10% TD and he gave a crossed cheque for half the amount.
- March 10 Withdraw from the bank Rs 5000 for personal expenses
- March 15 Cheque of Chirag was dishonored he gave cash against the cheque
- March 20 Received 3% commission on total sales Rs. 300000
- March 22 cash deposited in the bank Rs. 10000
- March 25 received a crossed cheque for Rs. 9700 from Ramesh in full settlement of his account of Rs. 10000
- March 28 Issued a cheque to Amar for Rs 7840 after deducting 2% cash discount
- March 29 salary paid to Ashwin Rs. 5000 by cash and Rent to landlord by cheque Rs. 8000
- March 31 Keeping Rs. 1000 cash on hand, the balance is deposited in the bank.

Q-4 From the the following Trial balance of Mandira shah prepare Trading account and Profit and Loss Account for the year ending on 31<sup>st</sup> march 2012 and Balance Sheet as on that Date:(14)

<b>Debit balances</b>	<b>Amount</b>	<b>Credit balances</b>	<b>Amount</b>
Opening stock	17000	Capital	100000
Purchases	96100	Creditors	55600
Wages	7400	Sales	172000
Carriage Inward	5400	Rent	2400
Carriage Outward	2000		
Salary	6000		
Buildings	80000		
Furniture	4600		
Depreciation On furniture	500		
Debtors	81000		
Insurance premium	1600		
Printing and stationary	2500		
Sundry expenses	4400		
Repairs	1000		
Cash on hand	12500		
Drawings	8000		
<b>Total</b>	<b>330000</b>	<b>Total</b>	<b>330000</b>

**Adjustments:**

- 1) Value of Closing stock was Rs. 7600
- 2) Rs. 1200 was outstanding for salaries
- 3) Depreciate Building by 5%
- 4) Insurance paid in advance Rs 100
- 5) Building Rent received in advance was Rs. 300
- 6) Credit purchase of Rs 700 was not recorded in books of Accounts

OR

Q-4 Write proper Adjustment entries for the Following and show the effects of Adjustments in Final Accounts (Trading A/c, Profit & Loss A/c & balance Sheet) (14)

- |                         |                               |
|-------------------------|-------------------------------|
| 1) Closing Stock        | 5) Income Received in Advance |
| 2) Outstanding Expenses | 6) Depreciation on Assets     |
| 3) Prepaid Expenses     | 7) Interest on Capital        |
| 4) Accrued Income       |                               |

Q-5 (A) Explain various kinds of Errors affecting the Trial balance (7)

Q-5 (B) what is meant by suspense account? Explain how errors are corrected with the help of Suspense Account? (7)

OR

Q-5 Rectify the Following Errors using Suspense Account wherever necessary and also prepare Suspense A/c. (14)

- 1) Premal was paid cash but Instead Hemal's Account was debited by Rs. 2000
- 2) Wages Amounting to Rs. 7000 for Installation of Machinery was debited to wages account
- 3) Returns Inward book for December was totaled Short by Rs 1000
- 4) Purchase return of Rs 1000 to Ranbir was not recorded at all
- 5) A purchase of Rs 670 had been posted to creditors account at Rs 600
- 6) Discount received Rs 1420 had been debited to discount allowed account
- 7) An Accrual of Rs 660 for telephone Charges has been completed omitted

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