

(iii) M/s Sharma Sons has been providing for depreciation on Motor Car @ 20% under Diminishing Balance Method. Now he wants to provide Depreciation @ 6% under Straight Line Method w.e.f. April 1, 2018 (on the date of purchase of the Motor Car).

(iv) M/s Sharma Sons's bank has debited Rs. 150 in the Pass Book as clearing charge which has not been entered in the Cash Book.

(v) Creditors include a balance of Rs. 1,600 to the credit of S Chand in respect of which it has been decided and settled with the party to pay only Rs. 1,000.

(vi) Provide Depreciation on Machinery @ 15% and on Furniture @ 10% p.a.

(vii) A Debtors of Rs. 12,000 accepted a bill drawn by M/s Sharma Sons.

(viii) Create a provision for Doubtful Debts @ 5% on Sundry Debtors.

SECTION—IV

VII. Elaborate important provisions of Companies Act, 2013 w.r.t. preparation of Final Accounts of a Company. 10

VIII. Discuss the application of Computers in Accounting. 10

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Exam. Code : 105401
Subject Code : 1360

Bachelor in Business Administration (BBA) 1st Semester
(Batch 2021-24)

BASIC ACCOUNTING

Paper—BBA-103

Time Allowed—3 Hours] [Maximum Marks—50

Note :— Attempt FIVE questions in all, selecting at least ONE question from each Section. The fifth question may be attempted from any Section. All questions carry equal marks.

SECTION—I

- I. Discuss who are the users and what is their interests in Accounting Information. What are the limitations of Financial Accounting ? 10
- II. Briefly discuss Accounting Concepts and Conventions. 10

SECTION—II

- III. (a) Explain the Imprest System of Petty Cash Book. 5
- (b) From the following information prepare Triple Columnar Cash Book. 5

2021		
Mar1	Balances : Cash Rs. 500 and Bank (Cr.) Rs. 12,000	
Mar2	Invested additional capital of Rs. 12,000	
Mar5	Deposited Rs. 8,000 in the bank	
Mar8	Received from Sita Rs. 890, allowed her discount Rs. 5	
Mar12	Paid Rs. 1,200 to Ghansham who allowed discount of Rs. 30	

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(Contd.)

Mar15	Bought merchandise for cash Rs. 700
Mar17	Sold merchandise for cash Rs. 1,000
Mar18	Purchased furniture by cheque Rs. 1,500
Mar19	Received a crossed cheque of Rs. 230 from Geeta in full settlement of the debt of Rs. 240
Mar22	Paid commission Rs 150 by cheque
Mar25	Withdrew for personal use of Rs. 300
Mar26	Paid to Krishnan Rs. 700 by cheque, Discount received Rs. 20
Mar27	Withdrew for personal use Rs. 300
Mar29	Received dividend by an order cheque Rs. 30, deposited in bank on the same day
Mar30	Clear telephone bill Rs. 50
Mar31	Paid manager's salary Rs. 350, Rent Rs. 200 and Wages Rs. 150

IV. Explain the need and importance of providing Depreciation. Discuss and illustrate Straight Line Method of Depreciation. 10

SECTION—III

V. What is meant by Marshalling of Assets and Liabilities ?
What purpose does Final Accounts serve ? 10

VI. Prepare Trading and Profit and Loss Account of M/s Sharma Sons for the year ended March 31, 2021.

Particulars	Amt.(Rs.)	Particulars	Amt.(Rs.)
Stock (April 1, 2020)	15,100	Sales	1,67,200
Purchases	94,500	Returns Outwards	1,500
Wages	30,900	Provision for Doubtful Debts	3,200
Electricity	3,750	Sundry Creditors	35,600
Furniture	12,500	Capital	80,000
Machinery	18,000	Discount Received	1,280
Motor Car	10,240		
Fuel	3,180		
Rent @ Rs. 450pm	4,050		
Printing and Stationery	5,200		
Fixed Deposit (@ 10% p.a.)	25,000		
Sundry Debtors	42,000		
Discount Allowed	1,400		
Insurance Premium	4,800		
Telephone Charges	3,750		
Bad Debts	500		
Bank	11,300		
Cash	2,610		
	2,88,780		2,88,780

Other information :

- (i) Stock on 31 March 2021 is Rs. 26,700. The stock includes goods returned by the customer to the value of Rs. 2,200 for which no entry has been made.
- (ii) Stock valuing Rs. 5,000 destroyed by fire Rs. 500 realised through sale of damaged goods and insurance company paid Rs. 3,000 only against the complaint.